



Research

Keystone XL: A Fiscal Win

KIMBERLY VANWYHE | JULY 22, 2015

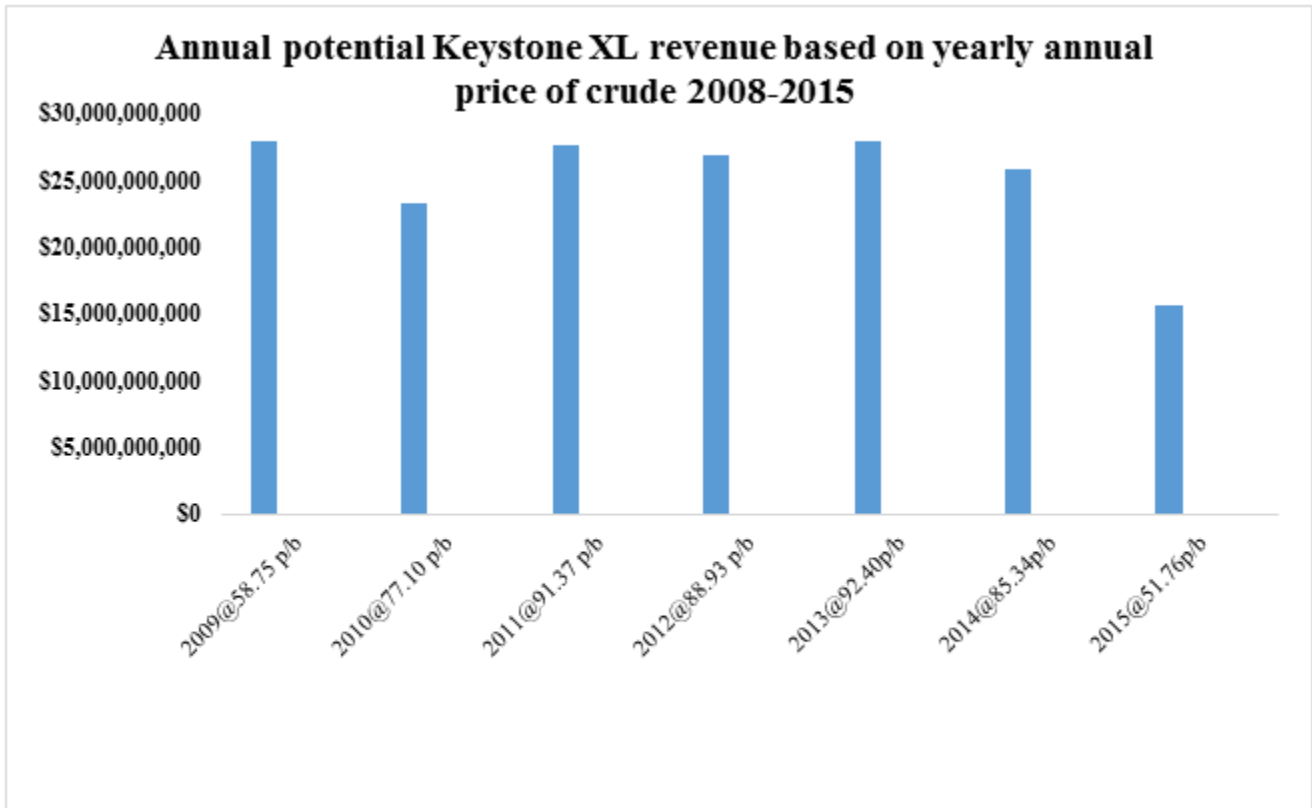
Summary

- \$175 billion in economic activity has been untapped due to the nearly 7 year delay in approving the Keystone XL pipeline.
- The Keystone XL pipeline could gross over \$15 billion in revenue a year.
- Since 2009, the U.S. has paid over \$1 trillion dollars to the top 5 countries from which the U.S. imports, including Russia and Venezuela.

Untapped Revenue

The Keystone XL pipeline has the potential to bring huge gains to the United States, including energy independence, increased security and jobs. The \$8 billion, 1,179 mile line, to be operated by Canadian firm [TransCanada](#), would run from Montana to Nebraska and deliver an estimated 830,000 barrels a day of crude to refineries located along the gulf coast. At today's price of crude at [\\$51.76](#), this would gross over \$42 million dollars a day or roughly \$15 billion per year.

