

Example of keystone pipeline research paper

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What is it?

The Keystone Pipeline consists of a nearly 2, 000-mile oil pipeline. Built in four phases, the last of which awaits presidential approval and perhaps, the most divisive, the Keystone XL built from Alberta, Canada to a hub in Nebraska, that would send the oil to be refined to the Gulf coast of Texas by Canadian company, TransCanada. The prized Alberta oil sands holds roughly 168 billion recoverable barrels of heavy crude called bitumen. This project would traverse across six states.

What are the PROS and CONS of the Keystone Pipeline?

In this paper, the pros and cons of the Keystone Pipeline would be analyzed, a topic that has become a divisive issue for many in this nation.

Environmental activists and other advocacy groups urge for additional monitoring due to several major incidents of pipeline oil spills, higher incidents of rare diseases inflicting communities and residents who rely on access to clean water, exacerbation of greenhouse gas emissions that this project will result in.

Proponents of the project cite the jobs-booster that the project would create in the construction industry and increased energy security that the project will bring.

President Obama's benchmark for approving the project ought to be that "doing so would be in the nation's interest. And our national interest will be served only if the project does not significantly exacerbate the problem of carbon pollution."

CONS:

A study by Kelly et al (2010) found that increased pollution particulates from the oil sands industry may contribute to the public health issues such as increase of cancer rates and other rare illnesses afflicting residents. In particular, the study analyzed residents living in the downstream sites and discovered “ contrary to claims made by industry and government in the popular press, the oil sands industry substantially increases loadings of toxic PPE to the AR and its tributaries via air and water pathwaysdetailed long-term monitoring is essential to distinguish the sources of these contaminants and control their potential impacts on environmental and human health.”

Secondly, the practice to refine oil requires vast amounts of water, heat and other chemicals to extract the precious bitumen. Friends of the Earth, an environmental advocacy network claims, water waste and pollution are just two of the side effects that the project generates. It takes three barrels of water to extract each barrel of oil.

Creation of jobs is overestimated

Proponents of the project cite the increase of jobs that will surely lift the sagging economy and boost the construction industry. Politifact estimates if the project took only one year to be built, nearly 16, 000 jobs could be created in the construction industry. Furthermore 5, 400 jobs estimated to be generated in states where the pipeline and support infrastructure are situated: Montana, South Dakota, Nebraska and Kansas. Resulting in a total of 42, 100 jobs would be created in the course of the project, leaving about 30, 000 jobs outside the area of the four states. However, most of the jobs created will be temporary and non-local. Politicians tout the Keystone

Pipeline as a jobs-booster, however evidence suggests non-locals would assume a sizable number of jobs. Skinner and Sweeney claim that only between 506 and 1, 387 workers would be hired locally, thereby countering the narrative made by politicians that the jobs created by this project would be the “ magic solution” lifting depressed regions of the country.

Furthermore, the authors state that “ KXL will not be a major source of US jobs, nor will it play any substantial role at all in putting Americans back to work.”

In addition, the Keystone Pipeline project itself contains numerical inconsistencies in order to fit a narrative highly motivated by political and economic factors. More alarming is the basis of inaccurate statistics used as the benchmark to calculate tax and revenue projections by the U. S. government. In a Cornell University report, TransCanada will spend \$7. 9 billion on the Keystone project but which U. S. agencies have cited this figure that is not entirely accurate as it refers to the overall cost of the project. The actual budget projected for the U. S. is closer to \$3 to \$4 billion.

Consider the ramifications that may result should the project not continue:

- Weakened political and economic ties between Canada and the United States. The failure of the Keystone Pipeline project would signify the Canadian Prime Minister’s frustrations at the lack of progress of the Keystone Pipeline. Submitted for presidential approval in 2008, the Keystone XL expansion project has been on hold, testing the friendship of both nations.
- President Obama, constrained by environmental activists who urge the president to turn down the project for its detrimental impact to the

environment and communities impacted by this project. Similarly, the President is conflicted by conservatives who pressure the president by the increase of jobs that this project may mean for workers in the construction industry who were impacted as a result of the global meltdown.

