# 1AC Modules – Draft

## Observation 1: the status quo

#### The Keystone XL pipeline will be blocked now.

Jen Alic, 6/28/12 Keystone XL Looking Like Pipeline to Nowhere Oilprice.com Jen Alic is co-founder and senior analyst for ISA Intel consulting (www.isaintel.com) and editorial director for the Washington, DC-based Global Intelligence Report ([www.globalintelligencereport.com](http://www.globalintelligencereport.com)) http://www.cnbc.com/id/47995047

Four and a half years of studies and five failed votes in the House of Representatives later, what's happening with the Keystone XL pipeline? Nothing. It is stuck at the US-Canadian border, where it is likely to remain until mid-2013, despite the issuance of one of three permits to begin construction in Texas for the smaller and much less controversial portion of the pipeline. On 26 June, the US Army Corps of Engineers granted TransCanada Corp. a permit to begin construction on the $2.3 billion southern section of the massive pipeline, running from Cushing, Okla. to the Gulf of Mexico in Texas. The permit covers construction across the wetlands and waterways of Texas’ Galveston district. TransCanada still needs one permit each from Tulsa, Okla. and Forth Worth, Texas, to complete this southern Gulf portion of the Keystone. Tulsa is set to rule on the permit in a month and a half. This southern section will initially carry 700,000 barrels a day of crude oil. Construction is set to begin this summer. The southern line, permits pending, could be functional by mid-to-late 2013. Pres. Obama, despite his objections to other parts of the pipeline, has pledged to speed up the approval process. Approval for other aspects of the pipeline looks far more complicated. Because the northern section crosses an international border, it requires presidential approval, in accordance with an executive order from Pres. George W. Bush in 2004. The “greater” Keystone project would extend the existing pipeline from Hardisty in Alberta, Canada eastward until heading south into the US through North Dakota, South Dakota, Nebraska, Kansas and Oklahoma, ending at Cushing. There is also an eastern branch spiking off at Steele City, Neb. and running to Patoka, Ill. The proposed extension would run from Hardisty across the border through Phillips Country, Montana, and meet up with the existing pipeline at Steele City. This would represent 1,179 miles of new pipeline that would carry Canadian tar sands crude eventually to the Gulf of Mexico, with an initial capacity of 830,000 barrels per day. In an effort to speed up the project after Obama's initial rejection in January, TransCanada split into the northern and southern sections, pursuing the southern one independently. A comment period began Jun. 15 and runs through July 30, but the State Department has said it would not be able to complete its review until the first quarter of 2013. Approval is contingent upon whether the project is demonstratively in the country’s national interest. Republicans had tried an end run by slipping Keystone XL into a two-year transportation bill, but Obama threatened to veto the legislation, if necessary. (House and Senate negotiators Wednesday reached a tentative agreement over the bill which overhauls federal highway and transit programs.) The fate of Keystone rests with the answers to two key questions: Is it in the Obama administration’s interests, specifically in the run-up to presidential election; and is the pipeline also in the national interest. Based on environmental and jobs issues, Keystone is not in the Obama administration’s interests. Organized labor is not as interested in the jobs as it might because the administration has been fairly successful at creating energy jobs elsewhere. On the environmental front, the Obama administration’s hesitancy over the project is the stuff of heroism to that voting bloc. The Republicans had hoped to deal Obama a lethal campaign blow by setting a two-month deadline for the administration to approve Keystone XL in January, knowing it wasn't enough time to evaluate the project and hoping the administration would have to reject the project. The idea was to force the administration into publicly denouncing massive job creation and working against US energy independence ahead of the elections. The GOP strategy, however, was undercut by a sober response from organized labor. In addition, the President has been able to capitalize on his push for green-clean tech jobs as well as his support for oil and natural gas fracking. In terms of the oil and gas industry, here, too, the Obama administration doesn’t have much to gain by approving Keystone XL ahead of the elections. It would not be the end-all for the oil lobby’s harassment of the administration. The pipeline's broader impact is just as clear, although more debatable. Construction of a pipeline that size will certainly create plenty of jobs — hardly a contested point — but again energy jobs are coming from other ventures and sources. Environmentally, the project brings the risk of oil spills and the certainty of higher greenhouse gas emissions as a result of increased tar sands (dirty oil) extraction. In terms of economics, there is some solid research showing that Keystone XL is more likely to result in higher prices at the pump. Canadian tar-sand crude pumped into the Midwest and intended for domestic gas consumption would be diverted to the Gulf Coast where it would be used in diesel production and for global exports. It could very well mean reduced gas supplies and higher gas prices in the end. The issuance of the first Texas permit for the southern extension is but a Democratic bone to big oil and a job-hungry public. It has little marrow. Keystone supporters lost this battle when TransCanada split the project in half, allowing the Obama administration to score points by supporting the smaller version while avoiding a decision on the larger project. Nothing will happen on the greater Keystone XL this year.

#### Reapplication for the northern section of the pipeline makes now key.

Dinan, Stephen, May 4, 2012, Reporter for the Washington Times, Obama to get do- over Keystone Pipeline, http://www.washingtontimes.com/news/2012/may/4/obama-get-do-over-keystone-pipeline/

TransCanada announced it has asked for permits to build the pipeline into Nebraska, and will eventually submit a new route skirting environmentally sensitive lands in Nebraska — the sticking point that caused the [Obama administration](http://www.washingtontimes.com/topics/barack-obama/) to reject its previous application.In a statement, [TransCanada](http://www.washingtontimes.com/topics/transcanada/) President [Russ Girling](http://www.washingtontimes.com/topics/russ-girling/) made it clear he was appealing to Mr. Obama’s own stated goals of boosting American energy supplies. He also said the thousands of pages of environmental reviews already completed for the earlier application should convince the president to speed this new permit along.“The multibillion-dollar Keystone XL pipeline project will reduce the United States’ dependence on foreign oil and support job growth by putting thousands of Americans to work,” [Mr. Girling](http://www.washingtontimes.com/topics/russ-girling/) said

#### Any delay will end investment in KXL entirely.

M.D. Harmon, 6/23/12 a retired journalist and military officer, is a freelance writer. Canada may take any decision about Keystone out of US hands <http://www.onlinesentinel.com/opinion/canada-may-take-any-decision-about-keystone-out-of-us-hands_2012-06-22.html>

Some recent Mitt Romney campaign commercials focused on what the presumptive GOP presidential candidate would do on "Day One" if he defeats President Barack Obama in November. One of his promises for Jan. 21, along with "begin replacing Obamacare with common-sense health care reforms" and offering tax code changes "to reward job creators, not punish them," was to "immediately approve the Keystone pipeline, creating thousands of jobs that Obama blocked." Although keeping the first two pledges is not really in a president's direct power (Congress would have to pass the appropriate laws first), the last promise is within the chief executive's discretion. That is, Obama could approve the construction of the Keystone XL pipeline tomorrow, as it has been blocked not by any law but by his administration's pro-environmentalist and anti-consumer policies. Unfortunately, Romney may not get the chance to keep his pipeline pledge even if he does win the race for the Oval Office, because decisions now being made north of the border could take it out of his hands. Recall that the Keystone XL pipeline was intended to bring oil from Canada's Alberta tar sands through the Midwest to link with other pipelines that would carry it to refineries on the U.S. Gulf Coast. The tar sands contain nearly 200 billion barrels of oil reserves, almost equal to the amount available in Saudi Arabia, and the pipeline was designed to carry 830,000 barrels of oil per day. For an administration that has said it wants to lessen U.S. reliance on oil from uncertain allies abroad, approving this deal would boost U.S. energy security and lower the cost of fuel to Americans. Because the pipeline would cross above a pool of groundwater called the Ogallala Aquifer, in Nebraska's Sand Hills region, however, environmentalists who form a substantial part of Obama's political base raised objections, even after the State Department (which gets to rule on cross-border transactions) had said it posed no problems. Indeed, many other pipelines already pass above the same piece of ground. Oil from tar sands is thicker than conventionally extracted oil, and that characteristic, plus the fact that its extraction reportedly releases more carbon dioxide than normal drilling (a favorite "climate-change" chimera), let environmentalists stick the propagandistic label "dirty oil" on Alberta's product. All those factors made handy excuses for calling for "new studies" that would delay the pipeline's approval past the Nov. 6 election, even though three years of studies already have been conducted. The pipeline's owner, TransCanada of Calgary, Alberta, then proposed an alternate route that would bypass the Sand Hills, although that route would require a new series of environmental studies that would take nine months to a year to complete, with no guarantee of approval, either. That led even former President Bill Clinton to say in March that it was time for the United States to "embrace" the long-delayed project by giving the new route a green light. The impact of Obama's stalling, however, may not just be pandering to his hard-core supporters. It could kill the project entirely, if it has not already done so.

#### Creates volatility that will blocks investment in oil sands.

Simone Sebastian 6/6/12 Report: U.S. oil boom challenging Canadian exports

http://fuelfix.com/blog/2012/06/06/report-u-s-oil-boom-challenging-canadian-exports/

Research and consulting firm Wood Mackenzie analyzed conditions for the one billion barrels of oil sands production scheduled to start up over the next four years. The firm noted that constrained pipelines, environmental opposition, labor shortages and cost inflation are challenging Canada’s oil sands. Further, growing oil production in the United States is constraining pipelines and storage facilities in the country, which is the largest importer of Canadian crude. In North Dakota’s Bakken shale alone, crude production will double by 2015, to 1.2 million barrels per day, the firm forecasted. The report determined that several proposed pipelines and expansions are critical to improving the market for Canada’s oil exports, including TransCanada’s controversial Keystone pipeline. “Increased rail usage and new pipeline expansions are essential,” the report noted. “Outages, delays in planned expansions or unforeseen issues at any of these lines could result in volatile prices, directly impacting Canadian producers. Volatile prices could lead some companies to cancel or delay their oil sands projects, the report concluded.

#### **Keystone Pipeline expands the US pipeline grid and offers more options for energy**. **Epstein**, Victor, **2/8/**12, Editorial: Keystone Pipeline is a Good Thing, Cynical Times, (http://www.cynicaltimes.org/about-cynical-times/)

The problem with the complex national debate about the Keystone XL pipeline is that it's not really about energy, the environment or job creation - it's about political gamesmanship and misinformation from at least three different interest groups. The painful truth is that the Keystone XL Pipeline is a good idea because it gives the United States more energy options by expanding our pipeline grid and because the environmental impact of the tar sands will increase without it. But you could spend a couple weeks sifting through all the half-truths and sins of omission emanating from the energy, farm and environmental lobbies just to get to the facts you need to figure that out. The American public deserves better.

## Plan

#### The United States federal government should construct the Northern Keystone XL pipeline.

## Adv – Economy

### Scenario 1 - Jobs

#### Keystone XL will jumpstart the domestic economy, 3 reasons: Economic security, oil independence, and job creation.

Christie Jr. 04/09/12 (Ralph, “Why We Need the Keystone XL Pipeline Project,” The Keystone XL Pipeline, http://enr.construction.com/opinions/viewpoint/2012/0409-We-All-Need-Keystone-XL.asp)

The Keystone XL pipeline—an approximately $7-billion project that complements the original Keystone Pipeline and nearly doubles the size and capacity of the system with an extension to the Gulf Coast—has been in the planning stages since 2008. This additional energy source from our North American Free Trade Agreement neighbor should be built. One of the key objectives to securing the nation's long-term economic security is the need to expand our access to safe, secure and sustainable sources of energy. The security of the U.S. and other leading economies in the world will remain threatened as long as we continue to derive a significant portion of our energy needs from hostile governments in unstable regions. As the CEO of an engineering firm that routinely provides technical, environmental and economic solutions to fuel and power suppliers, I believe this is a critical time for our country to increase its energy security and reliability through creative and balanced solutions. For engineering professionals on the front lines, building the Keystone XL pipeline, which will link new sources of oil in Canada to refineries in the Midwest and Texas, is a no-brainer and an essential step to achieving a more stable energy supply. Here in the U.S., we continue to import nearly one-fifth of our oil from the Persian Gulf. Furthermore, instability in key oil-producing countries causes volatility in oil markets and drives up gasoline and petroleum prices. Thankfully, Canada remains the largest supplier of imported oil and natural gas to the U.S. According to a report for the U.S. Dept. of Energy, U.S. refining and importing of Canadian crude will more than double in the next two decades. At a time of unrest and uncertainty in other energy- producing countries around the world, the vast energy reserves of our longtime North American neighbor are more important to the future of U.S. energy security than ever before. The Keystone XL pipeline will help to address our long-term energy needs and also create significant job growth at a time when the nation needs it most. The project's construction phase alone will require 13,000 direct construction and manufacturing hires; indirect new jobs could total 118,000.

#### KEYSTONE PIPELINE WOULD CREATE THOUSANDS OF IMPORTANT AND STABLE JOBS THROUGH TECH SPIN OFF, CONSTRUCTION, AND ENGINEERING THAT GENERATE MILLIONS OF DOLLARS IN REVENUE.

**Hamilton**, James, December 18, **2011,** Professor of Economics University of California, *Costs and Benefits of the Keystone XL Pipeline,* Econbrowser, <http://www.econbrowser.com/archives/2011/12/costs_and_benef.html>, (June 25, 2012 Savannah Medley)TransCanada is poised to put 13,000 Americans to work to construct the pipeline-- pipefitters, welders, mechanics, electricians, heavy equipment operators, among other jobs-- in addition to 7,000 manufacturing jobs that would be created across the U.S. Additionally, local businesses along the pipeline route will benefit from the 118,000 spin-off jobs Keystone XL will create through increased business for local goods and service providers. The [U.S. State Department](http://www.keystonepipeline-xl.state.gov/clientsite/keystonexl.nsf?Open) estimates that the direct construction employment would be about half of TransCanada's figure, which comes from a relatively small component of the total spending: The construction work force would consist of approximately 5,000 to 6,000 workers, including Keystone employees, contractor employees, and construction and environmental inspection staff. That would generate from $349 million to $419 in total wages. An estimated $6.58 to $6.65 billion would be spent on materials and supplies, easements, engineering, permitting, and other costs.

#### Jobs change the economy. They strengthen local and national economies and strengthen communities.

PremalShah, **7/4/** 2012, Huffington Post: Small Business America, “The Course and Success of the Economy Belongs in All of Our Hands,” (<http://www.huffingtonpost.com/premal-shah/kiva-city-la_b_1649309.html>) Accessed 7/4/12

The last five years of slow job growth and economic recovery has proven that the course of the economy affects each of us in profound ways. It has the power to create or take away opportunities for jobs, homes, retirement, education and even personal pride. Every person reading this has experienced the fear or reality of losing what it took years to create. A new initiative -- Kiva City LA -- is launching in Los Angeles that helps to place the course and success of the economy back in our hands. Kiva City LA is a partnership with the Mayor's Office of Small Business; Kiva; the L.A. area's largest small business microlender, VEDC (Valley Economic Development Center) and Visa. Through this program, an individual can lend as little as $25 to a small business owner in Los Angeles who has the ability to succeed, but simply lacks the capital. When small businesses do well, local and national economies do well -- local jobs are created and communities are strengthened. Small businesses are the cornerstone of the nation's economy and a stepping stone to the American Dream. They represent more than [99 percent](http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24) of all businesses in the country, create two out of every three [new jobs](http://www.sba.gov/content/small-business-agenda-growing-americas-small-businesses-win-future), employ [over half](http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24) of private sector employees, and produce over half of the [nonfarm GDP](http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24). In L.A., small business plays an especially important role. Los Angeles is home to our country's largest small business community with more than [325,000 small businesses](http://mayor.lacity.org/PressRoom/LACITYP_020010) -- employing nearly [two million](http://www.marketwatch.com/story/kiva-city-la-offers-a-way-for-everyone-to-lend-support-to-small-businesses-2012-06-26) people.

### Scenario 2 – trade deficits

#### And, the northern pipeline is critical to transporting Bakken oil to market – that’s the lynchpin to domestic oil production.

#### Keystone XL key to increasing investment in domestic oil sources

Parformak et al. 05/09/12 (Mark Parformak, specialist in energy and infrastructure, Neelesh Nerurkar, specialist in energy policy, Linda Luther, analyst in environmental policy, Adam Vann, legislative attorney, “Keystone XL Extension to Bakken Oil Production,” Keystone XL Pipeline Project: Key Issues p. 5, <http://www.fas.org/sgp/crs/misc/R41668.pdf>) JJ 6/27

The U.S. portion of the Bakken formation is an unconventional oil resource that underlies parts of North Dakota and Montana. By the end of 2010, U.S. Bakken production was 350,000 bpd. Output has climbed further since then. The oil is transported to refineries by rail and truck, rather than by pipeline, which would be more economic. In part, this is because infrastructure has not kept up with rapid production growth in the Bakken region in recent years. Output is expected to increase significantly in the future, increasing the need for pipeline transportation capacity. TransCanada has signed contracts with Bakken oil producers to carry 65,000 bpd from the region via the Keystone XL pipeline. While not the full 100,000 bpd of capacity TransCanada had offered to oil producers, this was enough to justify adding the Bakken Marketlink Project, a pipeline running from Baker, MT, to the Keystone XL pipeline, which can then carry crude to the oil hub at Cushing, OK and on to the Gulf Coast. The Bakken Marketlink would have a 100,000 bpd capacity and is estimated to cost $140 million. These new Bakken contracts also improve the economics for Keystone XL, raising the amount of oil slated to flow through the pipeline. Lower transportation costs and access to new markets may support investment in the Bakken. Furthermore, TransCanada is not the only company adding pipeline capacity in the region. Notably, Enbridge, another Canadian pipeline company, has proposed the Bakken Pipeline Project, which will add 120,000 bpd of transport capacity to move Bakken oil to Midwest markets. According to Enbridge, sufficient pipeline capacity has been slow to emerge in the region because “they’re smaller players in the Bakken. They are not able to make the 20-year commitments and it’s been a lot of work to get them to commit to the level that [is] required to underwrite a major project out of the Bakken.” Rail transport capacity is also expanding.

#### Domestic oil production in the Bakken is critical to solving trade deficits.

Paul Sullivan 2012 Professor of Economics, National Defense University Ideology vs. Common Sense http://energy.nationaljournal.com/2012/01/sizing-up-obamas-keystone-pipe-1.php#2153336

Then there are the hopes that the Bakken oil fields in North Dakota could have used this pipeline and a spur to it to get that all important oil out. North Dakota is the fastest growing oil producing state in the country. Its unconventional oil could be one of the things that may help develop the hopes for greater energy independence for the US. One could also say the same thing for the oil shale, shale oil and oil sands in Utah, Colorado, Wyoming, Tennessee, Kentucky, Indiana and Ohio. Much like the massive unconventional gas reserves we can now get at via fracking, we can now get at gigantic resources of oil in many places in the country, even some people usually do not think of as oil states. That oil from Bakken will need to be sent via train or another pipeline internal to the country. Many people would like to see the western and Midwestern unconventional oil developed for economic and job security reasons. We have the resources and it would be best to use the properly. It also would cut back on our trade deficit. Our trade deficit? Yes. Often more than ½ of our trade deficit is from oil imports. Can we please get real? Then, maybe we cannot. The people who stopped this pipeline are mostly against oil, gas, coal, and anything that has the word hydrocarbon in it. (They sometimes support biofuels, which are economically, technically, and environmentally less amenable than some hydrocarbons. However, let us not let the facts get in the way.

#### Continued Trade deficits will crush the US economy

Martin Crutsinger, AP Economics Writer, 08/11/2010, Manufacturing.net, “U.S. Trade Deficit Report Bad News For Manufacturing,” <http://www.manufacturing.net/news/2010/08/us-trade-deficit-report-bad-news-for-manufacturing>, Accessed: 7/4/12

WASHINGTON (AP) -- The U.S. trade deficit surged in June to the highest level since October 2008 and imports of foreign consumer goods hit an all-time high. But U.S. exports faltered, representing a setback for American manufacturers. The deficit jumped 18.8 percent in June compared to May, widening to $49.9 billion, the Commerce Department reported Wednesday. The wider deficit came as a surprise to economists who had forecast a smaller trade gap because of lower global oil prices. U.S. exports slipped 1.3 percent to $150.5 billion. Sales of American farm products, computers and telecommunications equipment all declined. Imports rose 3 percent to $200.3 billion. Imports of consumer goods surged to a record high as shipments of cell phones, household appliances, televisions and clothing all increased. The deficit in goods and services, the difference between what America sells abroad and what the country imports, rose to the highest level since October 2008 when it stood at $59.4 billion. Through the first six months of this year, the deficit is running at an annual rate of $494.9 billion. That is up 32 percent from the $374.9 billion deficit for all of 2009 -- a year when the deficit was cut nearly in half as a result of the recession. Economists had expected the deficit to widen this year as an improving domestic economy lifted U.S. demand for foreign consumer goods and industrial products. American manufacturers have enjoyed growing demand for their products in Asia. But they have faced weakness in Europe, where the economic rebound has been subdued by a debt crisis that erupted in the spring. Exports of electric generators, civilian aircraft and machine tools did buck the downward trend in June to post increases. The wider deficit in June will likely further depress overall U.S. growth as measured by the gross domestic product in the April-to-June quarter. The Commerce Department initially estimated growth at 2.4 percent for the second quarter. That figure will likely be revised lower now because of the wider trade deficit. The prospects for U.S. exports have been hurt by a rise in value for the dollar against some foreign currencies. That includes the euro. And it is also affected by China's refusal to heed the Obama administration's demands that it allow its currency to rise in value against the dollar. A weaker dollar against the yuan would boost the competitiveness of U.S. products in China while making Chinese goods more expensive in the United States. For June, the U.S. trade deficit with China rose 17.4 percent to $26.2 billion. Through the first six months of this year it is running 15.9 percent higher than the same period a year ago. That is certain to increase pressure on Congress to pass legislation that would impose stiff economic sanctions on China unless it moves more quickly to allow its currency to rise in value.

### Plan solves

#### Keystone is critical to the economic recovery.

Norquist ’12 (Grover, Reporter for Fox News “Congress should ignore Obama and approve the Keystone Pipeline” Fox News 5/18/12 http://www.foxnews.com/opinion/2012/05/18/congress-should-ignore-obama-and-approve-keystone-pipeline/)

With a sputtering economy and gasoline nearly $4.00 a gallon, Congress should do what President Obama refuses to—immediately approve the Keystone pipeline.  Attempting to appease his insatiable base during this election cycle, Obama killed the Keystone pipeline, the construction project that would have delivered millions of barrels of crude oil from Alberta, Canada to refiners in Oklahoma and Texas.  Eager to approve the pipeline and enjoy the thousands of jobs, millions of barrels of crude oil, and billions in economic activity that are tethered to the project, Republicans have pushed legislation that would overturn Obama’s decision and approve the pipeline.  Most recently, the House-passed Highway bill includes a provision that would give the Keystone pipeline the green light. Now that the House bill is moving to conference with the Senate’s watered-down bill, Obama has doubled down on his job killing position and threatened to veto any highway bill that touches the Keystone project.  Unfortunately, Americans have come to expect this sort of behavior from the president. Setting an antagonistic tone at the beginning of his presidency, on February 4, 2009 a newly elected President Obama withdrew 77 expected oil and natural gas lease sales in Utah -- immediately postponing 3,000 jobs.  Soon after, the president’s Interior Department restricted drilling on a majority of America’s Outer Continental Shelf. Where offshore drilling wasn’t prohibited, Mr. Obama issued a deepwater drilling moratorium which was struck down in federal court. Undeterred, he then issued a second deepwater moratorium that stuck.  Exemplifying how difficult it has become for oil and gas producers to develop America’s natural resources that happen to be on federal lands, approved Applications for Permits to Drill are down 36 percent since Obama took office.  By any metric, the president has inhibited oil production when he can—oil and natural gas production on federal lands is down 14 percent from 2010.  Instead of increasing domestic oil and natural gas production, the Obama administration has pursued policies that exacerbate the international oil disruptions that cause the price of gasoline to rise.  While it is true that the price of oil—and subsequently the price of gasoline—is set on the world market, increased American production of a few million barrels of oil per day would absolutely mitigate gasoline price swings. In fact, oil markets are so sensitive that during President Bush’s 2008 speech announcing additional oil lease sales, the international price of oil dropped $9.26 per barrel.  By contrast, where the federal government has no jurisdiction, energy production is flourishing.  Oil production in North Dakota’s Bakken formation has beaten the state’s unemployment rate down to an impressive 3.0 percent. Not a large part of America’s energy picture a decade ago, North Dakota is now the third-highest producing state pumping out 575,000 barrels of oil every day.  Pennsylvania, Ohio, and other states are cashing in on the shale gas revolution utilizing new technology to access overthought natural gas reserves. Bringing cheap electricity to market has revived America’s struggling manufacturing sector and breathed new life into America’s chemical industry.  And yet, despite the moratoriums, the slowed permitting, the threats of tax increases, scuttling the Keystone pipeline, President Obama is trying to convince the American public that he is in favor of cheap, abundant North American energy. He’ll have a tough time doing so until he approves the Keystone XL Pipeline.

#### Economic benefits of the plan will spill over to the broader economy.

Kirk Spano 7-2- 2012 Freedom from OPEC BA in Economics and Political Science from the University of Wisconsin-Milwaukee and membership in the Institute of World Affairs. He is the founder, owner and manager of Bluemound Asset Management, LLC.How to play the Bakken boom http://articles.marketwatch.com/2012-07-02/commentary/32495975\_1\_williston-basin-bakken-boom-shale

Driving the growth is one of the best oil deposits in America. The Williston Basin is a closed system, essentially a 200,000-square-mile rock bowl filled with multiple layers of petroleum, including oil and natural gas liquids. The Bakken shale gets the most press, however, there are multiple recoverable levels, called benches, in different formations, including the Three Forks. The oil being pumped from the Williston Basin is both economical to recover and easy to refine. The Bakken oil is high-grade light sweet crude that is among the best oil on the continent, far cleaner than oil sands petroleum from Canada. The oil flows so freely in the basin that we saw many newer wells that didn’t need the help of a pump to fill storage tanks. In studying industry and state records, it appears that wells that do not produce are few and far between. This basin is largely responsible for the United States becoming an exporter of fuel in 2011 for the first time in six decades and likely an exporter again in 2012. So far, there are about 7,000 active wells in the basin, some older. The pace is picking up on drilling, as in order to hold leases, about 5,000 new wells will need to be completed in the next few years. It will take approximately 45,000 wells, which use about 4 miles of steel pipe each, to tap the basin of what is likely 10 to 20 billion barrels of oil. Drilling will go on for about a decade or slightly longer, and wells will produce for about three decades at decreasing rates. While this is not a game changer in and of itself, combined with other American oil plays and abundant natural gas reserves, it appears America’s bridge to renewable and sustainable energy is found. What is especially important about the Williston Basin is that it will be partly responsible for the United States becoming energy self-sufficient, as Continental Resources CEO Harold Hamm calls it. In the next few years, America will be able to reduce OPEC’s contributions to our petroleum supply to a few percent of total supply. Hamm’s analysis jives with a report put out by Goldman Sachs late in 2011. This energy self-sufficiency will obviously do wonders for America (see my letter “Freedom From OPEC“ at www.KirkSpano.com), as we will not be beholden to less friendly or difficult foreign nations for the oil that we use for the first time in decades. A better supply ought to keep prices down at the pump and our military commitments will likely reduce. Already, we have largely left Iraq to the Chinese to worry about, as China has won most of the oil field contracts there. Most importantly for American competitiveness, is that our energy costs, due to both oil and gas production at home, will be lower than nations we had been exporting jobs to the past few decades. That will give incentive for companies to move jobs back to America. As those jobs come back over the rest of the decade, what I have called the “halo effect” will take hold. Other industries will thrive (remember all that steel used per well), pushing unemployment down and creating a virtuous economic cycle.

## Adv – Oil

### Dependence - Internal Links

#### Keystone XL is key to American energy independence- all alternatives are unrealistic and worse.

Herman ’12 (Arthur, Reporter for Fox News 1/5/12 “America’s Future is Oil” AEI http://www.aei.org/article/energy-and-the-environment/conventional-energy/fossil-fuels/americas-future-is-oil/?gclid=CL7Fzrmf7bACFdJd7AodEUicyw)

Not many people noticed during the run up to the Iowa caucuses and last year's payroll tax fight that a far more important, and potentially game-changing, resolution passed the Senate at the end of 2011. It was the authorization for the $3 billion Keystone XL pipeline connecting us to Canada’s booming oil shale production, which the Senate has given President Obama sixty days to either sign or not sign as “not in the national interest.” What’s at stake here isn’t just new access to oil, or even jobs–some 20,000 in the construction phase alone and perhaps as many 600,000 jobs by 2035, once those 70,000 barrels of oil a day start flowing. It’s America’s future as the new energy giant of the 21st century. We are already the world’s number three oil producer at 7.5 million barrels a day. In June Exxon-Mobil announced discovery of a massive new field in the Gulf of Mexico, with as many as 700 million barrels waiting to be tapped. Montana and North Dakota sit on an oil shale formation that could produce another four billion barrels. In addition, Alaska’s Arctic National Wildlife Reserve’s fields and National Petroleum Reserve could easily add another thirty billion barrels to add to a new American gusher. Even if you don’t count Alaska, the new boom of off-shore drilling and oil shale production should add another 1.5 million barrels a day to our domestic output by 2015. That’s closing on Saudi Arabia’s daily total. With Canada and Mexico already producing more than Iran and the Arab Emirates combined, we’re looking at a major shift in the geopolitics of oil–with the United States at the center of it. Don’t be fooled by claims that fossil fuels are doomed. Alternative fuels won’t be coming on line anytime soon, certainly not enough to replace the essential role that oil, natural gas, and coal play in our economy from sources of energy to modern plastics and petrochemicals. Obama, of course, is fighting the emergence of the United States as the new energy colossus every step of the way.  He used the BP oil spill to impose a moratorium on new off shore drilling; his EPA is now trying to halt new natural gas exploration through fracking; he was hoping to postpone the battle over Keystone until after the 2012 election. And that’s not counting the billions of tax payers’ money he’s poured into his obsession with wind and solar power, including clunkers like Solyndra. The irony is that Obama thinks he’s on the cutting edge of the future, when he actually on the back end of the past. He and his green pals continue to tout a technology that hasn’t advanced much since we experimented with solar batteries in my junior high school shop class back in 1970. Meanwhile, the new oil empire is waiting to gush–indeed, with Keystone’s help in twenty years almost ninety percent of our liquid fuel needs could be coming just from ourselves and Canada. Good-bye, OPEC. Hello, energy independence.

#### The Keystone Pipeline solves US dependence on foreign oil and lowers gas prices.

Robert Bradley Jr. CEO of Institute for Energy Research. 10/20/11. Cato Institute. <http://www.cato.org/publications/commentary/keystone-xl-energy-project-is-much-more-pipe-dream>

All told, this megaproject will stretch 1,661 miles from Alberta to Texas's Gulf Coast region. Immediately upon completion, the pipeline will have the capacity to carry 700,000 barrels per day (bpd) and ultimately the ability to transport 900,000 bpd. So what did the new study conclude? That a $7 billion investment won't create jobs and may even cost jobs on net, and that the ability to move an additional 900,000 bpd to refineries won't have the effect of lowering gas prices. These claims simply defy economic logic — as well as every previous estimate of the economic impact of Keystone XL. Simply put, the study's conclusions are specious, even absurd. The Cornell study, which environmentalists have trumpeted, is born of desperation. Facing a likely go-ahead decision from the U.S. Government, the study is a last ditch attempt to drum up opposition to a no-brainer, market-approved project. In fact, the Keystone XL pipeline will give our country a more stable and cheaper source of fuel and create thousands of quality American jobs. And taxpayers (think Solyndra) will not risk a dime. Think of the public-policy benefits of the project, the sound private economics asideThe United States currently consumes 25% of the world's energy, but produces less than 5 percent. Heavily dependent on foreign oil, America imports 11 million barrels each day. This need for foreign oil isn't going to change anytime soon. The 2010 Annual Energy Outlook projects that over 40 percent of U.S. liquid fuel consumption will be supplied by imports through 2035. Global demand for oil will only rise too — 39% between 2005 and 2030. Also note that oil imports to the United States from South America aren't holding steady. Mexico and Venezuela, two historically large exporters of crude oil, have radically reduced production in the past few years, making imports from Canada that much more essential. A new influx of up to 700,000 bpd from Canada will dramatically increase U.S supplies and in turn drive gas prices down. A study from Energy Policy Research Foundation found a greater supply of Canadian oil could save Gulf Coast refiners almost $500 million annually in transport costs, which, in turn, would mean lower prices for consumers at the pump. Keystone XL's impact on cost is simple: a supply of plentiful and easily accessible oil drives down prices for gasoline and other consumer staples.

#### If the US refuses to import tar sand oil, they will be forced to increase importation from the Middle East.

**Vivoda** Vlado, Centre for International Risk, School of International Studies, University of South Australia, [*Energy Policy*](http://www.sciencedirect.com/science/journal/03014215),November 200**9**, Pages 4615–4623

A majority of keyoil exporters, particularly those located in the Middle East, Africa, or Latin America, suffer political instability or have a high risk potential for it, and this places importers at risk. A nation, that has to rely heavily on international markets for oil imports, faces a multitude of potential disruptions to the availability of oil. Disruptions are any events that lead to imbalances between supply and demand in the international oil market, and they can occur as a result of political, market, and accidental/natural events, or a combination thereof ([Lesbirel, 2004](http://www.sciencedirect.com/science/article/pii/S0301421509004315%22%20%5Cl%20%22bib30)). Over the past decades, there have been numerous oil supply disruptions, and these have increased the price of oil and negatively affected the global economy, and particularly the oil importers. A wise oil-importing government will seek to diversify its supplier mix as much as possible, so that a possible future disruption, and a failure of any one producer, reduces the economic vulnerability and does not cut off adequate supply of oil.

### Impacts – Dependence Bad

#### Oil dependency hamstrings the U.S. military and foreign policy goals --- that escalates to great power conflict

**Crawford** 2010/**2011** (Colin – J.D. Wake Forest University School of Law, Green Warfare: An American Grand Strategy for the 21st Century, Wake Forest Journal of Business and Intellectual Property Law, p. Lexis)

[\*248] In addition to the potential for economic growth, even the most ardent climate change skeptics will concede that the United States' dependence on fossil fuels has implications for national security and foreign policy. Security analysts have made the case for framing this debate in terms of "natural security," as the scarcity of natural resources will inevitably affect the United States' foreign policy calculus for years to come. n24 Despite the fact that the U.S. imports most of its oil from Canada and Latin America n25 - not the Middle East - many emerging markets are just beginning their love affair with the sticky, black hydrocarbon. n26 The corresponding increase in demand from emerging economies will continue to drive up energy prices, necessitating importation of oil from countries with less friendly dispositions toward the United States. n27 It is important to note how energy policy intersects with virtually all other aspects of governance. Not only will increased prices constrain U.S. fiscal policy and make it more expensive to project American power around the globe, they create pressures that will heavily influence American foreign policy in the coming decades, whether through resource wars or climate-induced humanitarian crises. n28 International trade and maritime policy in particular will be [\*249] greatly affected. Because "90 percent of global commerce and two thirds of all petroleum supplies travel by sea," and global energy demand will continue its inexorable rise, the Indian Ocean - already heavily used by "nuclearized" powers such as Pakistan, India, China, and Israel - will dramatically increase in strategic importance to the world's great powers. n29 The proximity of nuclear states in the Asia-Pacific region, along with increased pressures commensurate with rising energy demand, are already heightening military tensions among the major players in the region, including China and Russia in particular. n30 Geopolitical constraints will become increasingly difficult to manage as fuel prices continue to rise, and intervention will be needed to combat piracy and protect merchant shipping. n31 Make no mistake, the United States' continued dependence on fossil fuels poses significant problems for the national interest. The strategic implications are clear as U.S. foreign policy throughout entire regions is framed in the context of energy. n32

#### Eliminating foreign oil is unnecessary for independence - we need only reduce imports to where oil has little to no effect on economic or military policy

Benjamin K. Sovacool, ’07 - (an Assistant Professor at the Lee Kuan Yew School of Public Policy at the National University of Singapore. He is also a Research Fellow in the Energy Governance Program at the Centre on Asia and Globalization) 2007 “Oil Independence Possible for U.S. by 2030” http://scitizen.com/authors/Benjamin-K.-Sovacool-a-899\_s\_08b456d033fcee27acbc8caf208135e8.html

Oil independence is possible for the U.S. if comprehensive and aggressive energy policies are implemented aimed at reducing demand for oil, increasing supply, and promoting alternative fuels. Contrary to what most people might think, oil independence is possible for the United States by 2030. The news is especially important when one considers that, between 1970 and 2000, economists estimate that the costs of American dependence on foreign supplies of oil have ranged between $5 and $13 trillion dollars. That’s more than the cost of all wars fought by the U.S. (adjusted for inflation) going all the way back to the Revolutionary War. The trick is to start by thinking about oil independence a little differently. Oil independence should not be viewed as eliminating all imports of oil or reducing imports from hostile or unstable oil producing states. Instead, it should entail creating a world where the costs of the country’s dependence on oil would be so small that they would have little to no effect on our economic, military, or foreign policy. It means creating a world where the estimated total economic costs of oil dependence would be less than one percent of U.S. gross domestic product by 2030. Conceived in this way (and contrary to much political commentary these days), researchers at the Oak Ridge National Laboratory (ORNL) have calculated that if the country as a whole reduced their demand for oil by 7.22 million barrels per day (MBD) and increased supply by 3 MBD, oil independence would be achieved by 2030 with a 95 percent chance of success. By reducing demand for oil, increasing its price elasticity, and increasing the supply of conventional and unconventional petroleum products, ORNL researchers noted that the country would be virtually immune from oil price shocks and market uncertainty. If large oil producing states were to respond to the U.S. by cutting back production, their initial gains from higher prices would also reduce their market share, in turn further limiting their ability to influence the oil market in the future. So if decreasing American demand for oil by 7.22 MBD and increasing supply by 3 MBD would enable the U.S. to achieve oil independence in 2030, which combination of policies offers an optimal strategy? Policymakers, for instance, could lower demand for oil by making automobiles more efficient (by legislating more stringent fuel economy standards for light and heavy duty vehicles or lowering the interstate speed limit), promoting alternatives in mode choice (such as mass transit, light rail, and carpooling), or establishing telecommuting centers and incentives for commuters to work from home. They could also promote rigorous standards for tire inflation and reduce oil consumption in other sectors of the economy.

#### Oil dependence escalates multiple flashpoints globally

Mark Rosen (Deputy General Counsel at the Center for Naval Analyses & Professor of Homeland Security Law and Policy at George Washington University) 2010 “Energy Independence and Climate Change: The Economic and National Security Consequences of Failing to Act” University of Richmond Law Review, Lexis

There is a growing consensus in U.S. national security circles that American dependence on imported oil constitutes a threat to the United States because a substantial portion of those oil reserves are controlled by governments that have historically pursued policies inimical to U.S. interests. For example, Venezuela, which represents eleven percent of U.S. oil imports, "regularly espouses anti-American and anti-Western rhetoric both at home and abroad ... [and] ... promotes ... [an] anti-U.S. influence in parts of Latin and South America ..." 72 that retards the growth of friendly political and economic ties among the United States, Venezuela, and a few other states in Latin and South America. This scenario plays out in many different regions. Russia, for example, has used its oil leverage to exert extreme political pressure upon Ukraine and Belarus. 73 Longstanding Western commercial relations with repressive regimes in the Middle East - i.e., Iran, Sudan, and Saudi Arabia - raise similar issues because of the mixed strategic messages that are being sent. Of course, large wealth [\*989] transfers have allowed the Taliban in Saudi Arabia to bankroll terrorism. 74 A. Chokepoints and Flashpoints For the foreseeable future, the U.S. military will most likely be involved in protecting access to oil supplies - including the political independence of oil producers - and the global movements of using oil to help sustain the smooth functioning of the world economy. The security challenges associated with preserving access to oil are complicated by geographical "chokepoints," through which oil flows or is transported, but which are vulnerable to piracy or closure. 75 "Flashpoints" also exist as a result of political - and sometimes military - competition to secure commercial or sovereign access to oil in the face of disputed maritime and land claims that are associated with oil and gas deposits. Together, these challenges have necessitated that the United States and its allies maintain costly navies and air forces to protect sea lanes, ocean access, and maintain a presence to deter military competition in disputed regions. A selection of today's chokepoints and flashpoints follow. The Strait of Hormuz. This strait is the narrow waterway that allows access from the Indian Ocean into the Persian Gulf. Two-thirds of the world's oil is transported by ocean, and a very large percentage of that trade moves through Hormuz. The northern tip of Oman forms the southern shoreline of the strait. 76 Hormuz is protected by the constant transits of the U.S. Navy and its allies. Even though the strait has not been closed, the Persian Gulf has been the scene of extensive military conflict. 77 On September 22, 1980, Iraq invaded Iran, initiating an eight-year war between the two countries that featured the "War of the Tankers," in which 543 ships, including the USS Stark, were attacked, while the U.S. Navy provided escort services to protect tankers [\*990] that were transiting the Persian Gulf. 78 There have been past threats by Iran to militarily close the strait. 79 Additionally, there are ongoing territorial disputes between the United Arab Emirates and Iran over ownership of three islands that are located in approaches to the strait. 80 Closure of the strait would cause severe disruption in the movements of the world's oil supplies and, at a minimum, cause significant price increases and perhaps supply shortages in many regions for the duration of the closure. 81 During the War of the Tankers, oil prices increased from $ 13 per barrel to $ 31 a barrel due to supply disruptions and other "fear" factors. 82 Bab el-Mandeb. The strait separates Africa (Djibouti and Eritrea) and Asia (Yemen), and it connects the Red Sea to the Indian Ocean via the Gulf of Aden. The strait is an oil transit chokepoint since most of Europe's crude oil from the Middle East passes north through Bab el-Mandeb into the Mediterranean via the Suez Canal. 83 Closure of the strait due to terrorist activities or for political/military reasons, could keep tankers from the Persian Gulf from reaching the Suez Canal and Sumed Pipeline complex, diverting them around the southern tip of Africa (the Cape of Good Hope). 84 This would add greatly to transit time and cost, and would effectively tie-up spare tanker capacity. Closure of the Bab el-Mandeb would effectively block non-oil shipping from using the Suez Canal. 85 In October 2002 the French-flagged tanker Limburg was attacked off the coast of Yemen by terrorists. 86 During the [\*991] Yom Kippur War in 1973, Egypt closed the strait as a means of blockading the southern Israeli port of Eilat. 87 The Turkish Straits and Caspian Oil. The term "Turkish Straits" refers to the two narrow straits in northwestern Turkey, the Bosporus and the Dardanelles, which connect the Sea of Marmara with the Black Sea on one side and the Aegean arm of the Mediterranean Sea on the other. Turkey and Russia have been locked in a longstanding dispute over passage issues involving the Turkish Straits. 88 The 1936 Montreux Convention puts Turkey in charge of regulating traffic through the straits; 89 yet Turkey has been hard pressed to stop an onslaught of Russian, Ukrainian, and Cypriot tankers, which transport Caspian Sea oil to markets in Western Europe. 90 Because of the very heavy shipping traffic and very challenging geography, there have been many collisions and groundings in the past, creating terrible pollution incidents and death. 91 Thus far, none of these incidents have been attributed to state-on-state-conflict or terrorism; 92 however, the confined waterway is an especially attractive target because of the grave economic and environmental damage that would result from a well-timed and well-placed attack on a loaded tanker. The issues surrounding the straits are also a subset of larger problems associated with the exploitation of Caspian oil, including severe pollution of the Caspian Sea as a result of imprudent extraction techniques, as well as the ever-present potential for conflict among the various claimants to the Caspian's hydrocarbon resources due to an inability of the various Caspian littoral states to agree on their maritime boundaries - and their [\*992] legal areas in which to drill. 93 Any one of these problems could become a major flashpoint in the future. China vs. Japan. The Daiyu/Senkaku islands located in the East China Sea have become an increasingly contentious dispute because both claimants have, in the past, used modern military platforms to patrol the areas of their claims in which there are suspected oil and gas deposits in the seabed. 94 In September 2005, for example, China dispatched five warships to disputed waters surrounding its oil and gas platforms, which were spotted by a Japanese maritime patrol aircraft. 95 There have been other similar military-to-military encounters. 96 Given the fact that both countries have modern armed forces and are comparatively energy starved, it is not difficult to envision serious conflict erupting over these disputed areas. The Arctic Super Highway. Traditionalists would probably not include the Arctic as a security chokepoint. The oil connection is reasonably well known: "22 percent of the world's undiscovered energy reserves are projected to be in the region (including 13 percent of the world's petroleum and 30 percent of natural gas)." 97 However, given the very small margins that transporters earn transporting oil from point A to B, 98 shipping companies are always in search of shorter routes to transport oil to market. As the thawing of the Arctic Ocean continues as a result of climate change, 99 this may create new shipping routes that transporters of [\*993] oil and other goods will use to maximize their profits and minimize their transit times. As supplies of readily exploitable crude oil are reduced, the probability increases that some of this trade will result from exploitation activities in the land and littoral areas adjacent to the Arctic Sea. This development is concerning for a number of reasons: (1) the area is very remote and could provide a safe haven to pirates seeking to hijack cargoes; (2) the environmental sensitivity of the area, and the concomitant difficulty of mounting a cleanup effort, means that an oil spill in that marine environment will be much more persistent than an oil spill in temperate waters; 100 (3) the Arctic presents unique navigational difficulties due to the lack of good charts, navigational aids, and communications towers, as well as the impacts of extreme cold on the operational effectiveness of systems; 101 (4) the unsettled nature of claims by various countries, including the United States, to the seabed continental shelf resources in the littoral areas off their coastlines creates the potential for military competition and conflict over these claims. 102 The International Maritime Organization ("IMO") is now circulating draft guidelines for ships operating in Arctic areas to promote - but not require - ship hardening against an iceberg strike, better crew training, and environmental protection measures. 103 These guidelines are merely advisory and can only be implemented via the flag states. 104 Also, neither IMO nor any of the UN Law of the Sea Institutions have mandatory jurisdiction over any of the flashpoint issues relating [\*994] to competing continental shelf claims in the Arctic, 105 meaning that any disputes will remain unresolved for a long time. The above is only a selected list of potential flashpoints in which oil is the main culprit. Disputes between China and six other nations of the Spratly Islands, and other territories in the South China Sea, remain unresolved. 106 The Spratly Islands could become a flashpoint in the future, involving the United States or its allies, because of the proximity of those areas to the major sea routes to Japan and Korea. 107 The strategic straits of Malacca, Lombok, and Sunda in Southeast Asia are absolutely essential to the movement of raw materials to Japan, Korea, and China. 108 Because of Lombok's depth and strategic location, it is a major transit route for very large crude carriers that move between the Middle East and Asia. 109 Lombok is an undefended waterway that is only eighteen kilometers in width at its southern opening, making it an attractive chokepoint for hijacking or eco-terrorism in which the waters of the environmentally sensitive Indonesian archipelago would be held hostage. 110

### KXL solves - Dependence

#### Keystone is key to expanding North American Oil production and eliminating dependence on Middle Eastern oil.

**Gonzalez ’12** (Angel, Houston Bureau Chief at Dow Jones Newswires and Reporter for the Wall Street Journal “Expand Oil Drilling Helps U.S. Wean Itself from Mideast” The Wall Street Journal 6/27/12 http://online.wsj.com/article/SB10001424052702304441404577480952719124264.html)

**Canada's oil-sands deposits** hold the world's third largest reserves of crude oil, behind Saudi Arabia and Venezuela. Canada, meanwhile, is the largest exporter of oil into the U.S., the world's biggest oil consumer. That's promising to [make Canadian-U.S. energy cooperation as important](http://blogs.wsj.com/canadarealtime/2012/06/27/u-s-wakes-up-to-north-american-oil-abundance/) as it's ever been. Still, growing domestic energy production could allow the U.S. to lessen its focus on the unpredictable region over time. Dependence on Middle East oil has shaped American foreign, national-security and defense policies for most of the last half century. It helped drive the U.S. into active participation in the search for Arab-Israeli peace; drove Washington into close alignments with the monarchies of the Persian Gulf states; compelled it to side with Iraq during its war with Iran; prompted it to then turn against Iraq after its invasion of Kuwait, bringing about the first Persian Gulf war; and prompted Washington to then build up and sustain its military presence in the region. Whatever the success such strategies had in ensuring American influence in the region, all also came at a price. Involvement in the Arab-Israeli peace process brought the U.S. the enmity of many of the region's most radical forces upset at the failure to create a Palestinian state. The decision to build up an American military presence in the region was used as a rationale for anti-American agitation and attacks by al Qaeda and other extremist forces. The shift away from Middle Eastern oil means closer ties with Canada, which is emerging as the top U.S. energy ally, but also with Latin neighbors that are strong trading partners. A dollar spent buying oil from these countries is more likely to end up back in the U.S. than a dollar spent buying Iraqi or Saudi crude. Economies buoyed by petrodollars also lessen the appeal of northward migration for Latin America's poor, says Jeremy Martin, director of the energy program at the Institute of the Americas in La Jolla, Calif. The American energy revolution also is making a splash across the Atlantic. Countries in Eastern Europe, long dependent on Russia for their energy, are seeking to tap their own shale resources with the help of U.S. companies. Even Russia, which needs new sources of oil to maintain its status as an energy superpower, is getting into fracking with the biggest U.S. oil company, Exxon Mobil Corp. This month Exxon and Russia's state-controlled OAO Rosneft broadened an existing alliance to include the joint development of tight oil reserves in western Siberia.