TransCanada has waited since September 2008 for authorization of the pipeline. With crude oil prices at a 10 year low, approximately \$175 billion in economic activity has been unrealized due to the delay.



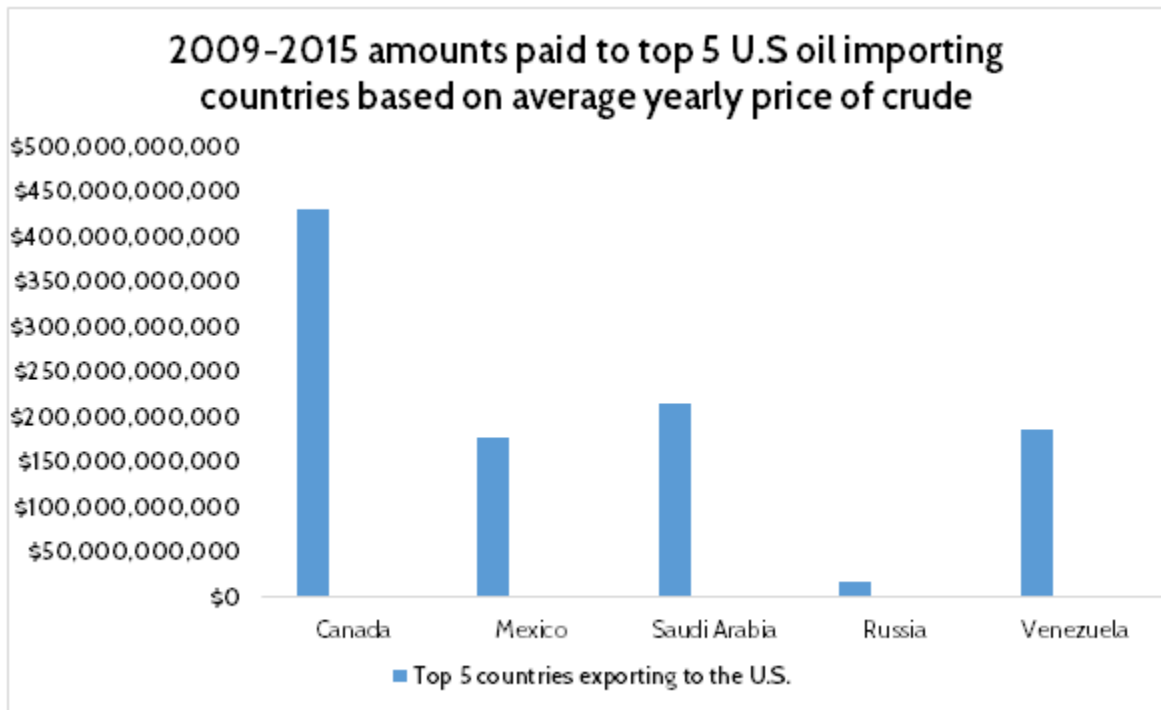
Source: American Action Forum

Lessening Dependence

The U.S. would benefit significantly from increased oil imports from Canada as it would lessen our reliance on imports from more unstable areas of the world such as the Middle East, Russia and Venezuela.

According to the [Energy Information Agency](#), the U.S. imported approximately 9 million barrels per day of petroleum in 2014 from 80 countries with the bulk of its oil imports from Canada, Mexico, Saudi Arabia, Venezuela and Russia.

Since 2009, the U.S. has paid over \$1 trillion to these top five countries with just over half of it going to Russia, Venezuela and Saudi Arabia.



Source: American Action Forum, Energy Information Agency-U.S Crude Oil Imports

Executive Authority

In February 2015, President Obama vetoed legislation that would have authorized the construction of the Keystone XL Pipeline. However, the president still has the authority to approve it through an executive order. The president has stated that he would sign off on the proposal only if it “does not significantly exacerbate the climate problem.”

Currently, the fate of the pipeline is in the hands of the State Department, which must review the proposal to determine whether it’s in the national interest. The State Department has jurisdiction over the project because the pipeline stretches through both the U.S. and Canada. The State Department sought the oversight of eight additional Federal agencies to provide their views on the subject of national interest including the [Departments of Defense, Justice, Interior, Commerce, Transportation, Energy, Homeland Security](#), and the [Environmental Protection Agency](#). The review was set to be completed on February 2, 2015 however the permitting process has no set deadline.[1]