



# PlatteChat

AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,  
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

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## **Keystone XL Pipeline Update**

The Keystone XL Pipeline is good for Nebraska and good for America. Next week will be a milestone in the approval process in Nebraska. The Platte Institute has provided an update on the process below, as well as a summary of the top reasons for this critical project:

### **PROCESS UPDATE: Nebraska Reroute**

The Nebraska Unicameral held a special legislative session to address concerns about the Keystone XL Pipeline (KXL) route through Nebraska. The bipartisan agreement from that session was that TransCanada would propose a reroute to avoid the Sandhills. The Nebraska Department of Environmental Quality (NDEQ) has now finished a review of the new route and has made the [Draft Evaluation Report](#) available. After a public hearing, NDEQ will finalize a recommendation to the Governor who will make the final decision.

The public hearing on the Nebraska reroute of KXL will be held by NDEQ on Tuesday, December 4 at 6pm at the Boone County Fairgrounds in Albion.

In addition to the hearing, public comments will be accepted through December 4 and may be submitted via e-mail to [NDEQ.SEISpubliccomment@Nebraska.gov](mailto:NDEQ.SEISpubliccomment@Nebraska.gov).

### **Refresher: Keystone XL Pipeline - why we need it.**

#### **JOBS: KXL will create much-needed jobs.**

The Keystone XL project is [projected by the US Chamber of Commerce](#) to create more than 20,000 high-paying construction and manufacturing jobs in construction and operation, and more than 250,000 permanent jobs for the longer-term impact on the American economy.[\[1\]](#)

Ron Kaminski, Business Manager of Laborers Local 1140 in Omaha, has been a strong supporter of KXL. Since 2006, the Local 1140 has trained more than 400 Nebraska residents to be pipeline workers, even opening a new training facility in Omaha. [Kaminski says](#) KXL will provide skilled labor jobs that are critically needed, with a construction workforce of over 1,500.

**REVENUE: KXL generates tax revenue.**

TransCanada will pay more than \$5.2 billion in property taxes during the operating life of KXL. In addition, KXL will generate more than \$585 million in new revenue for states and communities along the pipeline route. [\[ii\]](#)

The value of pipeline revenue to rural communities in Nebraska was recently highlighted by Nebraska's latest valuation for the original Keystone pipeline, which nearly quadrupled to \$540 million. [\[iii\]](#)

**ENERGY INDEPENDENCE: Relying on Allies, Bakkan oil from America**

The need for reliable and affordable energy is evidenced by increased global demand for energy as well as the political volatility in many of the regions America relies on for oil. According to a report prepared for the U.S. Department of Energy [\[iv\]](#), U.S. refining and importing of Canadian crude could more than double in the next 20 years. This increase will help curb dependency on oil from unstable and unfriendly countries, and instead meet energy needs from a strategic ally.

Notably, KXL includes an on-ramp that will accommodate 100,000 barrels a day from the Bakken formation [\[v\]](#) in North Dakota and Montana, an undeniable move towards American energy independence.

When completed, KXL is projected to provide five percent of America's petroleum-consumption needs and nine per cent of U.S. petroleum imports. Once permitted and completed, the longer-term Keystone Gulf Coast Expansion project could supply roughly half the amount of oil the U.S. currently imports from the Middle East or Venezuela. [\[vi\]](#)

**GAS PRICES: Increased supply is downward pressure on gas prices**

KXL would deliver as much as 830,000 barrels a day of American and Canadian crude oil to U.S. Gulf Coast refineries, improving domestic supply - a key factor in influencing gas prices.

"We all know that supply is a key factor in influencing prices. The worldwide political and economic factors that influence fuel prices may be complex, but we should not lose sight of the simple strategies we have at our disposal to take back some control by tapping our own natural resources," said Consumer Energy Alliance (CEA) Executive Vice President Michael Whatley, who participated in the Platte Institute's 2012 Energy Summit in Kearney.

A CEA study, [Guide to America's Energy Supplies and Gasoline Prices](#), indicated crude oil represents the "biggest cost component (of gasoline prices) and typically makes up between 65 - 70 percent of the total cost of one gallon of regular gasoline. [\[vii\]](#) If we want to lower gasoline prices, we need access to

reliable sources of oil," Whatley said.

The Platte Institute supports approval and construction of the Keystone XL Pipeline:

Policy Study: [The Keystone XL Oil Pipeline: True Facts](#)

Platte Chat: [November 25, 2011- Energy Smackdown: Keystone XL vs. Solyndra](#)

Platte Chat: [September 29, 2011- The Truth about the Keystone XL Pipeline](#)

Platte Chat: [September 21, 2011- Nebraska's Workers Need Keystone XL](#)

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[i] U.S. Chamber of Commerce, Key Vote Alert Letter in support of H.R. 1938, the "North American-Made Energy Security Act", Friday, July 22, 2011  
<http://www.uschamber.com/issues/letters/2011/key-vote-alert-lettersupport-hr-1938-north-american-made-energy-security-act>

[ii] TransCanada, [Know the Facts](#),  
[http://www.transcanada.com/docs/Key\\_Projects/know\\_the\\_facts\\_kxl.pdf](http://www.transcanada.com/docs/Key_Projects/know_the_facts_kxl.pdf)

[iii] Paul Hammel, Omaha World-Herald, [First Keystone pipeline's valuation up to \\$538.5 million](#), August 1, 2012.  
<http://www.omaha.com/article/20120814/NEWS/120819881/1685>

[iv] EnSys Energy & Systems, Inc., [Keystone XL Assessment for US Department of Energy Office of Policy & International Affairs](#), December 23, 2012.

[v] Steven Mufson, Washington Post, [States' pressure shifted TransCanada stance on pipeline extension](#), July 18, 2012.

[vi] The Perryman Group. [The Impact of Developing the Keystone XL Pipeline Project on Business Activity in the US: An Analysis Including State-by-State Construction Effects and an Assessment of the Potential Benefits of a More Stable Source of Domestic Supply](#), June 2010.  
[http://www.transcanada.com/docs/Key\\_Projects/TransCanada\\_US\\_Report\\_06-10-10.pdf](http://www.transcanada.com/docs/Key_Projects/TransCanada_US_Report_06-10-10.pdf)

[vii] Consumer Energy Alliance, [Guide to America's Energy Supplies and Gasoline Prices](#), 2011. <http://www.scribd.com/doc/51816175/Guide-to-America's-Energy-Supplies-and-Gasoline-Prices>



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