### Scenario - Oil Shocks

#### KXL - Solves supply disruptions and oil shocks.

Alex Pourbaix and Carl Calantone December 2011 The Keystone XL Pipeline and America’s National Interest Alex Pourbaix is President, Energy & Oil Pipelines, TransCanada Corporation and Carl Calantone is VP Strategy, TransCanada Corporation. http://www.wilsoncenter.org/sites/default/files/Geopolitics%20of%20Energy%20-%20November-December%202011.pdf

Energy policy is closely linked to national security, and if managed properly, can also ensure economic prosperity. Since the 1970s, the US government has advocated an energy strategy that reduces reliance on foreign oil. Such statements tend to focus on Middle Eastern, rather than Canadian imports. 21 Crude imports from OPEC countries are not the path to energy security, since they are increasingly linked to supply disruptions, political upheaval, and unstable regimes. In contrast, Canada is a friendly neighbour with shared principles of democracy, free trade, and support of human rights. It is not subject to the political unrest and corruption that afflicts other oil-rich nations. While oil supply disruptions resulting from political turmoil in countries such as Libya have had repercussions throughout the world, Keystone XL provides the US an opportunity to receive oil from a secure, stable, and friendly trading partner. By increasing the supply of Canadian oil, Keystone XL can reduce US dependence on Venezuelan and Middle Eastern oil by up to 40 percent, and diminish Venezuelan leverage over the US refining sector. 22 As stated by US Representative Connie Mack: “Instead of shoring-up important national security and energy resources from a close ally, our nation continues to rely on the likes of Hugo Chavez for approximately 10 percent of our oil and the price we pay is reliant on the actions of unreliable and corrupt dictators such as Libya’s Qaddafi. Furthermore, this oil dependency holds the State Department hostage when they should be calling out the Chavez regime for its vast human rights violations and support of terrorism.” 23 Displacing OPEC crude with Canadian supply is compelling for a number of reasons. Canada’s oil sands are accessible for private sector investment, and many large US energy companies are heavily invested in the oil sands. This contrasts sharply with conditions outside North America as the majority (79 percent) of world oil reserves are owned or controlled by national governments. With oil prices expected to stay high for the foreseeable future, the potential wealth transfer to governments of oil-producing nations that are less stable and less friendly to the US than Canada is staggering.

## Adv – Canada Relations

### Internal Links

#### Rejecting Keystone pushed relations with Canada to the brink.

Burney and Hampson 6-21 (Derek and Fen, Derek H. Burney, OC, LLD Senior Strategic Advisor for Norton Rose Mr. Burney served as Canada’s Ambassador to the United States from 1989 to 1993 Fen Osler Hampson, FRSC is Chancellor’s Professor and Director of the Norman Paterson School of International Affairs (NPSIA), Carleton University. He holds a Ph.D. from Harvard University where he also received his A.M. degree (both with distinction). He also holds an MSc. (Econ.) degree (with distinction) from the London School of Economics and a B.A. (Hon.) from the University of Toronto. “How Obama Lost Canada” Council of Foreign Relations <http://www.foreignaffairs.com/articles/137744/derek-h-burney-and-fen-osler-hampson/how-obama-lost-canada>)

Permitting the construction of the Keystone XL pipeline should have been an easy diplomatic and economic decision for U.S. President Barack Obama. The completed project would have shipped more than 700,000 barrels a day of Albertan oil to refineries in the Gulf Coast, generated tens of thousands of jobs for U.S. workers, and met the needs of refineries in Texas that are desperately seeking oil from Canada, a more reliable supplier than Venezuela or countries in the Middle East. The project posed little risk to the landscape it traversed. But instead of acting on economic logic, the Obama administration caved to environmental activists in November 2011, postponing until 2013 the decision on whether to allow the pipeline. Obama’s choice marked a triumph of campaign posturing over pragmatism and diplomacy, and it brought U.S.-Canadian relations to their lowest point in decades. It was hardly the first time that the administration has fumbled issues with Ottawa. Although relations have been civil, they have rarely been productive. Whether on trade, the environment, or Canada’s shared contribution in places such as Afghanistan, time and again the United States has jilted its northern neighbor. If the pattern of neglect continues, Ottawa will get less interested in cooperating with Washington. Already, Canada has reacted by turning elsewhere -- namely, toward Asia -- for more reliable economic partners. Economically, Canada and the United States are joined at the hip. Each country is the other’s number-one trading partner - in 2011, the two-way trade in goods and services totaled $681 billion, more than U.S. trade with Mexico or China -- and trade with Canada supports more than eight million U.S. jobs. Yet the Obama administration has recently jeopardized this important relationship. It failed to combat the Buy American provision in Congress’ stimulus bill, which inefficiently excluded Canadian participation in infrastructure spending**...**

#### KXL is the critical signal for the overall US-Canadian relationship.

Lucian Pugliaresi December 2011 Pugliaresi has been President of Energy Policy Research Foundation (EPRINC) Mr.Pugliaresi has served in a wide range of government posts, including the National Security Council at the White House, Departments of State, Energy, and Interior, as well as the EPA. North America's Strategic Loss http://www.wilsoncenter.org/sites/default/files/Geopolitics%20of%20Energy%20-%20November-December%202011.pdf

Keystone XL Pipeline and the High Cost of the American Regulatory Regime The construction of the Keystone XL pipeline would send a clear signal to Canadian and US producers that a critical piece of the North American petroleum transportation infrastructure is underway. It would inform investors in Canada, the US, and abroad (including OPEC) that North America is putting into place a key building block for the emerging petroleum renaissance. The Obama Administration’s postponement of a decision on whether to allow the project to proceed to explore an alternative route has consequences beyond the more narrow concerns of increased construction costs and reduced efficiency in US refining operations. It represents a failure to understand the important strategic nature of the U.S-Canadian trade and security relationship. It undermines confidence that historic and predictable energy trade will be free of political concerns and burdensome regulations. The announced delay in approval of the project is not trivial, and the time involved to evaluate new alternatives may very well undermine the fundamental economic value of the project. The policy failure on Keystone XL is not a technical miscalculation in weighing environmental risks versus economic benefits. The Keystone XL pipeline is an important piece of the essential infrastructure for moving higher volume shipments of both Canadian oil sands and North American crude oil to coastal refineries. The policy failure may reflect placing politics above the national interest, but the failure also reflects a fundamental misunderstanding of the critical role petroleum will continue to play in both the American and Canadian national economies. The US enjoys a highly beneficial strategic partnership with Canada, and petroleum trade is its strongest link. The consequences of harming that relationship will impose high costs on both American security (and the national economy) for years to come.

#### Issues spill over – perception of the energy trade is critical to relations.

Parfomak & Ratner 2011 The U.S.-Canada Energy Relationship: Joined at the Well Paul W. Parfomak Specialist in Energy and Infrastructure Policy Michael Ratner Analyst in Energy Policy June 17, 2011

<http://www.fas.org/sgp/crs/row/R41875.pdf>

The United States and Canada, while independent countries, effectively comprise a single integrated market for petroleum and natural gas. Canada is the single largest foreign supplier of petroleum products and natural gas to the United States—and the United States is the dominant consumer of Canada’s energy exports. The value of the petroleum and natural gas trade between the two countries totaled nearly $100 billion in 2010, helping to promote general economic growth and directly support thousands of energy industry and related jobs on both sides of the border. Increased energy trade between the United States and Canada—a stable, friendly neighbor—is viewed by many as a major contributor to U.S. energy security. The U.S.-Canada energy relationship is increasingly complex, however, and is undergoing fundamental change, particularly in the petroleum and natural gas sectors. Congress has been facing important policy questions in the U.S.-Canada energy context on several fronts, including the siting of major cross-border pipelines, increasing petroleum supplies from Canadian oil sands, increasing natural gas production from North American shales, and the construction of new facilities for liquefied natural gas (LNG) exports. Legislative proposals in the 112 the Congress could directly influence these developments. These proposals include H.R. 1938, which would expedite consideration of the Keystone XL pipeline proposal, H.R. 909, which would encourage petroleum and natural gas production on the outer continental shelf and in the Arctic National Wildlife Refuge, and S. 304, which would support a program to train workers involved with oil and gas infrastructure in Alaska. Other proposals in Congress affecting hydraulic fracturing operations for natural gas production, offshore drilling, or U.S. oil shale development could also affect the U.S.-Canada energy relationship. Traditionally, the energy trade between the United States and Canada, while intertwined, has been uncomplicated—taking the form of a steadily growing southward flow of crude oil and natural gas to markets in the U.S. Midwest and Northeast. But recent developments have greatly complicated that energy relationship creating new competition and interconnections. Consequently, while energy policies in one country have always inevitably affected the other, their cross-cutting effects in the future may not be widely understood and, in some cases, may be largely unanticipated. For example, policies affecting U.S. shale gas production could affect North American natural gas prices overall, and thus, the costs of producing petroleum from oil sands (which requires large volumes of natural gas for heating). Changing oil sands costs could, in turn, affect Canadian petroleum supplies to the United States, affecting north-south pipeline use and changing U.S. petroleum import requirements from overseas. Changing natural gas prices would also change the economics of Arctic natural gas, however, and influence the development of the Arctic natural gas pipelines, which could provide an alternative source of economic natural gas for oil sands production in Alberta. How such scenarios could play out in reality is open to debate, but they illustrate the tangled web policymakers in both countries must navigate as they consider future energy, environmental, and transportation decisions. As Congress debates legislative proposals affecting the petroleum and natural gas industries, it may be helpful to consider these proposals in the broadest possible North American context, recognizing that the energy sector in Canada may be moved in one direction or another based on policies in Washington, DC. To date, the judgment of Congress has favored a growing U.S. Canada energy partnership—but ensuring that this relationship continues to be as mutually beneficial as possible will likely remain a key oversight challenge for the next decades.

### Impact – Terror Coop

#### US Canada relations key to solve terrorism

**Kitchen ‘9** (1/15/9 Author at Department of Political Science at the University of Waterloo Ontario, and Center for Political Science and International Affairs at Harvard “US-Canada Relations and Counter-terrorism Policy)

Concerns about sovereignty and economic gains also determine Canadian responses to U.S. counter-terrorism policies. Canada, like any other country, is concerned to preserve its sovereignty. Canadians anticipated that the U.S. response to 9=11 would have an impact on their security and sovereignty. Canada had to react both to the terrorist attacks and to the U.S. reaction to the attacks. This imperative for Canadian decision-makers stems from what Canadians sometimes call ‘‘defense against help.’’ It originates in the so-called Kingston Dispensation of 1938, when U.S. President Franklin Roosevelt promised that the United States would ‘‘not stand idly by’’ if Canada were to be threatened. In return, Prime Minister Mackenzie King pledged that Canada would do nothing to jeopardize American territorial security. We use ‘‘defence against help’’ to denote the particular set of sovereignty concerns related to Canadian fears of Americans taking Canadian security into their own hands, either by implementing policies that are contrary to Canadian interests, or more seriously, by enforcing American laws on Canadian territory. In the context of terrorism and homeland security, this implies that Canada must always consider American security imperatives while defending its sovereign right to develop its own policies against terrorism. A terrorist attack in Canada, originating in Canada, or on joint Canadian-American assets would only confirm suspicions in some quarters in the United States that the porous border to the north is a huge vulnerability.

### Impact – Canadian Econ

#### KXL is critical to the Canadian economy.

Green 5/19/12 Kenneth P. Green has studied energy and energy-related environmental policy for nearly 20 years. An environmental scientist and policy analyst by training, he is a resident scholar at the AEI James Hansen’s War Against Canada http://www.masterresource.org/2012/05/james-hansen-war-canada/

But as Bruce Carson, Executive Director of the Canada School of Energy and the Environment points out in the journal Policy Options, that would be unbearably painful for Canada: The energy sector represents the largest single private investor of capital in Canada and continues to attract the single largest slice of foreign direct investment, and these investments are spread across the country. The energy sector is a major economic driver for Canada, accounting for 6.8 percent of Canada’s GDP in 2008 and directly employing 276,000 persons, or about 1.9 percent of total direct employment in Canada. In 2007, oil exports alone generated nearly $70 billion for the Canadian economy. The Canadian Energy Research Institute (CERI) estimates that the oil sands industry alone will add 3 percent to Canada’s GDP by 2020 and will create, during the period to 2020, 5.4 million person years of employment, 44 percent of which will be outside Alberta. Currently the oil sands industry contributes toward 112,000 jobs across Canada and, according to CERI, over the next 25 years it is expected to contribute over 11 million person years of employment to Canada and $1.7 trillion to the Canadian economy. It would feel pretty bad on our end too: Trade between the United States and Canada is huge and growing. Total trade between the two countries was worth $676 billion in 2008 — more than one million dollars a minute. Canada is the biggest export market for U.S. products. Moreover, Canada ranked Number 1 in 35 states as the leading export market for goods in 2008, and Number 2 in 11 others. Trade creates jobs in the U.S. More than 8 million U.S. jobs depend on trade with Canada. That’s 4.4% of total U.S. employment — 1 in 23 American jobs depends on free and open trade with Canada. And the anti-Canada crusade is particularly shocking when you consider that Canada and the U.S. are a common market when it comes to energy: Canadians and Americans share the closest energy relationship in the world. Energy infrastructure—including oil and gas pipeline networks and electricity grids—is tightly integrated. Canada is the United States’ largest and most secure supplier of oil, natural gas, electricity and uranium.

#### Canadian economic decline causes Quebec secession

**Nuechterlein 99** (Donald E., Rockefeller Research Scholar – University of California, Berkeley, “Canada Debates a Variety of Domestic Issues”, http://donaldnuechterlein.com/1999/canada.html)

Current opinion polls in Quebec show that pro-independence forces are somewhat below the 50 percent margin that would trigger formal negotiations with the rest of Canada on the terms of separation. The current premier, Lucien Bouchard, is a crafty nationalist who will not put the question to another referendum unless he is convinced it will obtain a majority vote. My guess is that if Bouchard has doubts about reaching at least 50 percent in favor of independence, he will first call a provincial election and hope to increase the majority of his Parti Quebecois. That would give him more confidence about winning a referendum. An important factor influencing many Quebeckers will be their degree of satisfaction with the Canadian economy. At present, prosperity reigns in most parts of the country and many Quebec voters may worry that their province will suffer economically if it separates.

#### Quebec secession results in nuclear war.

New World Order Intelligence, May **2006** (http://www.survivalistskills.com/quebec.htm)

Lamont's forecasts, based upon all of this input? Canada will disintegrate shortly after Quebec separates via a Unilateral Declaration of Independence [Bouchard threatened to do this on April 28th, 1996]. Quebec will become a socialist, somewhat aberrant and unpredictable state which will ultimately be refused entry to NAFTA by the US and Canada. The Canadian provinces will seize more and more power from a weakened Federal government, become individual or regional "mini-states" themselves, and turn their eyes southward. BC and Alberta will withdraw into "Cascadia", a union of those two provinces with California, Oregon, Washington State, Idaho and Alaska, forming a bloc with the ninth-largest economy in the world. BC and Alberta will apply for admission into the US, and be accepted immediately. Manitoba will hook up with Minnesota around a Red River union. Saskatchewan will join with Montana, Colorado, and Wyoming in the Rocky Mountain Corridor. Manitoba and Saskatchewan would be given associate status with the US, depending - among other things - on how cooperative they are in facilitating the export of Canadian water to the United States. Ontario would sink into the embrace of the US Great Lakes states. Canada's Atlantic Provinces would form an "association" with New England. The US federal government, Lamont asserts, will not be "happy" with this turn of events - it will complicate security and defense arrangements, multiply the difficulties in observing and fulfilling a wide range of current bi-lateral agreements and treaties, etc. But it will be "persuaded" by the addition of vast water resources, wood, immense mineral troves, multi-billion barrel oil and tar-sand reserves, etc, to America's economic base and strategic reserves. The Russians, who have always regarded Canada as a less-belligerent "buffer" across the Arctic between the U.S. and themselves become increasingly resentful of Canada's absorbtion into a Continental Union. The hardline communist/nationalist faction having triumphed in Moscow, they begin armed "probing" flights across the Arctic divide in an attempt to test out the effectiveness of the NORAD radar early-warning system after Quebec's separation and Canada's slow collapse. Feeling even more threatened by the growing American colossus, the Russians become even more aggressive and "trigger happy". The same treaties that reduced US/USSR missile forces permitted the Russians to increase their terrain-hugging bomber-launched cruise-missile stockpiles, and they **take full advantage of this. Canada, the "international diplomatic buffer", has ceased to exist**.

#### And, that ensures Canadian fragmentation that removes the best buffer between the U.S. and Russia—causing nuclear war

Lamont ‘94-President of American Trust for the British Library-1994 (Lansing, “Breakup: The Coming End of Canada and the Stakes for America” , p. 237-9)

 Economic Reform has collapsed throughout Russia. Widespread despair over soaring prices, injured pride over Russia’s loss of stature, and disgust with Moscow’s leadership boil over. A cabal of so-called “Reds” and “Browns” –unreconstructed former communist officials and neo-Facist militants- sweeps the Yeltsin reformers from office. In the name of restoring social order and adverting total economic ruin, the leaders of the coup establish an authoritarian provisional government backed by key elements of the disaffected military. The new government resents the Western for its Cold War triumph and humiliation of the Soviet Union, resents the infatuation with Western culture and consumer products. It especially resents the United States for having won the arms race and reduced Russia to a beggar nation, then acting niggardly in its response to Russian requests for massive economic aid. The Russians who have always regarded Canada as a less vehemently anti-Soviet bal­ance against the United States in the continental partnership, particularly resent Canada's fracturing after Quebec's separation and the prospect of its pieces eventually attaching to the U.S. empire. Russian-North American relations move from- tepid-to subfreezing. The new hardliners running the Kremlin reassess Russia's arsenal of Bear and Blackjack long-range bombers, its nearly 1,200 air-launchable cruise missiles. They reanalyze the strategic value of the Arctic, whose jigsawed desert of ice conceals not only an estimated 500 billion barrels of oil but lurking nuclear-armed submarines. Then, the Russians order a sequence of air­borne reconnaissance missions to hard-probe the Arctic and North Amer­ican defenses. Somewhere on the eastern end of the Beaufort Sea, 30,000 feet above the approaching Parry Islands, a Russian Bear-H intercontinental bomber prepares to enter North American airspace clandestinely. The turboprop bomber, a bright red star on its side, has averaged 400 miles per hour since it left its base in Siberia and headed over the polar icecap. It carries inside its bulky frame eight AS-X-15 cruise missiles, each a little over 20 feet long, each packing a nuclear warhead with more than five times the power of the Hiroshima bomb. As it wings over Canadian territory, high enough so that air resistance is minimal, the Bear approxi­mates the flight mode of a glider, moving silently through the ether except for short irregular bursts of acceleration from its engines. The bomber is some 200 miles off Canada 's Arctic coast when the ultrasensitive radars of the North Warning System's CAM-M site at Cambridge Bay pick it up.

## Adv – Environment

### China Oil Tanker Spills

#### The alternative to Keystone is oil tankers to China --- increases the risk of oil spills and environmental damage.

**Faulkner**, 5/7/**2012** (Chris – founder, president and CEO of Breitling Oil and Gas, Bringing the Keystone Pipeline Debate Back into Focus, Oil Online, p. http://www.oilonline.com/blog/main.asp?Tid=45&id=252&cat )

You say neither, I say nyther: killing Keystone won’t be a win for the environment

Another hotly contested element of the Keystone Pipeline is the potential environmental impact. It amazes me that so much coverage of the environmental concerns fails to mention that the US Department of State Bureau of Oceans and International Environmental and Scientific Affairs has stated that the project will be safer than any other domestic pipeline under current regulations. (There’s already a network of more than 100,000 miles of crude trunk and gathering pipeline in the US; the Keystone pipeline will add about 1,700 miles more.) What many in the media also fail to consider is that the alternatives to the pipeline—tankers and trains—are far more destructive from an emissions standpoint and just as dangerous in relation to potential spills. And let’s not forget this simple fact: whether or not we allow this pipeline, Canada will be increasing production from its tar sands and shipping that oil by whatever method is available. Those hoping to stop the continued exploitation of the Canadian tar sands by blocking the pipeline will only succeed in keeping that oil from reaching US refineries, with the likely result of China taking advantage of our nation’s short-sightedness. And how will Canada’s oil reach China? Overseas tankers, of course, creating a greater risk of oil spills as well as additional emissions. Once again, the environment loses, as do American workers and consumers.

#### China-Canada oil tankers will kill the ocean environment --- including plankton and sea lions

**Byers**, 5/17/**2012** (Michael – professor at the University of British Columbia, and Canada Research Chair in Global Politics and International Law, Canada’s oil-sands bonanza could mean disaster for Alaska’s coastline, The Seattle Times, p. http://seattletimes.nwsource.com/html/opinion/2018232475\_guest18byers.html)

Twenty-three years after the Exxon Valdez spilled more than half a million barrels of oil into Prince William Sound, another threat looms over Alaska's remote and beautiful coastline — in the form of heavy oil exports from Canada to China. Since the Earth is a sphere, the shortest shipping route from Western Canada to China passes through the Aleutian Islands at a narrow strait called Unimak Pass. Two pipeline companies want to dilute tar-like bitumen from the Alberta oil sands with natural gas condensate so that it can be pumped west to the coast of British Columbia. The first plan — a new pipeline called "Northern Gateway" — would carry 525,000 barrels per day to a terminal just south of the Alaska Panhandle, where it would be loaded onto supertankers that would sail westward toward Unimak Pass. The second plan involves tripling the capacity of an existing pipeline to Vancouver so it can carry 850,000 barrels per day, and adding compressor stations so it can handle the diluted but still heavy bitumen. The oil from this "Trans Mountain Pipeline" would also be shipped through Unimak Pass. Unimak Pass is just 10 miles wide. Five thousand ships already use it each year, most of them large container and bulk-cargo vessels. The tidal mixing of cold nutrient-rich waters in and around Unimak Pass supports massive amounts of plankton, the basis of a rich food chain. The area is part of the Alaska Maritime National Wildlife Refuge, which is home to 40 million seabirds. It's also home to a wealth of marine mammals, including endangered Steller sea lions, northern fur seals, sea otters and numerous species of whales. This ecosystem has considerable economical value. The Bering Sea just north of Unimak Pass supports the largest commercial fishery in the United States, worth $1 billion annually. Severe weather and sea conditions are common in Unimak Pass, along with powerful tidal flows. In December 2004, the Selendang Ayu, a 738-foot-long Malaysian cargo ship, had just cleared the pass when it lost power in a storm. The vessel was blown aground and broke apart, spilling 335,000 gallons of fuel oil. Almost none of the oil was recovered due to the remote location, bad weather and the near-complete absence of oil-spill-cleanup equipment and personnel in the Aleutians. Complicating matters, the U.S. State Department has long accepted that Unimak Pass is an "international strait" that foreign vessels can enter without permission or regulatory restriction. As a result, there are no shipping lanes, or notification or pilotage requirements. There are a few steps the federal government could take. It could station a large rescue tug and several oil-spill-cleanup vessels at nearby Dutch Harbor. It could ask the International Maritime Organization to designate Unimak Pass as a "particularly sensitive sea area," which would enable the U.S. to require advance notification of passage and adherence to vessel traffic separation rules. It could seek to persuade shipping companies to voluntarily route oil tankers well south of the Aleutians, though this would increase both distance and cost. In the end, however, none of these steps is likely to prevent hundreds of oil tankers from transiting Unimak Pass each year. For the root of the problem is not the tankers, but Canada's disregard for the environmental impacts of developing and selling its oil sands to China — impacts that include the near-inevitability of another Exxon Valdez-type spill in U.S. waters, this time in Unimak Pass.

#### Plankton losses trigger ecosystem collapse that risks extinction

**Alois and Cheng 7** (Paul and Victoria, The Arlington Institute, “Keystone Species Extinction Overview”, July, http://www.arlingtoninstitute.org/wbp/species-extinction/443)

The most recent paradigm in ecological sciences posits that environmental change happens in a rapid, non-linear fashion. This paper will examine certain species of organisms that have the potential, once their numbers are low enough, to trigger a **sudden collapse** in the cycles that provide human beings with food. 1. Aquatic Systems 1.1. Plankton Plankton is a blanket term for many species of microorganisms that drift in open water and make up the base of the aquatic food chain. There are two types of plankton, phytoplankton and zooplankton. Phytoplankton make their own food through the process of photosynthesis, while zooplankton feed on phytoplankton. Zooplankton are in turn eaten by larger animals. In this way these tiny organisms sustain all life in the oceans. According to the NASA, phytoplankton populations in the northern oceans have declined by as much as 30% since 1980.[[4]](http://www.arlingtoninstitute.org/wbp/species-extinction/443#_ftn4) While the cause of this decline remains uncertain, there are several theories. [Continues] The preservation of the **fundamental cornerstones** of the ecosystem must become a foremost goal in human advancement, and it is clear that their destruction must be stopped. Plankton supporting abundant sea life are dying, fish that is a staple part of the diet of many people around the world are being fished to extinction, bees pollinating crops are threatened by many factors, and topsoil sustaining agriculture is disappearing. To solve these problems, people must also address bigger problems caused by human activity such as climate change, the destruction of habitats, and the depletion of resources due to careless use. If any of these species examined should be reduced to a low enough level, **consequences for our own survival** would be profound. The loss of these actors is happening rapidly, and it is crucial that this be stopped and reversed as soon as possible.

### China Warming Cooperation

#### Shift to Chinese-Canadian oil routes will enflame China bashing --- collapsing US/China relations and collapsing Chinese climate negotiations

**Tu**, 2/10/**2012** (Kevin Jianjun – senior associate in the Carnegie Energy and Climate Program, China should be cautious about the Canadian Oil Sands, Phoenix News Group, p. <http://carnegieendowment.org/2012/02/10/china-should-be-cautious-about-canadian-oil-sands>)

First, Canadian oil sands exports to China could further strain the already turbulent Sino-U.S. relationship. In 2012, a presidential election year, the Obama administration rejected TransCanada’s application to build the Keystone XL pipeline. The move stemmed from strong Democratic and environmentalist opposition to the deal—Obama would have risked losing the pro-environment electorate if he approved the plan. Yet, the Democratic Party has been unable to reach a consensus on this contentious issue, and the U.S. State Department has agreed to allow TransCanada to reapply for a Keystone XL permit once an alternative route that avoids particularly environmentally sensitive sites is selected. By comparison, almost all congressional Republicans strongly support the Keystone XL pipeline. Arguing that turning down the pipeline will harm U.S. energy security, kill U.S. jobs, and unnecessarily benefit China, they have vigorously attacked Obama’s decision. Any renewed support for the Northern Gateway pipeline by Chinese national oil companies would shift the focus of the Keystone XL debate within the United States from the environment to national security—a prevailing fear, especially among congressional Republicans, is that without Keystone, China will beat the United States to Canada’s rich oil reserves. A desire to shift the debate to national security in the United States may even be driving the Canadian government’s public support of the Northern Gateway pipeline. Second, large-scale Chinese imports of output from Canadian oil sands would come with a high price tag for China’s future international climate negotiations. According to the revised national Energy Balance Table, China surpassed the United States to become the world’s largest carbon emitter as early as 2006. In 2009, emissions from Chinese coal combustion alone exceeded total U.S. carbon dioxide emissions. According to the International Energy Agency, China is expected to account for 42 percent of global incremental carbon emissions by 2035. Nevertheless, under the 2011 Durban Platform for Enhanced Action, China has already said it will join a legally binding international climate treaty that will be agreed upon by 2015 and will come into force by 2020. As a result, during future international climate negotiations, China is expected to face increasingly higher pressure from the international community to retard its spiking carbon emissions. According to the Canadian Industrial Energy End-Use Data and Analysis Center, carbon-emission intensities of upstream oil sands production are generally one to four times higher than conventional oil extraction. Although recent “well-to-wheels” studies have found that the life-cycle emissions of oil-sands-based products are only 5 to 15 percent higher than those of conventional oil products, such analyses likely overlook the substantial carbon-emissions potential that is embedded in the large amount of carbon-intensive oil sands byproducts, such as petroleum coke. According to Environment Canada, oil sands development and the transportation sector are the primary drivers underlying the growth of Canada’s greenhouse gas emissions. In order to allow room for the emissions that would result from oil sands development, and to save $14 billion in penalties for not achieving its Kyoto targets, the Canadian government withdrew from the Kyoto Protocol right after the Durban climate conference, without adequate consideration of the criticism it would receive from the international community. Large-scale Chinese imports of Canadian oil sands output would correspond to de facto support of Canada’s environmentally irresponsible climate policy. Not surprisingly, Chinese imports from Canada’s oil sands would not only be criticized by the international environmental community but would also make the work of China’s climate negotiation delegation much more difficult in the future. Finally, strong opposition to the Northern Gateway pipeline from environmental organizations and Canada’s indigenous community is another important issue that China should not ignore. As early as 2005, PetroChina, the listed arm of China’s largest national oil company, signed a cooperation agreement with Enbridge to support the Northern Gateway pipeline. However, after Stephen Harper came into power in 2006, Sino-Canadian relations soon deteriorated. Citing a lack of support from the Canadian federal government, PetroChina withdrew from the pipeline project in 2007 but forgot to mention the other serious impediment to the deal—strong opposition from both environmental organizations and indigenous communities along the pipeline route. Although the Canadian government now seems to be supportive of the pipeline, it will still be unable to address environmental concerns and the indigenous community’s opposition to pipeline construction in the near future. Consequently, Enbridge’s application for the pipeline is expected to be a prolonged process, which will inevitably increase the financial risks of the project. To enhance China’s energy security, Chinese national oil companies have significantly expanded their overseas presence in recent years. But, due to the monopoly status they have long enjoyed domestically, these companies often evaluate overseas projects primarily on the basis of energy security and corporate bottom line. However, many other factors are at play, and such practices have made securing a return on some Chinese overseas investments problematic at most. Importing output from Canadian oil sands is likewise complicated. Chinese leaders should prohibit national oil companies’ involvement in the Northern Gateway pipeline, at least during a U.S. presidential election year, or they risk stirring up a national security debate in the United States and inflaming Sino-U.S. relations. After the conclusion of the Chinese political power transition by the end of 2012, the new Chinese leadership should not only fundamentally reform China’s energy-oversight mechanism, which has so far failed to adequately regulate Chinese national oil companies, but also significantly improve intergovernmental coordination. This would lead Chinese national oil companies to, in addition to focusing on national energy security and their corporate bottom line, take other important factors such as Sino-U.S. relations, environmental governance, and the host country’s internal politics into consideration when they make future overseas investment decisions.

#### Chinese cooperation is a pre-requisite for solving global warming.

**Bush** III, 10/11/**2011** (Richard – director of the Center for Northeast Asian Policy Studies, The United States and China: A G-2 in the Making, p. http://www.brookings.edu/research/articles/2011/10/11-china-us-g2-bush)

Now there are a couple of “germs of reality” in the Brzezinski-Bergsten G-2 idea. In the sixth month of his presidency, President Barack Obama laid out a grand vision for bilateral relations between the two countries. On the occasion of the first Strategic and Economic Dialogue, he said, “The relationship between the U.S. and China will shape the 21st century, which makes it as important as any bilateral relationship in the world.... If we advance [our mutual] interests through cooperation, our people will benefit and the world will be better off—because our ability to partner with each other is a prerequisite for progress on many of the most pressing global challenges.” President Obama and President Hu Jintao have repeatedly stated their “commitment to building a positive, cooperative, and comprehensive U.S.-China relationship for the 21st century, which serves the interests of the American and Chinese peoples and of the global community.” Moreover, there are some “pressing global challenges” that stem from the policies of the two countries. Global macroeconomic imbalances are the result, primarily of the bilateral economic imbalance between the United States and China and the related domestic policies. China saves too much and the United States consumes too much. That asymmetry leads to a large bilateral trade imbalance and the necessity for China to recycle its export earnings, usually by purchasing American debt. This bilateral imbalance affects the stability of the global economy, and the only way to reduce this instability is for China to consume more and the United States to save more. The problem of climate change is similar. China and the United States are the two largest emitters of greenhouse gases. Unless they are willing to tackle the problem, global warming will continue to endanger the planet.

### Arctic Drilling – Internal link

#### No KXL causes Arctic Drilling

Jen Alic 7/2/2012 Oil-Drilling Trade-Offs: Keystone for Alaska geopolitical analyst, co-founder of ISA Intel (www.isaintel.com) in Sarajevo and Tel Aviv, and the former editor-in-chief of ISN Security Watch in Zurich http://oilprice.com/Energy/Crude-Oil/Oil-Drilling-Trade-Offs-Keystone-for-Alaska.html

The Obama administration so far has stymied big oil’s efforts to move on the controversial Keystone XL pipeline, but the trade-off is a sure victory for Shell in the Alaskan Arctic. Unless environmental groups come up with a last-minute game-changing maneuver, Shell will begin test-drilling in the Alaskan Arctic in July, much to the dismay of Native Alaskans, who are concerned about the implications to the northern coast’s wildlife and shorelines. Speaking at the Norway Arctic Roundtable on 26 June, Secretary of the Interior Ken Salazar stated: “Many of you know that we are currently in the final stages of a rigorous review of Shell’s proposal to drill exploratory wells in the Beaufort and Chukchi Seas this summer. If Shell meets our standards and passes our inspections, its exploration activities will be conducted under the closest oversight and most rigorous safety standards ever implemented.”

### Ethanol – Internal link

#### Oils sands critical to offset ethanol production – solves food for fuel dilemma – feeds millions.

John Mawdsley, 2011 P.Geol. Managing Director, Institutional Research Altacorp “Renewables v. Hydrocarbons: The Energy Reality http://www.wilsoncenter.org/sites/default/files/Renewables%20vs.%20Hydrocarbons%2C%20The%20Energy%20Reality.pdf

Readers will see that we are particularly sceptical about biofuels as a renewable source of energy. The ethical reality around biofuels is the dilemma commonly referred to as the “food for fuel” issue. We calculate that approximately 149 million people per year could be fed with the feedstocks now being used for ethanol production in the United States. This surprisingly-high number might be considered unbelievable by some readers; accordingly, our analysis, calculations and sources are shown in detail on page 53. Given the magnitude of the problem, we suggest reducing the subsidies for biofuels because they are distorting an already over-burdened global food system. To put this issue in context, if one oil sands plant with a capacity of 100,000 bbls/d was used solely to offset ethanol production in the U.S. and the ethanol-feedstock land was instead used for growing food, 34 million people could be fed every year. This is approximately the population of Canada. Frankly, a better option for the United States would be to reduce energy consumption and use these savings to offset and limit ethanol production. If the country dropped its oil consumption from all sources by only 1% and this reduction was used to offset ethanol production, then the feedstock land could continually feed 64 million people every year.

### Flaring – internal link

#### KXL solves natural gas flaring in the Bakken

Steve Horn 4/2/12 Investors: No More Flaring of Fracked Oil and Gas in Bakken Shale http://ecowatch.org/2012/investors-no-more-flaring-of-fracked-oil-and-gas-in-bakken-shale/

DeSmogBlog, in the heat of the ongoing debate over TransCanada’s proposed Keystone XL tar sands pipeline, noted in late January that the derailing of the northern portion of the pipeline could mean more gas flaring in the Bakken Shale basin, located in North Dakota, due to lack of pipeline infrastructure needed to bring the gas to market. The original Keystone XL game plan included a key slice of the pie located in the northern U.S., known by the oil and gas industry as the TransCanada Bakken Marketlink project. This project would move the oil and gas obtained via the hydraulic fracturing (“fracking“) process in the Bakken, as well as tar sands crude from Alberta, southward toward Cushing, Okla., eventually making its way to Port Arthur, Texas. The southern half of that pie is known as the Cushing Marketlink project, located in Cushing, Okla., a city President Obama recently sojourned to on the campaign trail. President Obama has delayed a decision on the fate of the northern half of the pipeline until after the November 2012 elections. And that means the oil and gas obtained via fracking in the Bakken Shale will continue to be flared at surreal rates. As we explained in January, “…if the Marketlink Project goes down in flames…that means, ironically, more flames in the form of gas flaring.” In an overlooked September 2011 investigation, The New York Times revealed that the oil and gas industry flares roughly 30-percent of the gas fracked from the Bakken Shale. The Times’ Clifford Krauss wrote: Every day, more than 100 million cubic feet of natural gas is flared this way—enough energy to heat half a million homes for a day. The flared gas also spews at least two million tons of carbon dioxide into the atmosphere every year, as much as 384,000 cars or a medium-size coal-fired power plant would emit, alarming some environmentalists. Why flare? The industry answer is quite blunt. “I’ll tell you why people flare—It’s cheap,” said Troy Anderson to The Times, lead operator of a North Dakota gas-processing plant owned by Whiting Petroleum in The Times article. “Pipelines are expensive: You have to maintain them. You need permits to build them. They are a pain.”

## Solvency

#### Keystone is inevitable – a2 emissions, now key.

Phil Kerpen. President of American Commitment. 6/22/12. American Commitment. “ Pipeline Death by a Thousand Studies.” <http://www.americancommitment.org/pipeline-death-by-a-thousand-studies/>

The environmental protest crowd decided to make this into a litmus test political issue, instead of the no-brainer source of jobs and affordable energy that it really is. Their professed concern is that developing energy from increasingly-important unconventional sources, like the Alberta oil sands, will increase global warming. Even if they’re right, they’re wrong to oppose the pipeline. If the Canadians can’t build a pipeline to U.S. refineries, they’ve already announced they’ll build a pipeline to export terminals on the west coast of Canada instead, from which it will go to dirtier and less efficient Asian refineries. A lose-lose for the economy and the environment. The State Department’s exhaustive review process ended last summer, and they recommended approval. All that remained was the usually perfunctory approval of the president. But Obama ignored all the reviews, the evidence, and the recommendations of his own jobs council to side with the protest crowd. He said he would wait until after his re-election to decide whether to approve it. Congress forced his hand in a bipartisan bill passed around Christmas. It required Obama to decide to either approve or reject the pipeline within 60 days. He rejected it. The pipeline company resubmitted the application. Now the State Department is conducting yet another review. A new public comment period has been opened through the end of July, and the State Department will then review those comments. Who knows how long that will take? This is despite the fact that the review issued last August all but approving the project was labeled “final.” Senator John Hoeven of North Dakota, which needs the pipeline to efficiently bring some of the oil from its miraculous energy boom to market, observed: “In essence they’re saying, ‘OK, now we’re going to start all over again.’” With unemployment rates and gas prices still painfully high, the thousands of workers hoping for jobs building the pipeline and the millions of Americans who will benefit from the oil that will flow through it can’t afford to wait. Obama needs to stop playing the endless-study game and approve the Keystone XL pipeline now.

#### Other pipelines won’t solve enough capacity.

Lorne Stockman, 12/2011 Research Director, Oil Change International. Published by Oil Change International, Greenpeace UK and PLATFORM, December 2011 GETTING TO MARKET: EMERGING INVESTOR RISKS IN THE TAR SANDS <http://priceofoil.org/wp-content/uploads/2011/12/Getting-to-market_Final_Web_US.pdf>

Other transport options look like they will beat Keystone XL to Texas and if refiners are no longer committed to shipments from TransCanada’s pipeline then they may prefer to patronize these options, especially if they can deliver crude before Keystone XL will. So if the supply of tar sands crude building up in Cushing finds its way south to Texas without Keystone XL is that just as good for tar sands producers? Not really. Keystone XL is not just a link between Cushing and Texas; it would provide additional capacity for tar sands crude out of Alberta and into Cushing of between 700,000 – 900,000 bpd.

#### Keystone is good- jobs, security, and over-hyped environmental issues prove

The Dartmouth Review ’12 (1/24/12, “Good Politics is Bad Policy: Obama Declines Keystone XL Pipeline Permits” [http://dartreview.com/dartlog/2012/1/24/good-politics-is-bad-policy-obama-declines-keystone-xl-pipel.html)-DG](http://dartreview.com/dartlog/2012/1/24/good-politics-is-bad-policy-obama-declines-keystone-xl-pipel.html%29-DG)

Canadian oil shipped to the U.S. via pipelines like the proposed Keystone XL is the best possible alternative to importing oil by ship from corrupt dictatorships in Latin America and unstable regions in the Middle East. Does it make sense for America’s petrodollars to support our staunch ally to the North, or prop up backwards and brutal regimes in unstable regions? The answer seems clear, ethical oil from Canada is the right choice. Morally, we should have more Canadian oil. From an environmental perspective, Canadian oil sands have a bad image. However, with increasing self-regulation in the industry and improving technological standards the oil sands are becoming cleaner every day. Environmentalists who claim that boycotting tar sands oil and stopping the Keystone XL pipeline will somehow stop or slow tar sands oil production are completely wrong. Already, the Canadian government has proposed to fast-track the Northern Gateway pipeline which will supply tar sands oil to China. Since the tar sands are going to continue at full production anyways, there is no reason we should harm U.S. interests by futilely stopping the pipeline. Besides, surely, from an environmental perspective, it makes more sense to send Canadian oil to the U.S. via pipeline rather than by ship to China and then have the U.S. import oil by ship from the Middle East. From an environmental perspective, the Keystone XL pipeline is beneficial, or at the very least, not harmful. Two other important considerations are national security and ecological safety. A popular concern about the Keystone XL pipeline was possible ecological damage from a spill. Everything does have some risks, but since the same amount of oil needs to be imported anyways, pipelines from Canada are much less risky than importing the oil by ship from the Middle East. The other option is for the U.S. to drastically increase domestic production of oil, but as we saw in the Gulf of Mexico, this option has substantial risks as well. From a national and economic security standpoint, having our oil come from a politically stable ally like Canada is better than having oil come from dictatorships in unstable regions. From a safety and security standpoint, the Keystone XL pipeline is the best option. Clearly, from a moral, environmental, and security standpoint the Keystone XL pipeline is in the interest of the United States. Building the pipeline does more good than harm. This becomes even more true when we consider the over 20,000 (according to the U.S. Chamber of Commerce’s Institute for 21st Century Energy) jobs which would be created by this project. Stopping the Keystone XL pipeline will not affect the tar sands oil production but it will mean a loss of American jobs and a decrease in America’s energy security. Mr. Obama has let politics get in the way good policy. Unfortunately, this seems to occur much too often on both sides of the house these days.

#### Failure to approve KXL creates regulatory uncertainty that dooms North American oil production.

Washington Post 5/1/12 A better case for Keystone XL <http://www.washingtonpost.com/opinions/a-better-case-for-keystone-xl/2012/05/01/gIQA7s8AvT_story.html>

THE CASE FOR ultimately approving the Keystone XL pipeline — always strong — has grown stronger.

A key environmentalist argument against Keystone XL has been that the project would encourage the extraction of bitumen, a particularly dirty oil-like substance, from the “oil sands” in Alberta. If activists could “shut in” Canadian bitumen, limiting the ability of oil companies to sell the product, they argued, perhaps petroleum firms wouldn’t be able to fully develop the oil sands. That hope always was unrealistic, and a recent announcement from Kinder Morgan, another pipeline company, illustrates why. The firm wants to nearly triple the capacity of its existing Trans Mountain pipeline between Alberta and Vancouver — a route from the oil sands to the world market — enabling it to carry even more product than the Keystone XL would. From there, much of it would probably head to Asia. Because the pipeline exists, expanding it may not face the same regulatory hurdles — particularly opposition from native groups — that other proposals to run new pipelines to Canada’s west coast have encountered. There is already enough spare pipeline capacity running out of the oil sands to accommodate increasing production for much of this decade, a government report concluded in 2010. While Kinder Morgan’s expansion certainly wouldn’t sate all the future demand for pipeline capacity, it would add more time before the environmentalists’ strategy could seriously impact production. And it demonstrates a critical point: Even if environmentalists manage to stop one pipeline or another, given high world oil prices, the enthusiastic support of the Canadian government, the many transport options and the years available to develop infrastructure, it’s beyond quixotic to believe that enough of the affordable paths out will be blocked. Environmentalists might succeed, however, in relocating some construction jobs outside the United States. So President Obama’s refusal so far to authorize Keystone XL has little rational basis. On the other hand, the Republican response hardly represents an ideal of policymaking, either. GOP lawmakers have repeatedly attempted to amend bills to mandate the approval of Keystone XL, attaching such a provision to a transportation bill they passed last month. Attracting foreign investment in projects that will create U.S. jobs requires predictable regulatory procedures. The way to encourage the efficient extraction and delivery of the oil that the United States will require for decades is to make clear that government won’t use the issue as a political football. Both sides have given investors reason to worry during the Keystone XL fight.

# Case

## Solvency

### Certainty

#### Failure to approve KXL creates regulatory uncertainty that dooms North American oil production.

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#### Destroys oil sands commercial viabilty

Klean Industries 6/4/12 Market News Crude glut, price plunge put oil sands projects at risk http://www.kleanindustries.com/s/environmental\_market\_Industry\_news.asp?ReportID=528983

For the oil sands, the fact that new pipeline capacity is uncertain -- Keystone XL has yet to gain approval, and the road ahead is iffy for West Coast projects like Enbridge Inc.'s Northern Gateway and Kinder Morgan's Trans Mountain expansion -- adds to the concern. (Rail, given 18-month wait times for new oil tanker cars, is unlikely to be a large alternative any time soon.) "A lack of visibility on available transportation capacity and, in turn, the prices that may ultimately be achieved could impact oil sands projects' commercial viability," the Wood Mackenzie report finds. And, it adds, its data suggests unsanctioned oil sands projects are the most expensive in the world, meaning "they are particularly susceptible to delay and cancellation."

#### Creates volatility that will blocks investment in oil sands.

Simone Sebastian 6/6/12 Report: U.S. oil boom challenging Canadian exports

http://fuelfix.com/blog/2012/06/06/report-u-s-oil-boom-challenging-canadian-exports/

Research and consulting firm Wood Mackenzie analyzed conditions for the one billion barrels of oil sands production scheduled to start up over the next four years. The firm noted that constrained pipelines, environmental opposition, labor shortages and cost inflation are challenging Canada’s oil sands. Further, growing oil production in the United States is constraining pipelines and storage facilities in the country, which is the largest importer of Canadian crude. In North Dakota’s Bakken shale alone, crude production will double by 2015, to 1.2 million barrels per day, the firm forecasted. The report determined that several proposed pipelines and expansions are critical to improving the market for Canada’s oil exports, including TransCanada’s controversial Keystone pipeline. “Increased rail usage and new pipeline expansions are essential,” the report noted. “Outages, delays in planned expansions or unforeseen issues at any of these lines could result in volatile prices, directly impacting Canadian producers. Volatile prices could lead some companies to cancel or delay their oil sands projects, the report concluded.

### Now Key

#### Can’t wait for KXL – delay kills the project entirely.

M.D. Harmon, 6/23/12 a retired journalist and military officer, is a freelance writer. Canada may take any decision about Keystone out of US hands <http://www.onlinesentinel.com/opinion/canada-may-take-any-decision-about-keystone-out-of-us-hands_2012-06-22.html>

Some recent Mitt Romney campaign commercials focused on what the presumptive GOP presidential candidate would do on "Day One" if he defeats President Barack Obama in November. One of his promises for Jan. 21, along with "begin replacing Obamacare with common-sense health care reforms" and offering tax code changes "to reward job creators, not punish them," was to "immediately approve the Keystone pipeline, creating thousands of jobs that Obama blocked." Although keeping the first two pledges is not really in a president's direct power (Congress would have to pass the appropriate laws first), the last promise is within the chief executive's discretion. That is, Obama could approve the construction of the Keystone XL pipeline tomorrow, as it has been blocked not by any law but by his administration's pro-environmentalist and anti-consumer policies. Unfortunately, Romney may not get the chance to keep his pipeline pledge even if he does win the race for the Oval Office, because decisions now being made north of the border could take it out of his hands. Recall that the Keystone XL pipeline was intended to bring oil from Canada's Alberta tar sands through the Midwest to link with other pipelines that would carry it to refineries on the U.S. Gulf Coast. The tar sands contain nearly 200 billion barrels of oil reserves, almost equal to the amount available in Saudi Arabia, and the pipeline was designed to carry 830,000 barrels of oil per day. For an administration that has said it wants to lessen U.S. reliance on oil from uncertain allies abroad, approving this deal would boost U.S. energy security and lower the cost of fuel to Americans. Because the pipeline would cross above a pool of groundwater called the Ogallala Aquifer, in Nebraska's Sand Hills region, however, environmentalists who form a substantial part of Obama's political base raised objections, even after the State Department (which gets to rule on cross-border transactions) had said it posed no problems. Indeed, many other pipelines already pass above the same piece of ground. Oil from tar sands is thicker than conventionally extracted oil, and that characteristic, plus the fact that its extraction reportedly releases more carbon dioxide than normal drilling (a favorite "climate-change" chimera), let environmentalists stick the propagandistic label "dirty oil" on Alberta's product. All those factors made handy excuses for calling for "new studies" that would delay the pipeline's approval past the Nov. 6 election, even though three years of studies already have been conducted. The pipeline's owner, TransCanada of Calgary, Alberta, then proposed an alternate route that would bypass the Sand Hills, although that route would require a new series of environmental studies that would take nine months to a year to complete, with no guarantee of approval, either. That led even former President Bill Clinton to say in March that it was time for the United States to "embrace" the long-delayed project by giving the new route a green light. The impact of Obama's stalling, however, may not just be pandering to his hard-core supporters. It could kill the project entirely, if it has not already done so.

