The State Department now has all the information it needs to reject the proposed Keystone XL tar sands pipeline. A compelling body of evidence makes clear that this project is not in the United States’ national interest. Keystone XL would significantly add to carbon pollution that’s driving climate change, undermine the nation’s climate leadership and imperil the health and drinking water of millions of Americans.

- **Keystone XL is not in the national interest because it would lock in high-carbon infrastructure for half a century, worsening climate change while generating $128 billion in climate costs.**
  - The FSEIS found that the Keystone XL project could contribute 1.43 billion “accumulated incremental” or additional 2 tons of GHG emissions to the atmosphere over 50 years. The FSEIS acknowledged that tar sands crude is significantly more carbon-intensive than the conventional oil it would displace.
  - These incremental emissions from Keystone XL are equivalent to adding 5.7 million passenger vehicles to the road for 50 years.
  - The incremental emissions would generate up to $128 billion in climate-related costs using the administration’s social cost of carbon estimates - a very significant impact for a single infrastructure project.
  - Keystone XL will drive tar sands expansion which would not happen without the project.
    - Industry has been clear that Keystone XL is critical in driving its plans to triple tar sands expansion by 2030.
    - Analysis by NRDC, the Carbon Tracker Initiative and the Canadian-based Pembina Institute have used the FSEIS’s framework to show that Keystone XL would have a significant impact on tar sands expansion across a wide range of oil price scenarios.
    - Evidence shows that rail will not be a viable substitute for Keystone XL. Tar sands by rail shipments have fallen far short of projections in past environmental reviews and been more costly than expected.
    - International Energy Agency (IEA) forecasts show that global efforts to reduce carbon emissions will further the reliance of the tar sands industry on pipelines for expansion.
• Keystone XL is not in the national interest because it is inconsistent with meeting U.S. and international objectives to stabilize climate change and undermines the nation’s climate leadership.
  
  o The U.S. must be consistent in its call to reduce significant new sources of carbon. Approving Keystone XL would send the wrong signal to the tar sands industry, supporting its effort to expand tar sands production. In fact, rejecting Keystone XL is consistent with other policies in the President’s Climate Action Plan, such as ending financial support for new overseas coal power plants.  
  
o Keystone XL is wholly inconsistent with a scenario where the international community limits warming to 2 degrees Celsius. In IEA forecasts, meeting that goal is dependent on significantly reduced U.S. and global oil consumption through 2035.  
  
o U.S. climate leadership and credibility in negotiating robust international climate commitments depends on taking actions at home that are consistent with what the U.S. is asking other countries to do. Rejecting Keystone XL will demonstrate the U.S. is forgoing infrastructure unlocking new sources of carbon pollution.

• Keystone XL is not in the national interest because it is inconsistent with State’s recent policy guidance on climate.
  
  o Rejecting Keystone XL would allow the State Department to elevate climate and lead by example through strong action at home in accordance with the Department’s policy.

• Keystone XL is not in the national interest because the pipeline would further undermine Canada’s capacity to make and honor future emissions reductions.
  
  o Extraction of tar sands oil is Canada’s fastest growing source of emissions and the most significant barrier to meeting its international greenhouse gas reduction target.  
  
o Canada is currently on track to miss its climate obligations by a large margin. A large part of this failure is due to emissions from the nation’s expanding tar sands industry, which are expected to nearly double from 2010 levels by 2020.

• Keystone XL cannot be determined to be in the national interest as there is currently no agreed upon route through Nebraska that can be evaluated under the National Environmental Policy Act.
  
  o A recent court decision found the process for approving Keystone XL’s current route through Nebraska unconstitutional, requiring the more rigorous Public Service Commission to evaluate and approve a new route. It will take six months to over a year to determine and establish a new route.
  
  o While the available evidence provides the State Department with a strong basis to reject the permit, it cannot be approved until its route is known and its impact to the communities and resources along that route can be evaluated.
• **Keystone XL is not in the national interest because a mounting and scientifically recognized body of research shows that the health impacts caused by tar sands are considerably worse than those caused by conventional crude oil.**

  o Senators Boxer and Whitehouse have highlighted a growing body of peer-reviewed scientific evidence showing that the extraction, transport and refining of tar sands oil puts communities at greater risks of asthma, cancer and other serious health impacts relative to conventional crude.

  o The Environmental Protection Agency (EPA) has raised concerns regarding the negative impact that Keystone XL will have on the air quality of Gulf Coast refinery communities.

• **Keystone XL is not in the national interest because potential tar sands crude spills along its route are an unacceptable risk for water resources, such as the Ogallala aquifer.**

  o Both the EPA and the State Department have found that tar sands spills are significantly more damaging than conventional spills and more difficult and costly to clean up. Tar sands crude is more likely to sink in water, evading conventional containment mechanisms, and does not readily biodegrade.