- If this project does not receive the presidential permit, Canada would see a loss of growth amounting to C\$632 billion over a 25 year period. Specifically, the Canadian province of Alberta, where the majority of the oil sands is situated, would be directly impacted and experience a drop in 94% of its local economy. Furthermore, the 1989 US-Canada Free Trade agreement (FTA) would be in jeopardy as its main purpose were to improve free trade and decrease barriers that could be key for joint cooperation that may hold opportunities for more joint ventures, strengthening ties between nations. Should the project fall through, weakened political and economic ties may erode the partnership between US-Canada relations.

The Keystone Pipeline remains an integral issue and is the political football and has allowed politicians to differentiate themselves from the President's agenda. In particular, the project has been symbolic for moderate Democrats in red-states trying hard to hold on to their political office in the midst of a tough economy.

The U. S. portion of the Keystone Pipeline includes the construction of 1, 084 miles of new pipelines throughout North Dakota, South Dakota, Kansas, Missouri and Illinois. Phases three and four, the Keystone Gulf Expansion involves building a 1, 661 mile pipeline that begins in Alberta and extends through Montana, South Dakota and Nebraska.

However, strong evidence suggests the primary material used for KXL would

be made by foreign multinational corporations, not by the U. S. About half of the steel pipes won't be produced in the United States and would likely be sourced from outside the country. Furthermore, TransCanada has contracted with an Indian multi-national corporation and a Russian company to manufacture steel pipes for KXL.

Lastly, an unintended consequence of the project would occur as KXL project would divert Tar Sands oil that is now supplying the Midwest refineries and result in higher prices to export markets and consumers in the Midwest. Consumers may see an increase of 10 to 20 cents more per gallon. ,

PROS:

Proponents of the project are keen to point out the benefits of the project as part of their talking points: jobs for manufacturers that make the steel pipe, pumps and control devices. Furthermore, the proposed project has become the “ magic solution” that would create jobs, decrease our dependence on foreign oil. The Keystone pipeline project would deliver an additional 830, 000 barrels of oil per day to the US from Canada. By investing in the project, advocates hope to protect the U. S. consumers from destabilizing oil shocks that may contribute to the geopolitical forces in other parts of the world.

Another point that proponents are eager to suggest as one of the benefits of the project revolves around the environmentally safe method of transporting the oil. The American Petroleum Institute,” a trade association for the oil and gas industry claims by investing in the project, the crude imports from Canada might reach 4 million barrels a day by 2030, about what remains currently twice imported from the Persian Gulf. They tout the safeness of oil transport using pipelines.

A State Department report claims that the Keystone Pipeline project would not substantially worsen carbon pollution and indicated that even if the pipelines were not built, the oil would be extracted and transported by rail to the refineries that would exacerbate greenhouse gas emissions. Pipelines remain the primary method of transportation of oil and gas making long-distance transportations a key investment strategy.

Manufacturers hope that the project would act as a catalyst to foster economic development and lead to an increase in infrastructure investments. In the past thirty years, infrastructure spending has declined and it may have detrimental effects on the nation's long-term growth.

Although peak production of oil and gas won't be reached until 2019, investment in pipeline infrastructure may help facilitate energy production.

The immediate effects of communities impacted by the Gulf Coast Project resulted in a higher volume of businesses in Texas and Oklahoma.

TransCanada spent nearly \$6 million a month during construction spurring local business activities in these communities. (Weinstein et al. 2014: 8). The authors also claim with the U. S. achieving energy security with the expansion of oil and gas production, the nation could become a " world energy superpower".

Another aspect of the Gulf expansion pipeline project are the contracts with U. S. manufacturers that were generated as a result of the project.

Manufacturing needed for more than 485 miles of strong pipelines that required valves, transformers, cables and other materials spurred on activities on the supply chains.

Economic activities generated by TransCanada's project in Texas and

Oklahoma remains especially impressive. \$2. 1 billion of economic activities generated in Oklahoma as a whole due the construction of the pipelines and almost \$3. 6 billion of economic activities in Texas due to the project.

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