Research

Bleak Anniversary: 5 Years Later, The Keystone XL Application Is Still Pending

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This week marks the fifth anniversary of the Keystone XL pipeline's regulatory review. On September 19, 2008, TransCanada submitted its first application to build the 1,179-mile pipeline, which promised to bring $7 billion in private infrastructure investment, $2 billion in wage earnings, and access to a significant, secure source of oil.

In November of 2011, President Obama rejected the Keystone pipeline and sent TransCanada back to the drawing board. The projected in-service date of 2013 slipped to 2015, and is slipping again.

Standing in the way of approval is a regulatory process that still requires the State Department to publish an additional Environmental Impact Statement, agencies to make individual determinations of whether the pipeline is in the national interest, and Secretary of State John Kerry to make a final decision on whether to approve this pipeline. As a reminder, when the pipeline first went through this process, the State Department had issued a favorable determination of "no significant impacts."

It's unlikely we'll see any action on a decision this year, and TransCanada recently revised their in-service date for the pipeline to the second half of 2015.

This delay is costing Americans in real terms. Forum calculations and State Department data demonstrate:

- Roughly 700,000 barrels per day in secure imports. The Keystone XL pipeline would increase the share of North American oil in our import steam above 40%, supplanting up to one third of imports from Persian Gulf nations.
- Billions sent to Persian Gulf. Not only will the United States spend more on oil imported from overseas, but it will send up to $7.7 billion more dollars to oil suppliers in the Persian Gulf.
- More than 40,000 jobs and billions of dollars of earnings waiting in the sidelines. Construction of the pipeline would generate 42,100 annual jobs, including thousands in parts of the country with limited employment opportunities outside farming and government services. Collectively, these new jobs would amount to $2.1 billion in earnings.

The Keystone XL pipeline is a no brainer. Strengthening energy security, increasing trade with a reliable partner, and improving the safety of moving oil across the country are hugely important energy priorities. The pipeline will also bring much-needed jobs, produce a new source of oil for our state-of-the-art refinery fleet, and shift oil profits from the Persian Gulf to North America. Every delay in the approval of this pipeline sacrifices meaningful opportunities for economic growth, and allows international competitors to gain access to North American oil. This anniversary is not one to herald with good cause.

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