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### Generic Solvency

#### Keystone is good- jobs, security, and over-hyped environmental issues prove

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Canadian oil shipped to the U.S. via pipelines like the proposed Keystone XL is the best possible alternative to importing oil by ship from corrupt dictatorships in Latin America and unstable regions in the Middle East. Does it make sense for America’s petrodollars to support our staunch ally to the North, or prop up backwards and brutal regimes in unstable regions? The answer seems clear, ethical oil from Canada is the right choice. Morally, we should have more Canadian oil. From an environmental perspective, Canadian oil sands have a bad image. However, with increasing self-regulation in the industry and improving technological standards the oil sands are becoming cleaner every day. Environmentalists who claim that boycotting tar sands oil and stopping the Keystone XL pipeline will somehow stop or slow tar sands oil production are completely wrong. Already, the Canadian government has proposed to fast-track the Northern Gateway pipeline which will supply tar sands oil to China. Since the tar sands are going to continue at full production anyways, there is no reason we should harm U.S. interests by futilely stopping the pipeline. Besides, surely, from an environmental perspective, it makes more sense to send Canadian oil to the U.S. via pipeline rather than by ship to China and then have the U.S. import oil by ship from the Middle East. From an environmental perspective, the Keystone XL pipeline is beneficial, or at the very least, not harmful. Two other important considerations are national security and ecological safety. A popular concern about the Keystone XL pipeline was possible ecological damage from a spill. Everything does have some risks, but since the same amount of oil needs to be imported anyways, pipelines from Canada are much less risky than importing the oil by ship from the Middle East. The other option is for the U.S. to drastically increase domestic production of oil, but as we saw in the Gulf of Mexico, this option has substantial risks as well. From a national and economic security standpoint, having our oil come from a politically stable ally like Canada is better than having oil come from dictatorships in unstable regions. From a safety and security standpoint, the Keystone XL pipeline is the best option. Clearly, from a moral, environmental, and security standpoint the Keystone XL pipeline is in the interest of the United States. Building the pipeline does more good than harm. This becomes even more true when we consider the over 20,000 (according to the U.S. Chamber of Commerce’s Institute for 21st Century Energy) jobs which would be created by this project. Stopping the Keystone XL pipeline will not affect the tar sands oil production but it will mean a loss of American jobs and a decrease in America’s energy security. Mr. Obama has let politics get in the way good policy. Unfortunately, this seems to occur much too often on both sides of the house these days.

#### Keystone is Key- 3 reasons: increase Jobs, Better Foreign Policy, The Safest Pipeline

**Nebraskans for Jobs and Energy Independence ‘12** *(4/13/12 “Why the Keystone XL Pipeline?”*http://www.jobsandenergy.org/whythepipeline.html)-DG

**[1] Jobs and** Our **Economy** The Keystone XL Pipeline is good for Nebraska's economy. An independent study concluded the construction and development of the pipeline will lead to a sizable increase in the state and local economies, leading to gains in business activity. The **more than $150 million in tax revenue** that is generated can be used towards the betterment of roads, schools and communities. And the **$300 million in personal income** will lead to a boost in business activity in the state. **[2] Better Foreign Policy** The Keystone XL Pipeline is good for America. Through it, **oil will flow from our good friend and neighbor Canada*,*** to help replace the five million barrels of oil the U.S. imports daily from the Mideast and Venezuela. Every barrel that passes through Nebraska to the U.S. Gulf Coast refineries will be **used to fuel America** â€“ not other nations. **[3] The Safest Pipeline, Ever** An achievement in safety engineering, the Keystone XL Pipeline will use the latest satellite-linked, computerized leak detection and control system and be **monitored 24 hours per day, 365 days per year*.*** TransCanada Corporation brings vast experience and a solid safety record to the Keystone XL project. Currently maintaining more than 37,000 miles of underground pipeline in North America, their **cutting-edge technology would detect the slightest leak** (most pipeline leaks are less than 3 barrels), so that it can be stopped remotely, and the emergency response plan activated. This plan allows Keystone to address the most unlikely emergencies with swiftness and accuracy. With safety and environmental protection as core values,

#### Keystone XL key to the economy, 3 reasons: Economic security, oil independence, and job creation.

Christie Jr. 04/09/12 (Ralph, “Why We Need the Keystone XL Pipeline Project,” The Keystone XL Pipeline, http://enr.construction.com/opinions/viewpoint/2012/0409-We-All-Need-Keystone-XL.asp)

The Keystone XL pipeline—an approximately $7-billion project that complements the original Keystone Pipeline and nearly doubles the size and capacity of the system with an extension to the Gulf Coast—has been in the planning stages since 2008. This additional energy source from our North American Free Trade Agreement neighbor should be built. One of the key objectives to securing the nation's long-term economic security is the need to expand our access to safe, secure and sustainable sources of energy. The security of the U.S. and other leading economies in the world will remain threatened as long as we continue to derive a significant portion of our energy needs from hostile governments in unstable regions. As the CEO of an engineering firm that routinely provides technical, environmental and economic solutions to fuel and power suppliers, I believe this is a critical time for our country to increase its energy security and reliability through creative and balanced solutions. For engineering professionals on the front lines, building the Keystone XL pipeline, which will link new sources of oil in Canada to refineries in the Midwest and Texas, is a no-brainer and an essential step to achieving a more stable energy supply. Here in the U.S., we continue to import nearly one-fifth of our oil from the Persian Gulf. Furthermore, instability in key oil-producing countries causes volatility in oil markets and drives up gasoline and petroleum prices. Thankfully, Canada remains the largest supplier of imported oil and natural gas to the U.S. According to a report for the U.S. Dept. of Energy, U.S. refining and importing of Canadian crude will more than double in the next two decades. At a time of unrest and uncertainty in other energy- producing countries around the world, the vast energy reserves of our longtime North American neighbor are more important to the future of U.S. energy security than ever before. The Keystone XL pipeline will help to address our long-term energy needs and also create significant job growth at a time when the nation needs it most. The project's construction phase alone will require 13,000 direct construction and manufacturing hires; indirect new jobs could total 118,000.

### Reapplication Now

#### Reapplication for the northern section of the pipeline makes now key.

Dinan, Stephen, May 4, 2012, Reporter for the Washington Times, Obama to get do- over Keystone Pipeline, http://www.washingtontimes.com/news/2012/may/4/obama-get-do-over-keystone-pipeline/

TransCanada announced it has asked for permits to build the pipeline into Nebraska, and will eventually submit a new route skirting environmentally sensitive lands in Nebraska — the sticking point that caused the [Obama administration](http://www.washingtontimes.com/topics/barack-obama/) to reject its previous application.In a statement, [TransCanada](http://www.washingtontimes.com/topics/transcanada/) President [Russ Girling](http://www.washingtontimes.com/topics/russ-girling/) made it clear he was appealing to Mr. Obama’s own stated goals of boosting American energy supplies. He also said the thousands of pages of environmental reviews already completed for the earlier application should convince the president to speed this new permit along.“The multibillion-dollar Keystone XL pipeline project will reduce the United States’ dependence on foreign oil and support job growth by putting thousands of Americans to work,” [Mr. Girling](http://www.washingtontimes.com/topics/russ-girling/) said

### No Pipeline now

#### 1AC – Pipeline won’t happen now.

Jen Alic, 6/28/12 Keystone XL Looking Like Pipeline to Nowhere Oilprice.com Jen Alic is co-founder and senior analyst for ISA Intel consulting (www.isaintel.com) and editorial director for the Washington, DC-based Global Intelligence Report ([www.globalintelligencereport.com](http://www.globalintelligencereport.com)) http://www.cnbc.com/id/47995047

Four and a half years of studies and five failed votes in the House of Representatives later, what's happening with the Keystone XL pipeline? Nothing. It is stuck at the US-Canadian border, where it is likely to remain until mid-2013, despite the issuance of one of three permits to begin construction in Texas for the smaller and much less controversial portion of the pipeline. On 26 June, the US Army Corps of Engineers granted TransCanada Corp. a permit to begin construction on the $2.3 billion southern section of the massive pipeline, running from Cushing, Okla. to the Gulf of Mexico in Texas. The permit covers construction across the wetlands and waterways of Texas’ Galveston district. TransCanada still needs one permit each from Tulsa, Okla. and Forth Worth, Texas, to complete this southern Gulf portion of the Keystone. Tulsa is set to rule on the permit in a month and a half. This southern section will initially carry 700,000 barrels a day of crude oil. Construction is set to begin this summer. The southern line, permits pending, could be functional by mid-to-late 2013. Pres. Obama, despite his objections to other parts of the pipeline, has pledged to speed up the approval process. Approval for other aspects of the pipeline looks far more complicated. Because the northern section crosses an international border, it requires presidential approval, in accordance with an executive order from Pres. George W. Bush in 2004. The “greater” Keystone project would extend the existing pipeline from Hardisty in Alberta, Canada eastward until heading south into the US through North Dakota, South Dakota, Nebraska, Kansas and Oklahoma, ending at Cushing. There is also an eastern branch spiking off at Steele City, Neb. and running to Patoka, Ill. The proposed extension would run from Hardisty across the border through Phillips Country, Montana, and meet up with the existing pipeline at Steele City. This would represent 1,179 miles of new pipeline that would carry Canadian tar sands crude eventually to the Gulf of Mexico, with an initial capacity of 830,000 barrels per day. In an effort to speed up the project after Obama's initial rejection in January, TransCanada split into the northern and southern sections, pursuing the southern one independently. A comment period began Jun. 15 and runs through July 30, but the State Department has said it would not be able to complete its review until the first quarter of 2013. Approval is contingent upon whether the project is demonstratively in the country’s national interest. Republicans had tried an end run by slipping Keystone XL into a two-year transportation bill, but Obama threatened to veto the legislation, if necessary. (House and Senate negotiators Wednesday reached a tentative agreement over the bill which overhauls federal highway and transit programs.) The fate of Keystone rests with the answers to two key questions: Is it in the Obama administration’s interests, specifically in the run-up to presidential election; and is the pipeline also in the national interest. Based on environmental and jobs issues, Keystone is not in the Obama administration’s interests. Organized labor is not as interested in the jobs as it might because the administration has been fairly successful at creating energy jobs elsewhere. On the environmental front, the Obama administration’s hesitancy over the project is the stuff of heroism to that voting bloc. The Republicans had hoped to deal Obama a lethal campaign blow by setting a two-month deadline for the administration to approve Keystone XL in January, knowing it wasn't enough time to evaluate the project and hoping the administration would have to reject the project. The idea was to force the administration into publicly denouncing massive job creation and working against US energy independence ahead of the elections. The GOP strategy, however, was undercut by a sober response from organized labor. In addition, the President has been able to capitalize on his push for green-clean tech jobs as well as his support for oil and natural gas fracking. In terms of the oil and gas industry, here, too, the Obama administration doesn’t have much to gain by approving Keystone XL ahead of the elections. It would not be the end-all for the oil lobby’s harassment of the administration. The pipeline's broader impact is just as clear, although more debatable. Construction of a pipeline that size will certainly create plenty of jobs — hardly a contested point — but again energy jobs are coming from other ventures and sources. Environmentally, the project brings the risk of oil spills and the certainty of higher greenhouse gas emissions as a result of increased tar sands (dirty oil) extraction. In terms of economics, there is some solid research showing that Keystone XL is more likely to result in higher prices at the pump. Canadian tar-sand crude pumped into the Midwest and intended for domestic gas consumption would be diverted to the Gulf Coast where it would be used in diesel production and for global exports. It could very well mean reduced gas supplies and higher gas prices in the end. The issuance of the first Texas permit for the southern extension is but a Democratic bone to big oil and a job-hungry public. It has little marrow. Keystone supporters lost this battle when TransCanada split the project in half, allowing the Obama administration to score points by supporting the smaller version while avoiding a decision on the larger project. Nothing will happen on the greater Keystone XL this year.

## Advs –

### Econ

#### Keystone is critical to recovering economy.

Norquist ’12 (Grover, Reporter for Fox News “Congress should ignore Obama and approve the Keystone Pipeline” Fox News 5/18/12 http://www.foxnews.com/opinion/2012/05/18/congress-should-ignore-obama-and-approve-keystone-pipeline/)

With a sputtering economy and gasoline nearly $4.00 a gallon, Congress should do what President Obama refuses to—immediately approve the Keystone pipeline.  Attempting to appease his insatiable base during this election cycle, Obama killed the Keystone pipeline, the construction project that would have delivered millions of barrels of crude oil from Alberta, Canada to refiners in Oklahoma and Texas.  Eager to approve the pipeline and enjoy the thousands of jobs, millions of barrels of crude oil, and billions in economic activity that are tethered to the project, Republicans have pushed legislation that would overturn Obama’s decision and approve the pipeline.  Most recently, the House-passed Highway bill includes a provision that would give the Keystone pipeline the green light. Now that the House bill is moving to conference with the Senate’s watered-down bill, Obama has doubled down on his job killing position and threatened to veto any highway bill that touches the Keystone project.  Unfortunately, Americans have come to expect this sort of behavior from the president. Setting an antagonistic tone at the beginning of his presidency, on February 4, 2009 a newly elected President Obama withdrew 77 expected oil and natural gas lease sales in Utah -- immediately postponing 3,000 jobs.  Soon after, the president’s Interior Department restricted drilling on a majority of America’s Outer Continental Shelf. Where offshore drilling wasn’t prohibited, Mr. Obama issued a deepwater drilling moratorium which was struck down in federal court. Undeterred, he then issued a second deepwater moratorium that stuck.  Exemplifying how difficult it has become for oil and gas producers to develop America’s natural resources that happen to be on federal lands, approved Applications for Permits to Drill are down 36 percent since Obama took office.  By any metric, the president has inhibited oil production when he can—oil and natural gas production on federal lands is down 14 percent from 2010.  Instead of increasing domestic oil and natural gas production, the Obama administration has pursued policies that exacerbate the international oil disruptions that cause the price of gasoline to rise.  While it is true that the price of oil—and subsequently the price of gasoline—is set on the world market, increased American production of a few million barrels of oil per day would absolutely mitigate gasoline price swings. In fact, oil markets are so sensitive that during President Bush’s 2008 speech announcing additional oil lease sales, the international price of oil dropped $9.26 per barrel.  By contrast, where the federal government has no jurisdiction, energy production is flourishing.  Oil production in North Dakota’s Bakken formation has beaten the state’s unemployment rate down to an impressive 3.0 percent. Not a large part of America’s energy picture a decade ago, North Dakota is now the third-highest producing state pumping out 575,000 barrels of oil every day.  Pennsylvania, Ohio, and other states are cashing in on the shale gas revolution utilizing new technology to access overthought natural gas reserves. Bringing cheap electricity to market has revived America’s struggling manufacturing sector and breathed new life into America’s chemical industry.  And yet, despite the moratoriums, the slowed permitting, the threats of tax increases, scuttling the Keystone pipeline, President Obama is trying to convince the American public that he is in favor of cheap, abundant North American energy. He’ll have a tough time doing so until he approves the Keystone XL Pipeline.

### KXL good – Economy

#### Jump starts the economy because of jobs – key to long term recovery.

Pipeline & Gas Journal 3/2012 Contractors Highlight Importance Of Keystone XL To U.S. Job Creation 239. 3 (Mar 2012): 99-100. Proquest

Patrick D. Michels, president of Michels Corp., commented: "Knowing how significant the Keystone XL pipeline is to US. national security, energy independence, economic growth and job creation, we are very eager to get started with construction. There is no question that the permitting delays have impacted our ability to purchase supplies from US. companies and hire US. workers who need jobs. Getting the permitting go-ahead will trigger the spending and hiring that will hopefully provide a spark to jumpstart the economy." Robert A. Riess, Sr., president and CEO of Sheehan Pipe Line Construction Co., added: "This project is vital to our company and the pipeline construction industry as a whole. We will put more than 1,500 skilled American workers to work on our portion alone. The presence of construction spreads in the communities along the Keystone XL route will result in the creation of numerous local jobs that will not exist without the construction of the pipeline. "The presence of the pipeline construction workers in these communities will also stimulate local small businesses. Finally, the jobs created by the operation of the pipeline and in the refineries on the Gulf Coast will continue long after the construction phase of the project is complete. This project is critical to the future success of our economy and country," Riess said."

### Trade deficits

#### Bakken/domestic oil production solves trade deficits

Paul Sullivan 2012 Professor of Economics, National Defense University Ideology vs. Common Sense http://energy.nationaljournal.com/2012/01/sizing-up-obamas-keystone-pipe-1.php#2153336

Then there are the hopes that the Bakken oil fields in North Dakota could have used this pipeline and a spur to it to get that all important oil out. North Dakota is the fastest growing oil producing state in the country. Its unconventional oil could be one of the things that may help develop the hopes for greater energy independence for the US. One could also say the same thing for the oil shale, shale oil and oil sands in Utah, Colorado, Wyoming, Tennessee, Kentucky, Indiana and Ohio. Much like the massive unconventional gas reserves we can now get at via fracking, we can now get at gigantic resources of oil in many places in the country, even some people usually do not think of as oil states. That oil from Bakken will need to be sent via train or another pipeline internal to the country. Many people would like to see the western and Midwestern unconventional oil developed for economic and job security reasons. We have the resources and it would be best to use the properly. It also would cut back on our trade deficit. Our trade deficit? Yes. Often more than ½ of our trade deficit is from oil imports. Can we please get real? Then, maybe we cannot. The people who stopped this pipeline are mostly against oil, gas, coal, and anything that has the word hydrocarbon in it. (They sometimes support biofuels, which are economically, technically, and environmentally less amenable than some hydrocarbons. However, let us not let the facts get in the way.

### Trade Deficits Bad – Econ

#### Continued Trade deficits will crush the US economy

Martin Crutsinger, AP Economics Writer, 08/11/2010, Manufacturing.net, “U.S. Trade Deficit Report Bad News For Manufacturing,” <http://www.manufacturing.net/news/2010/08/us-trade-deficit-report-bad-news-for-manufacturing>, Accessed: 7/4/12

WASHINGTON (AP) -- The U.S. trade deficit surged in June to the highest level since October 2008 and imports of foreign consumer goods hit an all-time high. But U.S. exports faltered, representing a setback for American manufacturers. The deficit jumped 18.8 percent in June compared to May, widening to $49.9 billion, the Commerce Department reported Wednesday. The wider deficit came as a surprise to economists who had forecast a smaller trade gap because of lower global oil prices. U.S. exports slipped 1.3 percent to $150.5 billion. Sales of American farm products, computers and telecommunications equipment all declined. Imports rose 3 percent to $200.3 billion. Imports of consumer goods surged to a record high as shipments of cell phones, household appliances, televisions and clothing all increased. The deficit in goods and services, the difference between what America sells abroad and what the country imports, rose to the highest level since October 2008 when it stood at $59.4 billion. Through the first six months of this year, the deficit is running at an annual rate of $494.9 billion. That is up 32 percent from the $374.9 billion deficit for all of 2009 -- a year when the deficit was cut nearly in half as a result of the recession. Economists had expected the deficit to widen this year as an improving domestic economy lifted U.S. demand for foreign consumer goods and industrial products. American manufacturers have enjoyed growing demand for their products in Asia. But they have faced weakness in Europe, where the economic rebound has been subdued by a debt crisis that erupted in the spring. Exports of electric generators, civilian aircraft and machine tools did buck the downward trend in June to post increases. The wider deficit in June will likely further depress overall U.S. growth as measured by the gross domestic product in the April-to-June quarter. The Commerce Department initially estimated growth at 2.4 percent for the second quarter. That figure will likely be revised lower now because of the wider trade deficit. The prospects for U.S. exports have been hurt by a rise in value for the dollar against some foreign currencies. That includes the euro. And it is also affected by China's refusal to heed the Obama administration's demands that it allow its currency to rise in value against the dollar. A weaker dollar against the yuan would boost the competitiveness of U.S. products in China while making Chinese goods more expensive in the United States. For June, the U.S. trade deficit with China rose 17.4 percent to $26.2 billion. Through the first six months of this year it is running 15.9 percent higher than the same period a year ago. That is certain to increase pressure on Congress to pass legislation that would impose stiff economic sanctions on China unless it moves more quickly to allow its currency to rise in value.

#### Trade Deficits hurt the economy, reduces domestic investment and employment

CBS News 5/10/12, Alain Sherter, writer for CBS New on MoneyWatch, award-winning business journalist who has written for The Deal, MarketWatch and Thomson Financial Media, May 10, 2012, “How the US Trade Gap Hurts the Economy,” (<http://www.cbsnews.com/8301-505123_162-57431723/how-the-u.s-trade-gaps-hurts-the-economy/->) Accessed: 7/4/12 JS

Although exports by American companies to China reached record levels last year, the U.S. trade deficit with the People's Republic is on track to top last year's all-time high of $295.5 billion. What gives? Simple: The amount of goods and services China ships abroad still far surpasses its imports. Although U.S. exports to China grew more than fivefold over the last decade or so, [Chinese exports to the U.S.](https://www.uschina.org/statistics/tradetable.html) nearly quadrupled. In short, our trade gap is growing, and not only with China (see table at bottom for a list of the top U.S. imports from China). The global [U.S. trade deficit rose](http://www.cbsnews.com/8301-500395_162-57431637/trade-gap-widens-at-fastest-pace-in-10-months/) in March at its fastest clip in 10 months, as sales of consumer goods coming from overseas outstripped gains in U.S. exports, according to new Commerce Department data. Despite Europe's financial woes, imports from the region jumped nearly 23 percent in March and hit a new high of roughly $35 billion. Since the U.S. economy officially started recovering in 2009, the trade deficit has doubled, notes economist Peter Morici. It's worth noting that many of those clothes, electronic gadgets, and other low-priced products coming into the U.S. from China and elsewhere are, in fact, goods made overseas by American companies. In theory, that should drive job-creation here in the states. The lower the price of, say, a Chinese-made flat-screen TV, the more units American consumers will buy. Rising demand for nice TVs is supposed to boost hiring, as U.S. companies gear up to fill orders. If only theory jibed better with reality. With the U.S. economy still showing symptoms of depression, demand has yet to fully rebound. Hiring remains slow. As the trade deficit has grown, meanwhile, U.S. businesses have moved a lot more jobs abroad in recent years than they've created at home. Between 1999 and 2008 [U.S. multinationals slashed](http://www.cbsnews.com/8301-505123_162-43550978/how-unfair-taxes-hurt-american-business----though-not-how-you-think/)their domestic workforce by 1.9 million, while increasing overseas employment by 2.4 million, economist Martin Sullivan has shown. And it's not only about wages. The U.S. has lost more manufacturing jobs since 2000 than several countries that pay their workers more, including Australia, France, Germany, and Sweden. Nor is it only about manufacturing. The number of financial services, IT, HR, and other white-collar jobs [lost to offshoring](http://www.cbsnews.com/8301-505123_162-43549272/jobbed-how-offshoring-threatens-economic-recovery/) has risen since the financial crisis. How does offshoring relate to America's growing trade deficit? Both stifle job-creation, which in turn is affected by U.S. trade policy. Since 2001, for example, the U.S. [trade gap with China has](http://www.cbsnews.com/8301-505123_162-43556445/keyness-nightmare-how-the-huge-us-trade-deficit-stifles-the-recovery/) resulted in a loss of 2.8 million jobs, according to the Economic Policy Institute, a Washington think-tank. More broadly, a widening deficit can act as a drag on the economy by muting the job-creating effects of consumer spending. Why? Because when people hit their local mall or big-box retailer, what they buy is mostly made abroad. That creates more jobs overseas than it does here. It also weakens the impact of government stimulus by reducing the "multiplier" effect you get when formerly unemployed workers in the U.S. suddenly have a job and money in their pockets. (Again, the idea there is that higher consumer spending drives hiring, which continues the virtuous circle by pushing up spending.) Is there a way to shrink the trade deficit? Yes, but not an easy one. It will require a shift in U.S. trade policy to encourage hiring at home and to promote exports. For its part, China must let the value of its currency appreciate and foster domestic personal consumption by allowing wages to rise. Such fundamental changes, subject as usual to the complex politics and power relations that govern global trade flows, remain as uncertain as ever.

#### When imports outweigh exports, caused by trade deficits, Americans lose their jobs to workers overseas.

**Gorman**, Tom, **2003,** author of “The Idiot’s Guide to Complete Economics”, Trade Deficits: Bad or Good, International Finance, (<http://www.infoplease.com/cig/economics/trade-deficits-bad-good.html>) Accessed: 7/4/12

As usual in economics, there are several different views of trade deficits. Depending on who you talk to, they are bad, good, both (depending on the situation), or immaterial. However, few economists argue that trade deficits are always good. Economists who consider trade deficits to be bad believe that a nation that consistently runs a current account deficit is borrowing from abroad or selling off capital assets—long-term assets—to finance current purchases of goods and services. They believe that continual borrowing is not a viable long-term strategy, and that selling long-term assets to finance current consumption undermines future production. (If this reminds you of the discussion about federal budget deficits and the national debt, that's no accident. The mechanisms at work are similar.) Labor unions oppose trade deficits because they believe that when imports exceed exports, jobs are being lost to overseas workers, or soon will be. On the surface, it seems a reasonable argument, but the data on trade deficits and unemployment don't support it. In the late 1990s, when the trade deficit reached record highs, unemployment dropped to its lowest level in three decades. Some economists who oppose trade deficits see them as a symptom, rather than a cause, of trouble, specifically bad central bank policy. They believe that trade deficits arise from loose monetary policy. A rapidly growing money supply boosts demand, including demand for imports. This has two effects: First, it generates inflationary pressure, some of which is “exported” to other nations, in the form of higher prices over there. Second, it directs too much investment in other nations into export industries. These nations' economies then suffer when America hits a recession and imports less.

### Jobs

#### KEYSTONE PIPELINE WOULD CREATE THOUSANDS OF IMPORTANT AND STABLE JOBS THROUGH TECH SPIN OFF, CONSTRUCTION, AND ENGINEERING THAT GENERATE MILLIONS OF DOLLARS IN REVENUE.

**Hamilton**, James, December 18, **2011,** Professor of Economics University of California, *Costs and Benefits of the Keystone XL Pipeline,* Econbrowser, <http://www.econbrowser.com/archives/2011/12/costs_and_benef.html>, (June 25, 2012 Savannah Medley)TransCanada is poised to put 13,000 Americans to work to construct the pipeline-- pipefitters, welders, mechanics, electricians, heavy equipment operators, among other jobs-- in addition to 7,000 manufacturing jobs that would be created across the U.S. Additionally, local businesses along the pipeline route will benefit from the 118,000 spin-off jobs Keystone XL will create through increased business for local goods and service providers. The [U.S. State Department](http://www.keystonepipeline-xl.state.gov/clientsite/keystonexl.nsf?Open) estimates that the direct construction employment would be about half of TransCanada's figure, which comes from a relatively small component of the total spending: The construction work force would consist of approximately 5,000 to 6,000 workers, including Keystone employees, contractor employees, and construction and environmental inspection staff. That would generate from $349 million to $419 in total wages. An estimated $6.58 to $6.65 billion would be spent on materials and supplies, easements, engineering, permitting, and other costs.

#### Massive Jobs boost

Jack Gerard President of API 5/12/12 “American Made Energy”http://www.api.org/policy-and-issues/policy-items/american-energy/~/media/Files/Policy/American-Energy/American-Made-Energy\_LoRes.ashx

Fortunately, our continued strong demand for petroleum products can be met with increased production from home-grown sources. The oil and natural gas industry currently supports nearly 9.2 million American jobs and, significantly, one of every five new private jobs created between 2003 and 2011 was supported by the oil and natural gas industry. The industry also supports 7.7 percent of U.S. gross domestic product, and delivers more than $86 million a day in revenue to the federal government. Increasing access to U.S. domestic energy resources will only add to these impressive numbers. For the future, the promise is even greater. Economic analysts at Wood Mackenzie found that the industry could add nearly 1.4 million jobs by 2030 if the United States adopts policies that encourage development of domestic oil and natural gas resources and facilitate Canadian oil sands production, including construction of the Keystone XL pipeline infrastructure and related projects. That’s three times the number of new jobs projected under current policies.

#### Over a 100,000 jobs will be created from the US and Canada Keystone Pipeline Cooperation.

Robert Bradley Jr. CEO of Institute for Energy Research. 10/20/11. Cato Institute. <http://www.cato.org/publications/commentary/keystone-xl-energy-project-is-much-more-pipe-dream>

Construction of Keystone XL will also deliver added jobs and tax revenue at a time when the country needs both. The project requires land to be prepared, miles of pipe to be welded and installed, and 30 new pumping facilities to be built and operated. Thousands of new construction jobs will be immediately necessary. According to the Canadian Energy Research Institute, by 2019 employment directly related to Keystone XL could grow from 80,000 jobs to 179,000. If the flow of Canadian oil through the United States remains unchanged, however, total employment from the Keystone line will peak at 94,000 in 2019. The respected Perryman Group found that across the entire economy, an increase in stable oil supplies would create 250,348 permanent jobs from gains in U.S. economic activity. Personal income gains from these jobs would amount to $6.5 billion, stimulating $2.3 billion of retail sales. These compelling arguments about the benefits of Keystone XL have been giving environmentalists indigestion. Little surprise that the Cornell study is authored by a board member of Greenpeace Canada and financed by Goodman Group, a consulting firm that puts the interest of its environmentalist clients first. The projections for employment are so low one wonders if the study examined the right pipeline project. But the study changes the game by calculating how many "green" jobs are foregone by the pipeline project to reach its conclusion.

### Jobs Key to recovery

#### Jobs change the economy. They strengthen local and national economies and strengthen communities.

PremalShah, **7/4/** 2012, Huffington Post: Small Business America, “The Course and Success of the Economy Belongs in All of Our Hands,” (<http://www.huffingtonpost.com/premal-shah/kiva-city-la_b_1649309.html>) Accessed 7/4/12

The last five years of slow job growth and economic recovery has proven that the course of the economy affects each of us in profound ways. It has the power to create or take away opportunities for jobs, homes, retirement, education and even personal pride. Every person reading this has experienced the fear or reality of losing what it took years to create. A new initiative -- Kiva City LA -- is launching in Los Angeles that helps to place the course and success of the economy back in our hands. Kiva City LA is a partnership with the Mayor's Office of Small Business; Kiva; the L.A. area's largest small business microlender, VEDC (Valley Economic Development Center) and Visa. Through this program, an individual can lend as little as $25 to a small business owner in Los Angeles who has the ability to succeed, but simply lacks the capital. When small businesses do well, local and national economies do well -- local jobs are created and communities are strengthened. Small businesses are the cornerstone of the nation's economy and a stepping stone to the American Dream. They represent more than [99 percent](http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24) of all businesses in the country, create two out of every three [new jobs](http://www.sba.gov/content/small-business-agenda-growing-americas-small-businesses-win-future), employ [over half](http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24) of private sector employees, and produce over half of the [nonfarm GDP](http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24). In L.A., small business plays an especially important role. Los Angeles is home to our country's largest small business community with more than [325,000 small businesses](http://mayor.lacity.org/PressRoom/LACITYP_020010) -- employing nearly [two million](http://www.marketwatch.com/story/kiva-city-la-offers-a-way-for-everyone-to-lend-support-to-small-businesses-2012-06-26) people.

## Canada

### Canada - Internal Links

#### Rejecting Keystone pushed relations to the brink

Burney and Hampson 6-21 (Derek and Fen, Derek H. Burney, OC, LLD Senior Strategic Advisor for Norton Rose Mr. Burney served as Canada’s Ambassador to the United States from 1989 to 1993 Fen Osler Hampson, FRSC is Chancellor’s Professor and Director of the Norman Paterson School of International Affairs (NPSIA), Carleton University. He holds a Ph.D. from Harvard University where he also received his A.M. degree (both with distinction). He also holds an MSc. (Econ.) degree (with distinction) from the London School of Economics and a B.A. (Hon.) from the University of Toronto. “How Obama Lost Canada” Council of Foreign Relations <http://www.foreignaffairs.com/articles/137744/derek-h-burney-and-fen-osler-hampson/how-obama-lost-canada>)

Permitting the construction of the Keystone XL pipeline should have been an easy diplomatic and economic decision for U.S. President Barack Obama. The completed project would have shipped more than 700,000 barrels a day of Albertan oil to refineries in the Gulf Coast, generated tens of thousands of jobs for U.S. workers, and met the needs of refineries in Texas that are desperately seeking oil from Canada, a more reliable supplier than Venezuela or countries in the Middle East. The project posed little risk to the landscape it traversed. But instead of acting on economic logic, the Obama administration caved to environmental activists in November 2011, postponing until 2013 the decision on whether to allow the pipeline. Obama’s choice marked a triumph of campaign posturing over pragmatism and diplomacy, and it brought U.S.-Canadian relations to their lowest point in decades. It was hardly the first time that the administration has fumbled issues with Ottawa. Although relations have been civil, they have rarely been productive. Whether on trade, the environment, or Canada’s shared contribution in places such as Afghanistan, time and again the United States has jilted its northern neighbor. If the pattern of neglect continues, Ottawa will get less interested in cooperating with Washington. Already, Canada has reacted by turning elsewhere -- namely, toward Asia -- for more reliable economic partners. Economically, Canada and the United States are joined at the hip. Each country is the other’s number-one trading partner - in 2011, the two-way trade in goods and services totaled $681 billion, more than U.S. trade with Mexico or China -- and trade with Canada supports more than eight million U.S. jobs. Yet the Obama administration has recently jeopardized this important relationship. It failed to combat the Buy American provision in Congress’ stimulus bill, which inefficiently excluded Canadian participation in infrastructure spending**...**

#### Keystone key to Canada relations, without relations, the US would be forced into instability

Burwell,David, May 30, 2012, Writer for CNN, Keystone XL the Poster Child for Political Posturing, http://www.cnn.com/2012/05/30/opinion/burwell-keystone-pipeline/index.html

Unfortunately, the fight over whether to greenlight Keystone XL is creating collateral damage that vastly outweighs the marginal benefit either side will gain from sticking to its current position. Three victims among many deserve special mention: the U.S. transportation bill, U.S.-Canadian relations and America's strategic interests. The transportation bill, now in its ninth extension, is a critical piece of infrastructure legislation that consolidates more than 100 separate programs into just five major investment categories (for efficiency) and establishes performance standards for these investments (no more "Bridges to Nowhere"). It is finally in the last stage of negotiations between the House of Representatives and Senate. While the Senate passed a bill in March in a bipartisan 72-24 vote, the House has only a shell bill to offer, plus its "non-negotiable" insistence on mandatory approval of Keystone XL. The Senate majority has its own bazooka: a presidential veto if Keystone XL is in the bill. There is a good possibility that a sound, bipartisan bill authorizing a program so important to our future economic growth -- infrastructure -- will be tossed aside for a 10th extension and kicked into a new Congress to start all over from scratch. If this happens, both parties must stand to account in November for the damage done to our economy. America, which in 10 years has fallen from fifth to 23rd place in the quality of its infrastructure compared with its global competitors, will be the loser if the transportation bill becomes a victim of Keystone XL. If the project can't be resolved soon, U.S.-Canadian relations could also be compromised. Canada is not only our largest trading partner but also a great friend. Today, Canada supplies the largest share of U.S. oil imports and buys our products with the money we pay them for it. Yet the Canadian government risks becoming a pawn in our domestic political catfight.

#### Keystone means make or break for US-Canada relations

**The New York Times ‘12** (3/22/12 “Keystone XL Pipeline” http://topics.nytimes.com/top/reference/timestopics/subjects/k/keystone\_pipeline/index.html)-Dg

As the turbulent debate over the XL line chugs toward its delayed finale, its consequences for U.S.-Canada ties are a potent but delicate subplot to the drama. The Canadian government has lobbied hard for the pipeline extension, joining forces with oil companies like Royal Dutch Shell and Exxon Mobil that have large investments in oil sands production. Under current plans, oil sands production could overwhelm existing pipeline capacity in less than five years. Canada exports more barrels of petroleum product to America daily than Mexico and Saudi Arabia combined, an economic rank that the nation’s boosters eagerly emphasize — even as environmentalists blast the Great White North as a great green letdown. Canadians in the oil industry and government are often heard delivering a subtle but unmistakable message to their American friends: If you don’t welcome the fuel that this pipeline would deliver, we will find someone else who does. Canada, already the No. 1 source of imported oil to the United States, produced 1.5 million barrels a day of synthetic crude from oil sands in 2010 and hopes to expand that to 2.2 million barrels a day in 2015 and 3.7 million barrels a day by 2025.

#### A Delay on Keystone will risk the U.S. a Historic economic relationship with Canada

BARRIE **MCKENNA** AND NATHAN **VANDERKLIPPE** - Writers of the *GLOBAL MAIL* “*Keystone decision a setback for U.S.-Canada relations”* 11/10/**11**

The Obama administration’s move to sideline the Keystone XL pipeline is a major setback for relations between the world’s two largest trading partners, and threatens Canada’s role as the leading energy supplier to the United States. The U.S. State Department’s decision to force TransCanada Corp. to explore alternative pipeline routes in Nebraska pushes out a final ruling until at least 2013, well after next year’s U.S. presidential and c The delay puts at risk a vital piece of the historic economic relationship that binds the world’s largest oil market and its largest supplier**.** The State Department decision sent a shock wave through Canada’s energy industry, an economic stalwart of the country that has for almost six decades counted on the United States as virtually its sole export market. The first dribs of oil began to find their way across the border in 1952, when Canada sent an average 3,900 barrels a day south. That volume has grown nearly 500-fold. In 2009, Canada exported a total of 687 million barrels to the United States, which has previously pointed to Canada as a secure source of friendly oil. Now that bedrock trading relationship has come into question. The United States is becoming a “less attractive customer in general for Canada, for not just energy but everything because of their own economic and financial difficulties,” said Gwyn Morgan, the former chief executive officer of Canadian gas giant Encana Corp. “This is just another signal that Canada is going to have to diversify away from the United States, not just in energy but in everything else we can.” Canadian leaders appeared caught off guard by the State Department’s ruling, which came days before Alberta Premier Alison Redford was set to promote Keystone XL and Alberta’s oil sands industry on a trip to Washington. Prime Minister Stephen Harper had characterized Washington’s approval of the project as a “no-brainer” that would create thousands of construction jobs in both countries and meet U.S. needs for a reliable supply of crude in an unstable world. Now Canada is scrambling for a plan B for its oil. “Canada will be looking for a buyer and so obviously the Keystone project is one that is proposed and one that we would like to see go forth, but obviously we’re a resource-based, energy-based country and we’ll be looking at all opportunities,” said Sarah McIntyre, a spokeswoman for Mr. Harper. “While we are disappointed with the delay, we remain hopeful the project will be decided on its merits and eventually approved,” Natural Resources Minister Joe Oliver said in a statement. “In the meantime, our government will continue to promote Canada, and the oil sands, as a stable, secure, and ethical source of energy for the world.” The key lesson for Canada in the U.S. decision is that diversifying away from the country’s heavy reliance on the U.S. market is now an urgent priority, argued William Robson, president of C.D. Howe Institute, an economic think tank. “We do want to make sure we aren’t hostage just to that one market because they don’t treat us as nicely as their self-interest suggests they should,” Mr. Robson said. And that will mean pushing ahead with the Gateway pipeline to move oil sands crude to the West Coast and beyond, to markets such as oil-hungry China, he said. The Keystone pipeline has become hopelessly tangled in U.S. politics in recent months. The State of Nebraska has threatened to legislate moving the pipeline beyond an environmentally sensitive area, known as Sand Hills, which sits in the middle of the massive Ogallala Aquifer – a vital groundwater source for the U.S. Midwest. Environmentalists saw the pipeline decision as a chance to attack the oil sands, a major source of global warming carbon emissions. Now Canada’s challenge is to ensure other potential markets for Alberta’s crude are not hobbled by the same anti-oil-sands forces.

### Canada – Key to Terrorism

#### US Canada relations key to solve terrorism

**Kitchen ‘9** (1/15/9 Author at Department of Political Science at the University of Waterloo Ontario, and Center for Political Science and International Affairs at Harvard “US-Canada Relations and Counter-terrorism Policy)

Concerns about sovereignty and economic gains also determine Canadian responses to U.S. counter-terrorism policies. Canada, like any other country, is concerned to preserve its sovereignty. Canadians anticipated that the U.S. response to 9=11 would have an impact on their security and sovereignty. Canada had to react both to the terrorist attacks and to the U.S. reaction to the attacks. This imperative for Canadian decision-makers stems from what Canadians sometimes call ‘‘defense against help.’’ It originates in the so-called Kingston Dispensation of 1938, when U.S. President Franklin Roosevelt promised that the United States would ‘‘not stand idly by’’ if Canada were to be threatened. In return, Prime Minister Mackenzie King pledged that Canada would do nothing to jeopardize American territorial security. We use ‘‘defence against help’’ to denote the particular set of sovereignty concerns related to Canadian fears of Americans taking Canadian security into their own hands, either by implementing policies that are contrary to Canadian interests, or more seriously, by enforcing American laws on Canadian territory. In the context of terrorism and homeland security, this implies that Canada must always consider American security imperatives while defending its sovereign right to develop its own policies against terrorism. A terrorist attack in Canada, originating in Canada, or on joint Canadian-American assets would only confirm suspicions in some quarters in the United States that the porous border to the north is a huge vulnerability.

#### Collapse of US- Canada trade relation will cost U.S. billions, and may leave US borders vulnerable.

Ian F.Fergusson,20**10,** Specialist in International Trade and Finance, International Trade, "United States-Canada Trade and Economic Relationship: Prospects and Challenges,” 9/21/10 (http://international-trade-reports.blogspot.com/2010/09/united-states-canada-trade-and-economic.html) Accessed: 7/4/12

The United States and Canada conduct the world’s largest bilateral trade relationship, with total merchandise trade (exports and imports) exceeding $429.7 billion in 2009. The U.S.-Canadian relationship revolves around the themes of integration and asymmetry: integration from successive trade liberalization from the U.S.-Canada Auto Pact of 1965 leading to North American Free Trade Agreement (NAFTA), and asymmetry resulting from Canadian dependence on the U.S. market and from the disparate size of the two economies. The economies of the United States and Canada are highly integrated, a process that has been accelerated by the bilateral U.S.-Canada free trade agreement (FTA) of 1988 and the NAFTA of 1994. Both are affluent industrialized economies, with similar standards of living and industrial structure. However, the two economies diverge in size, per capita income, productivity and net savings. Canada is the largest single-country trading partner of the United States. In 2009, total merchandise trade with Canada consisted of $224.9 billion in imports and $204.7 billion in exports. In 2007, China displaced Canada as the largest source for U.S. imports for the first time, a trend that has continued since then. While Canada is an important trading partner for the United States, the United States is the dominant trade partner for Canada, and trade is a dominant feature of the Canadian economy. Automobiles and auto parts, a sector which has become highly integrated due to free trade, make up the largest sector of traded products. Canada is also the largest exporter of energy to the United States. Like the United States, the Canadian economy is affected by the transformation of China into an economic superpower. The United States and Canada also have significant stakes in each other’s economy through foreign direct investment. Both countries are members of the World Trade Organization (WTO) and both are partners with Mexico in the NAFTA. While most trade is conducted smoothly, several disputes remain contentious. Disputes concerning the 2006 softwood lumber agreement are under arbitration, and Canada has sought WTO consultations over country-of-origin-labeling requirements. In addition, the United States has placed Canada on its Special 301 priority watch list over intellectual property rights enforcement issues. Canada has also vigorously protested the implementation of the “Buy American” provisions of the economic stimulus package. The terrorist attacks of 2001 focused attention on the U.S.-Canadian border. Several bilateral initiatives have been undertaken to minimize disruption to commerce from added border security. The focus on the border has renewed interest in some quarters in greater economic integration, either through incremental measures such as greater regulatory cooperation or potentially larger goals such as a customs or monetary union. Congressional interest has focused mostly on trade disputes, and also on the ability of the two nations to continue their traditional volume of trade with heightened security on the border. .

### NORAD – Canada Key

#### US Canada relations are key to NORAD which allows us to prevent missile attacks and terrorisms

Bureau of Western Hemisphere Affairs, December 22, 2011, US Department of State, Canada, http://www.state.gov/r/pa/ei/bgn/2089.htm

U.S. defense arrangements with Canada are more extensive than with any other country. The Permanent Joint Board on Defense, established in 1940, provides policy-level consultation on bilateral defense matters and the United States and Canada share NATO mutual security commitments. In addition, U.S. and Canadian military forces have cooperated since 1958 on continental air defense within the framework of the bi-national North American Aerospace Defense Command (NORAD). The military response to the September 11, 2001 terrorist attacks in the United States both tested and strengthened military cooperation between the United States and Canada. The new NORAD Agreement that entered into force on May 12, 2006 added a maritime domain awareness component and is of indefinite duration, subject to periodic review. Since 2002, Canada has participated in diplomatic, foreign assistance, and joint military actions in Afghanistan. The Canadian Forces withdrew combat troops from Afghanistan in 2011 and now have 950 trainers deployed in a non-combat training mission for the Afghan National Army and police until 2014. While bilateral law enforcement cooperation and coordination were excellent prior to the September 11, 2001 terrorist attacks, they have since become even closer through such mechanisms as the Cross Border Crime Forum. Canada, like the United States, has strengthened its laws and realigned resources to fight terrorism. Canadian and U.S. federal and local law enforcement personnel fight cross-border crime through cooperation on joint Integrated Border Enforcement Teams. Companies on both sides of the border have joined governments in highly successful partnerships and made significant investments to secure their own facilities and internal supply chains. Crossing the border is now both more secure and faster than in 2001. President Obama and Canadian Prime Minister Harper announced the creation of the Beyond the Border (BTB) initiative on February 4, 2011 and unveiled the BTB Action Plan on December 7, 2011. The BTB initiative will strengthen security at the border through increased information sharing and law enforcement cooperation while streamlining the flow of goods and people between the two countries.

#### NORAD uniquely functions as a bilateral agreement between the US and Canada. It is key to missile defense and partnership with Canada.

Chapin, Paul, 2008, Director General for International Security at Foreign Affairs, NORAD: Renewing the unique partnership, Vanguard, <http://www.vanguardcanada.com/RenewingPartnershipChapin>

For almost 50 years, the North American Aerospace Defense Command (NORAD) has served as a unique bi-national partnership. No such agreement exists anywhere in the world. Though there have been contentious debates from time to time, especially around the topic of missile defence, the agreement has functioned as intended with minimal fanfare. Following the renewal of NORAD by Defence Minister Gordon O’Connor and US Ambassador David Wilkins, Paul Chapin, Director General, International Security Bureau at Foreign Affairs and International Trade Canada, spoke about the agreement and the relationship. (Chapin recently joined the Pearson Peacekeeping Centre in Ottawa as its senior counsellor.) What is the significance of the NORAD relationship? How has Canada benefited? NORAD reflects the essence of the unique defence relationship between Canada and the US. For nearly five decades, NORAD has been a key element in Canada’s defence partnership with the United States. While NATO provides the framework for our bi-national agreement, NORAD acknowledges the vastness of our countries and the realization that defence must be shared. It provides both countries with an enhanced capacity to respond to the evolving threats of a new security environment. The benefit for Canada is an effective defence of the continent without incurring extraordinary costs, and allows Canada to assert its sovereignty over Canadian territory.

