

Pipeline cons outweigh the pros

Written by Wauneta Breeze
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A Capitol Commentary

By Charlie Litton

It looks evident that Trans-Canada will get its preferred route for the Keystone XL project, despite all threats to take their ball and go home.

But any such threat from TransCanada or their proponents is an empty one. It's doubtful that TransCanada will leave — by their own estimation — somewhere on the order of \$4 billion in annual profits to rot on the drawing board. Essentially, that \$7 billion project will pay for itself about three years after it goes on line.

It's hard to imagine the circumstances that would make a possible two-year delay much less profitable. In short, a re-route would delay TransCanada's profits, not eliminate them.

The threat to abandon the pipeline only holds weight if the state will somehow suffer without it.

Opponents focused purely on the environmental aspect of the project will no doubt have a quick answer to that.

But there are others who believe the economic benefits of Keystone XL outweigh the potential risks to the Sandhills and Nebraska's precious water supply.

The popular refrain from pipeline proponents typically goes something like this: Millions will

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stimulate the Nebraska economy while adding thousands of jobs.

The economic benefits to the nation, they say, are even more extraordinary. Sometimes they boast as many as 500,000 jobs will spin out of the project.

These claims are most likely false at best; intentionally misleading or outright lies at worst.

For every assertion, for every “independent” analysis that TransCanada trots out to further its claims, there is an opposing expert view that punches some sizeable holes through the pro-pipeline logic.

To be clear, construction of the pipeline will certainly benefit Nebraska’s economy. But, it could be argued, the benefit is not enough to merit the potential risk, despite TransCanada’s assurances that this pipeline will be hassle-free, just as any good As-Seen-On-TV shill would say.

Look to the bottom of the Atlantic for the last bold claim of invulnerability.

The Nebraska News Service, a reporting service staffed by students from the University of Nebraska-Lincoln’s journalism school, investigated proponents’ economic claims and the results were underwhelming.

Any benefit to the state is temporary at best.

Construction crews will spend parts of their paychecks at local restaurants, gas stations and grocery stores.

Local contractors will pick up some extra work supplying lumber and construction equipment.

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Then, after about six months, everything will return to normal, only residents will then have a brand new pipeline buried in the back yard.

Once TransCanada flips the switch and starts pumping the oil, the state will get a temporary boost with increased property taxes.

Most counties will have some extra revenue to play with. But after 15 years, that additional value disappears taking with it the last of the windfall.

Out-of-work Nebraskans will certainly find jobs along the pipeline, too. But we will likely count those Nebraskans in the hundreds not the thousands as asserted by labor officials and other proponents.

Touting jobs as the key benefit to Nebraska is a lot like tempting Warren Buffet for investment advice with the promise of a crisp one hundred dollar bill. He doesn't need the money any more than most Nebraskans need pipeline jobs.

The state boasts a 4.2 percent unemployment rate, the second best rate in the union and better than half the national average. Only North Dakota's 3.5 percent is better.

By contrast, Nevada claims the bottom spot at 13.4 which is more than four full points higher than the national average of 9.1 percent

The big question for Nebraskans and the pipeline should be a simple one: In 15 years, will Nebraska be better, worse or unchanged by the pipeline.

Considering the risks involved, it seems that the state should be better off because of it. Sadly, there is no evidence supporting that to be the case.

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A sober look at the numbers for Nebraska tells us that the best-case scenario is one that leaves the state virtually unchanged.

It's questionable whether such a result is worth the potential risk. And if the pipeline turns out to make Nebraska the worse, what, exactly, will we do with all the assurances then?

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