



## Keystone XL Opponents Holding the Line on a Fiction

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**By Dick Clark**

Phase IV of the Keystone pipeline, also known as “Keystone XL,” is a proposed 1,700 mile, multi-billion dollar extension of TransCanada’s Keystone pipeline. The new line would be a more direct route from the oil fields in Alberta, Canada, to the existing Keystone pipeline, which feeds refining facilities in Texas. Estimates vary, but no one disputes that the project would directly or indirectly create thousands of new jobs. Besides the work associated with constructing the new line, the completed capital improvement would facilitate the expansion of the petrochemical refining industry along the Gulf Coast.

Because the proposed pipeline crosses the international border with Canada, the United States Department of State must approve the project before it can proceed. The department’s review of the project, which has gone on for more than five years, was slated to wrap up in May, but now it has been postponed indefinitely pending the final outcome of a Nebraska court case that will determine the constitutionality of the 2012 legislation delegating limited pipeline route approval authority to the executive branch. In the meantime, TransCanada has the option of applying to the Nebraska Public Service Commission for route approval.[\[1\]](#)

This past Saturday, protests were held in a number of locations throughout the United States in response to the Sierra Club’s call[\[2\]](#) to oppose the Keystone XL Pipeline and other so-called “dirty energy” projects. Organizers of the events cite concerns over contamination of surface and groundwater, and they also warn of cataclysmic consequences from climate change in the future. While these protests are fashionable, protesters fail to recognize that the Keystone XL pipeline will arguably reduce—not increase—the risk of environmental catastrophe. In the meantime, these efforts to obstruct the pipeline are delaying needed economic growth and an answer to high domestic energy prices.

Danger to the Ogallala Aquifer from the pipeline has been overstated. James Goeke, a former UNL professor and research hydrogeologist, wrote a column in 2011 that was published by the *New York Times* on the danger posed by the pipeline project to the aquifer. Goeke argued that most of the aquifer is uphill from the pipeline route and unreachable by any leaks. The soil composition and other geologic features in areas to be traversed by the pipeline are such they

would impede the spread of any spilled oil. Finally, Goeke noted the pipeline would be encased in a protective covering near surface water that might be contaminated by a leak.[3]

Many opponents of the pipeline are really opponents of fossil fuels, and their opposition to the pipeline stems from this ideological basis, rather than from cool consideration of which policy decision will actually result in less harm to the environment. In January, the Obama administration's State Department released a report concluding that operation of the Keystone XL Pipeline would not substantially worsen carbon pollution.[4] While there is no doubt that utilization of fossil fuels results in carbon emissions, oil sands are already being extracted and brought to market, and they are currently being transported largely by rail, a less efficient and more expensive method for getting this material to refineries.

The new pipeline would not be the first such line in Nebraska or near the Ogallala Aquifer. Hundreds of lines—including crude and other petrochemical lines—crisscross the aquifer and have for years.[5] High energy prices make utilization of oil sands economically feasible, and under the status quo oil sands are being moved to refineries by rail. The consistency of the oil sands material necessitates the use of insulated, heatable rail cars.[6] Despite stricter regulations published in February by the United States Department of Transportation, bitumen shipments from Western Canada by rail are expected to double by the end of the year.[7]

The worst risks attendant to this mode of transport were largely avoided when a freight train derailed in Pittsburgh earlier this year, destroying several buildings and spilling some oil but not contaminating local surface water.[8] While tragedy was avoided in Pittsburgh, the incident serves as a reminder of the fact that railroads are by necessity routed through population centers with their cargo. Although transport by rail is substantially quicker than moving this viscous material through a pipeline, it is also very expensive—as much as three times as expensive.[9]

The tremendous savings in transportation costs would all but guarantee the oil sands would go by pipeline instead of rail, but for the legal obstructions put in place by state and federal regulators. Without government intervention, market pressures are already pushing the petroleum industry in the direction of more efficient transport that eliminates the environmental and safety risks currently posed to populated areas and surface water by this difficult cargo. Unfortunately, it is the very regulatory process designed to protect the public that is preventing the construction of capital improvements that would grow the economy, create jobs, and enhance public safety. Fostering economic progress and making the public safer are causes that ought to never go out of style. If government will merely get out of the way and let the market function, they never will.

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[1] Duggan, Joe. "Court strikes down Nebraska law that allowed Keystone XL pipeline." *Omaha World-Herald*. February 20, 2014. [URL: <http://omaha.com/article/20140219/NEWS/140218464>]

[2] "Press Release: National Day of Action on Keystone XL May 17." Sierra Club. May 14, 2014. [URL: <https://www.commondreams.org/newswire/2014/05/14-0>]

[3] Goeke, James. "The Truth About Aquifers." *New York Times*. October 4, 2011. [URL: <http://www.nytimes.com/roomfordebate/2011/10/03/what-are-the-risks-of-the-keystone-xl-pipeline-project/the-pipeline-poses-minimal-risk-to-the-ogallala-aquifer>]

[4] Davenport, Coral. "Report Opens Way to Approval for Keystone Pipeline." *New York Times*. January 31, 2014. [URL: [http://www.nytimes.com/2014/02/01/us/politics/report-may-ease-way-to-approval-of-keystone-pipeline.html?\\_r=0](http://www.nytimes.com/2014/02/01/us/politics/report-may-ease-way-to-approval-of-keystone-pipeline.html?_r=0)]

[5] Lakely, Jim. "Map of Pipelines and the Ogallala Aquifer, 2012". Heartland Institute. January 20, 2012. [URL: <http://heartland.org/policy-documents/map-pipelines-and-ogallala-aquifer-2012>]

[6] "CN idea a winner for oil sands." *National Post*. April 11, 2009. [URL: <http://www.nationalpost.com/opinion/columnists/story.html?id=4b02fa05-4d2a-4f6b-b66c-730f0249e943>]

[7] Penty, Rebecca and Lynn Doan. "Oil-Sands Cargos Face Tougher U.S. Rail-Shipping Rules." *Bloomberg*. February 27, 2014. [URL: <http://www.bloomberg.com/news/2014-02-27/oil-sands-cargos-face-tougher-safety-rules-for-rail.html>]

[8] Seville, Lisa Riordan. "Crashed Train Carried 'Keystone Pipeline' Style Crude Oil." NBC. February 21, 2014. [URL: <http://www.nbcnews.com/news/investigations/crashed-train-carried-keystone-pipeline-style-crude-oil-n34591>]

[9] Batheja, Aman. "Rail Transport of Crude Oil Increases as Pipeline Falls Short." *New York Times*. April 13, 2014. [URL: <http://www.nytimes.com/2014/04/13/us/rail-transport-of-crude-oil-increases-as-pipeline-falls-short.html>]