#### Missile Defense guarantees safety. Without NORAD- the US will be at risk of being blindsided by an attack.

Warden, John K, 2012, Center for Strategic and International Studies, Missile Defense Can Offer "Meaningful Protection" http://csis.org/blog/missile-defense-can-offer-meaningful-protection

Cooperation with allies on missile defense can provide an important assurance benefit. The United States has been working with Japan to develop a missile defense capability to counter a potential North Korean attack. The U.S. has also cooperated with Israel on missile defense. In the near future, the U.S. and Israel will be involved in [joint exercises on missile defense](http://www.jpost.com/servlet/Satellite?cid=1251804542241&pagename=JPost%2FJPArticle%2F). And, according to the most recent [Institute for Foreign Policy Analysis (IFPA) report](http://www.ifpa.org/pdf/IWG2009.pdf) on missile defense, Israel is increasingly interested in missile defense cooperation: The impetus for missile defense cooperation has strengthened in Israel as a result of Iran’s nuclear program and repeated threats against Israel emanating from Iran’s leadership...The Israeli commitment to missile defense underscores the perceived need for protection against a spectrum of threats. These include cross-border terrorist attacks, possibly with WMD, but also missiles armed with conventional or nuclear warheads.Podvig is right that missile defense cannot provide these countries absolute security against a nuclear attack. However, together with other U.S. guarantees, missile defense can help make countries like Israel and Japan feel more secure and prevent them from taking more drastic steps to fend for their own security. The second problem with Podvig's argument is that he underestimates the technical capacity of missile defense. General Cartwright has said that he thinks current ground-based missile defense sites could knock down long-range missiles launched by Iran or North Korea with ninety percent accuracy. Additionally, in previous posts we mentioned advancements that are being made in Aegis and other technologies. According to the IFPA report cited above, the effectiveness of missile defense in testing is increasing:

### Canada - Internals

#### 1AC – signal overall relationship.

Lucian Pugliaresi December 2011 Pugliaresi has been President of Energy Policy Research Foundation (EPRINC) Mr.Pugliaresi has served in a wide range of government posts, including the National Security Council at the White House, Departments of State, Energy, and Interior, as well as the EPA. North America's Strategic Loss http://www.wilsoncenter.org/sites/default/files/Geopolitics%20of%20Energy%20-%20November-December%202011.pdf

Keystone XL Pipeline and the High Cost of the American Regulatory Regime The construction of the Keystone XL pipeline would send a clear signal to Canadian and US producers that a critical piece of the North American petroleum transportation infrastructure is underway. It would inform investors in Canada, the US, and abroad (including OPEC) that North America is putting into place a key building block for the emerging petroleum renaissance. The Obama Administration’s postponement of a decision on whether to allow the project to proceed to explore an alternative route has consequences beyond the more narrow concerns of increased construction costs and reduced efficiency in US refining operations. It represents a failure to understand the important strategic nature of the U.S-Canadian trade and security relationship. It undermines confidence that historic and predictable energy trade will be free of political concerns and burdensome regulations. The announced delay in approval of the project is not trivial, and the time involved to evaluate new alternatives may very well undermine the fundamental economic value of the project. The policy failure on Keystone XL is not a technical miscalculation in weighing environmental risks versus economic benefits. The Keystone XL pipeline is an important piece of the essential infrastructure for moving higher volume shipments of both Canadian oil sands and North American crude oil to coastal refineries. The policy failure may reflect placing politics above the national interest, but the failure also reflects a fundamental misunderstanding of the critical role petroleum will continue to play in both the American and Canadian national economies. The US enjoys a highly beneficial strategic partnership with Canada, and petroleum trade is its strongest link. The consequences of harming that relationship will impose high costs on both American security (and the national economy) for years to come.

#### Issues spill over – perception key.

Parfomak & Ratner 2011 The U.S.-Canada Energy Relationship: Joined at the Well Paul W. Parfomak Specialist in Energy and Infrastructure Policy Michael Ratner Analyst in Energy Policy June 17, 2011

<http://www.fas.org/sgp/crs/row/R41875.pdf>

The United States and Canada, while independent countries, effectively comprise a single integrated market for petroleum and natural gas. Canada is the single largest foreign supplier of petroleum products and natural gas to the United States—and the United States is the dominant consumer of Canada’s energy exports. The value of the petroleum and natural gas trade between the two countries totaled nearly $100 billion in 2010, helping to promote general economic growth and directly support thousands of energy industry and related jobs on both sides of the border. Increased energy trade between the United States and Canada—a stable, friendly neighbor—is viewed by many as a major contributor to U.S. energy security. The U.S.-Canada energy relationship is increasingly complex, however, and is undergoing fundamental change, particularly in the petroleum and natural gas sectors. Congress has been facing important policy questions in the U.S.-Canada energy context on several fronts, including the siting of major cross-border pipelines, increasing petroleum supplies from Canadian oil sands, increasing natural gas production from North American shales, and the construction of new facilities for liquefied natural gas (LNG) exports. Legislative proposals in the 112 the Congress could directly influence these developments. These proposals include H.R. 1938, which would expedite consideration of the Keystone XL pipeline proposal, H.R. 909, which would encourage petroleum and natural gas production on the outer continental shelf and in the Arctic National Wildlife Refuge, and S. 304, which would support a program to train workers involved with oil and gas infrastructure in Alaska. Other proposals in Congress affecting hydraulic fracturing operations for natural gas production, offshore drilling, or U.S. oil shale development could also affect the U.S.-Canada energy relationship. Traditionally, the energy trade between the United States and Canada, while intertwined, has been uncomplicated—taking the form of a steadily growing southward flow of crude oil and natural gas to markets in the U.S. Midwest and Northeast. But recent developments have greatly complicated that energy relationship creating new competition and interconnections. Consequently, while energy policies in one country have always inevitably affected the other, their cross-cutting effects in the future may not be widely understood and, in some cases, may be largely unanticipated. For example, policies affecting U.S. shale gas production could affect North American natural gas prices overall, and thus, the costs of producing petroleum from oil sands (which requires large volumes of natural gas for heating). Changing oil sands costs could, in turn, affect Canadian petroleum supplies to the United States, affecting north-south pipeline use and changing U.S. petroleum import requirements from overseas. Changing natural gas prices would also change the economics of Arctic natural gas, however, and influence the development of the Arctic natural gas pipelines, which could provide an alternative source of economic natural gas for oil sands production in Alberta. How such scenarios could play out in reality is open to debate, but they illustrate the tangled web policymakers in both countries must navigate as they consider future energy, environmental, and transportation decisions. As Congress debates legislative proposals affecting the petroleum and natural gas industries, it may be helpful to consider these proposals in the broadest possible North American context, recognizing that the energy sector in Canada may be moved in one direction or another based on policies in Washington, DC. To date, the judgment of Congress has favored a growing U.S. Canada energy partnership—but ensuring that this relationship continues to be as mutually beneficial as possible will likely remain a key oversight challenge for the next decades.

### Canada - Cut off

#### Failure of Keystone will cause a breakdown of US Canada Relations.

Globe & Mail 11/3/11 Oil patch gives a dire warning to the U.S.http://www.theglobeandmail.com/globe-investor/oil-patch-gives-a-dire-warning-to-the-us/article2224781/

This week, some of the highest-ranking executives in the Canadian oil patch publicly detailed potential alternatives to Keystone XL amid a sharpening rhetoric that included a blunt caution: For some, an unfavourable decision will effectively close off the U.S. to future crude export growth, shutting down an option that has long underpinned Canada’s oil sands expansion plans. “It’s pretty clear if Keystone doesn’t go ahead, that U.S. markets are not in favour of having Canadian oil,” Steve Laut, the president of Canadian Natural Resources Ltd., said Thursday. “If Keystone doesn’t get approved, would any other pipeline get approved? That’s the question you have to ask yourself.” Such deliberation speaks to the profound consequences associated with Keystone XL. The U.S. has been virtually the sole export market for Canadian crude in the country’s entire history as an energy producer. Today, Canada is the top source of U.S. energy imports. A change in that relationship would have sweeping consequences.

### Canada – Climate

#### Canada cooperation key to Kyoto.

Paul Sullivan 2012 Professor of Economics, National Defense University Ideology vs. Common Sense http://energy.nationaljournal.com/2012/01/sizing-up-obamas-keystone-pipe-1.php#2153336

Calling our good friends to the north, the Canadians, producers of “dirty oil” and hailing insults at them surely did not improve our relations with the most important country to the US in so many ways. We have the closest trading, military, and other relations with the Canadians. They are a democracy. They are mostly good folks. They have environmental regulations. Alberta, where most of these oil sands would have come from was looking forward to applying stricter environmental regulations. Canada was looking toward working on some of the climate change issues. So one of the results of the hammering by the extremist environmentalists was that the Canadians have left Kyoto. Nice going for some NGOs.

### Trade relations/Innovation

#### Will divert Canadian oil to other nations, kills trade relations.

Politico 5/9/12 Canadian oil execs bring warning to Hill http://www.politico.com/news/stories/0512/76130.html

Canadian oil executives this week are personally warning U.S. lawmakers that the delay in the Keystone XL pipeline has repercussions on U.S.-Canada trade relations. The CEOs of at least six Canadian oil companies or subsidiaries — in town on a regular annual visit ostensibly to talk about broader issues affecting Canadian oil production — will almost certainly end up predominately lobbying members of Congress and a diverse list of think tanks on Keystone. Their message will include pointing to expedited consideration in Canada of two proposed pipelines sending crude oil from Alberta oil sands to the West Coast for Asian export. “The snowball’s already rolling,” Dave Collyer, president of the Canadian Association of Petroleum Producers, told POLITICO. “Canadian producers have always recognized that there’s some vulnerability in only having one market, that being the United States,” Collyer said. “I think what the Keystone decision did was increase the awareness of that vulnerability and provide some impetus clearly … on the importance of diversifying that market.” “And if Keystone doesn’t go ahead, it will limit the growth of the oil sands and I think what you’ll see is innovation and ingenuity come to play and you’ll see other ways to get that growth accommodated by having to take it away to other markets,” Imperial Oil CEO Bruce March added.

### Canadian Economy

#### KXL is critical to the Canadian economy.

Green 5/19/12 Kenneth P. Green has studied energy and energy-related environmental policy for nearly 20 years. An environmental scientist and policy analyst by training, he is a resident scholar at the AEI James Hansen’s War Against Canada http://www.masterresource.org/2012/05/james-hansen-war-canada/

But as Bruce Carson, Executive Director of the Canada School of Energy and the Environment points out in the journal Policy Options, that would be unbearably painful for Canada: The energy sector represents the largest single private investor of capital in Canada and continues to attract the single largest slice of foreign direct investment, and these investments are spread across the country. The energy sector is a major economic driver for Canada, accounting for 6.8 percent of Canada’s GDP in 2008 and directly employing 276,000 persons, or about 1.9 percent of total direct employment in Canada. In 2007, oil exports alone generated nearly $70 billion for the Canadian economy. The Canadian Energy Research Institute (CERI) estimates that the oil sands industry alone will add 3 percent to Canada’s GDP by 2020 and will create, during the period to 2020, 5.4 million person years of employment, 44 percent of which will be outside Alberta. Currently the oil sands industry contributes toward 112,000 jobs across Canada and, according to CERI, over the next 25 years it is expected to contribute over 11 million person years of employment to Canada and $1.7 trillion to the Canadian economy. It would feel pretty bad on our end too: Trade between the United States and Canada is huge and growing. Total trade between the two countries was worth $676 billion in 2008 — more than one million dollars a minute. Canada is the biggest export market for U.S. products. Moreover, Canada ranked Number 1 in 35 states as the leading export market for goods in 2008, and Number 2 in 11 others. Trade creates jobs in the U.S. More than 8 million U.S. jobs depend on trade with Canada. That’s 4.4% of total U.S. employment — 1 in 23 American jobs depends on free and open trade with Canada. And the anti-Canada crusade is particularly shocking when you consider that Canada and the U.S. are a common market when it comes to energy: Canadians and Americans share the closest energy relationship in the world. Energy infrastructure—including oil and gas pipeline networks and electricity grids—is tightly integrated. Canada is the United States’ largest and most secure supplier of oil, natural gas, electricity and uranium.

### Canada Impact – Afghanistan

#### US neglect of Canada – spills over causes failure of NATO and Afghanisatn

Burney and Hampson 6-21 (Derek and Fen, Derek H. Burney, OC, LLD Senior Strategic Advisor for Norton Rose Mr. Burney served as Canada’s Ambassador to the United States from 1989 to 1993 Fen Osler Hampson, FRSC is Chancellor’s Professor and Director of the Norman Paterson School of International Affairs (NPSIA), Carleton University. He holds a Ph.D. from Harvard University where he also received his A.M. degree (both with distinction). He also holds an MSc. (Econ.) degree (with distinction) from the London School of Economics and a B.A. (Hon.) from the University of Toronto. “How Obama Lost Canada” Council of Foreign Relations http://www.foreignaffairs.com/articles/137744/derek-h-burney-and-fen-osler-hampson/how-obama-lost-canada)

In Afghanistan, Canada is now rapidly scaling back its substantial commitment to the military mission, thanks to the United States’ increasingly erratic, if not embarrassing, direction. Canada has spent billions on the war and lost over 150 soldiers, proportionately more than any other ally, but has received no tangible dividend for its support on bilateral or multilateral issues of concern to it. Canada also participated in NATO’s mission in Libya -- where a Canadian, Lieutenant-General Charles Bouchard, commanded military operations. Canada has no tangible interests of any kind in Afghanistan or Libya. Its participation in those countries, proportionately larger than any other ally, was intended primarily to strengthen the partnership with the United States on the theory that solid multilateral commitments would engender more productive bilateral relations. That proved not to be the case. The only good news in U.S.-Canadian relations to come out of this White House has been the Beyond the Border declaration, a joint statement that Obama and Canadian Prime Minister Stephen Harper issued in February 2011. The initiative was supposed to remove much of the bureaucratic sludge that has thickened the U.S.-Canadian border since 9/11, including costly inspection and reporting requirements on virtually all cross-border shipments. Despite the initial fanfare, however, the border initiative has yet to deliver much of substance, and there has been little evidence to suggest that Obama remains engaged. Of course, the U.S.-Canadian relationship has had its rocky moments before. In the 1970s and 1980s, in response to public concern over the United States’ economic domination of Canada, Ottawa enacted a wide variety of protectionist measures that irritated Washington. Eventually, the two countries recognized their mutual interests and resolved what differences they had, ratifying the Canada–United States Free Trade Agreement in 1987 and its successor, NAFTA, seven years later. Back then, Canada had little choice but to find a way to fix its relationship with the United States, the only game in town. Ottawa is in a different position now. Today, it enjoys a respectable platform of self-confidence, having weathered the financial crisis and ensuing recession far better than the United States. And unlike in the past, Canada can now look beyond its own neighborhood for economic opportunities -- especially to the rising economies of Asia. Indeed, Canada has made a full-court press in the Asia-Pacific region. It is wooing countries such as China, India, Japan, and South Korea, which are eager to invest and trade in Canadian minerals, energy, and agricultural products. Harper has announced Canada’s intention to explore free-trade negotiations with China, and talks with Japan, Thailand, India, and South Korea are under way. As Harper put it during a visit to China in February, “We want to sell our energy to people who want to buy our energy.” To be sure, Canadian companies will never abandon the U.S. market. Nevertheless, the U.S. recession and the rise of Asia have allowed Canada to diversify its economic relations. In 2010, only 68 percent of Canadian exports were destined for the United States, down from 85 percent in 2000. Canadians are accustomed to benign neglect from a neighbor preoccupied with more urgent global flashpoints, but since that neglect has grown so much as to be malign, they have begun to reappraise their relationship with the United States. As Canada develops closer ties with China and finds more receptive outlets for its exports, the United States may find itself with a less obliging partner to the north. The Keystone XL pipeline will probably be approved eventually -- the economic consequences of not building it are simply too great -- but it will take a long time to undo the damage its delay has done to U.S.-Canadian relations. Obama’s mishandling of an ordinarily routine pipeline permit awakened Canadians to the problems with depending exclusively on the United States as an export market. Already, Ottawa has shifted toward alternative options that include exporting oil from the west and east coasts of Canada later this decade. To that end, the Harper government introduced legislation that will speed regulatory approval of such projects. In May 1961, U.S. President John F. Kennedy gave a speech before the Canadian parliament in which he celebrated the deep ties between the United States and Canada. “Geography has made us neighbors, history has made us friends, economics has made us partners, and necessity has made us allies,” he said. What Kennedy stated then is still true today, and the two countries, linked by shared values and a network of individual contacts, will continue to cooperate for their mutual security and prosperity. Yet none of the truths he listed should excuse neglect. Even relations between close allies require constant care. And when the world’s most powerful country allows narrow political considerations to trample the high-priority interests of its immediate neighbor, it raises questions not only about its ability to maintain an entrenched alliance but also about its capacity for steady global leadership.

### Quebec

#### Canadian economic decline causes Quebec secession

**Nuechterlein 99** (Donald E., Rockefeller Research Scholar – University of California, Berkeley, “Canada Debates a Variety of Domestic Issues”, http://donaldnuechterlein.com/1999/canada.html)

Current opinion polls in Quebec show that pro-independence forces are somewhat below the 50 percent margin that would trigger formal negotiations with the rest of Canada on the terms of separation. The current premier, Lucien Bouchard, is a crafty nationalist who will not put the question to another referendum unless he is convinced it will obtain a majority vote. My guess is that if Bouchard has doubts about reaching at least 50 percent in favor of independence, he will first call a provincial election and hope to increase the majority of his Parti Quebecois. That would give him more confidence about winning a referendum. An important factor influencing many Quebeckers will be their degree of satisfaction with the Canadian economy. At present, prosperity reigns in most parts of the country and many Quebec voters may worry that their province will suffer economically if it separates.

#### Quebec secession results in nuclear war.

New World Order Intelligence, May **2006** (http://www.survivalistskills.com/quebec.htm)

Lamont's forecasts, based upon all of this input? Canada will disintegrate shortly after Quebec separates via a Unilateral Declaration of Independence [Bouchard threatened to do this on April 28th, 1996]. Quebec will become a socialist, somewhat aberrant and unpredictable state which will ultimately be refused entry to NAFTA by the US and Canada. The Canadian provinces will seize more and more power from a weakened Federal government, become individual or regional "mini-states" themselves, and turn their eyes southward. BC and Alberta will withdraw into "Cascadia", a union of those two provinces with California, Oregon, Washington State, Idaho and Alaska, forming a bloc with the ninth-largest economy in the world. BC and Alberta will apply for admission into the US, and be accepted immediately. Manitoba will hook up with Minnesota around a Red River union. Saskatchewan will join with Montana, Colorado, and Wyoming in the Rocky Mountain Corridor. Manitoba and Saskatchewan would be given associate status with the US, depending - among other things - on how cooperative they are in facilitating the export of Canadian water to the United States. Ontario would sink into the embrace of the US Great Lakes states. Canada's Atlantic Provinces would form an "association" with New England. The US federal government, Lamont asserts, will not be "happy" with this turn of events - it will complicate security and defense arrangements, multiply the difficulties in observing and fulfilling a wide range of current bi-lateral agreements and treaties, etc. But it will be "persuaded" by the addition of vast water resources, wood, immense mineral troves, multi-billion barrel oil and tar-sand reserves, etc, to America's economic base and strategic reserves. The Russians, who have always regarded Canada as a less-belligerent "buffer" across the Arctic between the U.S. and themselves become increasingly resentful of Canada's absorbtion into a Continental Union. The hardline communist/nationalist faction having triumphed in Moscow, they begin armed "probing" flights across the Arctic divide in an attempt to test out the effectiveness of the NORAD radar early-warning system after Quebec's separation and Canada's slow collapse. Feeling even more threatened by the growing American colossus, the Russians become even more aggressive and "trigger happy". The same treaties that reduced US/USSR missile forces permitted the Russians to increase their terrain-hugging bomber-launched cruise-missile stockpiles, and they **take full advantage of this. Canada, the "international diplomatic buffer", has ceased to exist**.

#### And, that ensures Canadian fragmentation that removes the best buffer between the U.S. and Russia—causing nuclear war

Lamont ‘94-President of American Trust for the British Library-1994 (Lansing, “Breakup: The Coming End of Canada and the Stakes for America” , p. 237-9)

 Economic Reform has collapsed throughout Russia. Widespread despair over soaring prices, injured pride over Russia’s loss of stature, and disgust with Moscow’s leadership boil over. A cabal of so-called “Reds” and “Browns” –unreconstructed former communist officials and neo-Facist militants- sweeps the Yeltsin reformers from office. In the name of restoring social order and adverting total economic ruin, the leaders of the coup establish an authoritarian provisional government backed by key elements of the disaffected military. The new government resents the Western for its Cold War triumph and humiliation of the Soviet Union, resents the infatuation with Western culture and consumer products. It especially resents the United States for having won the arms race and reduced Russia to a beggar nation, then acting niggardly in its response to Russian requests for massive economic aid. The Russians who have always regarded Canada as a less vehemently anti-Soviet bal­ance against the United States in the continental partnership, particularly resent Canada's fracturing after Quebec's separation and the prospect of its pieces eventually attaching to the U.S. empire. Russian-North American relations move from- tepid-to subfreezing. The new hardliners running the Kremlin reassess Russia's arsenal of Bear and Blackjack long-range bombers, its nearly 1,200 air-launchable cruise missiles. They reanalyze the strategic value of the Arctic, whose jigsawed desert of ice conceals not only an estimated 500 billion barrels of oil but lurking nuclear-armed submarines. Then, the Russians order a sequence of air­borne reconnaissance missions to hard-probe the Arctic and North Amer­ican defenses. Somewhere on the eastern end of the Beaufort Sea, 30,000 feet above the approaching Parry Islands, a Russian Bear-H intercontinental bomber prepares to enter North American airspace clandestinely. The turboprop bomber, a bright red star on its side, has averaged 400 miles per hour since it left its base in Siberia and headed over the polar icecap. It carries inside its bulky frame eight AS-X-15 cruise missiles, each a little over 20 feet long, each packing a nuclear warhead with more than five times the power of the Hiroshima bomb. As it wings over Canadian territory, high enough so that air resistance is minimal, the Bear approxi­mates the flight mode of a glider, moving silently through the ether except for short irregular bursts of acceleration from its engines. The bomber is some 200 miles off Canada 's Arctic coast when the ultrasensitive radars of the North Warning System's CAM-M site at Cambridge Bay pick it up.

## Oil

### Oil

#### 830,000 barrels of oil.

Jack Gerard President of API 5/12/12 “American Made Energy”http://www.api.org/policy-and-issues/policy-items/american-energy/~/media/Files/Policy/American-Energy/American-Made-Energy\_LoRes.ashx

The United States and Canada enjoy the largest trading partnership across the longest peaceful border in the world. Getting more U.S. energy from a friendly and reliable North American neighbor would reduce U.S. reliance on energy resources from less stable regions, create American jobs, while enhancing domestic energy and national security. The Keystone XL pipeline expansion would provide a significant boost to U.S. energy security, bringing an extra 830,000 barrels of oil per day to U.S. refineries. By adding the pipeline, our crude imports from Canada could reach 4 million barrels a day by 2020, twice what we currently import from the Persian Gulf. Further, U.S. companies provide many goods and services to Canadian oil sands development companies. Additional investment in oil sands development in Canada and expansion of pipelines and refineries in the United States could make it possible to realize an additional 500,000 U.S. jobs by 2035.

### Key to Bakken

#### Keystone XL key to increasing investment in domestic oil sources

Parformak et al. 05/09/12 (Mark Parformak, specialist in energy and infrastructure, Neelesh Nerurkar, specialist in energy policy, Linda Luther, analyst in environmental policy, Adam Vann, legislative attorney, “Keystone XL Extension to Bakken Oil Production,” Keystone XL Pipeline Project: Key Issues p. 5, <http://www.fas.org/sgp/crs/misc/R41668.pdf>) JJ 6/27

The U.S. portion of the Bakken formation is an unconventional oil resource that underlies parts of North Dakota and Montana. By the end of 2010, U.S. Bakken production was 350,000 bpd. Output has climbed further since then. The oil is transported to refineries by rail and truck, rather than by pipeline, which would be more economic. In part, this is because infrastructure has not kept up with rapid production growth in the Bakken region in recent years. Output is expected to increase significantly in the future, increasing the need for pipeline transportation capacity. TransCanada has signed contracts with Bakken oil producers to carry 65,000 bpd from the region via the Keystone XL pipeline. While not the full 100,000 bpd of capacity TransCanada had offered to oil producers, this was enough to justify adding the Bakken Marketlink Project, a pipeline running from Baker, MT, to the Keystone XL pipeline, which can then carry crude to the oil hub at Cushing, OK and on to the Gulf Coast. The Bakken Marketlink would have a 100,000 bpd capacity and is estimated to cost $140 million. These new Bakken contracts also improve the economics for Keystone XL, raising the amount of oil slated to flow through the pipeline. Lower transportation costs and access to new markets may support investment in the Bakken. Furthermore, TransCanada is not the only company adding pipeline capacity in the region. Notably, Enbridge, another Canadian pipeline company, has proposed the Bakken Pipeline Project, which will add 120,000 bpd of transport capacity to move Bakken oil to Midwest markets. According to Enbridge, sufficient pipeline capacity has been slow to emerge in the region because “they’re smaller players in the Bakken. They are not able to make the 20-year commitments and it’s been a lot of work to get them to commit to the level that [is] required to underwrite a major project out of the Bakken.” Rail transport capacity is also expanding.

#### **Keystone infrastructure key to bakken.**

Toronto Star June 9, 2012 How Canada's pipeline splits America Lexis

Three weeks ago, North Dakota eclipsed Alaska to become America's second-leading oil producer behind Texas - 17.8 million barrels in March, or a daily average of 575,490. And while the frenzy has driven North Dakota's jobless rate to the lowest in the nation, those barrels are selling at a substantial discount. The infrastructure has yet to catch up with the production, forcing Bakken producers to rely on truck and rail to transport the oil to market. That's where Keystone XL comes in, with a planned intake pipe at Baker, Mont., that TransCanada pledges will absorb as much as 65,000 barrels of Bakken oil each day, adding it to the Alberta flow all the way to Texas.

#### Key to get pipeline capacity from the Bakken.

Calgary Herald 7/3/12 Redrawing North America’s energy map http://www.calgaryherald.com/business/Redrawing+North+America+energy/6875659/story.html

Pipeline constraints mean that the Western Canada Select (WCS) blend of crudes priced at the head of the pipeline at Hardisty is around $57 — a steep discount to the $80 a barrel for West Texas Intermediate at Cushing, Okla. Which is why TransCanada is pushing ahead with the controversial Keystone XL pipeline, and more refineries are building upgraders. The region has a total refining capacity of almost 7.5 million bpd, and the majority of that oil is now being imported from outside North America. Many of the largest refineries are also upgraders, designed to handle the heavy crude from Colombia and Venezuela. For Alberta, that is bitumen’s natural destination, says Stringham. “That’s why Keystone XL to the Gulf is so important. It is a ramp for Bakken oil to head south along with Alberta’s bitumen.”

### Oil - Inevit

#### Crude oil development is inevitable and improving.

Christie Jr. 04/09/12 (Ralph, “Why We Need the Keystone XL Pipeline Project,” Private-Sector Investment, http://enr.construction.com/opinions/viewpoint/2012/0409-We-All-Need-Keystone-XL.asp)

Private-Sector Investment. Furthermore, it is estimated that private-sector investment of more than $20 billion in the U.S. economy would result, along with more than $585 million in new taxes for states and local governments along the pipeline route. All of these economic effects will trigger new infrastructure development opportunities for cities and counties and result in new engineering jobs. Regarding the controversial issue of greenhouse-gas emissions generated by the transport or mining of crude oil to be transported by the Keystone XL pipeline, it's important to note that Canada's oil- sands resources will be developed whether or not the pipeline is built. Canada has strong environmental oversight of its energy industry, unlike some other countries from which we currently purchase oil. Of course, the transport of oil from the Middle East and similar far-off production centers to refineries on the Gulf Coast creates its own emissions of greenhouse gases. Further, a U.S. Dept. of State-sponsored environmental impact statement on the Keystone XL pipeline found that the heavy-crude-oil industry has made significant strides in monitoring and managing air quality, land impact and water quality in oil-sands development. In addition to the heavy-crude-oil industry improving its overall environmental performance, "oil-sands mining projects have reduced greenhouse-gas emissions' intensity by an average of 39% between 1990 and 2008," says the report. The industry is working toward further reductions.

### Dependence – Impact

#### Eliminating foreign oil is unnecessary for independence - we need only reduce imports to where oil has little to no effect on economic or military policy

Benjamin K. Sovacool, ’07 - (an Assistant Professor at the Lee Kuan Yew School of Public Policy at the National University of Singapore. He is also a Research Fellow in the Energy Governance Program at the Centre on Asia and Globalization) 2007 “Oil Independence Possible for U.S. by 2030” http://scitizen.com/authors/Benjamin-K.-Sovacool-a-899\_s\_08b456d033fcee27acbc8caf208135e8.html

Oil independence is possible for the U.S. if comprehensive and aggressive energy policies are implemented aimed at reducing demand for oil, increasing supply, and promoting alternative fuels. Contrary to what most people might think, oil independence is possible for the United States by 2030. The news is especially important when one considers that, between 1970 and 2000, economists estimate that the costs of American dependence on foreign supplies of oil have ranged between $5 and $13 trillion dollars. That’s more than the cost of all wars fought by the U.S. (adjusted for inflation) going all the way back to the Revolutionary War. The trick is to start by thinking about oil independence a little differently. Oil independence should not be viewed as eliminating all imports of oil or reducing imports from hostile or unstable oil producing states. Instead, it should entail creating a world where the costs of the country’s dependence on oil would be so small that they would have little to no effect on our economic, military, or foreign policy. It means creating a world where the estimated total economic costs of oil dependence would be less than one percent of U.S. gross domestic product by 2030. Conceived in this way (and contrary to much political commentary these days), researchers at the Oak Ridge National Laboratory (ORNL) have calculated that if the country as a whole reduced their demand for oil by 7.22 million barrels per day (MBD) and increased supply by 3 MBD, oil independence would be achieved by 2030 with a 95 percent chance of success. By reducing demand for oil, increasing its price elasticity, and increasing the supply of conventional and unconventional petroleum products, ORNL researchers noted that the country would be virtually immune from oil price shocks and market uncertainty. If large oil producing states were to respond to the U.S. by cutting back production, their initial gains from higher prices would also reduce their market share, in turn further limiting their ability to influence the oil market in the future. So if decreasing American demand for oil by 7.22 MBD and increasing supply by 3 MBD would enable the U.S. to achieve oil independence in 2030, which combination of policies offers an optimal strategy? Policymakers, for instance, could lower demand for oil by making automobiles more efficient (by legislating more stringent fuel economy standards for light and heavy duty vehicles or lowering the interstate speed limit), promoting alternatives in mode choice (such as mass transit, light rail, and carpooling), or establishing telecommuting centers and incentives for commuters to work from home. They could also promote rigorous standards for tire inflation and reduce oil consumption in other sectors of the economy.

#### Oil dependence escalates multiple flashpoints globally

Mark Rosen (Deputy General Counsel at the Center for Naval Analyses & Professor of Homeland Security Law and Policy at George Washington University) 2010 “Energy Independence and Climate Change: The Economic and National Security Consequences of Failing to Act” University of Richmond Law Review, Lexis

There is a growing consensus in U.S. national security circles that American dependence on imported oil constitutes a threat to the United States because a substantial portion of those oil reserves are controlled by governments that have historically pursued policies inimical to U.S. interests. For example, Venezuela, which represents eleven percent of U.S. oil imports, "regularly espouses anti-American and anti-Western rhetoric both at home and abroad ... [and] ... promotes ... [an] anti-U.S. influence in parts of Latin and South America ..." 72 that retards the growth of friendly political and economic ties among the United States, Venezuela, and a few other states in Latin and South America. This scenario plays out in many different regions. Russia, for example, has used its oil leverage to exert extreme political pressure upon Ukraine and Belarus. 73 Longstanding Western commercial relations with repressive regimes in the Middle East - i.e., Iran, Sudan, and Saudi Arabia - raise similar issues because of the mixed strategic messages that are being sent. Of course, large wealth [\*989] transfers have allowed the Taliban in Saudi Arabia to bankroll terrorism. 74 A. Chokepoints and Flashpoints For the foreseeable future, the U.S. military will most likely be involved in protecting access to oil supplies - including the political independence of oil producers - and the global movements of using oil to help sustain the smooth functioning of the world economy. The security challenges associated with preserving access to oil are complicated by geographical "chokepoints," through which oil flows or is transported, but which are vulnerable to piracy or closure. 75 "Flashpoints" also exist as a result of political - and sometimes military - competition to secure commercial or sovereign access to oil in the face of disputed maritime and land claims that are associated with oil and gas deposits. Together, these challenges have necessitated that the United States and its allies maintain costly navies and air forces to protect sea lanes, ocean access, and maintain a presence to deter military competition in disputed regions. A selection of today's chokepoints and flashpoints follow. The Strait of Hormuz. This strait is the narrow waterway that allows access from the Indian Ocean into the Persian Gulf. Two-thirds of the world's oil is transported by ocean, and a very large percentage of that trade moves through Hormuz. The northern tip of Oman forms the southern shoreline of the strait. 76 Hormuz is protected by the constant transits of the U.S. Navy and its allies. Even though the strait has not been closed, the Persian Gulf has been the scene of extensive military conflict. 77 On September 22, 1980, Iraq invaded Iran, initiating an eight-year war between the two countries that featured the "War of the Tankers," in which 543 ships, including the USS Stark, were attacked, while the U.S. Navy provided escort services to protect tankers [\*990] that were transiting the Persian Gulf. 78 There have been past threats by Iran to militarily close the strait. 79 Additionally, there are ongoing territorial disputes between the United Arab Emirates and Iran over ownership of three islands that are located in approaches to the strait. 80 Closure of the strait would cause severe disruption in the movements of the world's oil supplies and, at a minimum, cause significant price increases and perhaps supply shortages in many regions for the duration of the closure. 81 During the War of the Tankers, oil prices increased from $ 13 per barrel to $ 31 a barrel due to supply disruptions and other "fear" factors. 82 Bab el-Mandeb. The strait separates Africa (Djibouti and Eritrea) and Asia (Yemen), and it connects the Red Sea to the Indian Ocean via the Gulf of Aden. The strait is an oil transit chokepoint since most of Europe's crude oil from the Middle East passes north through Bab el-Mandeb into the Mediterranean via the Suez Canal. 83 Closure of the strait due to terrorist activities or for political/military reasons, could keep tankers from the Persian Gulf from reaching the Suez Canal and Sumed Pipeline complex, diverting them around the southern tip of Africa (the Cape of Good Hope). 84 This would add greatly to transit time and cost, and would effectively tie-up spare tanker capacity. Closure of the Bab el-Mandeb would effectively block non-oil shipping from using the Suez Canal. 85 In October 2002 the French-flagged tanker Limburg was attacked off the coast of Yemen by terrorists. 86 During the [\*991] Yom Kippur War in 1973, Egypt closed the strait as a means of blockading the southern Israeli port of Eilat. 87 The Turkish Straits and Caspian Oil. The term "Turkish Straits" refers to the two narrow straits in northwestern Turkey, the Bosporus and the Dardanelles, which connect the Sea of Marmara with the Black Sea on one side and the Aegean arm of the Mediterranean Sea on the other. Turkey and Russia have been locked in a longstanding dispute over passage issues involving the Turkish Straits. 88 The 1936 Montreux Convention puts Turkey in charge of regulating traffic through the straits; 89 yet Turkey has been hard pressed to stop an onslaught of Russian, Ukrainian, and Cypriot tankers, which transport Caspian Sea oil to markets in Western Europe. 90 Because of the very heavy shipping traffic and very challenging geography, there have been many collisions and groundings in the past, creating terrible pollution incidents and death. 91 Thus far, none of these incidents have been attributed to state-on-state-conflict or terrorism; 92 however, the confined waterway is an especially attractive target because of the grave economic and environmental damage that would result from a well-timed and well-placed attack on a loaded tanker. The issues surrounding the straits are also a subset of larger problems associated with the exploitation of Caspian oil, including severe pollution of the Caspian Sea as a result of imprudent extraction techniques, as well as the ever-present potential for conflict among the various claimants to the Caspian's hydrocarbon resources due to an inability of the various Caspian littoral states to agree on their maritime boundaries - and their [\*992] legal areas in which to drill. 93 Any one of these problems could become a major flashpoint in the future. China vs. Japan. The Daiyu/Senkaku islands located in the East China Sea have become an increasingly contentious dispute because both claimants have, in the past, used modern military platforms to patrol the areas of their claims in which there are suspected oil and gas deposits in the seabed. 94 In September 2005, for example, China dispatched five warships to disputed waters surrounding its oil and gas platforms, which were spotted by a Japanese maritime patrol aircraft. 95 There have been other similar military-to-military encounters. 96 Given the fact that both countries have modern armed forces and are comparatively energy starved, it is not difficult to envision serious conflict erupting over these disputed areas. The Arctic Super Highway. Traditionalists would probably not include the Arctic as a security chokepoint. The oil connection is reasonably well known: "22 percent of the world's undiscovered energy reserves are projected to be in the region (including 13 percent of the world's petroleum and 30 percent of natural gas)." 97 However, given the very small margins that transporters earn transporting oil from point A to B, 98 shipping companies are always in search of shorter routes to transport oil to market. As the thawing of the Arctic Ocean continues as a result of climate change, 99 this may create new shipping routes that transporters of [\*993] oil and other goods will use to maximize their profits and minimize their transit times. As supplies of readily exploitable crude oil are reduced, the probability increases that some of this trade will result from exploitation activities in the land and littoral areas adjacent to the Arctic Sea. This development is concerning for a number of reasons: (1) the area is very remote and could provide a safe haven to pirates seeking to hijack cargoes; (2) the environmental sensitivity of the area, and the concomitant difficulty of mounting a cleanup effort, means that an oil spill in that marine environment will be much more persistent than an oil spill in temperate waters; 100 (3) the Arctic presents unique navigational difficulties due to the lack of good charts, navigational aids, and communications towers, as well as the impacts of extreme cold on the operational effectiveness of systems; 101 (4) the unsettled nature of claims by various countries, including the United States, to the seabed continental shelf resources in the littoral areas off their coastlines creates the potential for military competition and conflict over these claims. 102 The International Maritime Organization ("IMO") is now circulating draft guidelines for ships operating in Arctic areas to promote - but not require - ship hardening against an iceberg strike, better crew training, and environmental protection measures. 103 These guidelines are merely advisory and can only be implemented via the flag states. 104 Also, neither IMO nor any of the UN Law of the Sea Institutions have mandatory jurisdiction over any of the flashpoint issues relating [\*994] to competing continental shelf claims in the Arctic, 105 meaning that any disputes will remain unresolved for a long time. The above is only a selected list of potential flashpoints in which oil is the main culprit. Disputes between China and six other nations of the Spratly Islands, and other territories in the South China Sea, remain unresolved. 106 The Spratly Islands could become a flashpoint in the future, involving the United States or its allies, because of the proximity of those areas to the major sea routes to Japan and Korea. 107 The strategic straits of Malacca, Lombok, and Sunda in Southeast Asia are absolutely essential to the movement of raw materials to Japan, Korea, and China. 108 Because of Lombok's depth and strategic location, it is a major transit route for very large crude carriers that move between the Middle East and Asia. 109 Lombok is an undefended waterway that is only eighteen kilometers in width at its southern opening, making it an attractive chokepoint for hijacking or eco-terrorism in which the waters of the environmentally sensitive Indonesian archipelago would be held hostage. 110

### Oil – KXL solves dependence\*\*

#### Keystone XL is key to American energy independence- all alternatives are unrealistic and worse.

Herman ’12 (Arthur, Reporter for Fox News 1/5/12 “America’s Future is Oil” AEI http://www.aei.org/article/energy-and-the-environment/conventional-energy/fossil-fuels/americas-future-is-oil/?gclid=CL7Fzrmf7bACFdJd7AodEUicyw)

Not many people noticed during the run up to the Iowa caucuses and last year's payroll tax fight that a far more important, and potentially game-changing, resolution passed the Senate at the end of 2011. It was the authorization for the $3 billion Keystone XL pipeline connecting us to Canada’s booming oil shale production, which the Senate has given President Obama sixty days to either sign or not sign as “not in the national interest.” What’s at stake here isn’t just new access to oil, or even jobs–some 20,000 in the construction phase alone and perhaps as many 600,000 jobs by 2035, once those 70,000 barrels of oil a day start flowing. It’s America’s future as the new energy giant of the 21st century. We are already the world’s number three oil producer at 7.5 million barrels a day. In June Exxon-Mobil announced discovery of a massive new field in the Gulf of Mexico, with as many as 700 million barrels waiting to be tapped. Montana and North Dakota sit on an oil shale formation that could produce another four billion barrels. In addition, Alaska’s Arctic National Wildlife Reserve’s fields and National Petroleum Reserve could easily add another thirty billion barrels to add to a new American gusher. Even if you don’t count Alaska, the new boom of off-shore drilling and oil shale production should add another 1.5 million barrels a day to our domestic output by 2015. That’s closing on Saudi Arabia’s daily total. With Canada and Mexico already producing more than Iran and the Arab Emirates combined, we’re looking at a major shift in the geopolitics of oil–with the United States at the center of it. Don’t be fooled by claims that fossil fuels are doomed. Alternative fuels won’t be coming on line anytime soon, certainly not enough to replace the essential role that oil, natural gas, and coal play in our economy from sources of energy to modern plastics and petrochemicals. Obama, of course, is fighting the emergence of the United States as the new energy colossus every step of the way.  He used the BP oil spill to impose a moratorium on new off shore drilling; his EPA is now trying to halt new natural gas exploration through fracking; he was hoping to postpone the battle over Keystone until after the 2012 election. And that’s not counting the billions of tax payers’ money he’s poured into his obsession with wind and solar power, including clunkers like Solyndra. The irony is that Obama thinks he’s on the cutting edge of the future, when he actually on the back end of the past. He and his green pals continue to tout a technology that hasn’t advanced much since we experimented with solar batteries in my junior high school shop class back in 1970. Meanwhile, the new oil empire is waiting to gush–indeed, with Keystone’s help in twenty years almost ninety percent of our liquid fuel needs could be coming just from ourselves and Canada. Good-bye, OPEC. Hello, energy independence.

#### Keystone XL key to foreign decreasing oil dependence

Parformak et al. 05/09/12 (Mark Parformak, specialist in energy and infrastructure, Neelesh Nerurkar, specialist in energy policy, Linda Luther, analyst in environmental policy, Adam Vann, legislative attorney, “Impact on U.S. Energy Security,” Keystone XL Pipeline Project: Key Issues p. 19, <http://www.fas.org/sgp/crs/misc/R41668.pdf>) JJ 6/27

In its Presidential Permit application, TransCanada asserts that constructing the proposed Keystone XL pipeline is in the U.S national interest to maintain adequate crude oil supplies for U.S. refineries. The application argues that the pipeline will allow U.S. refiners to substitute Canadian supply for other foreign crude supply and to obtain direct pipeline access to secure and growing Canadian crude output. In particular, the application asserts that the pipeline would allow the United States to decrease its dependence on foreign crude oil supplies from Mexico and Venezuela, the two largest oil importers into the U.S. Gulf Coast. Consistent with this argument, H.R. 3900 would seek to ensure that any crude oil and bitumen transported by the Keystone XL pipeline, or any resulting refined products, would have to remain in U.S. markets subject to a Presidential waiver allowing foreign export. Depending upon the circumstances, however, such restrictions could raise concerns with respect to international trade agreements, among other considerations. Energy security arguments have taken on additional weight in light of the recent geopolitical tensions in the Middle East and North Africa. However, it is worth noting that even if Keystone XL is built, prices for the crude oil it carries as well as for domestically produced oil from elsewhere will continue to be affected by international events. The oil market is globally integrated and events in major producer and consumer countries can affect prices everywhere. For example, the disruption of Libyan supply in early 2011 contributed to higher crude oil prices in the United States, even though the United States imported almost no oil from Libya before the unrest broke out.

#### Canadian oil solves for the US foreign dependency for oil.

Amanda Stephenson. Calgary Herald. 6/22/12. Alberta Oil and gas still Key to U.S Energy Security, says consul general. [http://www.calgaryherald.com/business/energy-resources/Alberta+still+energy+security+says+consul/6821256/story.html](http://www.calgaryherald.com/business/energy-resources/Alberta%2Bstill%2Benergy%2Bsecurity%2Bsays%2Bconsul/6821256/story.html)

CALGARY - Outgoing U.S. consul general Laura Lochman spent much of her final Calgary speaking engagement talking up Alberta’s oil and gas industry and the role she believes it will play in ensuring American energy security. Lochman, who completes a three-year stint as U.S. consul general for Alberta, Saskatchewan and the Northwest Territories on July 8, acknowledged in an address to the Calgary Chamber of Commerce on Thursday that the Canada-U.S. energy trade has experienced bumps in the road during her time in this country. “The decision on a certain proposed pipeline was, let’s say, not quite what many of us — including myself — would have expected,” Lochman said. However, Lochman said TransCanada’s proposed Keystone XL pipeline — which was rejected outright by the U.S. government in January and is now the subject of a State Department-led environmental review considering a revised route for the project — is still viewed by many Americans as a positive step for both countries’ economies. “The fact that Canada now provides 24 per cent of U.S. oil imports speaks volumes,” Lochman said. “Increasing that would have an effect on our energy security.” The Chamber event — organized to honour Lochman, who will soon be moving to Colombia to take on the role of economic minister counsellor at the U.S. embassy in Bogota — was also a discussion of Alberta-U.S. relations, and the ways they have changed since Lochman first came to Calgary three years ago. Additional speakers included Doug Bloom, chair of the Canadian Energy Pipeline Association (CEPA) and president of Spectra Energy Transmission West, and Charlie Fischer, former CEO of Nexen and current co-chair of Climate Change Central. Lochman said in spite of the rise of unconventional drilling technologies, which has enabled the U.S. to produce more domestic oil and gas than anyone would have anticipated 10 years ago, America’s thirst for Canadian energy continues to increase. The percentage of U.S. oil imports from Canada has risen six per cent since 2009, from 18 per cent to 24 per cent. Canada also supplies 85 per cent of U.S. natural gas imports, up from 83 per cent in 2009. “I said in 2009 that Canada is our most secure, reliable source of energy in the world — a pillar of U.S. energy security — and that has only resonated more over the last three years,” Lochman said. While the Obama administration has not yet enacted the type of sweeping climate change legislation that was once expected to be a priority of his government, Lochman said it is still important to the United States to ensure their energy needs are being met in an environmentally responsible way. She said she is encouraged by recent steps taken north of the border, such as the federal-provincial environmental monitoring plan for the Alberta oilsands announced in February. “It gives your buyers greater confidence that oilsands supplies will be an ongoing secure and socially licensed source of energy,” Lochman said. Lochman said she doesn’t expect the current Keystone pipeline review to be affected by outside factors, such as the two recent oil spills that took place near Red Deer and northeast of Edmonton. She said the Keystone application will be weighed independently on its own merits. Bloom, speaking on behalf of CEPA, echoed that assessment. “I would think that Keystone XL is really, at the end of the day, a political issue that will get resolved very shortly after the next presidential election,” Bloom said. “I think that project will be seen as a critical piece of infrastructure between Canada and the United States ... I think ultimately, it will be approved.” Bloom said he agrees that the U.S.-Canada energy trade relationship is generally strong. However, he said one outcome of the Keystone controversy is that Canadian exporters have realized they can no longer rely on the U.S. to be their be-all and end-all. “The Keystone XL was probably a catalyst for the government of Canada and the government of Alberta to really rethink our market philosophy,” Bloom said. “Certainly in the case of natural gas, the United States has massive natural gas reserves — so it’s going to be imperative that Canada develop new markets ... On the oilsands, I think it’s important that we have diverse markets as well.”

#### The Keystone Pipeline solves US dependence on foreign oil and lowers gas prices.

Robert Bradley Jr. CEO of Institute for Energy Research. 10/20/11. Cato Institute. <http://www.cato.org/publications/commentary/keystone-xl-energy-project-is-much-more-pipe-dream>

All told, this megaproject will stretch 1,661 miles from Alberta to Texas's Gulf Coast region. Immediately upon completion, the pipeline will have the capacity to carry 700,000 barrels per day (bpd) and ultimately the ability to transport 900,000 bpd. So what did the new study conclude? That a $7 billion investment won't create jobs and may even cost jobs on net, and that the ability to move an additional 900,000 bpd to refineries won't have the effect of lowering gas prices. These claims simply defy economic logic — as well as every previous estimate of the economic impact of Keystone XL. Simply put, the study's conclusions are specious, even absurd. The Cornell study, which environmentalists have trumpeted, is born of desperation. Facing a likely go-ahead decision from the U.S. Government, the study is a last ditch attempt to drum up opposition to a no-brainer, market-approved project. In fact, the Keystone XL pipeline will give our country a more stable and cheaper source of fuel and create thousands of quality American jobs. And taxpayers (think Solyndra) will not risk a dime. Think of the public-policy benefits of the project, the sound private economics asideThe United States currently consumes 25% of the world's energy, but produces less than 5 percent. Heavily dependent on foreign oil, America imports 11 million barrels each day. This need for foreign oil isn't going to change anytime soon. The 2010 Annual Energy Outlook projects that over 40 percent of U.S. liquid fuel consumption will be supplied by imports through 2035. Global demand for oil will only rise too — 39% between 2005 and 2030. Also note that oil imports to the United States from South America aren't holding steady. Mexico and Venezuela, two historically large exporters of crude oil, have radically reduced production in the past few years, making imports from Canada that much more essential. A new influx of up to 700,000 bpd from Canada will dramatically increase U.S supplies and in turn drive gas prices down. A study from Energy Policy Research Foundation found a greater supply of Canadian oil could save Gulf Coast refiners almost $500 million annually in transport costs, which, in turn, would mean lower prices for consumers at the pump. Keystone XL's impact on cost is simple: a supply of plentiful and easily accessible oil drives down prices for gasoline and other consumer staples.

### Diversification Key

#### If the US refuses to import tar sand oil, they will be forced to increase importation from the Middle East.

**Vivoda** Vlado, Centre for International Risk, School of International Studies, University of South Australia, [*Energy Policy*](http://www.sciencedirect.com/science/journal/03014215),November 200**9**, Pages 4615–4623

A majority of keyoil exporters, particularly those located in the Middle East, Africa, or Latin America, suffer political instability or have a high risk potential for it, and this places importers at risk. A nation, that has to rely heavily on international markets for oil imports, faces a multitude of potential disruptions to the availability of oil. Disruptions are any events that lead to imbalances between supply and demand in the international oil market, and they can occur as a result of political, market, and accidental/natural events, or a combination thereof ([Lesbirel, 2004](http://www.sciencedirect.com/science/article/pii/S0301421509004315%22%20%5Cl%20%22bib30)). Over the past decades, there have been numerous oil supply disruptions, and these have increased the price of oil and negatively affected the global economy, and particularly the oil importers. A wise oil-importing government will seek to diversify its supplier mix as much as possible, so that a possible future disruption, and a failure of any one producer, reduces the economic vulnerability and does not cut off adequate supply of oil.

