

Americans are Tired of 2 Things –

OIL SPILLS & HIGH GAS PRICES

The Terry-Green Tar Sands Resolution (HR 1938) will bring both

While it is intended to increase stable supplies of oil to the US, HR 1938 actually promises only to augment growing problems with America's energy supply. *Analysis from the oil sector* indicates that the proposed Keystone XL pipeline *will actually drive gas prices up*. That analysis is cited below, but TransCanada came to similar conclusions in its

14	The resultant increase in the price of heavy crude is estimated to provide an increase in
15	annual revenue to the Canadian producing industry in 2013 of US \$2 billion to US \$3.9
16	billion.

application to the Canadian government:

Pair this fact with other reports and analyses showing that the pipeline will *cause more oil spills* and *create fewer jobs* than is being promised and it becomes clear that Congressional leaders cannot support HR 1938.

LEAKS AND SPILLS ARE INEVITABLE AND COULD BE DEVASTATING

The recent spill on Exxon's Silvertip pipeline on the pristine Yellowstone River serves as yet another reminder of the devastating consequences that come with oil accidents. Even though Exxon caught the leak, the river was spoiled by a reported 42,000 gallons of oil. According to the Natural Resource Defense Council, *a spill of this size could easily go undetected by safety monitors on the Keystone XL pipeline.*¹

Just as BP attempted to downplay the significance of the Deepwater Horizon spill, TransCanada has been downplaying the Keystone XL's accident potential. A recent study by University of Nebraska professor John S. Stansbury shows that TransCanada has systematically underestimated dangers posed by the pipeline²:

- The pipeline could have up to **91 spills over 50 years** according to the study, whereas TransCanada claims there would be only 11.



¹ Anthony Swift, [NRDC Switchboard](#), June 10, 2011

² John Stansbury, PhD, PE, [Analysis of Frequency, Magnitude and Consequence of Worst-Case Spills From the Proposed Keystone XL Pipeline](#), July 2011

- It could take TransCanada **10x as long to detect a leak and shutdown the pipeline** as the company claims.
- A **worst-case spill could be 6x larger** than TransCanada predicts.

KEYSTONE XL IS A DOUBLE THREAT TO THE AGRICULTURAL HEART OF AMERICA

The Keystone XL pipeline would bring the dirtiest oil in the world through America's largest freshwater aquifer, the legendary Ogallala. Supplying water to approximately a quarter of the country's irrigated land, including 40% of all Texas water, the Ogallala is one of America's most important natural resources.

A major **oil spill in the Ogallala could devastate the US grain belt**. Unlike the Yellowstone River, the Ogallala Aquifer is a three-dimensional underground structure that may be impossible to cleanup. Furthermore, hurricanes could not disperse the oil into a more vast body of water as happened with the BP spill in the Gulf of Mexico.

Even in the absence of such a disaster it is clearly TransCanada's intention to generate profits by **driving up costs to American farmers**. According to the company's own documents and to oil industry economist Dr. Philip Verleger, the Canadian oil industry is largely interested in this pipeline because it bypasses Midwestern refineries which help keep fuel costs low for American farmers. Bypassing the Midwest and reaching the Gulf of Mexico effectively puts Canadian oil in the export market, meaning it will cost Americans as much as Mideast oil. TransCanada expects this to **drive up fuel costs in the US by up to \$4 billion**³ while Dr. Verleger anticipates gas prices rising 10 to 20 cents a gallon.⁴

AMERICANS WILL NOT ACCEPT HIGHER GAS PRICES, POLLUTION, AND HUGE RISKS WITH NO PAYBACK

The Keystone XL pipeline will not create the kind of economic activity claimed by proponents, nor will it help America end its addiction to oil. By piping the oil to Gulf of Mexico refineries, TransCanada is setting up an opportunity for refiners to increase export capacity to growing markets such as China. America is being asked to bear the risk of transport through one of our most important water resources, accept the pollution from refining the planet's dirtiest oil, only to send the profits to Canada and the oil to global markets.

THE SOLUTION TO THE AMERICAN ENERGY CRISIS IS AMERICAN ENERGY AND INGENUITY

America is on the brink of a transportation revolution. Doom-and-gloom forecasts associated with improved fuel-economy never came true and more and more Americans are driving fuel-efficient vehicles. Gas-electric hybrids have been popular and successful, and affordable vehicles that can run on electricity for virtually all day-to-day needs is a reality very much on the horizon, with major American production starting just this year.

Many of the leading technologies for these vehicles are being developed in the US, and all such vehicles will require electricity generated



³ Keystone XL Pipeline Section 52 Application, [Section 3: Supply and Markets](#), p. 7

⁴ Philip Verleger, PhD, ["If gas prices go up further, blame Canada,"](#) Minnesota Star Tribune, March 13, 2011

domestically. This solution creates real opportunities for America without the many risks associated with the ill-conceived Keystone XL pipeline.