• **Keystone XL is not in the national interest because its leak detection technology allows potentially catastrophic spills to go undetected.**

  o The FSEIS found that the pipeline’s leak detection system is unlikely to identify leaks smaller than half a million gallons a day – putting frontline communities in the role of first responders.

  o A recent investigation found that leak detection systems miss 19 out of 20 spills – a systemic failure that needs to be addressed to prevent what could become the largest tar sands spill in the U.S.

• **Keystone XL is not in the national interest because it is a pipeline through the United States to export refineries.**

  o Keystone XL will not enhance U.S. energy security. More than half of the fuels produced from the crude that Keystone XL would transport are forecast to be exported internationally. Further, the pipeline is not necessary for transporting domestic crude.

  o The FSEIS did not find that Keystone XL would lower global oil prices or displace Russian crude from the international market.

• **Keystone XL is not in the national interest because it would not further significant national employment growth.**

  o According to the FSEIS, Keystone XL would only create 1,950 construction jobs over two years and 50 permanent jobs.
In 2007 dollars, the social cost of Keystone XL’s incremental 1.4 billion metric ton carbon dioxide impact is between $80.6 billion and $114 billion using the administration’s SCC figures as a discount rate of 2.5% to 3%. Adjusting to 2014 dollars, that figure rises to between $90 billion to $128 billion. Using the same analysis, Keystone XL’s total emissions (including combustion), which the FSEIS projects at 168 MMT CO₂e per year, or 8.4 billion metric tons CO₂e over its 50 year lifespan. According to the Administration’s social cost of carbon figures, at a discount rate of 2.5%, those emissions would carry a cost of $552 billion to $785 billion over its projected lifetime. State, Final Supplemental Environmental Impact Statement (FSEIS), Table 4.14-8, January 31, 2014; NRDC, Evaluation of Section 1.4 Market Analysis assumptions, March 6, 2014, pg. 1, http://switchboard.nrdc.org/blogs/aswift/Market%20Analysis%20Memo%20%28Final%203-6-14%29.pdf.

Incremental emissions are the additional emissions from extracting, transporting, making fuel, and combusting fuel from tar sands compared to those emissions for conventionally produced fuels.

State, FSEIS, Table 4.14-8.

4 Tar sands crude generates up to 17% more carbon dioxide per barrel than the conventional crude it would likely displace. State, FSEIS, 4.14-31.


6 In 2007 dollars, the social cost of Keystone XL’s incremental 1.4 billion metric ton carbon dioxide impact is between $80.6 billion and $114 billion using the administration’s SCC figures as a discount rate of 2.5% to 3%. Adjusting to 2014 dollars, that figure rises to between $90 billion to $128 billion. NRDC, Evaluation of Section 1.4 Market Analysis assumptions, March 6, 2014, pg. 1.

7 The CEO of major tar sands producer Cenovus recently told reporters that his company’s plan to triple production in coming years was contingent on more pipeline capacity, while the financial community, including RBC Capital, Goldman Sachs, Barclays and CIBC, all publicly acknowledge that a tar sands industry without new pipelines will be smaller than one with them. Shawn McCarthy and Richard Blackwell, Oil Industry Rebutts Trash Talking Celebrity Critics, Globe and Mail, January 15, 2014, http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/oil-industry-rebuts-trash-talking-celebrity-critics/article16357980/.


10 The FSEIS used very conservative energy use forecasts by EIA which assume business-as-usual policies, while IEA’s World Energy Outlook’s models show that international climate policies will reduce global oil prices, making tar sands expansion more dependent on cheap transportation infrastructure provided by Keystone XL.

11 In the interest of speeding the transition to a green economy, the CAP calls for an end of public subsidies for new coal fired power plants overseas. Permitted new long-term high-carbon infrastructure domestically would be inconsistent with this policy. White House, Climate Action Plan, June 2013, pg. 20, http://www.whitehouse.gov/sites/default/files/image/president27sclimateactionplan.pdf.

12 In its 450 ppm scenario, IEA projects global oil consumption to decline to 78 million bpd by 2035 while U.S. consumption declines to 9 million bpd by 2035 (converting 7.14 barrels per ton equivalent), IEA, World Energy Outlook 2013, pgs. 503, 585.


15 In Copenhagen, Canada committed to reduce its emissions by 17% from its 2005 levels by 2020. However, it is on track to exceed its 2005 emissions in 2020, predominantly due to its expanding tar sands industry. State, FSEIS,
Canada committed to reduce its annual carbon emissions to 607 MMT CO$_2$e in 2020 (or 17% below its 2005 emissions); however, according to Canadian government forecasts, the country is on track to reach 734 MMT CO$_2$e (in slight excess of its 2005 emissions). State, FSEIS, 4.14-46.