### Dependence – ME – Solvency

#### Keystone is key to expanding North American Oil production and eliminating dependence on Middle Eastern oil.

**Gonzalez ’12** (Angel, Houston Bureau Chief at Dow Jones Newswires and Reporter for the Wall Street Journal “Expand Oil Drilling Helps U.S. Wean Itself from Mideast” The Wall Street Journal 6/27/12 http://online.wsj.com/article/SB10001424052702304441404577480952719124264.html)

**Canada's oil-sands deposits** hold the world's third largest reserves of crude oil, behind Saudi Arabia and Venezuela. Canada, meanwhile, is the largest exporter of oil into the U.S., the world's biggest oil consumer. That's promising to [make Canadian-U.S. energy cooperation as important](http://blogs.wsj.com/canadarealtime/2012/06/27/u-s-wakes-up-to-north-american-oil-abundance/) as it's ever been. Still, growing domestic energy production could allow the U.S. to lessen its focus on the unpredictable region over time. Dependence on Middle East oil has shaped American foreign, national-security and defense policies for most of the last half century. It helped drive the U.S. into active participation in the search for Arab-Israeli peace; drove Washington into close alignments with the monarchies of the Persian Gulf states; compelled it to side with Iraq during its war with Iran; prompted it to then turn against Iraq after its invasion of Kuwait, bringing about the first Persian Gulf war; and prompted Washington to then build up and sustain its military presence in the region. Whatever the success such strategies had in ensuring American influence in the region, all also came at a price. Involvement in the Arab-Israeli peace process brought the U.S. the enmity of many of the region's most radical forces upset at the failure to create a Palestinian state. The decision to build up an American military presence in the region was used as a rationale for anti-American agitation and attacks by al Qaeda and other extremist forces. The shift away from Middle Eastern oil means closer ties with Canada, which is emerging as the top U.S. energy ally, but also with Latin neighbors that are strong trading partners. A dollar spent buying oil from these countries is more likely to end up back in the U.S. than a dollar spent buying Iraqi or Saudi crude. Economies buoyed by petrodollars also lessen the appeal of northward migration for Latin America's poor, says Jeremy Martin, director of the energy program at the Institute of the Americas in La Jolla, Calif. The American energy revolution also is making a splash across the Atlantic. Countries in Eastern Europe, long dependent on Russia for their energy, are seeking to tap their own shale resources with the help of U.S. companies. Even Russia, which needs new sources of oil to maintain its status as an energy superpower, is getting into fracking with the biggest U.S. oil company, Exxon Mobil Corp. This month Exxon and Russia's state-controlled OAO Rosneft broadened an existing alliance to include the joint development of tight oil reserves in western Siberia.

### Crawford -Oil Independence Good

#### Oil dependency hamstrings the U.S. military and foreign policy goals --- that escalates to great power conflict

**Crawford** 2010/**2011** (Colin – J.D. Wake Forest University School of Law, Green Warfare: An American Grand Strategy for the 21st Century, Wake Forest Journal of Business and Intellectual Property Law, p. Lexis)

[\*248] In addition to the potential for economic growth, even the most ardent climate change skeptics will concede that the United States' dependence on fossil fuels has implications for national security and foreign policy. Security analysts have made the case for framing this debate in terms of "natural security," as the scarcity of natural resources will inevitably affect the United States' foreign policy calculus for years to come. n24 Despite the fact that the U.S. imports most of its oil from Canada and Latin America n25 - not the Middle East - many emerging markets are just beginning their love affair with the sticky, black hydrocarbon. n26 The corresponding increase in demand from emerging economies will continue to drive up energy prices, necessitating importation of oil from countries with less friendly dispositions toward the United States. n27 It is important to note how energy policy intersects with virtually all other aspects of governance. Not only will increased prices constrain U.S. fiscal policy and make it more expensive to project American power around the globe, they create pressures that will heavily influence American foreign policy in the coming decades, whether through resource wars or climate-induced humanitarian crises. n28 International trade and maritime policy in particular will be [\*249] greatly affected. Because "90 percent of global commerce and two thirds of all petroleum supplies travel by sea," and global energy demand will continue its inexorable rise, the Indian Ocean - already heavily used by "nuclearized" powers such as Pakistan, India, China, and Israel - will dramatically increase in strategic importance to the world's great powers. n29 The proximity of nuclear states in the Asia-Pacific region, along with increased pressures commensurate with rising energy demand, are already heightening military tensions among the major players in the region, including China and Russia in particular. n30 Geopolitical constraints will become increasingly difficult to manage as fuel prices continue to rise, and intervention will be needed to combat piracy and protect merchant shipping. n31 Make no mistake, the United States' continued dependence on fossil fuels poses significant problems for the national interest. The strategic implications are clear as U.S. foreign policy throughout entire regions is framed in the context of energy. n32

### Oil Independence – Econ

#### Economic benefits of the plan will spill over to the broader economy.

Kirk Spano 7-2- 2012 Freedom from OPEC BA in Economics and Political Science from the University of Wisconsin-Milwaukee and membership in the Institute of World Affairs. He is the founder, owner and manager of Bluemound Asset Management, LLC.How to play the Bakken boom http://articles.marketwatch.com/2012-07-02/commentary/32495975\_1\_williston-basin-bakken-boom-shale

Driving the growth is one of the best oil deposits in America. The Williston Basin is a closed system, essentially a 200,000-square-mile rock bowl filled with multiple layers of petroleum, including oil and natural gas liquids. The Bakken shale gets the most press, however, there are multiple recoverable levels, called benches, in different formations, including the Three Forks. The oil being pumped from the Williston Basin is both economical to recover and easy to refine. The Bakken oil is high-grade light sweet crude that is among the best oil on the continent, far cleaner than oil sands petroleum from Canada. The oil flows so freely in the basin that we saw many newer wells that didn’t need the help of a pump to fill storage tanks. In studying industry and state records, it appears that wells that do not produce are few and far between. This basin is largely responsible for the United States becoming an exporter of fuel in 2011 for the first time in six decades and likely an exporter again in 2012. So far, there are about 7,000 active wells in the basin, some older. The pace is picking up on drilling, as in order to hold leases, about 5,000 new wells will need to be completed in the next few years. It will take approximately 45,000 wells, which use about 4 miles of steel pipe each, to tap the basin of what is likely 10 to 20 billion barrels of oil. Drilling will go on for about a decade or slightly longer, and wells will produce for about three decades at decreasing rates. While this is not a game changer in and of itself, combined with other American oil plays and abundant natural gas reserves, it appears America’s bridge to renewable and sustainable energy is found. What is especially important about the Williston Basin is that it will be partly responsible for the United States becoming energy self-sufficient, as Continental Resources CEO Harold Hamm calls it. In the next few years, America will be able to reduce OPEC’s contributions to our petroleum supply to a few percent of total supply. Hamm’s analysis jives with a report put out by Goldman Sachs late in 2011. This energy self-sufficiency will obviously do wonders for America (see my letter “Freedom From OPEC“ at www.KirkSpano.com), as we will not be beholden to less friendly or difficult foreign nations for the oil that we use for the first time in decades. A better supply ought to keep prices down at the pump and our military commitments will likely reduce. Already, we have largely left Iraq to the Chinese to worry about, as China has won most of the oil field contracts there. Most importantly for American competitiveness, is that our energy costs, due to both oil and gas production at home, will be lower than nations we had been exporting jobs to the past few decades. That will give incentive for companies to move jobs back to America. As those jobs come back over the rest of the decade, what I have called the “halo effect” will take hold. Other industries will thrive (remember all that steel used per well), pushing unemployment down and creating a virtuous economic cycle.

### Oil Dependence Ext-

#### KXL failure –causes more reliance on OPEC.

Parfomak, et al 5/9/12 Paul W. Parfomak Specialist in Energy and Infrastructure Policy Neelesh Nerurkar Specialist in Energy Policy Linda Luther Analyst in Environmental Policy Adam Vann Legislative Attorney (2012). Proposed Keystone XL pipeline: Key issues. Washington, DC: Congressional Research Service.http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1927&context=key\_workplace

Canadian interests assert that Canadian oil sales to Asian markets, where oil demand is growing rapidly, are more likely if greater shipments to the United States are not possible. 94 A study commissioned by the U.S. Department of Energy suggested that: if pipeline projects to the BC [British Columbia] coast are built, they are likely to be utilized. This is because of the relatively short marine distances to major northeast Asia markets, future expected growth there in refining capacity and increasing ownership interests by Chinese companies especially in oil sands production. Such increased capacity would alter global crude trade patterns. Western Canadian Sedimentary Basin (WCSB) crudes would be “lost” from the USA, going instead to Asia. There they would displace the world’s balancing crude oils, Middle Eastern and African predominantly OPEC grades, which would in turn move to the USA. The net effect would be substantially higher U.S. dependency on crude oils from those sources versus scenarios where capacity to move WCSB crudes to Asia was limited. 95

### Oil Dependence – ME

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Over the past nine months I have been writing extensively about how the United States is on the verge of a major positive development. Late last year, Goldman Sachs jumped on board with a special report to investors. In the past few months, institutional finance magazines began reporting this major development. In June, I noticed a handful of television journalists start to talk about it. Newspapers are beginning to write about it as well.

What is it?

"It" is the United States becoming energy self-sufficient. This means that the United States is very close to not needing energy, particularly oil, from nations we do not consider particularly friendly. We will still need oil from Canada and some other allies until we more fully commit to alternative energies, however, we won't need much from anywhere else, as has been the case for almost 50 years now. Already, of the oil we use, less than 10% is now from OPEC.

This is different than energy independent, which would mean we were completely supplying ourselves, but very good nonetheless.

The effects of this development in energy will create a number of positive impacts for America. The most obvious is that our domestic energy costs should be lower. Not only is that good for households, but it is extremely good for business. Already, because energy costs in other nations can be 300% or 400% higher than in the United States, companies have almost stopped sending jobs overseas and some are bringing jobs back as wage inflation in other nations further erodes their competitive advantages.

Combine low energy costs with a highly skilled workforce and rising labor costs overseas, and it is easy to be optimistic about America's future in high-end manufacturing. So long as we set aside enough to fund training and education programs as we make difficult budget decisions, American production will continue to improve going forward.

In addition to aiding manufacturing at the high-end, U.S. input costs for agricultural production will remain flattish (flattish is a special economic term which means what it sounds like). This is important as the United States is the bread basket to the world. Not only does the relatively low cost of energy in America benefit our profitability, but it helps maintain peace around the world. There is nothing more likely to cause war, as the Pentagon recently pointed out, than starving populations. With our ability to feed far more people than we have here, we help prevent war.

Finally, our military commitments to the middle east should continue to decrease as they have in the past few years. We simply are no longer as compelled to protect foriegn oil fields. In fact, with China winnning most of the oil contracts in Iraq, they are now largely on the hook to maintain the balance of power in the region so that Iran and Saudi Arabia do not meet in a conflict. Reducing military expenditures is vital to gradually balancing the United States budget.

### Oil Shocks

#### KXL - Solves supply disruptions and oil shocks.

Alex Pourbaix and Carl Calantone December 2011 The Keystone XL Pipeline and America’s National Interest Alex Pourbaix is President, Energy & Oil Pipelines, TransCanada Corporation and Carl Calantone is VP Strategy, TransCanada Corporation. http://www.wilsoncenter.org/sites/default/files/Geopolitics%20of%20Energy%20-%20November-December%202011.pdf

Energy policy is closely linked to national security, and if managed properly, can also ensure economic prosperity. Since the 1970s, the US government has advocated an energy strategy that reduces reliance on foreign oil. Such statements tend to focus on Middle Eastern, rather than Canadian imports. 21 Crude imports from OPEC countries are not the path to energy security, since they are increasingly linked to supply disruptions, political upheaval, and unstable regimes. In contrast, Canada is a friendly neighbour with shared principles of democracy, free trade, and support of human rights. It is not subject to the political unrest and corruption that afflicts other oil-rich nations. While oil supply disruptions resulting from political turmoil in countries such as Libya have had repercussions throughout the world, Keystone XL provides the US an opportunity to receive oil from a secure, stable, and friendly trading partner. By increasing the supply of Canadian oil, Keystone XL can reduce US dependence on Venezuelan and Middle Eastern oil by up to 40 percent, and diminish Venezuelan leverage over the US refining sector. 22 As stated by US Representative Connie Mack: “Instead of shoring-up important national security and energy resources from a close ally, our nation continues to rely on the likes of Hugo Chavez for approximately 10 percent of our oil and the price we pay is reliant on the actions of unreliable and corrupt dictators such as Libya’s Qaddafi. Furthermore, this oil dependency holds the State Department hostage when they should be calling out the Chavez regime for its vast human rights violations and support of terrorism.” 23 Displacing OPEC crude with Canadian supply is compelling for a number of reasons. Canada’s oil sands are accessible for private sector investment, and many large US energy companies are heavily invested in the oil sands. This contrasts sharply with conditions outside North America as the majority (79 percent) of world oil reserves are owned or controlled by national governments. With oil prices expected to stay high for the foreseeable future, the potential wealth transfer to governments of oil-producing nations that are less stable and less friendly to the US than Canada is staggering.

#### 1AC – Oil sands key to solve shocks – coming now.

David Hobbs, 2010 IHS CERA Chief Energy Strategist, is an expert in energy industry structure and strategies. Mr. Hobbs is a member of the Scientific Advisory Board of the Fondazione Eni Enrico Mattei. Prior to joining IHS CERA Mr. Hobbs had two decades of experience in the international exploration and production business. The Role of Canadian Oil Sands in US Oil Supply Special RepoRt http://www.ihs.com/products/cera/energy-industry/oil-sands-dialogue.aspx

Enhancing US supply security is critical so that oil and other forms of energy are catalysts, not hindrances, to economic growth. History illustrates the affects of oil shocks. From 1950 to 1990 there were six major disruptions in oil supply resulting in oil price increases that reduced the growth of the US economy. In each shock panic and expectations of conflict also drove price increases. More recently the “new oil shock” sent oil prices from $30 in 2003 to $147.27 in 2008. This oil shock was brought on not by a single event, but by a convergence of factors: the narrow balance between oil supply and demand, political tensions in several major exporting countries, increasing development costs for new oil supply, and the growing influence of investors and financial markets on the price of oil. High prices forced oil demand to the breaking point—and demand finally weakened. In the United States and around the globe the financial crisis compounded the oil shock’s effects, resulting in the worst economic downturn in more than 50 years. The oil sands offer the United States the possibility of greater oil supply security. The ultimate pace of oil sands growth and the amount available to the US market will hinge on finding the appropriate balance between protecting the environment and realizing the full economic and energy security potential of the oil sands resource.

#### Arab spring??

Paul Sullivan 12/6/11 Professor of Economics at the National Defense University and Adjunct Professor of Security Studies at Georgetown University The Arab Spring/Arab Awakening is far from over. US-Canadian Relations, the Arab Spring, Dictators, and the XL Pipeline: Let’s Not Allow the Ideology of Environmental Perfectionism, Extremism, and Cognitive Dissonant Myopia Trump Common Sense Thoughtfulness, Moderation, and Strategic Thinking <http://www.wilsoncenter.org/sites/default/files/Geopolitics%20of%20Energy%20-%20November-December%202011.pdf>

Frankly, we have been very lucky so far that the Arab Spring occurred during slow growth periods in the EU and the US, the two largest consumers of oil in the world. The situation in Libya is far from certain. Who the leadership will be is in great question. There is also a significant risk for intertribal conflict and violence for some time to come. Libya, a significant oil exporter, is still at risk of becoming a failed state and falling right back into ultraviolent conflict. The oil shocks that could have come out of the revolution in Egypt proved to be far less severe than expected. There was a significant sigh of relief in the markets when the Egyptian Army essentially saved the country by moving President Mubarak to the side.

However, the situation in Egypt is also far from certain and the people of Egypt, especially the younger men in Egypt, are losing patience with the new, albeit temporary, leadership. The Suez Canal and Sumed pipeline see 2-3 MMbd on average go through them. Any serious increase in violence and instability in Egypt can cause problems in the oil and natural gas markets. (The greatest increase in traffic via the Suez Canal over the past few years has been of LNG.) Recently there has been violence associated with a chemical plant and an electricity plant near Damietta in Egypt. The gas pipeline to Israel and Jordan has been attacked many times since the revolution started. Could oil facilities be next? Egypt and Libya falling back into violence and chaos is not out of the picture. I am very worried about where North Africa might be going. Algeria has all of the signs of a country that may be the next area of instability. It produces more oil than Libya did prior to its revolution. If Algeria sees increasing volatility, it could be far bloodier and much longer lasting than what has been happening in Libya. Algeria also exports much oil to the East Coast of Canada and far more oil to the US than Libya did. Moreover, Algeria’s importance is underscored by its status as Canada’s largest trading partner in Africa. Syria, Yemen and Bahrain are not major oil producers but are strategically placed in the region. If matters go very badly for them, oil markets worldwide could see much greater stresses. These countries are also focal points for the rising Shia-Sunni tensions in the region. These tensions find their biggest source in the growing conflict between the GCC and Iran. Syria, Yemen, and Bahrain are right smack in the middle of that potentially increasing sectarian whirlwind. lf all of this is not enough, about 8 percent of global cargo trade goes via the Bab-elMandeb Strait off the coast of Yemen and 3 MMbd passes through the area. Yemen is the bookend to Somalia in the world of potentially failing and failed states; it could be a complementary source of pirates and terrorists potentially targeting the energy industry traffic and even facilities. Not far from Somalia we have poor Sudan. The Sudanese seem to be heading toward war once again. And this war may have much to do with the fact that the oil fields in the two countries are near to their borders with each other. Ninety-eight percent of the government budget and a massive percentage of the exports and income of South Sudan are derived from that oil. Before the split-up of the country, about 60 percent of the budget of the north’s government came from oil. South Sudan now has 75 percent of the oil reserves and the north holds the remainder. The 50 -50 arrangements for oil revenue sharing from their 2005 peace agreement that ended one of the longest, most deadly, and brutal series of civil wars evaporated when the south separated from the north. There is no oil sharing agreement to date. All is ad hoc and somewhat absurd, with the north having its budget based on $20 per barrel transport fees. This is not possible. Even so, the north once asked for $32 per barrel transport fees. The south offered 50 cents. Get the picture? Then we have tribal disputes in areas near the oil wells being flared and fed by both sides. Instability and violence in the two Sudans, an area the size of Western Europe, could spread all sorts of problems into Egypt, Libya, Chad, Ethiopia, Kenya, Uganda, and beyond. The next stop of the Arab Spring might also be North Sudan, where the pipeline for the oil exported from the southern and northern fields goes through to Port Sudan.

Then we have the 800-pound caribou in the room: Saudi Arabia. It is the US’ second largest source of imported oil and possessor of the largest reserves of conventional oil in the world. Eighty percent of the publicly-known global excess capacity of oil production is in Saudi Arabia. If Saudi Arabia heads south, the prices of oil will head to the far north. Even if there is a hint this might be in the picture, oil prices might rise significantly. The unthinkable could become thinkable unless something is done about the Shia-Sunni tensions in the east of the country, where most of the oil fields and facilities are found; something also needs to be done about the growing youth unemployment problems in the country. Also, about 15 MMbd passes via the Strait of Hormuz, and if anything violent erupts due to the increasing stresses surrounding the nuclear situation in Iran, the effects on oil markets, major oil facilities, and access to oil supplies could be catastrophic. The potential of an attack on Iran’s nuclear facilities aside, Iran is still a wild card. As President Ahmadinejad loses his political clout and as chasms develop between different political and social groups in the country, the potential for trouble could increase. Iran also seems ripe for a Persian Spring. All the economic and political trends seem to point in that direction. It is hard to tell when and how this might erupt, but my guess is that it will. Iran is a major producer and exporter of oil.

Then there is Iraq. Most of its exports go via the Al Basra Oil Terminal (ABOT) and its sister facility, Khor al Amaya Oil Terminal (KAAOT). These relatively small terminals off the tiny southern coast of Iraq are easily two of the top ten terror targets in the world. If anyone seriously damages ABOT, the price of oil will skyrocket for a while. The Iraqi economy is extraordinarily dependent on oil exports from these two terminals. Also, the combination of the Shia-Sunni tensions and the internal social and economic and other social and economic tensions in Iraq could lead to further shocking surprises in the future. Stability of the country could be replaced with volatility – an instability that could spread out of Iraq and affect Syria, Jordan, Iran, Kuwait, Saudi Arabia, and other countries in the region.

The Arab world is very possibly at the beginning of the great revolutionary period of the 21st century. Nobody really knows how long this will go on and how it will all play out. However, what is known is that about 70 percent plus of the world’s conventional oil reserves are found in the Middle East and North Africa.

The US imports significant quantities of light, sweet crude from Nigeria. Nigeria is facing down insurgencies and inter-religious conflict. The MEND and Boko Haram are but a few of the violent groups that could cause problems in the future. Nigeria is the most populous country in Africa and has great stockpiles of oil and natural gas. Nigeria is ripe for an African Spring. Angola also has its own sources of instability, not the least of which is the huge inequality and unequal uses of oil revenues in the country. Many other exporting countries in sub-Saharan Africa could suffer major instability in the future. Equatorial Guinea has a per capita income of about $40,000. However, if you take away the incomes of the wealthy elite you will see how desperately poor the rest of the people there really are. Violence and civil insurrection are only a matter of time once the walls of fear are broken down.

Fifty-five percent of U.S. oil imports come from the Western Hemisphere. Most of the non -Canadian sources of that western hemisphere oil are not looking like significant growth prospects at the moment. Brazil could be an increasing source of oil, but so far it does not look like it is going to be a long term source, as we can expect of Canada. Mexico, often our number 2 or 3 source of oil, is facing rapid production decline, especially in its massive Cantarell field. The mismanagement of PEMEX is part of this story, but it also is a simple fact that the major oil fields in the country are peaking. Even with its massive heavy oil reserves, Venezuela has been facing severe declines in its production for many years. Venezuela is also focusing more on exporting its heavy oils to China, rather than to the US, in the future. And China is developing the refinery capacity and transport capacity to use that oil. Hugo Chavez may also be confronting his own Venezuelan Spring sometime in the not too distant future. The rumblings of the neglected and the angry are growing. Amongst the top 5 oil reserve holders in the world, Canada is the only one that is not a member of OPEC. About 78 percent of the world’s crude oil reserves are owned by national oil companies. Fifty percent of what is left is in Canada. Ninety-seven percent of Canada’s reserves are unconventional, and most of those are oil sands in Alberta. The east of Canada imports a very large amount of oil from some of the unstable states mentioned above. Canada does not have a proper pipeline system fully integrating their western fields with their eastern needs. Canada is a huge country, the second largest in the world. I wonder if the US and Canada could work together to help the respective parts of our countries with much better connections and integration of oil sources and infrastructure, both conventional and unconventional, for those rainy days that might happen. Of course this is possible. It takes some serious strategic thinking, however. These sorts of international pipelines could be major parts of the integrated networks that will be needed. Our symbiotic, peaceful, and prosperous relations with Canada are far more complex than most imagine – and they could become far more complex and important as the world situations continue to change. We have a stagnant economy in the U.S., with an official unemployment rate of about 9.1 percent. Officially, there are 14 million people without work. Many of them have children and others they need to care for. About 50 percent of our unemployed have been long term unemployed. Millions have given up looking for work. It could be that combining unemployment with underemployment with those who have given up trying, we could have a total of about 22.5 million people out of work and suffering. We need to put our people to work. Will this pipeline represent a major solution to our unemployment problem? No. But not allowing it to happen will be a bad sign for similar, large international investments in the future. It will also offer extra political energy to the environmental extremists to stop other investments and kill off jobs and potential jobs. Most of the moderate and thoughtful environmental groups can surely see the importance of first getting back on our economic feet and solving our unemployment, debt, and development issues in the short run prior to moving on to a new energy future. It is in the moderation and the thoughtfulness, as well as the long term strategic thinking, of many of the people involved in energy and economic security issues that will pull us and the Canadians through to a better future.

To paraphrase and contradict a quote from one of our politicians of the past: extremism in the pursuit of the environment is a vice. Extremism in anything is a curse, especially if the extremists are given power and leverage to control major decisions with regard to the security of a country. Moderation, thoughtfulness, and seeing the big picture for the country are key elements of proper policy development. We need a growing and developing economy to afford our defense and security needs, both internal and external. We also, of course, need to pay off our massive, crushing debt. We need to get our people back to work and give them greater hope for their economic and other futures. The increasing production and movement of the Canadian tar sands oil (and our own oil shale, shale oil, and tar sands) can moderate world prices of oil in the face of turmoil and instability. The increased production of tar sands oil could also move much more reliable production capacity from the actually (and potentially) unstable areas of the Middle East, North Africa, West Africa, and Latin America to the more stable country to our north, Canada. Most importantly, if this pipeline and others like it are allowed, we would have a lock on a large part of Canada’s oil production for times of need.

### Solves - Gas prices

#### KXL reduces gas prices.

Derik Andreoli, Ph.D. 2/1/12 is the Senior Analyst at Mercator International, LLC. What will the Keystone XL decision mean to your transportation budget? http://www.logisticsmgmt.com/article/andreoli\_on\_oil\_fuel\_what\_will\_the\_keystone\_xl\_decision\_mean\_to\_your\_transp/

While there is no guarantee that the diesel produced in U.S. Gulf Coast refineries will be sold to U.S. consumers (in December we exported 22 percent of the diesel we produced), construction of the KXL would further lock in the U.S. as the most economical destination for Canadian syncrude—and from a price perspective this is certainly a good thing. As I’ve explained before, the relative over-supply has suppressed the price for crude delivered to Cushing and regional refineries served from there. This relative glut, which is due to the increased output of Canadian syncrude and Bakken shale oil, underlies the divergence in price between West Texas Intermediate and Brent crude streams. These savings have been passed on to the consumer, and this is why diesel has been somewhat less expensive in the Midwest than elsewhere in the U.S. Though Canada exports oil to countries other than the U.S., the U.S. consumes the majority of Canada’s oil production. This is in part due to the configuration of the current pipeline infrastructure, but it also results from the NAFTA “proportionality clause.” The proportionality clause states that Canada must make available for U.S. purchase an amount of oil and gas proportional to the average of Canada’s oil exports to the U.S. over the previous three years. The three-year rolling average of Canada’s U.S. exports as a percentage of production through 2010 was 60 percent. Assuming that it remains at this level, if Canada produces 3.6 million barrels per day (mbd) next year, by NAFTA convention, they must sell 2.16 mbd to the U.S., but only if the U.S. demands this amount. If, however, the U.S. only purchases 1.8 mbd, the 3-year average will drop and Canada will no longer be beholden to selling 60 percent of its oil to the U.S. in the future. In short, the world oil market is far from perfect, and as it stands now, the U.S. benefits from the proportionality clause. If we choose not to approve any version of the KXL, we may inadvertently lose the price advantage and security that the proportionality clause currently ensures. While environmental concerns over tar sands production are justified, refusing to build the KXL pipeline will not meet environmentalists’ primary goal to reduce greenhouse gas emissions, but will instead simply push production and emissions around the globe. Canada’s tar sands will be produced unless production itself is disallowed or becomes uneconomical. The question that the KXL helps answer is whether the U.S. or China will be the end consumer of Canadian syncrude. And if the U.S. is not consuming Canadian syncrude, we may very well substitute Venzuelan heavy oil because there aren’t many options left. There are no ideal solutions to the current situation, but some choices are clearly better than others. Failing to permit the KXL will most likely cause U.S. imports of Canadian oil to decline, and over time the proportion guaranteed through the proportionality clause will erode. Through the proportionality effects, failure to approve the KXL will likely make the U.S. less energy secure and will most likely result in higher domestic fuel prices.

#### Solves gas prices.

Grover Norquist 5/18/12 president of Americans for Tax Reform Congress should ignore Obama and approve the Keystone pipeline http://www.foxnews.com/opinion/2012/05/18/congress-should-ignore-obama-and-approve-keystone-pipeline/

Instead of increasing domestic oil and natural gas production, the Obama administration has pursued policies that exacerbate the international oil disruptions that cause the price of gasoline to rise. While it is true that the price of oil—and subsequently the price of gasoline—is set on the world market, increased American production of a few million barrels of oil per day would absolutely mitigate gasoline price swings. In fact, oil markets are so sensitive that during President Bush’s 2008 speech announcing additional oil lease sales, the international price of oil dropped $9.26 per barrel. By contrast, where the federal government has no jurisdiction, energy production is flourishing. Oil production in North Dakota’s Bakken formation has beaten the state’s unemployment rate down to an impressive 3.0 percent. Not a large part of America’s energy picture a decade ago, North Dakota is now the third-highest producing state pumping out 575,000 barrels of oil every day. Pennsylvania, Ohio, and other states are cashing in on the shale gas revolution utilizing new technology to access overthought natural gas reserves. Bringing cheap electricity to market has revived America’s struggling manufacturing sector and breathed new life into America’s chemical industry. And yet, despite the moratoriums, the slowed permitting, the threats of tax increases, scuttling the Keystone pipeline, President Obama is trying to convince the American public that he is in favor of cheap, abundant North American energy. He’ll have a tough time doing so until he approves the Keystone XL Pipeline.

## A2 – Case Issues

### Keystone Inevitable

#### Plan solves – oil sands inevitable – worse in china.

Jonathan A. Lesser March 2012 Ph.D. in economics and president of Continental Economics Inc Energy and the environment: Pipeline petulance Natural Gas & Electricity Special Issue: Focus: Global Environmental Approaches Volume 28, Issue 8, pages 27–29, March 2012

The president's decision in January to “defer” (i.e., cancel) the Keystone Pipeline project pending yet more environmental review is perhaps the best known of the administration's politically driven environmental policy decisions. Moreover, one can argue that the environmental and economic “support” behind that decision—reduced greenhouse emissions, protection of groundwater, fewer jobs than can be created by more government regulations, and similar “advantages”—dwarfs the administration's other environmental policy successes. These include “cash-for-clunkers,” which spent almost $3 billion in taxpayer money to turn perfectly good used vehicles into scrap metal; $4,000 subsidies for every electric vehicle sold, not that many have been, as well as hundreds of millions in subsidies to battery companies, for vehicles whose battery packs are a pyromaniac's dream; billions in loan guarantees for renewable energy companies like Solyndra that have been converted into additional debt owed by taxpayers;1 and, well, you get the idea. With some of these other environmental policies, one can at least argue that they have provided environmental and economic benefits. After all, scrapping used cars for lower-polluting new ones not only reduced pollution, but also provided work for the government-owned and operated General Motors. Electric cars, their batteries charged with clean wind and solar energy, such as would have been provided by Solyndra's expensive solar panels, could also be deemed pollution reducers, as well as providing jobs that have only cost taxpayers several million dollars each. With some of these other environmental policies, one can at least argue that they have provided environmental and economic benefits. After all, scrapping used cars for lower-polluting new ones not only reduced pollution, but also provided work. Keystone had been under study for the past three years and was previously found to have no significant environmental impacts by the US State Department.2 But politics being what they are, the president first attempted to delay a final decision on the pipeline until after the November elections and, after being forced by Republicans to make a decision beforehand, determined the project required yet more study. Canada, our northern neighbor, ally, and major trading partner, is not happy. As Steven Harper, the Canadian prime minister, stated after the rejection, “Just because certain people in the United States would like to see Canada be one giant national park for the northern half of North America, I don't think that's part of what our review process is all about.”3 The prime minister was referring to the country's review of the proposed Northern Gateway Pipeline, which will transport bitumen produced from the Alberta tar sands, which US environmentalists bitterly oppose, to the British Columbia coast, where it will be shipped to China for refining. Certain people in the United States would like to see Canada be one giant national park for the northern half of North America. And that is the true environmental irony. The Alberta tar sands will continue to be developed, and the resulting bitumen that is produced will be sold and shipped, regardless of US environmentalists' temper tantrums. If it is shipped to China, greenhouse gas emissions will increase, both because of the additional shipping required and the additional emissions produced by less-energy-efficient Chinese oil refineries. Moreover, the water quality issue is a red herring; TransCanada had already agreed to work with the state of Nebraska to reroute the pipeline away from environmentally sensitive areas in the Sandhills region. If it is shipped to China, greenhouse gas emissions will increase, both because of the additional shipping required and the additional emissions produced by less-energy-efficient Chinese oil refineries. Instead, the United States will have to import that much more oil from friendly countries in the Middle East, despite decades of policy pronouncements by politicians of all stripes proclaiming “energy independence.” And contrary to predictions of reduced dependence on crude oil and a renewable-energy-only economy, the Energy Information Administration predicts that crude oil consumption will still account for one-third of all energy consumption in the United States in the year 2035, while renewable energy will account for all of 11 percent.4 Instead, the United States will have to import that much more oil from friendly countries in the Middle East. Instead of creating “shovel-ready” jobs—TransCanada estimated the pipeline would create 20,000 construction and manufacturing jobs over the two years needed to build it—no jobs. Even if TransCanada's jobs estimate is high, thumbing the presidential nose at thousands of high-paying construction and manufacturing jobs when the US economy remains moribund is a head-scratcher.

#### Keystone exploitation is inevitable – only U.S. intervention prevents worse damages.

Wall Street Journal, 12/9/**2011** (An Inevitable Keystone Pipeline, p. http://online.wsj.com/article/SB10001424052970204319004577084921578161262.html)

If the Prohibition Era taught us anything about business, it's that demand has a way of finding supply. That was true of whiskey. It will likely also be true of Canada's oil sands and the controversial Keystone XL pipeline. Keystone XL, or a similar pipeline and set of worries, isn't just inevitable. It's something we should accept to prevent worse alternatives from coming to pass. The 1,700-mile pipeline, proposed by TransCanada Corp. and blocked for the moment by the White House, is back in the news. Lawmakers in the U.S. Congress are seeking to override the administration and start construction of the pipeline, which would carry oil from the oil sands of Alberta to refineries in Houston. President Barack Obama and Canadian Prime Minister Stephen Harper discussed the matter on Wednesday. Big corporate names have stakes in the Canadian oil sands: ConocoPhillips, Exxon, Shell, Chevron, Marathon, Statoil, Total, Sinopec and BP among many others. Environmentalists say the pipeline is a bad idea: "It locks the U.S. into a high carbon form of energy," says Nathan Lemphers at the Pembina Institute in Calgary. "Until there's a national energy policy, these sorts of pipelines will become the surrogate battleground for the environmental movement." Susan Casey-Lefkowitz of the National Resources Defense Council says the pipeline would promote a dirty and energy-intensive form of oil extraction, pipe that oil through environmentally sensitive areas and aquifers in the U.S., and ultimately keep the U.S. addicted to the wrong sort of fuel, speeding climate change. Theirs is a compelling argument for abstinence: Until Washington stops dithering and charts a clear road to cleaner energy, remove the temptation to burn more oil by preventing access to supply. Last month, the White House delayed a yes-or-no decision on the pipeline—conveniently until after the 2012 presidential election. Markets, however, won't delay. Global demand for energy, driven by growth in developing countries, is expected to rocket 33% over the next 25 years, says the International Energy Agency. By 2035, China is likely to consume almost 70% more energy than the U.S. Fossil fuels such as oil will still account for 75% of energy consumed in 2035, says the IEA. And these numbers assume positive steps toward conservation and the adoption of renewable and other fuels. Where will the new energy come from? Globally, reliance will grow on a relatively small number of producers, mainly in the Middle East and North Africa, and the oil will be shipped along vulnerable supply routes, says the IEA. By 2035, the agency says, OPEC's share of global production will rise to above 50%. If you wonder why China is currently running sea trials for its first aircraft carrier, these vulnerable supply routes and China's own energy insecurity provide an answer. Frustrated with the U.S., Canada is talking with China about piping its oil west instead of south. Enbridge Inc. has proposed a pipeline to a port at Kitimat, British Columbia, where the oil would be loaded on ships bound for Asia. Native communities in the region are resisting the project. Somehow, though, demand will eventually pull the oil to market. "That oil is going to get produced, it's going to get refined somewhere, and it's going to get consumed," says Larry Nichols, executive chairman of Devon Energy. Devon produces about 30,000 barrels a day in the oil sands now and plans to more than quintuple production by 2020. Until cleaner energy sources are cheap, effective and available enough to supplant oil—until pipelines like Keystone are no longer needed—the options for the U.S. are difficult but clear: On supply: The U.S. can continue to rely on dicey regimes in countries such as Saudi Arabia and Venezuela. Or it can buy more oil from its ally Canada and companies it knows, with the added short-term benefit of generating jobs to build new pipelines to U.S. refineries. On the environment: The U.S. can let oil-sands oil go to Asia with all the carbon emissions that entails: pollution from shipping, possible substandard refining, and use of the product in Chinese industries with weak emissions rules. Scientists have already found that mercury and other effluents from China's power plants and factories drift across the Pacific and contaminate North American waterways. Expect more. Or the U.S. can pipe the oil to Houston where regulators scrutinize refiners over emissions, where ever-greater economies of scale help companies create best practices in refining, and where the U.S. can earn money exporting refined products to the rest of the world. The choices seem inevitable. Why wait?

### A2: State CP

#### Turn- State CP inevitably causes delay

**Vann et al. ‘12** (Congressional Research Service members at the University of Cornell “Proposed Keystone XL Pipeline: Legal Issues” 1/23/12)

One could argue further that a court would need to consider how changed regulations might affect the burden on commerce. Thus, to the extent that the Keystone XL Pipeline planning process had accounted for certain regulatory hurdles, the state action might not significantly add to those regulatory burdens. However, new regulations could mean additional processing. To the extent that a court found that delays, even if costly, were a necessary component of the state effectuating legitimate state interests in public health and safety, then a court would be likely to find that the state’s action was not an unconstitutional burden on interstate commerce.

#### States just can’t do it.

Parfomak, et al 5/9/12 Paul W. Parfomak Specialist in Energy and Infrastructure Policy Neelesh Nerurkar Specialist in Energy Policy Linda Luther Analyst in Environmental Policy Adam Vann Legislative Attorney (2012). Proposed Keystone XL pipeline: Key issues. Washington, DC: Congressional Research Service.http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1927&context=key\_workplace

Ordinarily, federal agencies have no authority to site oil pipelines, even interstate pipelines. 22 The primary siting authority for oil pipelines generally would be established under applicable state law (which may vary considerably from state to state). However, the construction, connection, operation, and maintenance of a pipeline that connects the United States with a foreign country requires executive permission conveyed through a Presidential Permit. Since the Keystone and proposed Keystone XL pipelines are designed for the importation of oil from Canada, their facilities require a Presidential Permit.

### A2: Environmental Issues

#### No Impact – federal code ensures environmental safety

Parformak et al. 05/09/12 (Mark Parformak, specialist in energy and infrastructure, Neelesh Nerurkar, specialist in energy policy, Linda Luther, analyst in environmental policy, Adam Vann, legislative attorney, “Documenting Environmental Impacts under NEPA,” Keystone XL Pipeline Project: Key Issues p. 7, <http://www.fas.org/sgp/crs/misc/R41668.pdf>) JJ 6/27

As identified on the list above, a proposed project’s environmental impacts is one factor considered by the State Department in making its national interest determination. The State Department’s identification and consideration of environmental impacts is documented within the context of preparing an Environmental Impact Statement (EIS), pursuant to the National Environmental Policy Act (NEPA, 42 U.S.C. §4321 et seq.). Broadly, NEPA requires federal agencies to consider the environmental impacts of their actions before proceeding with them and to inform the public of those potential impacts. To ensure that environmental impacts are considered, an EIS must be prepared for major federal actions “significantly” affecting the environment. With respect to the 2008 Presidential Permit application submitted by TransCanada, the State Department concluded that issuance of a permit for the proposed construction, connection, operation, and maintenance of the Keystone XL Pipeline and its associated facilities at the United States border would constitute a major federal action that may have a significant impact upon the environment within the meaning of NEPA. For this reason, the State Department prepared an EIS to address reasonably foreseeable impacts from the proposed action and alternatives. Similarly, an EIS will have to be prepared for pipeline project for which the May 4, 2012, permit application was filed.

#### Non-Unique – Crude oil use inevitable

Parformak et al. 05/09/12 (Mark Parformak, specialist in energy and infrastructure, Neelesh Nerurkar, specialist in energy policy, Linda Luther, analyst in environmental policy, Adam Vann, legislative attorney, “Lifecycle Greenhouse Gas Emissions,” Keystone XL Pipeline Project: Key Issues p. 27-28, <http://www.fas.org/sgp/crs/misc/R41668.pdf>) JJ 6/27

Oil production from oil sands is controversial because it has significant environmental impacts, including emissions of greenhouse gases during extraction and processing, disturbance of mined land, and impacts on wildlife and water quality. Because bitumen in oil sands cannot be pumped from a conventional well, it must be mined, usually using strip mining or open pit techniques, or the oil can be extracted with underground heating methods. Large amounts of water and natural gas are also required (for heating) during the extraction process. The magnitude of the environmental impacts of oil sands production, in absolute terms and compared to conventional oil production, has been the subject of numerous, and sometimes conflicting, studies and policy papers. Some stakeholders who object to oil sands projects oppose the Keystone XL pipeline because it expands access to new markets for the oil produced by those projects, thereby encouraging what they consider to be further environmentally destructive oil sands development. As discussed earlier, however, if oil sands production can be diverted to other markets (e.g., Asia), preventing the Keystone XL project may not necessarily limit oil sands development. Some stakeholders object to the Keystone XL pipeline because it would increase U.S. supplies of oil, and thereby perpetuate the nation’s dependence on imported fossil fuels and increase carbon emissions from the transportation sector. Acknowledging this concern, in a public forum on October 20, 2010, Secretary of State Clinton reportedly remarked that “we’re either going to be dependent on dirty oil from the [Persian] Gulf or dirty oil from Canada … until we can get our act together as a country and figure out that clean, renewable energy is in both our economic interests and the interests of our planet.” Critics of the State Department’s draft and supplemental draft EIS assert that the environmental review overlooks the pipeline project’s overall impact on greenhouse gas emissions, for example, from the extraction and refining processes. To address those potential emissions, EPA recommended that the final EIS include discussion of mitigation approaches for greenhouse gas emissions from extraction activities that are either currently used or could be employed to help lower lifecycle greenhouse gas emissions. However, others have argued that whether the Keystone XL Pipeline is constructed would have little bearing on greenhouse gas emissions as there are likely to be other export routes available for Canadian oil sands crude, and therefore, the same crude oils would still be transported and refined, albeit in different locations.

### A2 Environment Turns

#### Its inevitable

Argitis, Theophilos and Loon, Jeremy Van, January 19, 2012, Obama’s Keystone Denial Prompts Canada to Look to China Sales, Bloomburg.

President[Barack Obama](http://topics.bloomberg.com/barack-obama/)’s decision yesterday to reject a permit for TransCanada Corp.’sKeystone XL oil pipeline may prompt Canada to turn to [China](http://topics.bloomberg.com/china/) for oilexports. Currently, 99 percent of Canada’s crude exports go to the U.S., a figure that Harper wants to reduce in his bid to make Canada a “superpower” in global energy markets. Canada accounts for more than 90 percent of all proven reserves outside the Organization of Petroleum Exporting Countries, according to data compiled in the BP Statistical Review of World Energy. Most of Canada’s crude is produced from[oil-sands](http://topics.bloomberg.com/oil-sands/) deposits in the landlocked province of Alberta, where output is expected to double over the next eight years, according to the Canadian Association of Petroleum Producers. “I am sure that if the oil sands production is not used in the [United States](http://topics.bloomberg.com/united-states/), they will be used in other countries,” [Fatih Birol](http://topics.bloomberg.com/fatih-birol/), chief economist at the [International Energy Agency](http://topics.bloomberg.com/international-energy-agency/), said in an interview before a speech at Imperial College in [London](http://topics.bloomberg.com/london/) today.

#### TRANSCANADA WILL PREVENT ENVIRONMENTAL PROTECTION. ALL LINES ARE IN AREAS THAT PROTECT THE ENVIRONMENT, ALLOWING FOR ENVIRONMENTAL STABILITY

**TransCanada,** June 22, **2012**, energy infrastructure company in North America, with a strong focus on pipelines and power generation opportunities located in regions where we have or can develop significant competitive advantages, Environmental Responsibility, <http://www.transcanada.com/environmental-responsibility.html>, (June 25, Savannah Medley)

With over 60 years of experience building and operating pipelines, TransCanada has successfully reclaimed thousands of acres of native rangeland on pipeline rights-of-way throughout North America. In all cases, great care and planning will be taken to minimize and avoid impacts to the environment, including rare or endangered species, habitat, significant water crossings, and historical and paleontological resources. These efforts resulted in successful pipeline reclamation projects in the arid native prairie regions of southern Alberta and southwestern Saskatchewan, including areas such as the Great Sand Hills of Saskatchewan. Recognizing that the native rangelands within the Sandhills region of southern South Dakota and central Nebraska pose unique challenges, although we are experienced at [native rangeland reclamation](http://www.transcanada.com/docs/Key_Projects/SandhillsNativeRangeland.pdf) TransCanada engaged in discussions with several regional experts on Sandhills ecology and restoration at universities and government agencies, including experts at the University of Nebraska, the University of South Dakota, the Natural Resources Conservation Service (NRCS) and state road departments.Pipelines are safe and environmentally favorable way. The chance of a significant spill is remote, yet TransCanada is ready to respond to limit impacts. Keystone XL Pipeline incorporates proven [design features and construction methods](http://www.transcanada.com/docs/Key_Projects/LeakAndDetection_KXL.pdf), as well as a state-of-the-art integrity management program. The approach helps ensure Keystone XL Pipeline operates safely in environmentally sensitive areas such as the [Ogallala Aquifer.](http://www.transcanada.com/docs/Key_Projects/pipeline-safety-ogallala-aquifer-2012.pdf) TransCanada would be responsible for clean-up. Remediation would be required to meet state and federal standards and would ensure the protection of human health and the environment. In the highly unlikely event that groundwater wells were adversely impacted, TransCanada would be responsible for providing an alternative water supply.

#### No Impact – federal code ensures environmental safety

Parformak et al. 05/09/12 (Mark Parformak, specialist in energy and infrastructure, Neelesh Nerurkar, specialist in energy policy, Linda Luther, analyst in environmental policy, Adam Vann, legislative attorney, “Documenting Environmental Impacts under NEPA,” Keystone XL Pipeline Project: Key Issues p. 7, <http://www.fas.org/sgp/crs/misc/R41668.pdf>) JJ 6/27

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#### Solvency- Rerouting the Keystone Pipelines avoids harms to environment

Dan Frosch. Journalist of the New York Times. 11/14/11. Keystone Pipeline Will Be Rerouted. [http://www.nytimes.com/2011/11/15/science/earth/keystone-xl-pipeline-transcanada-reroute.html C.H](http://www.nytimes.com/2011/11/15/science/earth/keystone-xl-pipeline-transcanada-reroute.html%20C.H)

At a special session of the Nebraska Legislature, a state senator announced Monday that TransCanada had agreed to adjust its intended route of the [Keystone XL](http://topics.nytimes.com/top/reference/timestopics/subjects/k/keystone_pipeline/index.html?inline=nyt-classifier) oil pipeline to avoid the environmentally sensitive Sand Hills region of the state. “There had been discussions about this over the last couple of days,” said Matt Boever, a spokesman for State Senator Mike Flood. “Moving it out of that Sand Hills region is important.” The proposed pipeline would run from Alberta’s [oil sands](http://topics.nytimes.com/top/reference/timestopics/subjects/o/oil_petroleum_and_gasoline/oil_sands/index.html?inline=nyt-classifier) to the Gulf of Mexico and was slated to pass through the Sand Hills, which includes the Ogallala Aquifer, a vital source of drinking water for the Great Plains. TransCanada’s offer comes just days after a Nov. 10 announcement by the State Department that it would delay a final decision on the $7 billion project until it had considered other routes through Nebraska. The Obama administration had been under increasing pressure from environmental groups, as well as citizens and lawmakers in Nebraska, to reroute the pipeline. “I can confirm the route will be changed and Nebraskans will play an important role in determining the final route,” Alex Pourbaix, TransCanada’s president, Energy and Oil Pipelines, said in a statement Monday, adding that the company would support legislation in Nebraska that would shift the pipeline route. Still, it is the State Department that will ultimately decide the fate of the huge project, and TransCanada’s offer of flexibility does not change the department’s plans to conduct a fresh environmental review of a new route, a process that will probably take 12 to 18 months and push the final decision into 2013. The department must factor in broader environmental concerns about the 1,700-mile project and recommendations of other federal agencies to determine if it is in the “national interest.” “We look forward to working with TransCanada and the Nebraska Legislature,” a department spokesman said Monday.

