

HOW THE BIDEN ADMINISTRATION'S CANCELLATION OF THE KEYSTONE XL PIPELINE AFFECTS AMERICAN PROSPERITY

David Vasquez | February 2023

On his first day in office, President Biden canceled permitting for the Keystone XL pipeline extension, which was [projected](#) to carry 830,000 barrels of oil per day. This extension would have increased the total amount imported from America's most reliable energy trading partner, Canada, to 1.38 million barrels per day, leading to lower energy prices and thousands of high-paying jobs. The Biden Administration [stated](#) that "the United States must prioritize the development of a clean energy economy" and that the Keystone XL did not serve the U.S. natural interests of this agenda. **Because of the Biden Administration's misguided climate agenda, the American people are not reaping the economic benefits the Keystone XL pipeline would have provided.**

The Biden Administration's cancellation of the Keystone XL Pipeline cost the U.S. economy dearly.

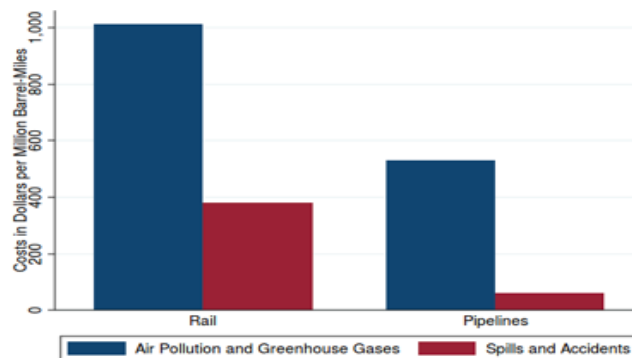
- The cancellation eliminated thousands of skilled construction and engineering jobs. One estimate from the Department of Energy states that 59,468 direct and indirect jobs were lost as a result of this decision.
- 11,000 permanent and seasonal workers would have been directly involved in constructing the Keystone XL pipeline.

Keystone XL was projected to add a substantial amount of high-paying jobs and economic activity for many American communities.

- Gross wages for permanent and seasonal workers directly involved in construction were projected to exceed \$2.05 billion. The [median](#) income for petroleum engineers is \$130,850 per year, and the median income for pipeline construction workers is \$51,575 per year.
- The direct economic contribution to the U.S. GDP from the increased economic activity was estimated to be \$3.4 billion.
- An estimated 70% of petroleum products from the Keystone XL pipeline would have remained in the U.S. and would not have gone overseas.

The Keystone XL offered lower transportation-related emissions and costs than alternative methods such as rail and highway transportation.

- Rail and highway transportation have become increasingly congested, costly, and less efficient in recent years.
- Shipping via pipelines costs \$500 per 1 million barrel-miles—50% less than with rail.
- The cost to [operate](#) a truck to ship oil is twice as expensive as using a rail and four times as expensive as using a pipeline.
- The Keystone XL pipeline would save the economy [\\$50 billion](#) per year in costs that would otherwise be spent on shipping via rail.



Source: [National Bureau of Economic Research](#)