

## The Keystone Pipeline

In 2014, TransCanada, a crude oil corporation located in Canada, proposed the Keystone Pipeline. Their proposal described a pipeline stretching 1,179 miles from Alberta, Canada to Steele City, Nebraska. (BBC News, 2014). The Keystone Pipeline would join an existing pipeline in Steele City, carrying approximately 830,000 barrels of oil across six U.S. states each day, terminating at refineries in Texas. (BBC News, 2014). As part of their justification for the project, TransCanada stated that the pipeline would benefit the United States in more ways than it would potentially hurt. In 2016, President Barack Obama rejected the proposed pipeline as he was concerned with its possible negative effects on the environment. (BBC News, 2014). Once Obama left office, President Donald Trump overturned that decision and permitting pipeline construction to begin as soon as possible. Notwithstanding Obama's initial reaction, on balance, the Keystone Pipeline will benefit the U.S. economy, reduce dependence on foreign oil, and allow increase its energy security; and, therefore, should be constructed.

According to TransCanada, the Keystone Pipeline will cost about \$5.9 billion while providing a \$20 billion benefit to the U.S. economy (STI Group, 2013). One way it will aid the U.S. is through job creation. (STI Group, 2013). There are 6.8 million unemployed people in the United States. (Department of Numbers, 2019). Unemployment is a significant factor in the economic stability of any country, including the U.S. Workers lose income and in turn the country loses production and consumer spending. From various involved businesses and companies, as well as construction and maintenance workers, the pipeline will put many different people to work, thus giving people and families an income while allowing the country to increase productivity and consumer spending. According to Servicing America's Energy, "TransCanada estimates that the pipeline will create 15,000 new construction and manufacturing jobs, 9,000 American jobs to build the Keystone XL Pipeline, and 7,000 American jobs to manufacture the steel pipe needed to build the pipeline" (STI Group, 2013). Alongside job creation, the pipeline will also raise tax revenue. It is predicted to generate \$5.2 billion in property taxes from states such as

Montana, Oklahoma, and Texas. (STI Group, 2013). The STI Group explains that “if the Keystone XL is approved, there is not sufficient housing present in the needed areas to support the full number of anticipated construction workers. In order to overcome this obstacle, the Keystone has proposed that it will build temporary housing and construction camps. The property tax alone on these encampments is estimated at \$2 million” (STI Group). Lastly, the pipeline will lower the cost of crude oil in U.S. by stabilizing the price of oil and, ultimately, save money on annual oil costs (STI Group). From job creation to higher tax revenues to less money spent on oil, it is evident that the Keystone Pipeline will benefit the United State’s economy greatly.

The U.S. economy is negatively affected by the amount of oil we import from other countries, such as China and Saudi Arabia. In 2014, the U.S spent \$300 billion on oil imports (ECODAD, 2015). Because we depend on countries like these to fill our oil needs, we are basically required to pay whatever they charge in order to maintain energy input to the population. With the installation of the Keystone Pipeline, the U.S. dependence on foreign oil will decrease dramatically. CNN’s John Hoeven explains that “if the Keystone XL pipeline isn’t built, Canadian oil will still be produced -- 700,000 barrels a day of it -- but instead of coming down to our refineries in the United States, instead of creating jobs for American workers, instead of reducing our dependence on a turbulent part of the world, that oil will be shipped to China” (Hoeven, J., 2012). Americans use more oil than any other country, 18.5 million barrels per day to be exact (ECODAD 2015). The lifestyle of the population isn’t going to change, alongside the costs of foreign oil. To allow Americans to continue their oil consuming habits while keeping the U.S economy more stable and independent, the Keystone Pipeline is vital.

Not only will it improve the United State’s economy through job creation, tax revenue, and decrease on dependency of foreign oil, the Keystone Pipeline will also allow the U.S to increase its overall energy security. Improved energy resource security ensures the U.S. can make decisions on what type of energy to use, when to use it, where use it, and how much to use independent of outside

influences. Without this ability, the U.S. is susceptible to strong-arming by foreign powers, which could pose potential threat to our nation's stability (Drevna, 2010). Economist Fatih Birol states that "strong policies and innovation can make the difference for energy security, climate change, air quality, and universal access to modern energy services in parallel - in short, building a secure, affordable, sustainable energy system that is available to all" (Birol). The Keystone pipeline provides a consistent, dependable source of energy from a long standing, trusted ally, Canada. As a result, the U.S. has greater freedom to make decisions about its energy usage without concern over Canada's political agenda. This freedom enhances our energy security.

Consuming vast amounts of oil on the daily is an unfortunate reality for Americans. The question one must ask is if the nation should make an effort to meet more of the country's energy needs by strengthening security through an ally, or increase dependence on energy resources from unstable and potentially manipulative parts of the world. Of course there will be possible negative environmental impacts, but this is the case for every pipeline, every oil industry, every factory in America. The Keystone Pipeline is no different. With proper environmental monitoring and controls, the Keystone Pipeline can be constructed and operated like the thousands of similar, existing facilities across the U.S (Erickson, Lazarus, 2014). The Keystone Pipeline will not only improve the American economy, but will reduce our dependence on foreign oil, and, in turn, create stronger energy security. Clearly, the Keystone Pipeline is a significant benefit to the U.S. regardless of the minor environmental effects of its construction and operation.

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