#### Rerouting the Keystone Pipelines around Nebraska solves the environment

Edward Welsch. Wall Street Journalists. 4/18/12. TransCanada Submits Keystone Pipeline Reroute Plan. <http://online.wsj.com/article/SB10001424052702303425504577352651777168314.html>

CALGARY, Alberta—TransCanada Corp. [TRP -0.44%](http://online.wsj.com/public/quotes/main.html?type=djn&symbol=TRP?mod=inlineTicker) submitted a reroute of its Keystone XL oil pipeline to the Nebraska state government Wednesday, moving a step closer to reviving the project after it was rejected by the U.S. government earlier this year. The reroute will avoid an environmentally sensitive area in the U.S. Midwest state, and comes a day after Nebraska Gov. Dave Heineman signed a bill allowing the state's review of the pipeline to continue. Nebraska was a hot spot for protest against Keystone XL last year because of its path across the Sand Hills and the Ogallala aquifer. Getting the reroute approved by Nebraska will help ensure that TransCanada can move ahead with reapplication to the U.S. federal government. A TransCanada spokesman said the company is waiting for the "right time" to reapply for a federal permit from the U.S. State Department, which rejected its initial application in January. The reroute will add a 100-mile eastern detour around the Sand Hills to the 1,700-mile pipeline from Alberta to the Texas coast of the Gulf of Mexico. If approved, the $7.6 billion pipeline would send up to 830,000 barrels of crude a day from Canada and the western U.S. to refineries on the Gulf Coast. TransCanada has said the pipeline could begin flowing by 2015, about a year later than it had planned before the rejection of the first application. President Barack Obama has said the U.S. is open to reviewing Keystone XL, if TransCanada reapplied for a permit. A decision wouldn't be made before the U.S. presidential election in November. The rejection of the first Keystone XL application came as the oil pipeline became embroiled in a political battle in Washington. Reacting in part to the protests in Nebrasaka, the Obama administration late last year postponed a decision on the pipeline until early 2013. Republicans then passed legislation forcing the State Department to make a decision on the pipeline by the end of February. The White House, saying that deadline didn't give it enough time to review the project, rejected it.

#### Keystone failure results in more carbon emissions and worse oil spills.

**McNally**, 11/29/**2011** (Scott – research intern for the White House Council on Environmental Quality, Keystone XL? It’s Not an Environmental Question, Scientific American, p. http://blogs.scientificamerican.com/plugged-in/2011/11/29/guest-post-keystone-xl-its-not-an-environmental-question/)

Canada already produces almost two million barrels of oil per day from oil sands (National Energy Board of Canada – www.neb-one.gc.ca) and they aren’t going to just stop doing it because America says no to this pipeline. If the Keystone XL pipeline is blocked, TransCanada can just build a pipeline to the west coast of British Columbia and use tankers to move the oil to Asia. (By the way, they already have a major pipeline to the west coast – The Kinder Morgan Trans Mountain pipeline, and almost a dozen other major pipelines that come into the United States). You might argue, ‘Environmentalists in Canada will stop that pipeline.’ No they won’t. Pipelines and massive oil sands operations already exist. Keystone XL did not meet significant resistance in Canada, and as long as it is routed correctly, neither will a pipeline to the coast. The oil sands are an incredible source of jobs and revenue for Canada, and they will find a way to route the pipeline that does not meet untenable political resistance. Just like Canada will keep producing, we will keep importing. If we don’t import from Canada, we will import more oil from the Middle East or Africa. The same amount of oil will be produced and consumed globally either way, but in the ‘no Keystone’ case, the oil will just have to travel farther, which could mean more carbon emissions because of transportation. The previously referenced Ensys report also mentions that, “Together, growing Canadian oil sands imports and U.S. demand reduction have the potential to very substantially reduce U.S. dependency on non-Canadian foreign oil, including from the Middle East.” Furthermore, we are lucky to get the oil. Canada already exports to Asia, where the market is actually cheaper to access. That is because to export from Canada to China, the required pipeline will be much shorter than to the U.S. Gulf Coast, and pipelines are very expensive (About $1 million per mile). As it was put in the Ensys Keystone XL Report: “costs for transporting [Canadian oil sands] crudes to major markets in northeast Asia (China, Japan, South Korea, Taiwan) via pipeline and tanker are lower than to transport the same crudes via pipeline to the U.S. Gulf Coast.” There is valid concern over pipelines crossing sensitive areas, including aquifers. The pipeline should be routed so that any potential spill will have the least impact possible, as small spills should be expected to occur occasionally. However, the odds that oil spilled from a pipeline will actually contaminate an aquifer are low, and pipeline spills tend to be much less severe than tanker spills. The bottom line is this: if we don’t build a pipeline over land, the alternative to ship, in tankers, across oceans. The pipeline is the less risky environmental choice. For the record, I believe very strongly that we need to reduce carbon emissions. The quickest, easiest, least expensive, least disruptive way to reduce carbon emissions is to stop using so much energy. Stop driving, turn off your air conditioner. If we are serious about reducing carbon emissions, we have to get serious about using less energy and using it more efficiently. Blocking Keystone XL will not get us any closer to solving the climate problem.

### A2 Pipes Unsafe – Trucks/Rail Worse

#### The alternative to pipelines is rail or truck – that’s far more dangerous.

Jeremy Bowman, 01/25/12, The Motley Fool3 Myths About Keystone XL http://www.dailyfinance.com/2012/01/25/3-myths-about-keystone-xl/

Drillers in North Dakota, which is experiencing an oil and gas boom from the Bakken shale, would be among several beneficiaries of Keystone XL. The state hit its pipeline capacity in 2008 and has since needed to ship the crude out by train, which now accounts for about one-quarter of outgoing oil shipments. Berkshire Hathaway subsidiary Burlington North Santa Fe carries about 75% of the oil exiting the state by train. Shipping by pipeline in North Dakota can add up to $1.50 per barrel, while rail transportation costs $2 or more. As for environmental concerns in that regard, even a Sierra Club spokesman, Wayde Schafer, acknowledged that shipping "oil by rail or truck is much more dangerous than a pipeline."

### A2 Oil will be sent abroad

#### Oil from KXL will be used domestically – the alternative is China.

Jeremy Bowman, 01/25/12, The Motley Fool3 Myths About Keystone XL http://www.dailyfinance.com/2012/01/25/3-myths-about-keystone-xl/

Among other claims, activists have said that the oil brought to the Gulf by Keystone XL would be destined for international markets, but about 10% of our oil imports already come from the Canadian tar sands. Midwestern refineries, which currently process that crude, are likely to run out of capacity by 2015. According to IHS CERA, an independent energy research group, Keystone XL "would foster higher production and greater use of North American oil in the U.S. market." Without access, "Canadian oil sands producers would likely turn to Asia as a new export market, and U.S. Gulf Coast refiners would continue to draw on current suppliers." Those suppliers include Mexico, Venezuela, and the Middle East, and IHS CERA's report notes that some of those suppliers are struggling to maintain production and new ones are needed. The influx of additional oil should help keep crude prices down as the laws of economic logic deem that, all other things being equal, an increase in supply will lower prices.

### A2 Natives

#### KXL competitor – Enridge’s gateway pipeline is far worse for natives.

John Daly 4/20/12 Stung by the Keystone XL Debacle, Canada Looks Eastwardshttp://oilprice.com/Energy/Crude-Oil/Thwarted-by-U.S.-Marginalizing-the-Keystone-XL-Pipeline-Canada-Looks-Eastwards.html

So, what’s on the drawing boards to replace Keystone XL? First, the $5.54 billion, 731-mile Northern Gateway pipeline, proposed by Enridge Inc., which would carry 525,000 barrels a day (bpd) of Alberta's oil sands to a supertanker port in Kitimat, British Columbia. But opposition to the pipeline has swiftly mounted, led by Canada’s Indian community. The proposed pipeline route crosses land owned and claimed by Indian tribes and nations who worry that the pipeline will leak and foul rivers that are important salmon spawning grounds, while Indian groups in British Colombia argue that the coastline is too rugged for supertankers and that an oil spill is inevitable. The solution? Enbridge company is offering the Indian tribes about $1 billion dollars for "community building" and a 10 percent share in the project if they drop their opposition, while Harper’s government said that it will force time limits on regulators reviewing the pipeline plan, as it wants Northern Gateway approved within two years, despite opposition by Indians as well as Canadian and U.S. environmentalists. Nor is Northern Gateway the only energy transit project in the works, as on 10 April the British Colombia Environmental Assessment Office approved increasing the carrying capacity by 36 percent of the proposed $1 billion Pacific Trails natural gas pipeline. Pacific Trails is designed to transport natural gas from northeast British Colombia to Kitimat for export overseas. The pipeline project is owned by a consortium of EOG Resources, Apache and Encana, which also owns the $4.5 billion liquefied natural gas plant proposed for Kitimat. Indigenous opposition should not be discounted, as the Northern Gateway pipeline would pass through the territory of indigenous communities including the Carrier-Sekani Tribal Council, the Haida Nation, and the Yinka Dene Alliance, many of which have not signed treaties with the Canadian government, giving them heavy leverage in Ottawa to stop or significantly delay the pipeline because their land has not been ceded to the federal government. And 130 communities are strongly opposing the pipeline and tanker project, signing the Save the Fraser Declaration and the Coastal First Nation Declaration. Indigenous communities whose territories make up more than 50 percent of the combined pipeline and tanker route do not support this project and up to now have banned oil tankers and pipelines using their indigenous laws and authority, which are recognized under Canadian and international law, vowing to “form an unbroken wall of opposition from the U.S. border to the Arctic Ocean.”

### A2 Safety

#### **Pipelines are a safe, essential way to transport oil to the gulf. They are necessary for the infrastructure to the U.S**

Sepp, Pete, June 22, 2012, Reporter for US News, Busting the Myths Surrounding Hydropower and Keystone XL, <http://www.usnews.com/opinion/blogs/on-energy/2012/06/22/busting-the-myths-surrounding-hydropower-and-keystone-xl>

Furchtgott-Roth examined Department of Transportation data to test the contention from opponents of Keystone XL and other [oil and gas](http://www.usnews.com/opinion/blogs/on-energy/2012/06/22/busting-the-myths-surrounding-hydropower-and-keystone-xl) pipelines that this transmission mode involves serious safety problems. That contention fails on numerous counts. On a ton-mile basis, virtually all dry [natural gas](http://www.usnews.com/opinion/blogs/on-energy/2012/06/22/busting-the-myths-surrounding-hydropower-and-keystone-xl) and 71 percent of crude oil and petroleum products in the United States is shipped through pipelines. And, whether expressed as incident, fatality, or injury rates, pipelines came out as the safest way of transporting such materials. Furchtgott-Roth observes: Some claim that pipelines carrying Canadian oil sands crude, known as diluted bitumen, have more internal corrosion, and are subject to more incidents. However, PHMSA [Pipeline and Hazardous Materials Safety Administration] data show no incidents of oil releases from corrosion from Canadian diluted bitumen between 2002 and 2010. Oil sands crude has been transported in American pipelines for the past decade. The evidence is clear: transporting oil and natural gas by pipeline is safe and environmentally friendly … As America continues to ramp up production of oil and natural gas, our pipeline infrastructure becomes more important. We need better pipelines to get oil from North Dakota to the refineries in the Gulf, and natural gas from the [Marcellus Shale](http://www.usnews.com/opinion/blogs/on-energy/2012/06/22/busting-the-myths-surrounding-hydropower-and-keystone-xl) in Pennsylvania (and New York, should the Empire State allow production to move forward) and the Utica Shale in Ohio to the rest of the country.

#### No spills – being killed by lightning is more probable.

Diana Furchtgott-Roth June 2012 Pipelines Are Safest for Transportation of Oil and Gas Senior Fellow at the Manhattan Institute for Policy Research Issues 2012 No.17 June 2012 2 http://www.manhattan-institute.org/pdf/ir\_17.pdf

Pipelines have been used to transport American natural gas or oil, including from Canada to the United States, for three quarters of a century. Almost 500,000 miles of interstate pipeline crisscross America, carrying crude oil, petroleum products, and natural gas. This extensive and operational infrastructure network is heavily regulated by the Department of Transportation, which monitors the very issues central to the Keystone controversy: safety and reliability. Thus it is possible to answer, based on experience, the question of whether pipeline transport of oil and gas is safe. It is, moreover, possible to compare the record of oil and gas pipelines to that of transport via rail and road. As the major alternative means of fuel shipment, transport by rail and road has been increasing as limitations on pipeline capacity have become manifest (the underlying reason for the Keystone proposal). A review of safety and accident statistics provided by the U.S. Department of Transportation for the extensive network of existing U.S. pipelines— including many linked to Canada—clearly show that, in addition to enjoying a substantial cost advantage, pipelines result in fewer fatalities, injuries, and environmental damage than road and rail. Americans are more likely to get struck by lightning than to be killed in a pipeline accident.

#### Trucks and Rail are far worse.

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1 The question of how to transport oil and gas safely and reliably is not a transitory one linked only to the Keystone controversy. Petroleum production in North America is now over 16 million barrels a day, and could climb to 27 million barrels a day by 2020. Natural gas production in Canada and the United States could rise by a third over the same period, climbing to 22 billion cubic feet per day. This oil and gas will have to travel to where it is needed. Whether it is produced in Canada, Alaska, North Dakota, or the Gulf of Mexico, it will be used all over the country, especially since new environmental regulations are resulting in the rapid closures of coal-fired power plants, increasing the demand for natural gas as a substitute. Similarly, large fleets of buses and trucks are switching to natural gas, and General Motors and Chrysler are making dual-fuel pickup trucks This paper compares the record of transport via pipeline to that of road and rail and finds that pipelines are the environmentally safer option. The first large-diameter long-distance pipelines were constructed during the Second World War, and they proliferated across the country over the ensuing two decades. Now America has 175,000 miles of onshore and offshore petroleum pipeline and 321,000 miles of natural gas transmission and gathering pipeline. In addition, over 2 million miles of natural gas distribution pipeline send natural gas to businesses and consumers. 3 This is expected to increase as households and businesses shift to natural gas to take advantage of low prices that are expected to last into the foreseeable future. Pipelines are the primary mode of transportation for crude oil, petroleum products, and natural gas. As shown in Table 1, approximately 71 percent of crude oil and petroleum products are shipped by pipeline on a ton-mile basis. Tanker and barge traffic accounts for 22 percent of oil shipments. Trucking accounts for 4 percent of shipments, and rail for the remaining 3 percent. Essentially all dry natural gas is shipped by pipeline to end users. If safety and environmental damages in the transportation of oil and gas were proportionate to the volume of shipments, one would expect the vast majority of damages to occur on pipelines. This paper finds the exact opposite. The majority of incidents occur on road and rail.

### New Capacity key – solves rail/trucks

#### Lack of shipping capacity causes oil to be moved via rail/truck.

Diana Furchtgott-Roth June 2012 Pipelines Are Safest for Transportation of Oil and Gas Senior Fellow at the Manhattan Institute for Policy Research Issues 2012 No.17 June 2012 2 http://www.manhattan-institute.org/pdf/ir\_17.pdf

Some claim that pipelines carrying Canadian oil sands crude, known as diluted bitumen, have more internal corrosion, and are subject to more incidents. 11 However, PHMSA data show no incidents of oil releases from corrosion from Canadian diluted bitumen between 2002 and 2010. 12 Oil sands crude has been transported in American pipelines for the past decade. The evidence is clear: transporting oil and natural gas by pipeline is safe and environmentally friendly. Furthermore, pipeline transportation is safer than transportation by road, rail, or barge, as measured by incidents, injuries, and fatalities—even though more road and rail incidents go unreported. 13 Yet, increasing oil and natural gas production is outpacing the transportation capacity of our inadequate national pipeline infrastructure. The Association of American Railroads reports that over the past three years the total share of oil and gas rail shipments has grown dramatically, from 2 percent of all carloads in 2008 to 11 percent in 2011. 14 In 2011 alone, rail capacity in the Bakken area—stretching from southern Alberta to the northern U.S. Great Plains—tripled to almost 300,000 barrels per day. 15

### A2 Spills

#### Very low risk of spills.

Diana Furchtgott-Roth June 2012 Pipelines Are Safest for Transportation of Oil and Gas Senior Fellow at the Manhattan Institute for Policy Research Issues 2012 No.17 June 2012 2 http://www.manhattan-institute.org/pdf/ir\_17.pdf

Gross barrels spilled do not take into account the number of barrels that were recovered during cleanup. The volume of liquids spilled that is ultimately recovered varies widely from year to year, and is likely heavily influenced by the nature of the spill. Between 1992 and 2011 about 40 percent of spilled liquids were recovered (Table 3). Over the entire 20 year period a total of less than 1.5 million net barrels were spilled. Volumes that are spilled are miniscule when compared to the volumes of petroleum that are used in the United States. To provide some prospective, U.S. refineries produce near 9 million barrels of gasoline every single day. Considering the vast network, 175,000 miles of petroleum pipeline and over 2 million miles of natural gas pipelines (about 321,000 of transmission and gathering lines, over 2 million of local distribution main and service lines), incidents are exceedingly rare. 8 To draw another comparison, according to the National Weather Service there was an average of 39 reported deaths annually caused by lightning from 2001 to 2010. 9 From 1992 to 2011 fatalities related to pipeline incidents were about 20 per year. An individual had about twice the chance of getting killed by lightning as being killed in a pipeline incident.

#### The alternative is oil tankers to China – six-times more likely to cause a spill.

OWENS 12 Keystone Kops energy policy Mackubin Thomas Owens The Washington Times Wednesday, January 25, 2012 <http://www.washingtontimes.com/news/2012/jan/25/keystone-kops-energy-policy/>

Unsurprisingly, the main resistance to the Keystone XL has come from environmentalists, who claim that the pipeline endangers water resources and the like. However, the State Department, which had jurisdiction since the pipeline crosses an international border, conducted a three-year study addressing risk to soil, wetlands, water resources, vegetation, fish, wildlife and endangered species, concluding that building the pipeline would pose minimal environmental risk. In addition, the area the Keystone XL would traverse is already a web of pipelines. Ironically, not constructing the Keystone pipeline has the potential to increase environmental risk. The Keystone XL route foreclosed, the Canadians will build a pipeline to their Pacific coast and ship crude oil to China by tanker. Tanker spills are more frequent and destructive than pipeline leaks. Indeed, although the long-term trend in spills from all sources is sharply down, the spill rate from shipping oil by tanker is about six times higher than spills from offshore oil rigs or pipelines.

### A2 Warming

#### Keystone won’t cause Climate Change

Sabrina Fang.  API media relations representative. 5/23/12. Energy Tomorrow. “ Apples, Oranges, and the Oil Sands.” <http://energytomorrow.org/blog/apples-oranges-and-the-oil-sands/#/type/all>

The Congressional Research Service (CRS) added to the pile of conflicting well-to-wheels analyses with its report released this week, “The Life Cycle Assessment of Canadian Oil Sands,” written in the context of the Keystone XL project. Just like its predecessors, CRS wades into the world of assessment comparisons, choosing previously-published reports with seemingly common variables to come up with an emissions calculation slightly different from the rest. The problem, however, is that more often than not, apples are compared to oranges and policymakers are misled. The [report](http://www.fas.org/sgp/crs/misc/R42537.pdf) concludes that the Canadian oil sands emit 14 to 20 percent more greenhouse gases (GHGs) in a well-to-wheels (WTW) comparison with other crude oils imported into the United States “despite differences and input assumptions” of the various studies considered. This wouldn’t be the first time that a life-cycle assessment (LCA) of the oil sands reached a similar conclusion, but a closer look at the findings – and consideration of other analyses that CRS omits – suggests that a comparison of a few cherry-picked reports does not make a sound policy reference for our representatives on Capitol Hill. Here’s some insight and analysis into the report’s six major flaws: **1. CRS engages in analysis that is the equivalent of comparing “apples to oranges.”**In Figure 2, CRS compares a wide variety of studies as if they are comparable despite the State Dept’s own supplemental analysis states that those particular data sets should not be compared across the board: *“Although the comparisons within each study are internally consistent, the variation in the properties of the reference crudes results in an* ***“apples to oranges” comparison*** *across the different studies…[Synthetic crude oil, diluted bitumen], and a full range* conventional crude oil may have nearly the same API gravity, but very different energy or GHG intensities to produce a barrel of premium fuel products.”(*Supplemental Draft EIS, ICF Report,* [*Appendix B*](http://keystonepipeline-xl.state.gov/documents/organization/182276.pdf)*)* A meta-analysis, like IHS CERA’s 2011 report “Oil Sands, Greenhouse Gases, and US Oil Supply”, would have allowed CRS to better compare results across reports. A meta-analysis combines and analyzes the results of multiple studies with the goal of providing more accurate data than any single study. Unfortunately, CRS chose to exclude those findings from critical parts of its report. **2. CRS’ Well-to-Tank conclusion discounts the most energy-intensive part of a fuel’s life-cycle – combustion.** CRS finds that: *“[D]iscounting the final consumption phase of the life-cycle assessment (which can contribute up to 70-80% of Well-to-Wheel emissions), Well-to-Tank emissions…have a range of increase from 72%-111% over the average …” (*[*p. xi*](http://www.fas.org/sgp/crs/misc/R42537.pdf)*)* That’s a difference of as much as **91 percent(!)** as compared to the well-to-wheels (WTW) figure. A similar oil sands [analysis](http://www.api.org/aboutoilgas/oilsands/upload/CERA_Oil_Sands_GHGs_US_Oil_Supply.pdf) from IHS CERA, which was noted but omitted in the CRS report, found that life-cycle GHG emissions are only 5 to 15 percent higher than the average. A significant reason for the difference in figures is that combustion emissions “do not vary for a given fuel among sources of crude oil.” That means at least 70 percent of the WTW emissions rate is the same across comparative crude oils – leaving a relatively small percentage of the total life-cycle to determine a differential between oil sources. **3. CRS overlooks the fact that GHG emissions from the Canadian oil sands vary and can be less than some conventional crudes.** CRS incorrectly lumps all Canadian oil sands crudes together and omits other important sources of oil, leading to the incorrect conclusion that they are definitively the most GHG-intensive crude oils (see Figure 3). IHS CERA’s analysis shows that the GHG emissions from the oil sands vary widely, depending on production and processing methods, and that emissions from crude oil cover a wide spectrum – with Canadian oil sands crudes interspersed along the continuum. The difference in conclusions between the two reports is notable – and a point of which policymakers should be made aware. **4. CRS fails to mention significant improvements in GHG emissions as a result of stringent environmental regulations already in place in Canada.** In 2007, the Government of Alberta [implemented](http://www.capp.ca/getdoc.aspx?DocId=191904&DT=NTV) GHG regulations requiring a mandatory 12 percent reduction in emissions for all large industrial sectors, including existing oil sands facilities. As a result of these and other regulations, GHG emissions have reduced by 23 million tons – an equivalent of taking 4.8 million cars off the road. That is more than or equal to CRS’ (questionable) estimate that Keystone XL will increase emissions equal to approximately 588,000-4,061,000 passenger vehicles. Following this logic, environmental regulations will essentially cancel out emissions increases brought on by additional oil sands infrastructure projects. A few other facts to consider: The average amount of steam used in today’s in situ projects per unit of output is about**15 percent lower** than a decade ago. (IHS CERA, [2010](http://www.api.org/aboutoilgas/oilsands/upload/CERA_Oil_Sands_GHGs_US_Oil_Supply.pdf)) GHG emissions per barrel of oil produced being reduced by an average of 29 percent between 1990 and 2009. (Gov’t of Alberta, [2011](http://www.oilsands.alberta.ca/FactSheets/GHG_and_the_oil_sands_July_20_2011%281%29.pdf)) GHG emissions from the oil sands industry are equivalent to .5 percent of emissions in the U.S. and only .001 percent globally. (CAPP, [2011](http://www.capp.ca/getdoc.aspx?DocId=193748&DT=NTV)) **5. The report is not clear enough about a crucial fact: Keystone XL will not change projected emissions as a result of development of the oil sands.** Development of the Canadian oil sands is projected to increase regardless of the delay in the Keystone XL project due to other pipeline options and other transportation options (e.g. rail). The Canadian Association of Petroleum Producers (CAPP) [predicts](http://www.capp.ca/forecast/Documents/190838-2011-2025_CAPP_Crude_Oil_Forecast__Markets_Pipeline_Report.pdf) that the oil sands will experience significant growth over the next decade and beyond, from 1.5 million barrels per day (bpd) in 2010 to 3.7 million bpd in 2025. Notably, CRS figures that Keystone would only amount to an increase of 0.06 to 0.3 percent in annual GHG emissions for the United States. IHS CERA (The Role of the Canadian Oil Sands in the US Market) comes to the conclusion that KXL would increase U.S. emissions about half of what CRS says. **6. Even CRS itself concludes that LCAs can be misleading and should not be the sole consideration when developing energy policy.** As the research arm of Congress, members of Congress lean on CRS to develop unbiased reports on topics of interest as they consider important policy decisions. Despite headlines that grabbed onto the WTW figures CRS reports in its findings, it’s important to note that CRS, in addition to several other similar analyses, conclude that there is considerable disagreement among LCA experts over what variables should be included when calculating WTW emission rates, which leads to a high degree of variance between different models: “…LCAs retain many variables and uncertainties. These uncertainties often make comparing results across resources or production methods problematic. Hence, the usefulness of LCA as an analytical tool for policymakers may lie less in its capacity to generate comparative rankings, or “scores,” between one source and another, and more in its ability to highlight “areas of concern,” or “hot spots,” in the production of a given hydrocarbon fuel. ([p. 24](http://www.fas.org/sgp/crs/misc/R42537.pdf)) Policymakers should consider these assessments as one among several factors when evaluating the cost of using a particular fuel. Here are a few excerpts from studies omitted by CRS: “Some variation between studies is expected due to differences in methods, technologies studied, and operating choices. However, the magnitude of the differences presented suggests that a consensus on the characterization of life cycle emissions of the oil sands industry has yet to be reached in the public literature.” (Charpentier et al., [2009](http://iopscience.iop.org/1748-9326/4/1/014005/pdf/1748-9326_4_1_014005.pdf)) “Field-level data on life-cycle GHG emissions are very spotty and require a great deal of estimation, resulting in considerable uncertainty in the life-cycle emissions of all crude oil sources. Additionally, crude oils of similar quality are mixed in the pipeline distribution system, although their life-cycle GHG emissions could be quite different depending on how and where the crudes were produced.” (IHS CERA, [2010](http://www.api.org/aboutoilgas/oilsands/upload/CERA_Oil_Sands_GHGs_US_Oil_Supply.pdf)) “None of the existing studies were designed to answer the types of questions they are being used to answer. As a result, no existing study, or the combination of studies, is accurate, complete for transparent enough to use for major infrastructure and public policy decisions.” (Pembina Institute, [2011](http://pubs.pembina.org/reports/pembina-lca-checklist.pdf)) “As shown, the GHG emissions from some steps can be readily determined. However, the carbon intensity of crude oil production is more difficult to determine from some locations because the data are either unavailable or of low quality. In other locations, especially Alberta Canada, data on energy used and GHG emissions from crude oil production are routinely reported to the government and the reports are audited.” (Jacobs, [2012](http://www.energy.alberta.ca/Oil/pdfs/OSPathwayStudyEUjacobsRept2012.pdf))

### A2 Emissions

#### No KXL contribution to climate change – at best .0001 degree.

Chip Knappenberger 3/5/12 Mr. Knappenberger holds an M.S. degree in Environmental Sciences (1990) from the University of Virginia His over 20 years of experience as a climate researcher have included 10 years with the Virginia State Climatology Office and 13 years with New Hope Environmental Services, Inc. The Climate Impact of Keystone XL? About 0.0001°C/yr March 5, 2012 http://www.masterresource.org/2012/03/keystone-xl-climate-0001cyr/#more-19033

Last month, a group of 15 climate scientists (included the now disgraced Peter Gleick) sent a letter to Congress expressing their displeasure over the proposed Keystone XL Pipeline. President Obama has weighed in against approval, but Congress wants a green light to allow construction of the 1,700-mile, $7 billion project. Most recently, Bill Clinton weighed in for the pipeline, indicating just how deep the positives of the project are for the U.S. and world oil market. So why are physical scientists getting political about a market-friendly pipeline to deliver oil from the Athabascan oil sands in Alberta, Canada, to various refinery locations in the Midwestern U.S. and ultimately the Gulf Coast? The letter (reprinted at the end of this post) states that in addition to the local environmental impacts of oil sand mining (see here and here for a first-person account from Reason magazine’s Ron Bailey of the operation), burning such oil “on top of conventional fossil fuels will leave our children and grandchildren a climate system with consequences that are out of their control.” The 15 climate scientists added: When other huge oil fields or coal mines were opened in the past, we knew much less about the damage that the carbon they contained would do to the earth’s climate and its oceans. Now that we do know, it’s imperative that we move quickly to alternate forms of energy—and that we leave the tar sands in the ground. What Is the Climate Impact of the Keystone XL Pipeline? As a climate scientist myself, I can profess to knowing the same thing that the 15 signatories know about what the impact that carbon contained in fossil fuel reserves will have on the climate. And I can (as can they) calculate how much of an effect the Keystone XL pipeline will probably have on global temperatures. For some reason (hmm?) the 15 climate scientists chose not to include that information in their letter to Congress. But here it is: The rise in global temperatures resulting from extracting and burning the oil delivered by Keystone XL at full capacity is about 0.0001°C/yr. Keystone XL by the Numbers The Keystone XL Pipeline was to deliver about 800,000 barrels of crude oil a day to U.S. refineries. Various estimates have been made of the total carbon dioxide associated with producing and burning a Keystone XL-delivered barrel of oil (or the products derived therefrom, such as gasoline) for energy, and they generally arrive at a number somewhere around 0.62 tons of CO2 per barrel (see here for a derivation of that number). Multiplying the amount of CO2 per barrel with a production of 800,000 barrels a day, 365 days a year, gets you an annual total CO2 emitted to the atmosphere from oil delivered by the Keystone XL Pipeline of 181 million metric tons. How much “global warming” does that get you? In a previous Master Resource article, I calculated, based on observations of CO2 emissions and temperature changes during the past 50 years, that it takes about 1,767,250 million metric tons of CO2 emissions to raise the global temperature 1°C. In fact, I think I suggested that everyone should jot this number down and pin it to a convenient place for ready reference next time someone was throwing around CO2 emissions reductions expected to result from some regulation. In this case, instead of using it to calculate the “savings” in global temperature rise from some perspective emissions control regulation, we can use it to calculate how much additional global warming that the oil flowing through the Keystone XL pipeline will produce when burned. To do so, we take 181 mmtCO2/yr and divide it by 1,767,250 mmtCO2/°C. And we get 0.0001°C/yr, that is, one ten thousandths of a degree Celsius of temperature rise from the Canadian tar sands oil delivered by the Keystone XL pipeline each year. Obviously, the climate scientists who wrote to Congress must have other concerns than the inconsequential and undetectable global climate change that would directly result from the Keystone XL-delivered oil. The Camel’s Nose When it comes to global climate impacts, the Keystone XL pipeline itself has virtually none.

#### 1AC – Oil use inevitable

Derik Andreoli, Ph.D. 2/1/12 is the Senior Analyst at Mercator International, LLC. What will the Keystone XL decision mean to your transportation budget? http://www.logisticsmgmt.com/article/andreoli\_on\_oil\_fuel\_what\_will\_the\_keystone\_xl\_decision\_mean\_to\_your\_transp/

Of course, both the TransCanada-funded study and the Cornell study are politically motivated, but even more importantly, political motives underlie how the media frames the findings. As Mark Twain put it: “If you don’t read the newspaper you are uninformed. If you do read the newspaper you are misinformed.” There are three reasons why the cancellation of the KXL will not likely have any impact on global greenhouse emissions. First, there is more than one way to skin a cat, and more than one way to get syncrude out of Athabasca. Another pipeline company, Enbridge, is currently seeking approval to construct a pipeline connecting Bruderheim (a town just east of Edmonton, Alberta) to Kitimat, British Columbia, where syncrude can be loaded into oil tankers and shipped to Asia. Alternatively, syncrude could be loaded onto rail tank cars—in fact, this is starting to occur. With a capacity of 600 barrels each, it would take roughly 10 unit trains to equal the volume that the KXL is designed to transport (just over 800,000 barrels per day). While this is a lot of rail cars, a bit of envelope math suggests that 80 to 100 unit trains of far less valuable coal leave Wyoming every day. Though trains are a more costly option, they offer a distinct advantage in that they can go to tight markets where the same barrel of oil will sell for a premium, which may be greater than the transport cost differential. But even in the unlikely event that Canadian syncrude does become stranded, Canadian syncrude may simply be substituted by heavy oil sourced from Venezuelan tar sands. Currently the expansion plans for heavy oil production from the Orinoco Belt (a tar sands deposit similar in composition and size to Canada’s tar sands) far outpace Canda’s expansion plans. The bottom line is that U.S. refineries will either operate at capacity or shut down. If the KXL is constructed, Canadian syncrude will supply them. If the KXL is not constructed, one or more refineries will either be shuttered, thereby causing fuel prices to increase, or these U.S. refineries will be forced to purchase oil on the open market, which means that the U.S. may source dirty heavy oil from Venezuela.

### A2 Ogallala Aquifer

#### The pipeline would not affect the aquifer- 4 reasons

Goeke ’11 (James, 10/4/11 research hydro geologist and professor emeritus at the University of Nebraska-Lincoln, “The Truth About Aquifers” The New York Times 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)

Surface water we can see; groundwater is an act of faith: I say that when I talk about aquifers. Because groundwater is out of sight, it lends itself to many misconceptions. This is the situation with the Ogallala/High Plains aquifer, as it relates to the proposed Keystone XL pipeline. An aquifer is any subsurface material that stores and transmits water in usable amounts. Underground water by itself is not an aquifer; the definition must include the host material. The Ogallala aquifer, named after the rock formation that has nearly unimaginable water riches, underlies much of the Great Plains. Recently, the U.S. Geological Survey has begun using the term “High Plains Aquifer” to include not just the Ogallala formation but also rock units below and more recent deposits near the surface. During the past 40 years, my colleagues and I at the Conservation and Survey Division of the University of Nebraska have focused our research on this aquifer. I personally have drilled more than 1,000 test holes into and through its complexities; I have analyzed the volume and behavior of the waters it holds. Here are several important findings. **1.** The slope of the regional water table is from west to east; the deep waters within the host rocks move persistently downhill eastward. Approximately 80 percent of the Ogallala Aquifer lies to the west of the proposed alignment, “uphill” of the pipeline’s route. Spilled oil could not move upward against gravity. **2.** Along much of the alignment, the depth to water is over 50 feet. Sediments above the top of the aquifer contain fine-grained deposits like silts and clays. In a 25-year study of an oil spill near Bemidji, Minn., the Geological Survey reported that “apparently fine-grained layers impeded the infiltration and redistribution of oil.” **3.** If areas of the Ogallala were exposed to leaks from the pipeline, the highly varied layers within the rock formation itself would serve to localize the impact of a spill. **4.** In places along the pipeline’s route, there are locations where the water table is near or at the land surface. It is my understanding that in these areas, TransCanada will encase the pipeline in a waterproof covering and cement jacket.

#### Plan solves. Avoiding the aquifer increases Keystone’s environmental safety, allowing the pipeline to decrease US oil dependence.

**Keller,** Brianna, April 18 **2012,** CNN Whitehouse Correspondent, CNN, <http://articles.cnn.com/2012-04-18/us/us_keystone-pipeline_1_keystone-pipeline-keystone-xl-pipeline-burst?_s=PM:US>

The company building the controversial Keystone XL pipeline has submitted a proposal for a new route, a spokesman for Nebraska's environmental authority said Wednesday. The new route is east of the initially proposed route that went over an environmentally sensitive aquifer, said spokesman Brian McManus of the Nebraska Department of Environmental Quality. TransCanada is the company constructing Keystone. The pipeline is intended to carry between 500,000 and 700,000 barrels of crude oil a day from Canada's oil sands to the U.S. Gulf Coast.

#### Rerouting the pipeline solves environment problems. No risk of damage to aquifer.

**Frosch,** Dan, November 14, **2011,** NY Times reporter, NYT, Keystone Pipeline will be rerouted, <http://www.nytimes.com/2011/11/15/science/earth/keystone-xl-pipeline-transcanada-reroute.html>

a special session of the Nebraska Legislature, a state senator announced Monday that TransCanada had agreed to adjust its intended route of the [Keystone XL](http://topics.nytimes.com/top/reference/timestopics/subjects/k/keystone_pipeline/index.html?inline=nyt-classifier) oil pipeline to avoid the environmentally sensitive Sand Hills region of the state. “There had been discussions about this over the last couple of days,” said Matt Boever, a spokesman for State Senator Mike Flood. “Moving it out of that Sand Hills region is important.” The proposed pipeline would run from Alberta’s [oil sands](http://topics.nytimes.com/top/reference/timestopics/subjects/o/oil_petroleum_and_gasoline/oil_sands/index.html?inline=nyt-classifier) to the Gulf of Mexico and was slated to pass through the Sand Hills, which includes the Ogallala Aquifer, a vital source of drinking water for the Great Plains. TransCanada’s offer comes just days after a Nov. 10 announcement by the State Department that it would delay a final decision on the $7 billion project until it had considered other routes through Nebraska. The Obama administration had been under increasing pressure from environmental groups, as well as citizens and lawmakers in Nebraska, to reroute the pipeline. “I can confirm the route will be changed and Nebraskans will play an important role in determining the final route,” Alex Pourbaix, TransCanada’s president, Energy and Oil Pipelines, said in a statement Monday, adding that the company would support legislation in Nebraska that would shift the pipeline route.

#### No risk to Ogallala

Bailey 5/8/12 Ron Ronald Bailey is Reason's science correspondent. His book Liberation Biology: The Scientific and Moral Case for the Biotech Revolution is now available from Prometheus Books. http://reason.com/archives/2012/05/08/obama-boxed-in-on-keystone-pipeline-cons

Worries that oil leaks from the pipeline might severely damage the Ogallala aquifer have been greatly exaggerated by activists. Decades of research on an oil spill in Bemidji Minnesota finds [PDF] that hydrocarbons from the spill migrated in groundwater a bit more than 600 feet downhill and then stabilized. U.S. Geological Survey researcher Geoffrey Delin told InsideClimateNews that he thinks any dissolved hydrocarbons from a Keystone XL pipeline break that percolates into groundwater would probably remain within 1,000 feet of the spill point. Oil spills on land are nasty but not apocalyptic events. In any case, TransCanada has agreed to change the route of the pipeline so that it no longer goes through the area that most concerns the activists.

### AT: Renewables Transition Turn

#### Turn – creates consensus – key to renewable policy.

Michael Schwartz 1/23/12 The Keystone Pipeline: Moving from Confrontation to Consensus CEO, New Wave Energy Capital Partners http://energy.nationaljournal.com/2012/01/sizing-up-obamas-keystone-pipe-1.php#2152627

Establishes actionable goals for procurement of US origin goods and services associated with oil sands development and pipeline construction/operation An alternative routing for the pipeline which avoids environmentally sensitive areas and thereby reduces the impact of pipeline construction and operation The heightened concerns about a potential disruption of oil supplies from the Persian Gulf only emphasize the importance of the role of the Keystone Pipeline and oil sands derived crude supply in enhancing US energy security and supporting economic recovery. Notwithstanding the merits of alternative fuels in the long-term, we must act today to protect the vital interests of the United States over the next years to come. With this in mind, let’s use the disapproval of the Keystone application as an opportunity to convert the issue from a source of vitriol to a basis for consensus building. This can be done by having stakeholders come together to support approval by the State Department based upon a new project submittal and developing a schedule for project review that allows for full assessment of the Pipeline’s environmental impact and the negotiation of an acceptable agreement that would address key environmental and economic issues surrounding both oil sands and the pipeline. Although the confrontational politics of the last several months suggests that it is not likely that any material progress can be achieved on almost any matter of significance, there is strong indication that the American public wants its political leadership to place country over partisanship. Constructive and timely action on the Keystone Pipeline would represent a good first step toward to demonstrating that we have functional and responsive government willing to act in the best interests of the public. Further, an agreement around Keystone could serve as a foundation for a broader consensus that could allow us to make progress around other energy initiatives.

#### Blocking Keystone will not cause a renewable shift --- consumerism is too engrained

**Nocera**, 2/10/**2012** (Joe – business columnist for the New York Times, The Politics of Keystone, Take 2, The New York Times, p. <http://www.nytimes.com/2012/02/11/opinion/nocera-the-politics-of-keystone-take-2.html>)

Somewhat to my surprise, the most reasoned Keystone opponent I spoke to this week was Bill McKibben, who led the protests against it. Although the tar sands ranks as “the second biggest pool of carbon in the world,” he told me, “Keystone, by itself, won’t make or break the environment.” Rather, he said, he and other environmentalists had decided to draw this particular line in the sand because stopping Keystone would help accelerate what he described as the difficult transition from a fossil fuel economy to a new, brighter world based on renewable sources of energy. “The most sensible way to go about dealing with global warming is one pipeline at a time,” he said. “These kinds of fights are extremely important because they are the way the message gets out that we need to change.” Maybe — just maybe — stopping the Keystone pipeline would be worth it if it really was going to change our behavior and help usher in the age of renewable energy. It would, indeed, be worth turning our backs on oil that we badly need and that is already making our country more secure and prosperous. But let’s be honest. It’s not going to change anyone’s behavior. If Keystone is ultimately blocked, the far more likely result is that everyone who opposed it will get to feel good about themselves while still commuting to work, alone, in their S.U.V.’s.

#### **Keystone Pipeline expands the US pipeline grid and offers more options for energy**. **Epstein**, Victor, **2/8/**12, Editorial: Keystone Pipeline is a Good Thing, Cynical Times, (http://www.cynicaltimes.org/about-cynical-times/)

The problem with the complex national debate about the Keystone XL pipeline is that it's not really about energy, the environment or job creation - it's about political gamesmanship and misinformation from at least three different interest groups. The painful truth is that the Keystone XL Pipeline is a good idea because it gives the United States more energy options by expanding our pipeline grid and because the environmental impact of the tar sands will increase without it. But you could spend a couple weeks sifting through all the half-truths and sins of omission emanating from the energy, farm and environmental lobbies just to get to the facts you need to figure that out. The American public deserves better.

#### Keystone Won’t Block Renewables or destroy the environment. On its own it won’t change people’s behavior

NYT 2/10/12. Joe Nocera; Op-Ed Columnist for The New York Times, he spent 10 years at Fortune Magazine, where he held a variety of positions, including contributing writer, editor-at-large and executive editor, February 10, 2012, New York Times, “The Politics of Keystone, Take 2,” (<http://www.nytimes.com/2012/02/11/opinion/nocera-the-politics-of-keystone-take-2.html?_r=1>) Accessed: 7/4/12

Here’s the question on the table today: Can a person support the Keystone XL oil pipeline and still believe that global warming poses a serious threat? Enlarge This Image Fred R. Conrad/The New York Times To my mind, the answer is yes. The crude oil from the tar sands of Alberta, which the pipeline would transport to American refineries on the Gulf Coast, simply will not bring about global warming apocalypse. The seemingly inexorable rise in greenhouse gas emissions is the result of deeply ingrained human habits, which will not change if the pipeline is ultimately blocked. The benefits of the oil we stand to get from Canada, via Keystone, far outweigh the environmental risks. When I tried to [make that case on Tuesday](http://www.nytimes.com/2012/02/07/opinion/nocera-the-poisoned-politics-of-keystone-xl.html), however, I was cast as a global warming “denier.” Joe Romm, who edits [the Climate Progress blog](http://thinkprogress.org/romm/issue/?mobile=nc), [said that I had joined](http://thinkprogress.org/romm/2012/02/09/420143/joe-nocera-joins-the-climate-ignorati/) “the climate ignorati.” Robert Redford — yes, that Robert Redford — [denounced my column in The Huffington Post](http://www.huffingtonpost.com/robert-redford/joe-nocera-keystone-pipeline_b_1263231.html). “Let’s put the rhetoric aside, and simply focus on the facts,” he wrote. Yes, let’s. In particular, let’s focus on two issues that have become the cornerstone of the opposition to Keystone. The first is that the crude from the tar sands is, in Redford’s words, “the dirtiest oil on the planet” — so dirty, in fact, that it will dramatically increase greenhouse gas emissions and greatly exacerbate the growing threat of global warming. There is no question that oil from the tar sands [will increase greenhouse gases](http://green.blogs.nytimes.com/2011/08/08/oil-sands-to-boost-emissions-canadian-report-says/). But by how much? [According to a study](http://a1024.g.akamai.net/f/1024/13859/1d/ihsgroup.download.akamai.com/13859/ihs/cera/The-Role-of-the-Canadian-Oils-Sands-in-the-US-Market.pdf) by IHS Cera, a leading energy research firm, the oil from the tar sands emits only 6 percent more greenhouse gases than other, lighter forms of oil. (Environmental groups have tried to poke holes in the study, but even they don’t come up with the kind of increase that would doom the planet.) What’s more, there is plenty of oil being produced today with the same greenhouse gas consequences as the oil from the tar sands. As[Michael Levi](http://www.cfr.org/experts/energy-energy-security-technology-and-foreign-policy/michael-a-levi/b11890), an energy expert at the Council on Foreign Relations, says, “The argument you hear is that because it increases greenhouse gas emissions, we shouldn’t tolerate it. Well, so do the lights in my house. You have to be discriminating.” The second argument is that the tar sands oil won’t help the United States because it is all headed for export. This is perhaps the silliest argument of all. Right now, most of the big refineries on the Gulf Coast [export](http://www.usnews.com/opinion/blogs/on-energy/2011/12/16/the-benefits-and-drawbacks-of-the-keystone-xl-pipeline?s_cid=rss:energy-intelligence:the-benefits-and-drawbacks-of-the-keystone-xl-pipeline) around 20 percent of their refined product. Why? Because every barrel of crude oil is converted partly to diesel and partly to gasoline — and the rest of the world is far more reliant on diesel fuel than we are. The gasoline remains in the United States. Keystone wouldn’t change that equation one bit. Normally, one wouldn’t have to point out that exporting high-value products is good for the country. But, of course, improving our trade balance is irrelevant when you’re facing the apocalypse. You want to know another little secret about the tar sands? It’s already coming here, thanks to [existing pipelines](http://oilprice.com/Energy/Energy-General/Oil-Pipelines-Criss-Cross-the-United-States-Why-the-Fuss-Over-Keystone-XL.html) — and it is already doing us a great deal of good. The influx of Canadian oil is partly why our imports from OPEC are at their lowest level in nearly a decade. And because the crude from Canada is selling at [a steep discount](http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/why-canadian-crude-is-selling-for-less/article2331655/) to Saudi Arabian crude, it is stabilizing the price at the pump. Somewhat to my surprise, the most reasoned Keystone opponent I spoke to this week was[Bill McKibben](http://www.billmckibben.com/), who [led the protests against it](http://www.nytimes.com/2011/09/04/science/earth/04air.html). Although the tar sands ranks as “the second biggest pool of carbon in the world,” he told me, “Keystone, by itself, won’t make or break the environment.” Rather, he said, he and other environmentalists had decided to draw this particular line in the sand because stopping Keystone would help accelerate what he described as the difficult transition from a fossil fuel economy to a new, brighter world based on renewable sources of energy. “The most sensible way to go about dealing with global warming is one pipeline at a time,” he said. “These kinds of fights are extremely important because they are the way the message gets out that we need to change.” Maybe — just maybe — stopping the Keystone pipeline would be worth it if it really was going to change our behavior and help usher in the age of renewable energy. It would, indeed, be worth turning our backs on oil that we badly need and that is already making our country more secure and prosperous. But let’s be honest. 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## Add-Ons

### KXL good – China

#### Critical to prevent the Canadians from shifting to China.

Dow Jones International News 6/29/12 Alberta Premier "Optimistic" Keystone XL Pipeline Will Get Approval 29 June 2012 Factiva

Calgary-based pipeline company TransCanada is seeking to build a 1,897 kilometer pipeline that would connect Hardisty, Alberta, to Steele City, Nebraska. Several phases have gone ahead, but a key phase, called Keystone XL, was rejected by the Obama administration in January this year, because of opposition from Nebraska over the proposed route. TransCanada resubmitted its application in May and said it would supplement its application with an alternative route in Nebraska later.

The delay in Keystone XL has "focused the minds of Albertans" on developing alternative markets, particularly in Asia, for its heavy crude and liquefied natural gas, she said. "(Companies) realize that they can't presume they are going to have one customer only forever; it's important to expand those markets."

More pipelines cross Alberta than anywhere else in Canada, and its economy relies heavily on oil and gas production.

Virtually all Canadian crude exports are shipped to the U.S., and although Canadian oil production is climbing fast, pipeline capacity to move it from the country's biggest oil patch in landlocked Alberta to the U.S. is stretched.

Meanwhile, Ms. Redford said she met with with officials at China National Offshore Oil Corp. and China National Petroleum Corp. and discussed mining technology and energy infrastructure investment in areas of Alberta involved in oil-and-gas production.

"We did talk about work with respect to oil-and-gas mining technology and had good discussions about how infrastructure investment would look like," she said.

Ms. Redford said no investment agreements were clinched from the meetings, which were aimed at introducing herself to Chinese commercial partners after she took office in October.

### China bad – Oil Tankers

#### The alternative to Keystone is oil tankers to China --- increases the risk of oil spills and environmental damage.

**Faulkner**, 5/7/**2012** (Chris – founder, president and CEO of Breitling Oil and Gas, Bringing the Keystone Pipeline Debate Back into Focus, Oil Online, p. http://www.oilonline.com/blog/main.asp?Tid=45&id=252&cat )

You say neither, I say nyther: killing Keystone won’t be a win for the environment

Another hotly contested element of the Keystone Pipeline is the potential environmental impact. It amazes me that so much coverage of the environmental concerns fails to mention that the US Department of State Bureau of Oceans and International Environmental and Scientific Affairs has stated that the project will be safer than any other domestic pipeline under current regulations. (There’s already a network of more than 100,000 miles of crude trunk and gathering pipeline in the US; the Keystone pipeline will add about 1,700 miles more.) What many in the media also fail to consider is that the alternatives to the pipeline—tankers and trains—are far more destructive from an emissions standpoint and just as dangerous in relation to potential spills. And let’s not forget this simple fact: whether or not we allow this pipeline, Canada will be increasing production from its tar sands and shipping that oil by whatever method is available. Those hoping to stop the continued exploitation of the Canadian tar sands by blocking the pipeline will only succeed in keeping that oil from reaching US refineries, with the likely result of China taking advantage of our nation’s short-sightedness. And how will Canada’s oil reach China? Overseas tankers, of course, creating a greater risk of oil spills as well as additional emissions. Once again, the environment loses, as do American workers and consumers.

#### China-Canada oil tankers will kill the ocean environment --- including plankton and sea lions

**Byers**, 5/17/**2012** (Michael – professor at the University of British Columbia, and Canada Research Chair in Global Politics and International Law, Canada’s oil-sands bonanza could mean disaster for Alaska’s coastline, The Seattle Times, p. http://seattletimes.nwsource.com/html/opinion/2018232475\_guest18byers.html)

Twenty-three years after the Exxon Valdez spilled more than half a million barrels of oil into Prince William Sound, another threat looms over Alaska's remote and beautiful coastline — in the form of heavy oil exports from Canada to China. Since the Earth is a sphere, the shortest shipping route from Western Canada to China passes through the Aleutian Islands at a narrow strait called Unimak Pass. Two pipeline companies want to dilute tar-like bitumen from the Alberta oil sands with natural gas condensate so that it can be pumped west to the coast of British Columbia. The first plan — a new pipeline called "Northern Gateway" — would carry 525,000 barrels per day to a terminal just south of the Alaska Panhandle, where it would be loaded onto supertankers that would sail westward toward Unimak Pass. The second plan involves tripling the capacity of an existing pipeline to Vancouver so it can carry 850,000 barrels per day, and adding compressor stations so it can handle the diluted but still heavy bitumen. The oil from this "Trans Mountain Pipeline" would also be shipped through Unimak Pass. Unimak Pass is just 10 miles wide. Five thousand ships already use it each year, most of them large container and bulk-cargo vessels. The tidal mixing of cold nutrient-rich waters in and around Unimak Pass supports massive amounts of plankton, the basis of a rich food chain. The area is part of the Alaska Maritime National Wildlife Refuge, which is home to 40 million seabirds. It's also home to a wealth of marine mammals, including endangered Steller sea lions, northern fur seals, sea otters and numerous species of whales. This ecosystem has considerable economical value. The Bering Sea just north of Unimak Pass supports the largest commercial fishery in the United States, worth $1 billion annually. Severe weather and sea conditions are common in Unimak Pass, along with powerful tidal flows. In December 2004, the Selendang Ayu, a 738-foot-long Malaysian cargo ship, had just cleared the pass when it lost power in a storm. The vessel was blown aground and broke apart, spilling 335,000 gallons of fuel oil. Almost none of the oil was recovered due to the remote location, bad weather and the near-complete absence of oil-spill-cleanup equipment and personnel in the Aleutians. Complicating matters, the U.S. State Department has long accepted that Unimak Pass is an "international strait" that foreign vessels can enter without permission or regulatory restriction. As a result, there are no shipping lanes, or notification or pilotage requirements. There are a few steps the federal government could take. It could station a large rescue tug and several oil-spill-cleanup vessels at nearby Dutch Harbor. It could ask the International Maritime Organization to designate Unimak Pass as a "particularly sensitive sea area," which would enable the U.S. to require advance notification of passage and adherence to vessel traffic separation rules. It could seek to persuade shipping companies to voluntarily route oil tankers well south of the Aleutians, though this would increase both distance and cost. In the end, however, none of these steps is likely to prevent hundreds of oil tankers from transiting Unimak Pass each year. For the root of the problem is not the tankers, but Canada's disregard for the environmental impacts of developing and selling its oil sands to China — impacts that include the near-inevitability of another Exxon Valdez-type spill in U.S. waters, this time in Unimak Pass.

#### Plankton losses trigger ecosystem collapse that risks extinction

**Alois and Cheng 7** (Paul and Victoria, The Arlington Institute, “Keystone Species Extinction Overview”, July, http://www.arlingtoninstitute.org/wbp/species-extinction/443)

The most recent paradigm in ecological sciences posits that environmental change happens in a rapid, non-linear fashion. This paper will examine certain species of organisms that have the potential, once their numbers are low enough, to trigger a **sudden collapse** in the cycles that provide human beings with food. 1. Aquatic Systems 1.1. Plankton Plankton is a blanket term for many species of microorganisms that drift in open water and make up the base of the aquatic food chain. There are two types of plankton, phytoplankton and zooplankton. Phytoplankton make their own food through the process of photosynthesis, while zooplankton feed on phytoplankton. Zooplankton are in turn eaten by larger animals. In this way these tiny organisms sustain all life in the oceans. According to the NASA, phytoplankton populations in the northern oceans have declined by as much as 30% since 1980.[[4]](http://www.arlingtoninstitute.org/wbp/species-extinction/443#_ftn4) While the cause of this decline remains uncertain, there are several theories. [Continues] The preservation of the **fundamental cornerstones** of the ecosystem must become a foremost goal in human advancement, and it is clear that their destruction must be stopped. Plankton supporting abundant sea life are dying, fish that is a staple part of the diet of many people around the world are being fished to extinction, bees pollinating crops are threatened by many factors, and topsoil sustaining agriculture is disappearing. To solve these problems, people must also address bigger problems caused by human activity such as climate change, the destruction of habitats, and the depletion of resources due to careless use. If any of these species examined should be reduced to a low enough level, **consequences for our own survival** would be profound. The loss of these actors is happening rapidly, and it is crucial that this be stopped and reversed as soon as possible.

### China Warming Cooperation

#### Shift to Chinese-Canadian oil routes will enflame China bashing --- collapsing US/China relations and collapsing Chinese climate negotiations

**Tu**, 2/10/**2012** (Kevin Jianjun – senior associate in the Carnegie Energy and Climate Program, China should be cautious about the Canadian Oil Sands, Phoenix News Group, p. <http://carnegieendowment.org/2012/02/10/china-should-be-cautious-about-canadian-oil-sands>)

First, Canadian oil sands exports to China could further strain the already turbulent Sino-U.S. relationship. In 2012, a presidential election year, the Obama administration rejected TransCanada’s application to build the Keystone XL pipeline. The move stemmed from strong Democratic and environmentalist opposition to the deal—Obama would have risked losing the pro-environment electorate if he approved the plan. Yet, the Democratic Party has been unable to reach a consensus on this contentious issue, and the U.S. State Department has agreed to allow TransCanada to reapply for a Keystone XL permit once an alternative route that avoids particularly environmentally sensitive sites is selected. By comparison, almost all congressional Republicans strongly support the Keystone XL pipeline. Arguing that turning down the pipeline will harm U.S. energy security, kill U.S. jobs, and unnecessarily benefit China, they have vigorously attacked Obama’s decision. Any renewed support for the Northern Gateway pipeline by Chinese national oil companies would shift the focus of the Keystone XL debate within the United States from the environment to national security—a prevailing fear, especially among congressional Republicans, is that without Keystone, China will beat the United States to Canada’s rich oil reserves. A desire to shift the debate to national security in the United States may even be driving the Canadian government’s public support of the Northern Gateway pipeline. Second, large-scale Chinese imports of output from Canadian oil sands would come with a high price tag for China’s future international climate negotiations. According to the revised national Energy Balance Table, China surpassed the United States to become the world’s largest carbon emitter as early as 2006. In 2009, emissions from Chinese coal combustion alone exceeded total U.S. carbon dioxide emissions. According to the International Energy Agency, China is expected to account for 42 percent of global incremental carbon emissions by 2035. Nevertheless, under the 2011 Durban Platform for Enhanced Action, China has already said it will join a legally binding international climate treaty that will be agreed upon by 2015 and will come into force by 2020. As a result, during future international climate negotiations, China is expected to face increasingly higher pressure from the international community to retard its spiking carbon emissions. According to the Canadian Industrial Energy End-Use Data and Analysis Center, carbon-emission intensities of upstream oil sands production are generally one to four times higher than conventional oil extraction. Although recent “well-to-wheels” studies have found that the life-cycle emissions of oil-sands-based products are only 5 to 15 percent higher than those of conventional oil products, such analyses likely overlook the substantial carbon-emissions potential that is embedded in the large amount of carbon-intensive oil sands byproducts, such as petroleum coke. According to Environment Canada, oil sands development and the transportation sector are the primary drivers underlying the growth of Canada’s greenhouse gas emissions. In order to allow room for the emissions that would result from oil sands development, and to save $14 billion in penalties for not achieving its Kyoto targets, the Canadian government withdrew from the Kyoto Protocol right after the Durban climate conference, without adequate consideration of the criticism it would receive from the international community. Large-scale Chinese imports of Canadian oil sands output would correspond to de facto support of Canada’s environmentally irresponsible climate policy. Not surprisingly, Chinese imports from Canada’s oil sands would not only be criticized by the international environmental community but would also make the work of China’s climate negotiation delegation much more difficult in the future. Finally, strong opposition to the Northern Gateway pipeline from environmental organizations and Canada’s indigenous community is another important issue that China should not ignore. As early as 2005, PetroChina, the listed arm of China’s largest national oil company, signed a cooperation agreement with Enbridge to support the Northern Gateway pipeline. However, after Stephen Harper came into power in 2006, Sino-Canadian relations soon deteriorated. Citing a lack of support from the Canadian federal government, PetroChina withdrew from the pipeline project in 2007 but forgot to mention the other serious impediment to the deal—strong opposition from both environmental organizations and indigenous communities along the pipeline route. Although the Canadian government now seems to be supportive of the pipeline, it will still be unable to address environmental concerns and the indigenous community’s opposition to pipeline construction in the near future. Consequently, Enbridge’s application for the pipeline is expected to be a prolonged process, which will inevitably increase the financial risks of the project. To enhance China’s energy security, Chinese national oil companies have significantly expanded their overseas presence in recent years. But, due to the monopoly status they have long enjoyed domestically, these companies often evaluate overseas projects primarily on the basis of energy security and corporate bottom line. However, many other factors are at play, and such practices have made securing a return on some Chinese overseas investments problematic at most. Importing output from Canadian oil sands is likewise complicated. Chinese leaders should prohibit national oil companies’ involvement in the Northern Gateway pipeline, at least during a U.S. presidential election year, or they risk stirring up a national security debate in the United States and inflaming Sino-U.S. relations. After the conclusion of the Chinese political power transition by the end of 2012, the new Chinese leadership should not only fundamentally reform China’s energy-oversight mechanism, which has so far failed to adequately regulate Chinese national oil companies, but also significantly improve intergovernmental coordination. This would lead Chinese national oil companies to, in addition to focusing on national energy security and their corporate bottom line, take other important factors such as Sino-U.S. relations, environmental governance, and the host country’s internal politics into consideration when they make future overseas investment decisions.

#### Chinese cooperation is a pre-requisite for solving global warming.

**Bush** III, 10/11/**2011** (Richard – director of the Center for Northeast Asian Policy Studies, The United States and China: A G-2 in the Making, p. http://www.brookings.edu/research/articles/2011/10/11-china-us-g2-bush)

Now there are a couple of “germs of reality” in the Brzezinski-Bergsten G-2 idea. In the sixth month of his presidency, President Barack Obama laid out a grand vision for bilateral relations between the two countries. On the occasion of the first Strategic and Economic Dialogue, he said, “The relationship between the U.S. and China will shape the 21st century, which makes it as important as any bilateral relationship in the world.... If we advance [our mutual] interests through cooperation, our people will benefit and the world will be better off—because our ability to partner with each other is a prerequisite for progress on many of the most pressing global challenges.” President Obama and President Hu Jintao have repeatedly stated their “commitment to building a positive, cooperative, and comprehensive U.S.-China relationship for the 21st century, which serves the interests of the American and Chinese peoples and of the global community.” Moreover, there are some “pressing global challenges” that stem from the policies of the two countries. Global macroeconomic imbalances are the result, primarily of the bilateral economic imbalance between the United States and China and the related domestic policies. China saves too much and the United States consumes too much. That asymmetry leads to a large bilateral trade imbalance and the necessity for China to recycle its export earnings, usually by purchasing American debt. This bilateral imbalance affects the stability of the global economy, and the only way to reduce this instability is for China to consume more and the United States to save more. The problem of climate change is similar. China and the United States are the two largest emitters of greenhouse gases. Unless they are willing to tackle the problem, global warming will continue to endanger the planet.

### Arctic Drilling Add-On

#### No KXL causes Arctic Drilling

Jen Alic 7/2/2012 Oil-Drilling Trade-Offs: Keystone for Alaska geopolitical analyst, co-founder of ISA Intel (www.isaintel.com) in Sarajevo and Tel Aviv, and the former editor-in-chief of ISN Security Watch in Zurich http://oilprice.com/Energy/Crude-Oil/Oil-Drilling-Trade-Offs-Keystone-for-Alaska.html

The Obama administration so far has stymied big oil’s efforts to move on the controversial Keystone XL pipeline, but the trade-off is a sure victory for Shell in the Alaskan Arctic. Unless environmental groups come up with a last-minute game-changing maneuver, Shell will begin test-drilling in the Alaskan Arctic in July, much to the dismay of Native Alaskans, who are concerned about the implications to the northern coast’s wildlife and shorelines. Speaking at the Norway Arctic Roundtable on 26 June, Secretary of the Interior Ken Salazar stated: “Many of you know that we are currently in the final stages of a rigorous review of Shell’s proposal to drill exploratory wells in the Beaufort and Chukchi Seas this summer. If Shell meets our standards and passes our inspections, its exploration activities will be conducted under the closest oversight and most rigorous safety standards ever implemented.”

### Ethanol Add-on

#### Oils sands critical to offset ethanol production – solves food for fuel dilemma – feeds millions.

John Mawdsley, 2011 P.Geol. Managing Director, Institutional Research Altacorp “Renewables v. Hydrocarbons: The Energy Reality http://www.wilsoncenter.org/sites/default/files/Renewables%20vs.%20Hydrocarbons%2C%20The%20Energy%20Reality.pdf

Readers will see that we are particularly sceptical about biofuels as a renewable source of energy. The ethical reality around biofuels is the dilemma commonly referred to as the “food for fuel” issue. We calculate that approximately 149 million people per year could be fed with the feedstocks now being used for ethanol production in the United States. This surprisingly-high number might be considered unbelievable by some readers; accordingly, our analysis, calculations and sources are shown in detail on page 53. Given the magnitude of the problem, we suggest reducing the subsidies for biofuels because they are distorting an already over-burdened global food system. To put this issue in context, if one oil sands plant with a capacity of 100,000 bbls/d was used solely to offset ethanol production in the U.S. and the ethanol-feedstock land was instead used for growing food, 34 million people could be fed every year. This is approximately the population of Canada. Frankly, a better option for the United States would be to reduce energy consumption and use these savings to offset and limit ethanol production. If the country dropped its oil consumption from all sources by only 1% and this reduction was used to offset ethanol production, then the feedstock land could continually feed 64 million people every year.

### Gridlock/Trucks

#### No KXL – causes gridlock

Reuters 05/15/2012 Keystone XL Pipeline Eyed To Ease Truck Gridlock On North Dakota Roads Lexis

The McKenzie County Sheriff Department has a map of the narrow grid of two-lane highways coming out of an oil-rich corner of North Dakota, each rutted route lined with dozens of red stick pins marking the site of traffic accidents so far this year. The map is a sign of how infrastructure has failed to keep up with the boom in U.S. oil production, as small roads built for grain trucks and cars are overwhelmed by trucks laden with equipment, sand and water used for drilling, and crude oil. "The impatient drivers, when they're getting behind 18, 19, 20 trucks, you can't pass on a two-lane road. But people try it," said Cal Klewin, executive director of the Theodore Roosevelt Expressway Association, describing the dangerous traffic in the region. For Republican Senator John Hoeven, examples of gridlocked roads in his home state help make the case for fast-tracking the Keystone XL crude oil pipeline, which would help take more than 100,000 barrels of oil per day -- about 500 trucks worth -- off of North Dakota roads.

### Flaring – add-on

#### KXL solves natural gas flaring in the Bakken

Steve Horn 4/2/12 Investors: No More Flaring of Fracked Oil and Gas in Bakken Shale http://ecowatch.org/2012/investors-no-more-flaring-of-fracked-oil-and-gas-in-bakken-shale/

DeSmogBlog, in the heat of the ongoing debate over TransCanada’s proposed Keystone XL tar sands pipeline, noted in late January that the derailing of the northern portion of the pipeline could mean more gas flaring in the Bakken Shale basin, located in North Dakota, due to lack of pipeline infrastructure needed to bring the gas to market. The original Keystone XL game plan included a key slice of the pie located in the northern U.S., known by the oil and gas industry as the TransCanada Bakken Marketlink project. This project would move the oil and gas obtained via the hydraulic fracturing (“fracking“) process in the Bakken, as well as tar sands crude from Alberta, southward toward Cushing, Okla., eventually making its way to Port Arthur, Texas. The southern half of that pie is known as the Cushing Marketlink project, located in Cushing, Okla., a city President Obama recently sojourned to on the campaign trail. President Obama has delayed a decision on the fate of the northern half of the pipeline until after the November 2012 elections. And that means the oil and gas obtained via fracking in the Bakken Shale will continue to be flared at surreal rates. As we explained in January, “…if the Marketlink Project goes down in flames…that means, ironically, more flames in the form of gas flaring.” In an overlooked September 2011 investigation, The New York Times revealed that the oil and gas industry flares roughly 30-percent of the gas fracked from the Bakken Shale. The Times’ Clifford Krauss wrote: Every day, more than 100 million cubic feet of natural gas is flared this way—enough energy to heat half a million homes for a day. The flared gas also spews at least two million tons of carbon dioxide into the atmosphere every year, as much as 384,000 cars or a medium-size coal-fired power plant would emit, alarming some environmentalists. Why flare? The industry answer is quite blunt. “I’ll tell you why people flare—It’s cheap,” said Troy Anderson to The Times, lead operator of a North Dakota gas-processing plant owned by Whiting Petroleum in The Times article. “Pipelines are expensive: You have to maintain them. You need permits to build them. They are a pain.”

# Aff - Topicality

### A2 - T – not germane

#### Pipelines are a core part of the transportation debate.

Reuters 05/15/2012 Keystone XL Pipeline Eyed To Ease Truck Gridlock On North Dakota Roads Lexis

Many Democratic lawmakers have argued the Keystone permit provision does not belong in the transportation bill. They say the fight to include it puts at risk as many as three million jobs fixing roads and bridges. "We're talking about a highway bill, aren't we? This relates directly to highways," Hoeven said in an interview. "Those pipelines take trucks off the roads," he said, pulling a road atlas out of his Capitol Hill desk to point out highways in his state suffering from traffic-overload.

### 2AC – T

#### CFS – pipelines transportation.

Andy Maslowski 2011 Petroleum Geology Consultant SUNY at Buffalo B.A. Geol Crude Oil Truck Transport July/August 2011 http://wellservicingmagazine.com/crude-oil-truck-transport

Getting crude oil from Point A to Point B is a multi-dimensional endeavor. It might involve a giant supertanker capable of moving more than 2 million barrels at a pop. Or it might take a pipeline of up to 54 inches in diameter to move the oil, complete with pumping stations spaced miles apart. Closer to home, and to the wellsite, trucks can do the job. Like worker bees collecting honey, these reliable and powerful means of transport are always working in the field, traveling between tank batteries and oil terminals or refineries. They ensure the product gets to a buying customer, and as much as anyone else, flip the oil into cash flow for the production company and royalty owner; and anyone else inbetween who may be investing in the program or servicing the well. Moving oil to market remains a vital part of the business. Oil wells Moving oil to the market has always been a big concern of both the producer and the refiner. Early on, they realized the cost of transporting the oil was often more expensive than producing it out of the ground. This was true whether the oil was moved by horse-drawn wagon and teamsters, by railroads, or later by pipeline. The general transportation logistics of the petroleum industry start with the initial gathering of crude oil in production fields for domestic sources and from marine terminals for foreign imports. The crude oil is then delivered to refineries or to long-term storage facilities such as the Strategic Petroleum Reserve (SPR). From these refineries, finished products are moved to markets throughout the nation. Transportation of petroleum products is accomplished by a variety of land and marine-based modes. They include: pipeline, railroad tanker cars, tanker trucks, barges, and oceangoing tankers. On a volume basis, pipelines and marine vessels are predominately used in transporting petroleum, but trucks and railroad tank cars also have essential functions. Shipments of petroleum products are in scope for the Commodity Flow Survey (CFS). However, there are significant discrepancies between CFS reported totals and those published by other government agencies. Furthermore, all ton-miles are suppressed from CFS tables, either because of high sampling variability in the estimates or due to poor response quality. Tonnage and value estimates are reported in the CFS 2002 publications for shipments of petroleum products captured by the CFS (see Table 1). Table 1. Shipments of Petroleum Products, 2002 CFS Commodity Tons (thousand) Value ($ Million) SCTG 17 - Gasoline and aviation turbine fuel 372,310 $88,767 SCTG 18 – Fuel Oils 176,511 $34,735 SCTG 19 - Coal and petroleum products, N.E.C. 41,518 $8,679 TOTAL 590,339 $132,181 Based on information from the Association of Oil Pipe Lines and other sources, pipeline companies transported 976 million tons of light petroleum products valued at $232,630 million in 2002. These activities generated approximately 299,600 million ton-miles of movements. Compared to the values shown in Table 1, it is clear that CFS statistics on petroleum products are significantly underestimated. In fact, the 2002 CFS captured only about 60% by weight, or about 57% by value, of petroleum products transported by pipelines. Therefore, this is a significant CFS undercount area that requires further study.

### BTS – 20%

#### Offense – 20%

Bureau of Transportation Statistics 2006 U.S. Department of Transportation Research and Innovative Technology Administration Freight in America A New national picture http://www.bts.gov/publications/freight\_in\_america/pdf/entire.pdf

Oil and Gas Pipelines Pipelines carry a wide variety of energy commodities, from different grades of crude petroleum and reﬁned petroleum products such as aviation fuels, diesel, and heating oils, as well as natural gas. These pipelines transport commodities from domestic production—either in coastal waters or onshore—and from imports. Energy derived from piped crude or petroleum products is consumed at nearly every stage of the production of goods and services in the United States. The movement of products by pipelines is an elaborate and complex process, in part because of the number and types of commodities transported. Several types of oil and gas pipelines are in operation in the United States today. Gathering pipelines carry products from production ﬁ elds, transmission pipelines transport products to terminals and reﬁ neries, and distribution pipelines carry products to ﬁ nal market and consumption points. Together, these pipelines move large quantities of hazardous liquid and gas products. 26 In 2003, according to recently improved BTS estimates of ton-miles, U.S. pipeline movement of crude oil, petroleum products, and natural gas produced 868 billion total ton-miles (table 16). These new pipeline estimates include shipments by natural gas liquids which accounted for about one-third of the pipeline total. When natural gas shipments are included in the pipeline total, oil and gas pipelines accounted for approximately 20 percent of total freight ton-miles by all modes in 2003 (14 percent from oil pipelines and 6 percent from gas pipelines).

### BTS

#### Their interp excludes freight.

Bureau of Transportation Statistics 2006 U.S. Department of Transportation Research and Innovative Technology Administration Freight in America A New national picture http://www.bts.gov/publications/freight\_in\_america/pdf/entire.pdf

Accurately measuring the magnitude of freight movement is a challenge. No single data source provides complete and timely information on all freight transportation modes for all goods and sectors of the economy. The Commodity Flow Survey (CFS) is the primary source of national- and state-level data on domestic freight shipments by American businesses. As a shipper-based survey, the CFS collects information on how U.S. establishments transport raw materials and ﬁ nished goods; the types of commodities shipped by mode of transportation; the value, weight, origin, and destinations of shipments; and the distance shipped. It covers establishments classiﬁ ed in the North American Industry Classiﬁ cation System (NAICS) as manufacturing, mining, and wholesale trade. Produced as part of the Economic Census, the CFS allows analysis of the nation’s freight activities within the context of changes in the nation’s economy. The CFS data are helpful in market analysis of how businesses use competing trans portation modes to move freight and facilitate production and trade activities. Although the CFS is the most comprehensive data source on nationwide freight movements, there are important data gaps in the coverage of certain industries and commodities and in the domestic movements of imports. Additional data must be used to ﬁ ll gaps in CFS coverage. To present a more complete national estimate of the overall freight moved on the nation’s transportation system in 2002, Bureau of Transportation Statistics (BTS) and the Federal Highway Administration (FHWA), Ofﬁ ce of Freight Management and Operations have supplemented the CFS data with estimates from other sources on freight shipments that are not fully measured in the CFS. These additional estimates cover farm shipments to processing plants, crude petroleum pipeline shipments, waterborne imports and exports, and logs and wood in the rough. They also cover shipments by the service, retail, and construction sectors as well as municipal solid waste. The new composite national estimates provide the benchmark data for the FHWA Freight Analysis Framework II. Information on the methods and data sources used in developing these composite estimates will be available by summer 2006 at the agencies’ websites www.bts.gov and www.fhwa.dot.gov.

### DOT

#### 2AC Interp Freight - DOT

Davis et al July 2010 TRANSPORTATION ENERGY DATA BOOK: Center for Transportation Analysis Energy and Transportation Science Division EDITION 29 Stacy C. Davis Susan W. Diegel Oak Ridge National Laboratory Robert G. Boundy Roltek, Inc. Prepared for the Vehicle Technologies Program Office of Energy Efficiency and Renewable Energy U.S. Department of Energy http://info.ornl.gov/sites/publications/files/pub24318.pdf

The Transportation Services Index (TSI) was created by the U.S. Department of Transportation Bureau of Transportation Statistics (BTS). It is an index that measures the movement of freight and passengers. The Freight TSI consists of: • for-hire trucking (parcel services are not included); • freight railroad services (including rail-based intermodal shipments such as containers on flat cars);inland waterway traffic; • pipeline movements (including principally petroleum and petroleum products and natural gas); • and air freight. The index does not include international or coastal steamship movements, private trucking, courier services, or the United States Postal Services.

#### Transportation includes freight.

Davis et al July 2010 TRANSPORTATION ENERGY DATA BOOK: Center for Transportation Analysis Energy and Transportation Science Division EDITION 29 Stacy C. Davis Susan W. Diegel Oak Ridge National Laboratory Robert G. Boundy Roltek, Inc. Prepared for the Vehicle Technologies Program Office of Energy Efficiency and Renewable Energy U.S. Department of Energy http://info.ornl.gov/sites/publications/files/pub24318.pdf

Transportation sector – Consists of both private and public passenger and freight transportation, as well as government transportation, including military operations.

### Excludes Water Pipes

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Nealer 2011 Modal freight transport required for production of US goods and services Transportation Research Part E: Logistics and Transportation Review Rachael Nealer, , Christopher L. Weber, Chris Hendrickson, H. Scott Matthews Carnegie Mellon University, 5000 Forbes Ave., Pittsburgh, PA 15213, United States . Available online 3 January 2011. <http://dx.doi.org/10.1016/j.tre.2010.11.015>,

Fig. 1 shows the distributions of freight movement by mode and allocation method. The values of the normalized CFS freight data (Fm) are sorted and plotted against the quantity of sectors for each mode. The y-axis is the allocated freight in millions of ton-km. The x-axis is the number of sectors that have freight allocated and continues to the 428th sector, but for visualization purposes only the top 10 sectors are shown. For further visual clarity, the higher values on the y-axis are also truncated, and some values are not shown. Internatonal water has many sectors with large freight requirements, whereas pipeline has large values in only two sectors due to the small number of goods transported by this mode.1 The large values for international water movement are skewed by water transportation of oil and gas products. Truck and water ton-km are close in magnitude, but truck has a few large values, and water has many small values. Air has only a few non-zero values and they are small, similar to international air. The total area under each curve is equal to the total direct transportation of each mode in millions of ton-km. Other goods are transported by pipeline, such as water and wastewater. We only model the transportation of oil and natural gas because they contribute to the supply chain of the production of goods within the US. Water is also in the supply chain of goods (see Blackhurst et al., 2009).

### T – Key Freight

#### Trucks & Rail don’t solve

Cheryl Trench 2001 President of the Allegro Energy Group How Pipelines Make the Oil Market Work – Their Networks, Operation and Regulation A Memorandum Prepared for the Association of Oil Pipe Lines And the American Petroleum Institute's Pipeline Committee December 2001 http://www.pipeline101.com/reports/Notes.pdf

Pipelines are the irreplaceable core of the U.S. petroleum transportation system and hence the key to meeting petroleum demand. Without oil pipelines, petroleum products would not reach the millions of consumers in all fifty states. Oil pipelines transport roughly two-thirds of the petroleum shipped in the United States. They deliver over 14 billion barrels (more than 600 billion gallons) of petroleum per year. Because many volumes are shipped more than once (as crude oil and then again as refined product, for instance), these annual pipeline shipments are equal to more than twice the actual U.S. consumption of oil. Furthermore, oil pipeline shipments account for more than 17% of the freight moved nationally, but less than 2% of the national freight cost. 2 The United States has the largest network of oil pipelines of any nation. All of Europe, for instance, has a pipeline network that is only 1/10 the size of the U.S. network. Shippers select transportation modes principally on the basis of cost, and economics favor pipelines. Trucking costs escalate sharply with distance, making trucking the most expensive mode of petroleum transportation. In addition, of course, the logistics of truck transport for high volume/long distance shipments are so daunting as to be impractical. Assuming each truck holds 200 barrels (8,400 gallons) and can travel 500 miles per day, it would take a fleet of 3000 trucks, with one truck arriving and unloading every 2 minutes, to replace a 150,000-barrel per day, 1,000-mile pipeline. Consequently, in spite of the fact that trucks are ubiquitously available, trucking is generally limited to short haul movements where alternatives are often unavailable: between product terminals and retail outlets or consumers, and to small crude shipments from marginal producing areas to storage points where crude is aggregated into pipeline-size volumes for shipment to a refinery. However, despite generally being small in terms of both volume per shipment and distance, such truck movements are essential to both the completeness and the competitiveness of the overall oil distribution system. While railroad tank car costs do not rise as sharply with distance traveled, their costs, too, remain a multiple of pipeline and waterborne alternatives. Replacing the same 150,000-barrel per day pipeline with a unit train of 2000-barrel tank cars would require a 75-car train to arrive and be unloaded every day, again returning to the source empty, along separate tracks, to be refilled. Furthermore, rail transportation is far from universally available in the United States. While waterborne shipments can be priced competitively with pipelines, their use, of necessity, is limited by geography. Where rivers and coasts allow their use, tank barges and tank vessels compete aggressively against pipelines. In most areas of the nation's interior, petroleum is delivered almost entirely by pipelines rather than by water or other modes.

#### Compete with other modes of transportation.

Cheryl Trench 2001 President of the Allegro Energy Group How Pipelines Make the Oil Market Work – Their Networks, Operation and Regulation A Memorandum Prepared for the Association of Oil Pipe Lines And the American Petroleum Institute's Pipeline Committee December 2001 http://www.pipeline101.com/reports/Notes.pdf

The discussion above illustrates that pipelines fill diverse roles. That diversity of supply pattern and consumer need precludes the industry from being monolithic. Pipelines are serving different regions with different consuming patterns. Even within a region, there are additional scheduling and operational challenges presented by contrasts among the output mix of different refineries, the consumption patterns of large consumers on a system, and even seasonal consumption patterns in a region. Pipelines compete with each other and with other modes of transportation in filling these needs.

#### By far most important for oil.

Cheryl Trench 2001 President of the Allegro Energy Group How Pipelines Make the Oil Market Work – Their Networks, Operation and Regulation A Memorandum Prepared for the Association of Oil Pipe Lines And the American Petroleum Institute's Pipeline Committee December 2001 http://www.pipeline101.com/reports/Notes.pdf

In the decades since large diameter, long distance pipelines have been available, they have developed into a key part of the thousands of movements and schedules and transactions that make up the oil market in the United States. Their ability to move large volumes long distances fueled the post-War economic boom, and shaped U.S. demography and development. In addition to moving the large volumes from producing regions to consuming regions, pipelines fill a critical role in moving smaller quantities of oil from market hubs to more distant consuming areas. Pipeline operations over the years have accommodated a greater number of unique products, carrying products that meet regional and seasonal environmental quality mandates. They are the only practical mode of transportation for most overland movements, and the cheapest. It is not surprising, therefore, that pipelines are by far the most important mode of transportation for oil in the United States.

### T – Infrastructure/in/throughout

#### Alaska - Hawaii

J. Hummell et al August 2011 Argonne National Labs – prepared for the Department of Interior & Energy Energy Transport Corridors http://www.ipd.anl.gov/anlpubs/2011/10/70965.pdf

Because Congress directed the Agencies to first identify corridors, this report summarizes current energy transportation infrastructure on federal lands and the forces that are driving future needs for energy transportation corridors and infrastructure in the 37 contiguous Section 368(b) eastern states (eastern states or lower 368(b) states). The States of Alaska and Hawaii are not connected to the electricity transmission grid in the eastern states and have federal land characteristics and energy transportation issues that are significantly different from those shared among the contiguous eastern states. Because Alaska and Hawaii represent neither the federal land composition nor the significance of energy transport issues in the eastern states, Alaska and Hawaii are generally excluded when summary statements are presented in this report about the characteristics of federal land or energy transportation issues, unless otherwise noted in the main body of the text.

### Excludes Fuel

#### Infrastructure for petroleum crude and fuel distinct.

J. Hummell et al August 2011 Argonne National Labs – prepared for the Department of Interior & Energy Energy Transport Corridors http://www.ipd.anl.gov/anlpubs/2011/10/70965.pdf

PETROLEUM PIPELINES 3.3.1 Current State of the Industry - Pipelines are the primary transportation mode for moving crude oils from source areas to refineries and petroleum distillate fuels and petrochemical feedstocks to their points of consumption. The crude oil pipeline infrastructure is separate from the infrastructure that delivers petroleum fuels and products. The United States is divided into five Petroleum Administration for Defense Districts (PADDs) Created during World War II to help organize the allocation of petroleum fuels, PADDs are still utilized for data collection and system description purposes. Figure 3.11 shows the five districts. Table 3.2 shows the monthly movements by pipeline between PADDs.

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J. Hummell et al August 2011 Argonne National Labs – prepared for the Department of Interior & Energy Energy Transport Corridors <http://www.ipd.anl.gov/anlpubs/2011/10/70965.pdf>

Crude Oil and Petroleum Product Infrastructure Development Overview Pipelines are the primary transportation mode for moving crude oils from source areas to refineries, and petroleum distillate fuels and petrochemical feedstock from refineries to their points of consumption. The crude oil pipeline infrastructure is separate from the infrastructure that delivers petroleum distillate fuels and products. Crude oil pipelines are categorized as either gathering lines or trunk lines. There are approximately 55,000 mi (88,514 km) of crude oil trunk lines and as many as 40,000 mi (64,374 km) of gathering lines in the United States. Crude oil gathering lines are located primarily in the oil-producing regions of Texas, Oklahoma, Louisiana, and Wyoming, and in offshore locations connecting offshore oil rigs with land-based refineries. There are approximately 95,000 mi (152,889 km) of product pipelines in the United States that transport petrochemical feedstock and refined consumer products such as gasoline, aviation turbine fuel, diesel fuel, and home heating oil. As with crude oil, the same pipeline segments can be used to transport various refined products in batch sequence. Petroleum product pipelines typically originate at or near refineries and terminate at tank farms or distribution terminals located in retail market areas. Ultimate deliveries to the consumer will often involve truck or rail transport from terminals to points of ultimate consumption.

### A2 Transportation Experts

#### Even transportation experts??

Bradley Hull 2005 assistant professor in the Management, Marketing, and Logistics Department at John Carroll University. Previously he was employed by British Petroleum in its oil, chemicals, and pipeline divisions. He currently teaches courses in logistics, operations management, and enterprise software. Hull holds a PhD in operations research from Case Western Reserve University. Industry Issue Paper: Oil Pipeline Markets and Operations Source: Journal of the Transportation Research Forum, Vol. 44, No. 2 (Summer 2005), pp. 111-125

Imagine the ideal freight transportation system of the future: merchandise would flow to market through an extensive system of underground conduits, leaving the nation’s highways safer and less busy as a result. From a few highly automated control rooms scattered around the nation, operators would receive merchandise from manufacturers and guide it safely along the most economical corridors available using the latest technologies. The physical activities of loading, transporting, and unloading would be fully automated and performed remotely from the control rooms. With advanced monitoring and scheduling technology, in-transit damage to the merchandise would be minimal and truck traffi c accidents would be virtually nonexistent. The few people operating the control rooms would be primarily mechanical or civil engineers and information technology specialists. With no visible presence to the general public, few employees, and virtually no accidents, such a transportation system would have such a low profi le that the general public would be unaware of its existence. Such a system would “run silent, run deep,” as stated in the title of the well-known 1958 Clark Gable movie. Such a futuristic system exists today. The conduits are the U.S. crude oil and refined products pipelines. The merchandise is many hundred types of crude oil and refi ned products. The shippers include thousands of oil companies, brokers, traders, independent wholesalers (called jobbers), airlines, railroads, and merchandisers such as Wal-Mart, Costco, and Kroger. But because of its very low public profi le, many transportation professionals are only dimly aware of its existence. Beyond the petroleum industry, pipelines move natural gas, anhydrous ammonia, carbon dioxide, and bulk chemicals. Also coal, iron ore, and copper are moved by slurry pipeline (i.e., as small particles in an aqueous solution). There is a growing literature and interest surrounding slurry, pneumatic, and capsule pipelines (Marrero, 2004; Zandi, 1982; and Round, 2003). However, this paper confi nes itself to pipeline movements of crude oil and refi ned products.

#### Low cost but still transportation.

Bradley Hull 2005 assistant professor in the Management, Marketing, and Logistics Department at John Carroll University. Previously he was employed by British Petroleum in its oil, chemicals, and pipeline divisions. He currently teaches courses in logistics, operations management, and enterprise software. Hull holds a PhD in operations research from Case Western Reserve University. Industry Issue Paper: Oil Pipeline Markets and Operations Source: Journal of the Transportation Research Forum, Vol. 44, No. 2 (Summer 2005), pp. 111-125

Also, interchange activities between pipelines require only the transfer of crude oil or refi ned products, and not the equipment exchanges which are required by the trucking or rail industries. A fi nal comparison with other modes is that pipelines are likely the slowest with speeds of 3 to 8 mph (Trench 2001, p. 12), and least costly form of transportation. Their low cost stems from many factors: there are no backhauls (because lines are unidirectional), there is no container which needs to move with the cargo (since only the product moves), there is little product loss or damage (tight controls limit the amount of interface, leakage, and evaporation), and economies of scale are substantial. Despite being the slowest and least expensive, pipelines have the same cost versus customer service tradeoffs as all other modes. If a customer receives refi ned products from a pipeline which operates on a 14-day cycle, that customer must provide tankage to receive a batch which will cover demands for 14 days (plus safety stock). If the same customer receives products from a pipeline with a seven-day cycle, the customer only needs half as much tankage, but the interface generated will be twice as much. A seven day cycle improves customer service, because it reduces the amount of tankage needed for a customer and likely permits a reduction of customer safety stock, but it comes at increased operating costs to reprocess the interface generated by twice as many batches of half the size. In summary, pipelines utilize the same transportation concepts and experience the same issues as the other modes, even though they are the least cost and slowest of all.

### A2 T – Infrastructure Investment

#### It’s infrastructure investment.

The Perryman Group 2010 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 http://www.transcanada.com/docs/Key\_Projects/TransCanada\_US\_Report\_06-10-10.pdf

The US portion of the existing Keystone Pipeline includes the states of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Missouri, and Illinois. The proposed Keystone XL Pipeline is a 1,661 mile, 36-inch crude oil pipeline that would enter the United States in Montana and proceed through South Dakota and Nebraska. It would incorporate the 298-mile portion of the Keystone Pipeline in Nebraska, Kansas, and Oklahoma to serve markets at Cushing, Oklahoma before continuing south through Oklahoma and Texas to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. This investment in infrastructure will benefit many communities and landowners along the way, and care must of course be taken concerning the environmental impact of construction. These local economies on the route will benefit from increases in tax revenues and business activity associated with temporary construction work in the area. Moreover, local property taxes will be paid on a continuing basis for the 100-year life of the project.4 Of even greater significance is the ongoing benefit to the US economy of a more stable source of consistent energy supply over an extended time horizon. This issue is explored in the following section.

### 2AC Interp

#### Energy transportation systems.

The Perryman Group 2010 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 http://www.transcanada.com/docs/Key\_Projects/TransCanada\_US\_Report\_06-10-10.pdf

Need for Infrastructure Investment

The energy transportation system includes a large network of pipelines, railways, waterways, ports, terminals, and roadways that have developed over an extended period. Currently, the system is very competitive and operates in a safe and reliable manner, playing a significant role in the transportation of energy from exploration to production and manufacturing and ultimately to the final consumption destination.21 However, some aspects of the energy transportation system are nearing capacity, and future demand may be difficult to accommodate. Forecasts of energy supply and demand generally assume adequate transportation infrastructure will be built as it is needed with no restrictions. However, development and construction of needed transportation systems can be a slow process. Environmental, land use, and social concerns may delay and even in some cases impede the construction of new infrastructure.22 Without timely investments, congestion through transportation systems can result in supply interruptions and other problems. Therefore, it is essential to allow sufficient time for implementation of new infrastructure to mitigate the risk of future issues. Pipelines are the most cost effective means to transport crude oil and other petroleum products.23 In 2004, an estimated 90% of petroleum products in the US were shipped either by pipeline (60%) or marine transport (30%). The rest was transported by rail (4%) and motor carriers (6%).24 According to the US Government Accountability Office (GAO) analysis, many of the crude oil and petroleum products pipelines in the country are operating near capacity. Federal and industry agencies report there is a systematic lack of pipeline capacity in the supply infrastructure system.25 A constrained supply infrastructure can be a major factor influencing prices of petroleum production during supply disruptions. Unless sufficient investments are made in the US, the supply infrastructure will become inadequate to handle the future volume of petroleum products. This situation can lead to cost increases and volatility as a result of natural disasters, political unrest in some oil producing regions, or simply unexpected growth in demand because the supply infrastructure cannot support the requisite change in the delivery of fuels.26

### A2 Other Pipelines solve

#### Other pipelines won’t solve – Keystone is the only project with shipper commitments.

McClatchy - Tribune Business News 4/22/12 Pipeline proposals may decrease need for Keystone XL - Proquest

However, Cramer added that the Keystone XL Pipeline is important for national security and energy security. Justin Kringstad, director of the North Dakota Pipeline Authority, said while proposals such as the Oneok pipeline are exciting news, the Keystone XL Pipeline is unique because that project has shipper commitments to move forward. Ron Ness, president of the North Dakota Petroleum Council, also said the Keystone XL Pipeline remains important for North Dakota. "Keystone is still important to get to the Gulf Coast," Ness said. The northern section of the Keystone XL, which has raised the concerns of environmentalists, has an uncertain political future. It needs federal approval to cross the U.S.-Canada border, Cramer said. Meanwhile, TransCanada is moving forward on building the final leg of the Keystone XL Pipeline from Oklahoma to the Gulf Coast.

#### Other pipelines won’t solve enough capacity.

Lorne Stockman, 12/2011 Research Director, Oil Change International. Published by Oil Change International, Greenpeace UK and PLATFORM, December 2011 GETTING TO MARKET: EMERGING INVESTOR RISKS IN THE TAR SANDS <http://priceofoil.org/wp-content/uploads/2011/12/Getting-to-market_Final_Web_US.pdf>

Other transport options look like they will beat Keystone XL to Texas and if refiners are no longer committed to shipments from TransCanada’s pipeline then they may prefer to patronize these options, especially if they can deliver crude before Keystone XL will. So if the supply of tar sands crude building up in Cushing finds its way south to Texas without Keystone XL is that just as good for tar sands producers? Not really. Keystone XL is not just a link between Cushing and Texas; it would provide additional capacity for tar sands crude out of Alberta and into Cushing of between 700,000 – 900,000 bpd.

# Neg

## A2 – Case Advs

### A2 Flaring

Bismark Tribune 6/14/12 Pipeline summit looks at moving oil http://bismarcktribune.com/news/local/govt-and-politics/pipeline-summit-looks-at-moving-oil/article\_2cc6c042-b66b-11e1-a11e-0019bb2963f4.html?comment\_form=true

Mick Urban, government relations manager for Oneok, said the company has investments between $3.2 billion and $3.7 billion planned for North Dakota. The company primarily deals with the gathering, processing and transportation of natural gas and natural gas liquids.

“This is a liquid-rich play,” Urban said.

The company is in the process of building the Bakken NGL Pipeline. The 525-mile pipeline will transport natural gas liquids from western North Dakota to northern Colorado. The cost of the project is between $595 million and $730 million. The pipeline, which is expected to be completed in the first half of 2013, would have an initial capacity of 60,000 barrels per day.

Urban said projects such as the Bakken NGL Pipeline will fill an “unmet need” in gathering natural gas in the Williston Basin, a large amount of which is being flared.

## Elex

#### **Which way link??**

The Toronto Star June 9, 2012 How Canada's pipeline splits America Lexis

But in the fever swamp of election-year America, the myth-addled Canadian project has morphed into an oil-fired political battering ram - one so powerful it could well take down President Barack Obama.

In delaying his KXL decision beyond November's election, Team Obama was hoping to put the Alberta oilsands on a shelf. But the Republicans won't let him.

Nor indeed will Mitt Romney, who two weeks ago set the issue right back on the table in a campaign video titled Day One. Approval of the KXL pipeline will be the first order of a Romney administration.

Ironic, no? This is the same Obama who bailed out Detroit even as Romney prescribed bankruptcy for his hometown. And now, with a gassy flourish, Romney is bailing in on the pipeline that Obama just cannot bring himself to love.

At least not while keeping his environmental constituency fired up for the polls of November.

#### Latinos

Boman 5/8/12 KXL Delay Hinders Job Creation Among Hispanics Karen Boman Rigzone Staff May 08, <http://www.downstreamtoday.com/news/article.aspx?a_id=36195&AspxAutoDetectCookieSupport=1>

President Barack Obama's decision to delay approval of the Keystone Pipeline project is hurting job creation opportunities in the United States, particularly among Hispanics, said officials with the American Petroleum Institute (API) on Tuesday.

The Keystone Pipeline will not only help lower oil prices for U.S. consumers, but have a ripple effect spreading outward from Nebraska and neighboring states to create jobs and help small businesses.

This job creation will be helpful in particular for the U.S. Hispanic population, the unemployment rate for which is one to two points higher than other demographic groups in the United States.

The Los Angeles Times reported in 2010 that the unemployment rate among U.S. Hispanics rose because of their disproportionate unemployment in industries and regions significantly impacted by the economic downturn.

According to a U.S. Department of Labor report, the unemployment rate among Latinos in the United States averaged 11.5 percent in 2011; the most recent unemployment report in February 2012 shows improvement for all Americans, including Latinos, who have seen their unemployment rate decline to 10.7 percent in February from a high of 13.1 percent in November 2010.

In 2011, 5.8 percent of Latinos were self-employed compared to 7.2 percent among whites, partly due to lower educational attainment and less access to financial wealth.

The entry rate of Latinos into self-employment compares favorably to that of non-Latino Whites and their entry rate is even higher compared with whites in low-barrier sectors, according to the Department of Labor report. However, Latinos tend to have lower success rates with their new businesses and exit self-employment at a higher rate than whites.

People of Hispanic or Latino ethnicity represented 15 percent of the U.S. labor force in 2011, or nearly 23 million workers. By 2020, Latinos are expected to comprise 19 percent of the U.S. labor force, according to the U.S. Department of Labor.

API 'Disappointed' in Keystone Delay, Impact on Jobs"We're disappointed that the current administration doesn't see how this project doesn't add up," said Hispanic Leadership Fund President Mario Lopez during a conference call with reporters, noting that the project appears to be delayed for political reasons.

"Four years ago, Obama promised to push unemployment lower and lead us out of the depression," Lopez said. "Approval of the Keystone pipeline would demonstrate to all Americans and to Latinos across the country that he cares about jobs and domestic energy."

## Trade deficits good

#### US Trade deficit is a sign of a healthy economy

Don Lee, LA times writer, 5/10/12, U.S. trade deficit widens, suggesting lower GDP growth, Los Angeles News , [http://articles.latimes.com/2012/may/10/business/la-fi-mo-trade-deficit-20120510 Accessed: 7/4/](http://articles.latimes.com/2012/may/10/business/la-fi-mo-trade-deficit-20120510%20Accessed%3A%207/4/)12

Washington — For all the growth in domestic manufacturing and exports, the ballooning U.S. trade deficit continues to be a thorn in the side of the U.S. economy. The Commerce Department said Thursday that the nation’s trade deficit widened to a larger-than-expected $51.8 billion in March, up from $45.4 billion in February. The U.S. posted record exports of $186.8 billion in March, but imports also hit a new monthly high of $238.6 billion. Unlike in recent months, the jump in the deficit wasn’t mostly because of higher oil imports. Instead, a spike in overseas purchases of capital goods, such as computers and telecommunications equipment, and consumer products (including television sets and cell phones) accounted for the bulk of the fatter trade imbalance. Rising imports aren’t all bad as they reflect growing domestic demand; American consumers have been spending – and borrowing -- more recently. And some of the imports are high-tech goods that were designed in the U.S. and assembled overseas with domestically produced parts. Still, a rising trade deficit indicates more dollars are going overseas rather than returning to support production and jobs in the U.S. Analysts said Thursday’s report means that American economic output, or gross domestic product, was probably smaller in the first quarter than the government’s 2.2% preliminary estimate. “Since the economic recovery began in June 2009, the trade deficit has doubled and GDP growth has averaged a disappointing 2.4% a year,” said Peter Morici, a University of Maryland professor and former chief economist at the U.S. International Trade Commission. “Consumers are spending again - the process of winding down household debt that followed the Great Recession,” he wrote in an analysis of Thursday’s trade report. But “too many consumer dollars go abroad to purchase Middle East oil and Chinese consumer goods.” Analysts see weaker import growth in coming months, but also a slowdown in exports, particularly to debt-troubled Europe and China. China’s trade data for April, released Thursday, showed decelerating growth year-over-year especially for imports, even as the Asian giant recorded an $18.4-billion trade surplus with the world for the month. Diane Swonk, chief economist at Mesirow Financial in Chicago, said China’s latest trade figures “were not encouraging” as far as the U.S. is concerned. “Moving forward,” she added in a research note, “much will depend on how we are affected by instability in Europe and concerns that China is heading for a hard instead of a soft landing.”

### PTX

#### Backtrack proves no capital

Mcallister, sr contributor, Politic365, 3/22/12 (Lenny, regularly featured on CNN’s “Early Start” "Obama’s Etch-a-Sketch on the Keystone Pipeline," http://politic365.com/2012/03/22/obamas-etch-a-sketch-on-the-keystone-pipeline/)

Presidents with political capital and resonance from years of successful leadership in Washington do not backpedal on recent decisions they make. Candidates with re-election concerns do. Previously against the Keystone Pipeline project because of presidential decision-making, now President Obama is backtracking due to political pressure from rising gas prices in an election year. Since 2008, people regularly say that Mr. Barack Obama the candidate is one heck of a politician. That is a good thing in 2012, considering that President Obama will need his help should he wish to stay in the White House. Here is yet another incident in a string of backtracking missteps and political overreaching endeavors that scream political expediency, not presidential leadership.

#### Boehner & McConnell

DON LIEBER April 2012 is an investigative journalist and researcher whose works have been published by the United Nations, the Associated Press and others. KEYSTONE XI. PIPELINE = CLIMATE CATASTROPHE. By: LIEBER, DON, E: The Environmental Magazine, 10468021, Mar/Apr2012, Vol. 23, Issue 2

Obama's decision to reject approval for the pipeline indicates the industry's influence on the executive branch may be waning. But KXL supporters in Congress have strong financial relationships with the oil industry, particularly Senate Minority leader Mitch McConnell and House Speaker John Boehner, the two leaders who have emerged in recent months as the most vocal congressional supporters of the project.

McConnell is the single largest recipient of campaign contributions from Exxon-Mobil in the U.S. Senate ($44,500 in 2011-2012); while Boehner, who in January pledged he "will continue to push this," is the largest recipient in all of Congress from oil industry PACs, having received nearly half a million dollars in contributions from the oil and gas industries since he entered Congress. Other congresspeople with substantial contributions from the oil industry have taken up KXL as a highly emotional, rhetorical rallying cry. "I want to wake up talking about Keystone pipeline and I want to go to bed at night talking about Keystone pipeline," said Representative Tim Griffin of Arkansas in January whose second-largest campaign donor is the oil and gas industry.

## Turns

### Natives

#### Keystone XL is an environmental justice and human rights nightmare for Natives in the US and Canada – The ecological impacts disproportionally impact Native peoples and lands – Obama’s rejection of the pipeline is key to Native survival.

INDIGENOUS ENVIRONMENTAL NETWORK 2011 The Indigenous Environmental Network (IEN) is a national environmental justice and indigenous rights organization American and Canadian First Nations plan civil disobedience to stop Keystone XL pipeline INDIGENOUS ENVIRONMENTAL NETWORK | AUGUST 29, 2011 <http://rabble.ca/news/2011/08/american-and-canadian-first-nations-plan-civil-disobedience-stop-keystone-xl-pipeline>

The purpose of these actions is to send a direct message to President Barack Obama to deny approval of the 1,702-mile Keystone XL pipeline. The pipeline would be transporting pollution from the tar sands (also known as oilsands) of Canada to the United States by carrying 900,000 barrels per day of thick, corrosive, toxic, synthetic crude oil for refining in Texas and the Gulf States. If approved, the Keystone XL would lock the U.S. into a dependency of energy intensive, hard-to-extract dirty oil and create a massive expansion of the world's dirtiest and most environmentally destructive form of oil development currently taking place in northern Alberta, Canada. These operations are already producing 1.5m barrels per day and having horrendous environmental justice and human rights impacts on the way of life and health of the local Native communities of Cree, Dene and Métis. The proposed pipeline threatens to pollute freshwater supplies in America's agricultural heartland and grasslands with increased emissions in already-polluted communities of the Gulf Coast. The Keystone XL would cross Indian Country; States of Montana, South Dakota, Nebraska, Kansas, Oklahoma and Texas encompassing Indian-U.S. treaty territories crossing water aquifers and rivers, grasslands, cultural sites and ecological sensitive areas. Leaks and spills are common occurrences from such pipelines that could result in disproportionate impact to Native Nations and thousands of tribal members. A spill from the Keystone XL poses an even greater threat, given that the pipeline would run directly through the Ogallala aquifer, which supplies one-third of American groundwater used for irrigation, and drinking water to two million U.S. citizens. The Indigenous Environmental Network is bringing tribal governmental and grassroots leaders from U.S. and Canada, directly impacted by the proposed pipeline and the tar sands oil operations, to say "NO KEYSTONE XL PIPELINE" to President Obama. This Indigenous Day of Action on September 2, 2011, at the gates of the White House will express the solidarity of Native Nations, standing with concerned citizens, workers, farmers, ranchers, unions, youth and a coalition of environmental groups from across the continent, in peaceful protest to protect Mother Earth and demand Obama respect the treaty rights and survival of Native Nations of the U.S. and Canada.

#### Imperialism over indigenous people is the root cause of international colonial trends which terminate in extinction

Ward **Churchill**, former Professor of Ethnic Studies at CU Boulder, OREGON LAW REVIEW, “The Law Stood Squarely on Its Head: U.S. Legal Doctrine, Indigenous Self-Determination and the Question of World Order”, Fall **2002**, p. lexis

Actually, **the roots of** the current **U.S. posture run** much **deeper** than Bennis suggests. As its record concerning **the** earlier-mentioned **California Indian treaties readily demonstrates**, **the U**nited **S**tates **had** by the mid-1850s already adopted **a policy of selectively exempting itself from compliance with treaties** to which **it asserted others were nonetheless bound**.n148 The Supreme Court's 1903 opinion in Lone Wolf v. Hitchcock effectively extended this procedure to encompass all treaties and agreements with indigenous nations. n149 From there**, it became only a matter of time before the U.S. would begin to approach the remainder of its foreign relations in a comparable manner**. n150 [\*695] As well, **the attitude**, first **explicated** with regard to Indians and **now displayed** quite prominently **on the global stage**, that **America is endowed with a plenary authority to dictate the "permissible" forms of other countries' governmental and political processes, the modes of their economie**s and so on.n151 Legal scholar Felix S. Cohen once accurately analogized American Indians as a "miner's canary" providing early warning of the fate in store for other sectors of the U.S. populace.n152 The principle can now be projected to worldwide proportions. **Given the scale of indignity and sheer physical suffering the U.S. has inflicted** - and continues to inflict - **upon indigenous peoples trapped within its "domestic" domain**, n153 **it is self-evidently in the** [\*696] **best interests of** very nearly **the entire human species to forcefully reject the structure of "unjust legality" by which the U.S. is attempting to rationalize its ambition** to consolidate a position of planetary suzerainty.n154 The only reasonable question is how best to go about it.

#### The Keystone XL will threaten native lands –lack of consultation is colonialism.

Shani O. Hilton 9/ 7 2011 “First Nations and Native Activists Come Out Against Keystone XL” http://colorlines.com/archives/2011/09/first\_nations\_and\_native\_activists\_come\_out\_against\_keystone\_xl.html

In hopes that action would discourage President Barack Obama from permitting an extension to the Canadian Keystone pipeline — also known as the “Keystone XL” — a group of First Nations and American Indian activists protested in front of the White House on Friday. Before being arrested, the protesters insisted that the extension — which will run from Alberta Canada to Nebraska, Oklahoma, and Texas — will harm ancestral homelands. “Our Lakota people oppose this pipeline because of the potential contamination of the surface water and of the Oglala aquifer,” said Deb White Plume, a Lakota activist. “We have thousands of ancient and historical cultural resources that would be destroyed across our treaty lands.” Even the New York Times’ editorial board came out against the pipeline, writing that it was concerned about oil spills along the route and carbon emissions. “[T]he extraction of petroleum from the tar sands creates far more greenhouse emissions than conventional production does,” the board wrote last month. The approval process for the Keystone XL was set in motion in September 2008, and while the National Energy Board of Canada approved it in 2010, 50 members of Congress have opposed it. Obama will have until the end of the year to decide whether to approve the extension. In the meantime, those affected are speaking up. “Our First Nations in Alberta have been concerned of the lack of consultation of the pipelines and tar sands expansion,” Chief George Stanley, Cree Regional Chief of Alberta said at the protest. “President Obama can do what’s right. For the president to approve this pipeline is not in the national interest of U.S. or Canada.”

### Gas Prices \*\*

#### Keystone expands tar sand extraction which drastically harms the environment and undermines the move for clean energy. Keystone will deplete US oil supply and increase gas prices.

Swift, Anthony, 2012, National Defense Counsel, Keystone XL: A Tar Sands Pipeline to Increase Oil Prices

One of the most misunderstood issues surrounding the proposed Keystone XL tar sands pipeline is the project’s impact on U.S. gasoline prices. The Keystone XL tar sands pipeline would pump up to 830,000 barrels per day (bpd) of some of the world’s dirtiest oil, which is strip mined and drilled from under Canada’s Boreal forests, straight through the heart of America’s breadbasket to reﬁneries on the Texas Gulf Coast. By allowing tar sands access to the lucrative international market, Keystone XL would ﬁnance further expansion of tar sands extraction, worsening climate change and undermining efforts to move to clean energy. Pipeline supporters cite high gasoline prices as a reason to build the project. The truth is that Keystone XL is likely to both decrease the amount of gasoline produced in U.S. reﬁneries for domestic markets, and increase the cost of producing it, leading to even higher prices at the pump.

#### Keystone depletes national oil supply and increases the price of US oil by adding to the cost per barrel of Canadian crude oil.

Swift, Anthony, 2012, National Defense Counsel, Keystone XL: A Tar Sands Pipeline to Increase Oil Prices

The Keystone XL tar sands pipeline would divert oil from the Midwest to reﬁneries on the Gulf Coast of Texas. Midwestern reﬁneries produce more gasoline per barrel than reﬁneries in any other region in the United States. That gasoline is then sold to U.S. consumers. In contrast, reﬁneries on the Gulf Coast of Texas produce as much diesel as possible, much of which is exported internationally. By taking oil from midwestern gasoline reﬁneries to Gulf Coast diesel reﬁneries, Keystone XL will decrease the amount of gasoline available to American consumers. Meanwhile the Keystone XL pipeline will increase the price that gasoline producing reﬁneries in the Midwest pay for crude oil. TransCanada, the company sponsoring the pipeline, pitched the pipeline to Canadian regulators as a way of increasing the price of crude in the United States.1 Right now, Midwestern reﬁneries are buying crude oil at a discount—a deep discount. This allows them to produce products more cheaply than they would otherwise be able to. Building Keystone XL would change that. If TransCanada’s analysis is accurate, under current market conditions Keystone XL would add $20 to $40 to the cost of a barrel of Canadian crude—increasing the cost of oil in the United States by tens of billions of dollars.

#### **Keystone decreases global supply. This causes an increase on gas prices for Americans.** Swift, Anthony, **2012,** National Defense Counsel, Keystone XL: A Tar Sands Pipeline to Increase Oil Prices

Given current differences between the gasoline yields of midwestern and Texas Gulf reﬁneries, the fact that the Keystone XL pipeline will siphon up to 830,000 barrels per day of crude oil from the Midwest to the Gulf Coast would decrease U.S. gasoline supplies by 80,000 bpd, or 1.2 billion gallons a year.15 5 And this analysis does not yet account for the fact that gasoline yields in Gulf reﬁneries may continue to decline and the majority of ﬁnished gasoline produced in Texas Gulf reﬁneries is exported internationally. Even without incorporating these factors, the numbers show that by reducing available gasoline supplies in the United States, the Keystone XL pipeline will likely increase pressure on retail gasoline prices.

#### Increased oil supply in the US will reduce gasoline production and deplete the diesel output in TX.

Swift, Anthony, 2012, National Defense Counsel, Keystone XL: A Tar Sands Pipeline to Increase Oil Prices

The proposed Keystone XL tar sands pipeline will likely increase gasoline prices in large areas of the United States through two mechanisms:n Substantially increasing the cost of crude for reﬁneries in the Midwest and Rocky Mountain states, leading them to either increase the price of their products or reduce their output n Diverting oil from reﬁneries in the Midwest that maximize gasoline production to those on the Texas Gulf Coast that maximize diesel output, reducing gasoline production in the U.S. market

#### Sending oil to be refined in the gulf coast increases international fuel prices.

Swift, Anthony, 2012, National Defense Counsel, Keystone XL: A Tar Sands Pipeline to Increase Oil Prices

Keystone XL will take oil currently reﬁned in the Midwest and Rockies and send it to the Gulf Coast where it can be sold on the international market. Oil supplies dedicated to the United States will decline while the Keystone XL pipeline provides the international market with access to that Canadian crude previously meant for the U.S. market. This will have a powerfuliImpact on oil prices in the Midwest and the Rockies—increasing the price of Canadian crude by $20 to $30 a barrel in the 2012 U.S. market, while doing nothing to decrease world oil prices. There are three reasons why the Keystone XL pipeline will not signiﬁcantly lower international crude prices:

#### **Increasing US oil prices causes OPEC to reduce their international supply of oil.**

Swift, Anthony, 2012, National Defense Counsel, Keystone XL: A Tar Sands Pipeline to Increase Oil Prices

The international market is more than twenty times larger than the midwestern and Rocky Mountain oil markets. Keystone XL could reduce Midwest and Rocky Mountain oil supplies by more than 20 percent while adding a fraction of a percent to global oil supplies. In the highly unlikely event that additional Canadian supplies had a measurable impact on world oil prices, Organization of the Petroleum Exporting Countries (OPEC) has the power to reduce international oil supply accordingly. OPEC produces more than 30 million bpd and already keeps an additional 2.5 million bpd off the market. Were additional Canadian supplies to measurably decrease international prices, OPEC could take an additional amount off the market to compensate. n TransCanada’s economic rationale for the Keystone XL project requires the pipeline to increase U.S. oil prices without affecting international prices. Tar sands producers will have to pay larger pipeline fees to send oil from Keystone XL to the Gulf of Mexico rather than the Midwest. TransCanada has stated that Keystone XL will increase the price of Canadian crude to equal the cost of Mexican Maya. Based on 2012 prices, that is an increase of approximately $25 per barrel.

### Oil Companies Distort \*\*

#### According to the studies of many researchers, the Keystone XL serves as a purpose to scam the United States in order to gain control of more money.

Stockman, Lorne, 2012, May 22, Research Director of Oil Change (International), <http://priceofoil.org/2012/05/22/keystone-xl-gas-price-myth-busted/> , 6/26/2012

NRDC, Oil Change International and ForestEthics Advocacy released a report today that blows apart the tar sands industry’s claims that building the Keystone XL pipeline would lower gasoline prices in America. The report lays out how Keystone XL would reduce gasoline supplies in America by diverting Canadian tar sands crude from the Midwest to the Gulf Coast. The findings show that the industry mantra, “more supply = lower prices” just doesn’t play out when it comes to the way the oil industry is configured today. The mantra should actually read, more pipelines = more profits. Building Keystone XL will likely raise gasoline prices in America for the following reasons. The pipeline would not add to oil supply coming into America for at least 15 years. This is because there is currently around 2 million barrels per day of spare pipeline capacity between Canada and the United States. Keystone XL would therefore divert oil that would have been processed in the Midwest to the Gulf Coast. The Gulf Coast produces less gasoline per barrel of oil than the Midwest. Midwest refineries are configured to produce much more gasoline from a barrel of crude and over 90% of the gasoline produced in Midwest refineries stays in the United States. Gulf coast refineries are configured to produce more diesel than gasoline. The majority of gasoline and diesel produced in Gulf Coast refineries is exported. Midwest refineries have been enjoying discounted crude oil prices for the past 18 months. This is due to the glut of Canadian and American oil in the region. The stated purpose of Keystone XL is to relieve that glut and raise the price tar sands producers receive for their oil both in the Midwest and in Canada. Midwest refineries will pay more for their crude and will either pass on the cost to consumers or reduce their production, which eventually will have the same effect. So put simply, Keystone XL moves existing crude oil supply from refineries that have been producing gasoline predominately for the US market to refineries that are predominately producing diesel for the export market. This will lower the amount of gasoline produced in America, raise the price Midwest refineries pay for crude oil and lead to higher gasoline prices. None of this should be a surprise. The industry has no interest in lowering gas prices, why should it? It has for a long time enjoyed a monopoly on transportation fuel. Today, as demand trends shift slowly towards greater efficiency and alternatives, the prospects of raising American demand for oil are fading. The response is to export in order to maintain revenues and maintain prices. The industry is doing its fiduciary duty to its shareholders to maintain and grow profits in a changing global market. It has no such duty to consumers and citizens. This report should help dispel the myth that somehow the oil industry is striving to lower prices and help consumers and that this is worth the risks and costs of pollution and climate destruction while justifying [subsidies](http://priceofoil.org/fossil-fuel-subsidies/). When it comes to gas prices and energy security, America is being sold a boondoggle in the shape of Keystone XL. It’s high time its supporters recognized the truth and end their cover for the scam.

### No Inh \*\*

#### Keystone Pipeline is on track for construction this summer.

Leslie Mira. Journalist. 6/26/12. Platts. “Keystone XL is on track for initial construction this summer: TransCanada. <http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Oil/6421340>

TransCanada has one of three required permits from the US Army Corps of Engineers to build the southern portion of its controversial Keystone XL crude pipeline, and the company is still eyeing a start of construction this summer, the company said Tuesday. "TransCanada still requires approvals from the Tulsa and Fort Worth Districts" of the US Army Corps of Engineers, TransCanada spokesman Shawn Howard said in an email. "We continue to believe that we will be in a position to begin construction later this summer and are working with the Corps and others to secure the approvals and permits we require," Howard said. The overall Keystone XL pipeline project would ship Canadian crude oil from Hardisty, Alberta, to the US Gulf Coast. TransCanada plans to build the $2.3 billion, 485-mile southern segment, dubbed the Gulf Coast Project, from Cushing, Oklahoma, to Nederland, Texas, while it waits for a State Department permit for the section that crosses the US-Canada border. It expects to have oil flowing on the southern segment in the second half of 2013. The Corps on Monday gave TransCanada an NWP 12 permit for the Galveston District, a Corps spokesman said Monday. "The Galveston District made a decision on June 25, 2012 that the work associated with the proposed GCPP in waters of the United States meets the terms and conditions... and could proceed," spokeswoman LaDonna Davis said in an email. Davis said the Fort Worth, Texas, and Tulsa, Oklahoma, districts "have performed or are in the process of performing a thorough review" of water crossing and wetlands to ensure that "impacts to these areas are avoided and minimized where possible." If the Corps "does not notify an applicant of its permit decision within 45 days from receipt of a complete preconstruction notification package, under the conditions of the NWPs, approval is assumed and the applicant can begin construction," Davis said in her email. "However, the applicant does so at their own risk. They must still adhere to the numerous conditions of the NWPs. Non-compliance with any of the general or regional conditions may result in an enforcement action," she said. Environmentalists reiterated previous criticism that President Barack Obama was allowing the Corps to "rubber-stamp" the pipeline project. "President Obama abandoned Texans and Oklahomans to the whims of Big Oil and an Army Corps that appears only too willing to serve them," Kim Huynh of Friends of the Earth said Tuesday in a statement. "The Army Corps has shown a willful disregard for the concerns of residents whose health, land and livelihoods are at stake if Keystone XL is rubber-stamped, which is why we're urging Administrator Lisa Jackson to step in and call for a full environmental review." Asked to comment about the EPA's role in oversight of the pipeline, EPA spokesman David Bloomgren on Monday referred a reporter to the Corps.

### Tar Sands Bad \*\*

#### **Proposed Pipeline Presents Serious Environmental and Health Risks**

Elizabeth Shope. GIS Analyst. March 2011. Fuel Facts. “Say No to Tar Sands.” <http://www.nrdc.org/land/files/TarSandsPipeline4pgr.pdf>

The Alberta tar sands are found under a region of Boreal forest and wetlands similar in size to Florida. The bitumen—or the unrefined product excavated from the tar sands—must either be strip-mined or melted and pumped up after the ground has been heated with steam for several months. Both forms of tar sands extraction fragment and destroy the Boreal forest, killing nesting migratory birds and many other species. Toxic waste from the mining operations is stored in vast man-made dams—called tailings ponds—that already cover sixty-five square miles. Tar sands extraction uses large amounts of water from the Athabasca River and underground aquifers and energy—primarily natural gas—to heat the water to separate the bitumen from the sand. In September 2010, the Assembly of First Nations called on the United States to take into account in its energy policy the environmental effects of tar sands extraction on First Nations peoples, citing among other concerns the high rates of cancer in the downstream Fort Chipewyan community. These concerns echo the findings of a report published the month before in the Proceedings of the National Academy of Sciences, which found that the tar sands industry releases 13 elements considered priority pollutants under the U.S. Clean Water Act—including lead, mercury, and arsenic— into the Athabasca River. Keystone XL will transport the heavy, corrosive tar sands bitumen to refineries in the United States, crossing America’s agricultural heartland over water aquifers and rivers. Leaks and spills are common occurrences from such pipelines. Between 2000 and 2009, pipeline accidents were responsible for 2,794 significant incidents and 161 fatalities in the United States. In 2010 alone, Enbridge pipelines spilled over 1 million gallons of oil from Canada’s tar sands into Michigan’s Kalamazoo River; 275,000 gallons in a suburb of Chicago; and 126,000 gallons near Neche, North Dakota. And within a few months of beginning operation, TransCanada’s recently completed Keystone pipeline had leaked at least three times in South Dakota. Now TransCanada hopes to build the Keystone XL pipeline over and, in some places, in the ogallala Aquifer, which serves as the primary source of drinking water for millions of Americans and provides 30 percent of the nation’s ground water used for irrigation. A pipeline leak would have devastating effects. Pollutants from tar sands refineries contribute to a wide range of human health problems, which include heart and lung disease, asthma, and cancer. Many of the refineries proposing to take tar sands oil are located in areas that already do not meet air quality standards. Tar sands oil contains more sulfur, nitrogen, and metals (including lead, nickel, mercury, and arsenic) than conventional crudes. They also create emissions of sulfur dioxide (So2 ) and nitrous oxide (Nox), which contribute to acid rain. In addition, the tar sands refining process stresses water resources, demanding vast amounts of fresh water, and producing ammonia and sludge. In fact, in a controversial plan, BP proposed to increase its ammonia discharges into the great Lakes as a result of its tar sands processing.

### Renewables Turn\*\*

#### Keystone raises gas prices and undermines clean energy tech through increased sale of tar sands

Schilling ‘12 (Vincent, 6/20/12 columnist for Inside Business, a Hampton roads business magazine and has contributed to local and national publications such as Tribal College Journal, correspondent for the leading Native American news publication in the United States, Indian Country Today; “NRDC Report: Keystone XL Pipeline Will Raise US Gas Prices” http://indiancountrytodaymedianetwork.com/2012/06/20/nrdc-report-keystone-xl-pipeline-will-raise-us-gas-prices-2-119390)-DG

During a press conference call on May 21, experts speaking on behalf of the Natural Resources Defense Council (NRDC) said American drivers would face higher gas prices if the proposed Keystone XL Pipeline stretching from Canada to the Gulf of Mexico is built. The NRDC conference also released a report on the group’s analysis, entitled “[Keystone XL: A Tar Sands Pipeline to Increase Oil Prices](http://priceofoil.org/wp-content/uploads/2007/12/KeystoneXL_GasPrices_May2012_FINAL.pdf),” which is available online. In addition to the tele-conference claims made by the NRDC, TransCanada also admitted to Congress and reporters that the pipeline would increase gas prices to the Midwest and that one of the main goals is to ship refined oil from the gulf to the more lucrative overseas market. Anthony Swift, who authored the NRDC’s report said, “The pipeline’s proponents say it’s the solution to high gas prices. The truth is exactly the opposite—the pipeline would raise gas prices. This is one of the most misunderstood issues surrounding this misguided Canadian project.” In his report Swift explained that the “Keystone XL Pipeline would transport up to 830,000 barrels per day of the world’s dirtiest oil which is strip mined and drilled from under Canada’s Boreal forests, straight through the heart of America’s breadbasket to refineries on the Texas Gulf Coast. By allowing tar sands access to the lucrative international market, Keystone XL would finance further expansion of tar sands extraction, worsening climate change and undermining efforts to move to clean energy. Pipeline supporters cite high gasoline prices as a reason to build the project. The truth is that Keystone XL is likely to both decrease the amount of gasoline produced in U.S. refineries for domestic markets, and increase the cost of producing it, leading to even higher prices at the pump.”

#### **Keystone XL Pipeline Undermines the United States Commitment to a Clean Energy Economy.**

Elizabeth Shope. GIS Analyst. March 2011. Fuel Facts. “Say No to Tar Sands.” <http://www.nrdc.org/land/files/TarSandsPipeline4pgr.pdf>

To meet an 80 percent reduction in carbon emissions by 2050, significant changes must occur in our transportation sector, which is now responsible for 30 percent of global warming pollution in the United States. Nearly all of these emissions come from the combustion of oil. NRDC analysis shows that by 2050, passenger cars and light trucks—our largest source of transportation emissions—will need to run almost entirely on non-petroleum based fuels if we are to meet our emissions targets. In contrast, tar sands produce a heavy crude with a higher lifecycle carbon content than many other petroleum sources. If the United States were to import 3 million barrels per day (mbd) of tar sands oil, it could offset all the emissions gains projected by the Environmental Protection Agency (EPA) under the Renewable Fuels Standard (RFS2) by 2022. Replacing 3 mbd day of conventional oil with tar sands oil would be equivalent to adding more than 22 million passenger cars to the roads.

### Case Turn –Ag\*\*

#### Keystone devastates agriculture by polluting water

Schilling ‘12 (Vincent, 6/20/12 columnist for Inside Business, a Hampton roads business magazine and has contributed to local and national publications such as Tribal College Journal, correspondent for the leading Native American news publication in the United States, Indian Country Today; “NRDC Report: Keystone XL Pipeline Will Raise US Gas Prices” http://indiancountrytodaymedianetwork.com/2012/06/20/nrdc-report-keystone-xl-pipeline-will-raise-us-gas-prices-2-119390)-DG

“The Keystone XL pipeline … would threaten, among other things, water aquifers, water ways, cultural sites, agricultural lands, animal life, public drinking water sources and other resources vital to the peoples of the region in which the pipeline is proposed to be constructed,” NCAI said in its statement. The proposed expansion of the pipeline would cross through northern Alberta, Saskatchewan, Montana, South Dakota, Nebraska, and Oklahoma with potential devastating impacts on communities in surrounding areas and states.

NCAI’s statement mentioned a study by a University of Nebraska hydrologist that outlined a worst case spill scenario, estimating that Keystone XL Pipeline could spill as much as 7.9 million gallons in Nebraska’s Sandhills, polluting 5 billion gallons of groundwater with benzene, contaminating water used for agriculture and drinking drawn from the Ogallala Aquifer, and more than 6.9 million gallons of tar sands crude at the Yellowstone River crossing.

#### XL implementation risks economic dislocation

Dembicki ‘10 (Geoff, 6/21/1o “Golf Disaster Raises Alarm about Alberta to Texas Pipeline” journalist who reports on energy and climate change http://thetyee.ca/News/2010/06/21/AlbertaToTexasPipeline/)-DG

In a series of public hearings over recent weeks, farmers and ranchers have [fretted](http://journalstar.com/news/local/article_7eb2493c-5cac-11df-8ea3-001cc4c03286.html) about potential leaks along the pipeline's 3,200 kilometre route. The stakes are extremely high. Keystone XL would plough across the north-eastern tip of the [Ogallala aquifer](http://www.wiserearth.org/resource/view/a49d770f8fc00ed892a092bd8413c08b) as it traversed Nebraska. The Ogallala is one of the largest sources of fresh groundwater on Earth, spanning eight states and providing drinking water for two million people. More than $20 billion worth of crops -- including corn, wheat, sorghum and cotton -- depend on it. And in Nebraska, where one third of the workforce is directly employed in agricultural industries, the Ogallala is an **economic lynchpin**. Locals take great pride in their aquifer, Kreifels said, sometimes referring to it as Nebraska's "Rocky Mountains." "It's considered a prize resource. If we don't take care of it, it would be very difficult to live in this state," she said. Several factors compound the danger of building a pipeline across the Ogallala, according to green groups opposed to the project. "Some portions of the aquifer are so close to the surface that any pipeline leak would almost immediately contaminate a large portion of the water," reads a [recent report](http://www.nwf.org/News-and-Magazines/Media-Center/Reports/Archive/2010/~/media/PDFs/Global%20Warming/Reports/NWF_TarSands_final.ashx) from the Nebraska Wildlife Federation. Because groundwater drips through sand, clay, and gravel, cleanup could become a logistical nightmare. Nebraska also sits atop an active seismic zone, where earthquakes -- one at a 4.3 magnitude in 2002 -- and tremors shake the ground. And critics note that despite the best efforts of pipeline operators, leaks are **inevitable**. Just last week, a Chevron pipeline [spilled](http://news.yahoo.com/s/ap/20100614/ap_on_bi_ge/us_oil_leak_utah) 33,000 gallons of oil from a "quarter-size" hole into a Salt Lake City creek.

### \*\* Spills

#### Empirical evidence proves- TransCanada is unreliable

Redford ’12 (Robert, philanthropist and environmental activist “Keystone XL Tar Sands Pipeline: The Facts Deserve Repeating” The Huffington Post http://www.huffingtonpost.com/robert-redford/joe-nocera-keystone-pipeline\_b\_1263231.html)

Canada wanted to send the dirtiest oil on the planet through the heart of America so that they could access export routes. And they proposed getting there by bringing the pipeline right over the Ogallala Aquifer, one of America's most important repositories of fresh water. Along the route, Democrats and Republicans alike opposed it. Nocera never mentioned that a first pipeline just like the proposed Keystone XL, built by the same foreign company, TransCanada, had over 12 spills in the U.S. (30 if you count Canada) in just its first year of operation. Some of those spills have yet to be cleaned up. It's kind of like last month when Nocera waxed poetic under the [headline](http://www.nytimes.com/2012/01/10/opinion/nocera-bp-makes-amends.html) "BP Makes Amends," extolling the virtues of the oil giant. In it, when referring to the Gulf shoreline, he said, "The beaches are sparkling," when in fact, in the first 10 days of this year some three tons of tar balls have washed up on the beaches of Alabama and Mississippi.

### Warming \*\*

#### the plan would cause global warming through increased fossil fuel emissions

Nuccitelli ’11 (Dana, 8/23/11, writer for [Skeptical Science](http://www.skepticalscience.com/): part of the [Guardian Environment Network](http://www.guardian.co.uk/environment/network) “What tar sands and the Keystone XL pipeline mean for climate change” http://www.guardian.co.uk/environment/2011/aug/23/tar-sands-keystone-xl-climate)-DG

Making liquid fuels from bitumen requires energy for steam injection and refining.  Currently [the energy is produced from natural gas](http://en.wikipedia.org/wiki/Athabasca_oil_sands#Natural_gas_use_and_greenhouse_gases).  This process generates more greenhouse gas emissions per barrel of final product than the production of conventional oil. There is a slight challenge in quantifying the climate impact of tar sands oil as compared to conventional oil, because there are different ways to make this comparison.  Approximately 80% of the carbon from any barrel of crude is emitted when it's burned.  Therefore, evaluating well-to-wheel (extraction to combustion) emissions, [tar sands emit approximately 10 to 45% more](http://www.mjtimes.sk.ca/Canada---World/Business/2009-12-10/article-243834/Albertas-oilsands%3A-well-managed-necessity-or-ecological-disaster%3F/1) greenhouse gases than combustion of conventional oil.  However, if we exclude combustion and evaluate well-to-tank emissions, tar sands emissions are approximately twice those of conventional oil.  According to a recent [US Environmental Protection Agency (EPA) assessment](http://yosemite.epa.gov/oeca/webeis.nsf/%28PDFView%29/20100126/%24file/20100126.PDF?OpenElement), tar sands well-to-tank emissions are approximately 82% higher than conventional oil. The [EPA also evaluated](http://www.epa.gov/compliance/nepa/keystone-xl-project-epa-comment-letter-20110125.pdf) the greenhouse gas emissions specifically associated with the proposed Keystone pipeline which McKibben's group is protesting. "recognizing the proposed Project 's lifetime is expected to be at least fifty years, we believe it is important to be clear that under at least one scenario, the extra GHG emissions associated with this proposed Project may range from 600 million to 1.15 billion tons CO2-e, assuming the lifecycle analysis holds over time" Over 1 billion tons of equivalent CO2 emissions is a substantial chunk of emissions.  We recently discussed The Critical Decade report produced by the Climate Commission established by the Australian government. [Their report concluded](http://www.skepticalscience.com/the-critical-decade-part-3-emissions-reductions.html) that humanity can emit not more than 1 trillion tonnes of CO2 between 2000 and 2050 to have a probability of about 75% of limiting temperature rise to 2°C or less.  [According to the latest data](http://www.skepticalscience.com/iea-co2-emissions-update-2010.html), between 2000 and 2010 we emitted approximately 300 billion tons of CO2, so after 20% of the allotted timeframe, we're already over 30% of the way through the allotted emissions. In addition to being more emissions-intensive than conventional oil, the main concern is that exploiting the tar sands is conceptually backwards.  As The Critical Decade report made clear, we need to be looking for ways to leave fossil fuels in the ground, not trying to find more unconventional sources of carbon for combustion.  The USA in particular has taken very few concrete steps to minimize its greenhouse gas emissions to this point.  Building the Keystone pipeline to exploit an unconventional source of fossil fuels is a step in the **wrong** direction, and will encourage other countries to follow suit.   If we're to have any hope of achieving sufficient global greenhouse gas emissions cuts, the USA needs to start leading the way in finding ways to reduce fossil fuel consumption, not lead the way in finding ways to burn new unconventional sources, especially when they're more emissions-intensive than conventional sources.

###  Deforestation \*\*

#### Turn- The Pipeline would result in massive environmental degradation through deforestation and groundwater pollution

Turner ’12 (Ted, 2/24/12 founder and chairman of the [United Nations Foundation](http://www.unfoundation.org/#3)*,* the founder of CNN and Turner Broadcasting and co-chairman of the Nuclear Threat Initiative, “Stop Keystone Pipeline before it’s too late” http://www.cnn.com/2012/02/22/opinion/turner-keystone-pipeline/index.html)-DG

I own a property in Fort Pierre, South Dakota, called the Bad River Ranch. It is a beautiful place, where we have worked very hard to restore the landscape, reintroduce native wildlife species and raise bison sustainably. But it sits about 15 miles downstream of the point where TransCanada's proposed Keystone XL pipeline would cross the Bad River, and being that close has led me to examine more closely the potential risks and benefits of a project about which I have been highly skeptical from the beginning. After careful scrutiny, I believe it is not in our national interest to pursue it. The purpose of Keystone XL is to bring tar sands crude oil through the United States to Gulf Coast refineries. The route through the United States is actually the oil industry's second choice: Transporting the oil west from Alberta to the Pacific Coast would be shorter and much cheaper, but Canadians concerned about environmental impacts and threats to native people's lands are challenging that route, and with good reason. The existing and potential environmental impacts along the 2,000-mile pipeline route are profound. In Canada, extraction of tar sands crude requires [clear-cutting thousands of acres](http://pubs.pembina.org/reports/1000-cuts.pdf)of boreal forests, [diverting rivers, strip-mining, and destroying critical habitat](http://findarticles.com/p/articles/mi_m1272/is_2751_136/ai_n24258623/)for some of the largest populations of woodland caribou left in the world. [Thirty percent of North America's songbirds and 40% of its waterfowl](http://www.worldwatch.org/node/5287) rely on the wetlands and waterways of the boreal forest. [Tar sands oil production](http://www.calproject.org/factsheet-ibcc-tarsands.pdf) has already created more than 50 square miles of toxic waste ponds so massive they are visible from space. Even more important, tar sands oil extraction produces three times more greenhouse gas emissions than conventional oil and gas, putting even greater strain on our atmosphere and oceans, which have little absorptive capacity left. Closer to home, the pipeline presents an immediate threat to drinking water for millions and to the livelihood of farmers and ranchers. To transport via pipeline, the thick tar sands crude must be mixed with toxic chemicals and then pumped at extreme temperature and pressure. This sets the stage for more pipeline failures and spills that create a highly toxic mess. The existing Keystone 1 tar sands pipeline has spilled more than 12 times in its first 12 months of operation. In July 2010, a spill of more than 800,000 gallons of toxic tar sands crude from the Enbridge pipeline [contaminated more than 30 miles of water and shoreline along the Kalamazoo River in Michigan.](http://michiganradio.org/term/kalamazoo-river-oil-spill) This created public health problems, threats to groundwater, widespread fish kills, and destruction of wildlife habitat, contamination that is still being cleaned up at a cost exceeding $700 million. Downstream landowners like me are thinking this is a preview of coming attractions if Keystone XL is built. The potential for pollution of vital groundwater from the Keystone XL pipeline is even more frightening. Depending on the final route of the pipeline, spills would threaten the Ogallala Aquifer, the largest aquifer in the western North American region, upon which millions of people and agricultural businesses depend for drinking water, irrigation and livestock watering.

## Oil

### A2: Oil shocks

**Oil shocks increase economic growth and increase flow of goods, buffers Neg impacts**

Roger **Pielke,** professor of environmental studies at the [Center for Science and Technology Policy Research](http://sciencepolicy.colorado.edu/) at the University of Colorado at Boulder,appointments as a Research Fellow, [Risk Frontiers, Macquarie University](http://www.riskfrontiers.com/index.html); Visiting Senior Fellow, [Mackinder Programme, London School of Economics](http://www2.lse.ac.uk/researchAndExpertise/units/mackinder/Home.aspx); and Senior Visiting Fellow at the [Consortium for Science, Policy and Outcomes](http://www.cspo.org/) of Arizona State University20**11,** August 31, 2011, (<http://rogerpielkejr.blogspot.com/2011/08/oil-shocks-and-good-times-for-global.html>) Accessed- 7/4/12-JS.

Our **findings indicate that oil prices tend to be surprisingly closely associated with good times for the global economy.** Indeed, we find that the United States has been somewhat of an outlier in the way that it has been negatively affected by oil price increases. Across the world, **oil price shock episodes have generally not been associated with a contemporaneous decline in output but, rather, with increases in both imports and exports**. There is evidence of lagged negative effects on output, particularly for OECD economies, but the magnitude has typically been small. Controlling for global economic conditions, and thus abstracting from our finding that **oil price increases generally appear to be demand-driven,** makes the impact of higher oil prices stand out more clearly. For a given level of world GDP, we do find that oil prices have a negative effect on oil-importing countries and also that cross-country differences in the magnitude of the impact depend to a large extent on the relative magnitude of oil imports. The effect is still not particularly large, however, with our estimates suggesting that a 25 percent increase in oil prices will cause a loss of real GDP in oil-importing countries of less than half of one percent, spread over 2–3 years. One likely explanation for this relatively modest impact is that part of **the greater revenue accruing to oil exporters will be recycled in the form of imports or other international flows, thus contributing to keep up demand in oil-importing economies**. We provide a model illustrating this effect and find supporting empirical evidence. The finding that the **negative impact of higher oil prices has generally been quite small** does not mean that the effect can be ignored. Some countries have clearly been negatively affected by high oil prices. Moreover, our results do not rule out more adverse effects from a future shock that is driven largely by lower oil supply than the more demand-driven increases in oil prices that have been the norm in the last two decades. In terms of policy lessons, our findings suggest that efforts to reduce dependence on oil could help reduce the exposure to oil price shocks and hence costs associated with macroeconomic volatility.13 At the same time, **given a certain level of oil imports, developing economic linkages to oil exporters could also work as a natural shock absorber**. If **oil shocks are** not so bad in aggregate, and **associated with "good times for the global economy"** then maybe the price of oil should be higher?

### Domestic Production Turn

#### Keystone

BRIAN MILNER 3/18/12 'Saudi America' heads for energy independence The Globe and Mail http://www.theglobeandmail.com/globe-investor/investment-ideas/features/taking-stock/saudi-america-heads-for-energy-independence/article2373074/

The U.S. really behaves like three different countries when it comes to oil – the East Coast, West Coast and the vast middle, which he calls “Saudi America”, stretching from the Appalachians in the east to Utah in the west. “ ‘Saudi America’ is moving very quickly to energy independence,” says Mr. Verleger, president of Colorado-based research firm PKVerleger LLC. Refiners in the midwest have more gasoline than they know what to do with. “By summertime, a wall of gasoline is going to be working down the Mississippi, pushing on refiners down there.”

All of which will ease pressure at the pump.

But even bigger changes in the market lie just down the road. That’s because the U.S. is in the midst of a remarkable transformation that will end its dependence on foreign imports, including Canadian oil, much faster than anyone realizes and give its manufacturers a huge comparative advantage over competitors from China and other high-cost energy markets.

Mr. Verleger has circled November, 2023, as the magic date, exactly 50 years after then president Richard Nixon called for the U.S. to meet all its own energy needs by 1980. Now, the shale gas explosion and increased production from offshore and unconventional oil sources in the U.S. heartland are turning the impossible dream into reality.

“It is a very good news story for the [U.S.] economy, leaving the [presidential] campaign aside,” says Mr. Verleger, who retired last year as a professor of strategy at the University of Calgary. “And it’s a good news story for Canada, if you respond quickly and realize the best thing that ever happened [to the industry] was Keystone getting delayed.”

The U.S. Midwest is awash in crude and natural gas supplies, “so what are we going to do with the Canadian oil? The smartest thing the Canadians could do is take a look at the rapidly changing energy situation in the United States and realize that what you’re doing is pumping oil into the middle of the United States and it’s just going to sit here. We could have a situation of $1 a gallon gasoline in Houston and $5 a gallon in New York City. And there’s no way for the stuff to get out [of the country]. We don’t have any export ports.”

### Link – Oil DA

Brad Plumer Washington Post 5/10/12 True oil independence is an unrealistic dream http://www.washingtonpost.com/blogs/ezra-klein/post/oil-independence-is-an-impossible-dream/2012/05/10/gIQAy2EoFU\_blog.html?wprss=rss\_ezra-klein

The only way the United States could completely shield itself from global swings in price, the CBO notes, is by cutting itself off from the world oil markets and preventing its domestic producers from ever selling crude abroad. Even then, CBO notes, this could only work if the United States kept discovering large new domestic fields and could somehow force multinational oil companies to keep investing in the United States even if they found it unprofitable to do so. In other words, it’s an unrealistic goal.

Now, it’s true that more production in the United States could, potentially, increase the world’s overall supply of oil, lowering the absolute price of crude a bit. But even here, the CBO is doubtful that more U.S. production would have a large impact on global prices — most likely, producers in other countries would cut back on production in response, “diminishing or eliminating the effect.” (Saudi Arabia, for instance, recently announced that it would reduce a planned drilling expansion because of increased production in Brazil and Iraq.) This doesn’t mean that boosting U.S. oil production is pointless. Importing less oil from abroad would help shrink the U.S. trade deficit. Dollars spent on oil would stay within the country rather than flee overseas. That’s not nothing. But according to the CBO, even a massive surge in production wouldn’t likely do very much to buffer the United States from the sorts of wild and harmful swings in the oil market that are becoming increasingly common.

The only real protection against oil volatility, the report concludes, is to become more fuel-efficient and ramp up alternatives to crude.

### Emissions

DON LIEBER April 2012 is an investigative journalist and researcher whose works have been published by the United Nations, the Associated Press and others. KEYSTONE XI. PIPELINE = CLIMATE CATASTROPHE. By: LIEBER, DON, E: The Environmental Magazine, 10468021, Mar/Apr2012, Vol. 23, Issue 2

In short, KXL will add to an already dangerous accumulation of CO2 A report called The Critical Decade from the Climate Commission sums up the view of most climate scientists: "Humanity can emit not more than 1 trillion tonnes of CO2 between 2000 and 2050 to have a probability of about 75% of limiting temperature rise to 2°C or less. According to the latest data, between 2000 and 2010 we emitted approximately 300 billion tons of CO;, so after 20% of the allotted timeframe, we're already over 30% of the way through the allotted emissions."

Emissions and Impacts to ComeCO2 contributes to climate change because of the cumulative nature of its effects. The Oxford Institute for Energy Studies writes: "[T]he cumulative and irreversible nature of CO2 implies that a significantly heavier weight should attach to current as opposed to future emissions (cap and trade). Policy making needs to redress this imbalance."

KXL oil -- in the form of bitumen -- also emits more CO2 than conventional crude, because the extraction process is more complicated, requiring the sands to be steam heated and then diluted. And the pipeline would set a precedent for further tar sands oil development.

"If Keystone XL is approved it sends a signal to the oil industry that it's 'game on' for tar sands expansion," says Elizabeth Shope of the Natural Resources Defense Council. "That industry wants to expand tar sands production to 7.6 million barrels per day. The incremental (carbon) emissions from that would be 228 million metric tons of CO2" -- equivalent to the emissions of 38 million cars per day.

Extracting oil from under the ground in Alberta would also require the destruction of hundreds of thousands of acres of Canadian boreal forest. This forest now stores 15%-30% of the world's soil-based carbon. Development of the tar sands oil industry will fragment and erode this forest. Over 65,000 km2 of forest -- the size of California's Mojave desert -- is already slated for destruction.

The contribution to climate change by tar sands oil is even likely to have detrimental effects on agriculture and world food supplies. The Center for Global Development (cgdev.org), a nonpartisan research center, reported in October 2011 that Canadian tar sands extraction would "have a devastating effect on global food production, especially in climate-vulnerable continents such as Africa."

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Despite its inclusion as a hot-button political issue, very little is being publicly discussed about KXL's CO2 and climate change implications. But Raymond T. Pierrehumbert, Ph.D., a geophysics professor at the University of Chicago, says they can't be ignored. "The fight over Keystone XL may be only a skirmish, but for those who seek to limit global warming, it is an important one," he writes. "Turning down XL…draws a line in the oil sands, and affirms the principle that this carbon shall not pass into the atmosphere."

In August, a group of scientists from the Carnegie Institution for Science, Stanford and Princeton universities and other academic and research institutes, wrote a letter to President Obama referring in urgent terms to the climate change implications of the KXL project. "When other huge oil fields or coal mines were opened in the past, we knew much less about the damage that the carbon they contained would do to the Earth's climate system and to its oceans. Now that we do know, it's imperative that we move quickly to alternate forms of energy -- and that we leave the tar sands in the ground."

Opening up the tar sands oil, they told the president, "will leave our children and grandchildren a climate system with consequences that are out of their control.

## Topicality

### Helper – Non Germane

David Burwell 5/30/12 director of the Energy and Climate Program at the Carnegie Endowment for International Peace. CNN WireMay 30, 2012 Keystone XL pipeline's collateral damage Lexis

All the pressures aside, the United States needs to pause and think carefully about its national interest. Our future energy balance and supply chain should not be short-stopped by attaching Keystone XL as a nongermane rider to a transportation bill for temporary political gain. Politicians come and go; nations generally do not.