Obama Understates Keystone XL Jobs

MATTHEW DALY, Associated Press

WASHINGTON (AP) — President Barack Obama has revived debate about the number of jobs that would be created by the proposed Keystone XL oil pipeline from Canada to Texas. The 1,700-mile pipeline would carry oil from tar sands in Alberta to refineries in the Houston area, passing through Montana, South Dakota, Nebraska, Kansas and Oklahoma.

This March 22, 2012 file photo shows President Barack Obama arriving at the TransCanada Stillwater Pipe Yard in Cushing, Okla. Obama has revived debate about the number of jobs that would be created by the proposed Keystone XL oil pipeline from Canada to Texas. The 1,700-mile pipeline would carry oil from tar sands in Alberta to refineries in the Houston area, passing through Montana, South Dakota, Nebraska, Kansas and Oklahoma. During a jobs speech Tuesday, July 30, 2013, in Tennessee, Obama downplayed the pipeline's effect on jobs, calling it a "blip" compared to the overall economy. He also made that point during an interview with The New York Times last week. **(AP Photo/Pablo Martinez Monsivais, File)**

During a jobs speech Tuesday in Tennessee, Obama downplayed the pipeline's effect on jobs, calling it a "blip" compared with the overall economy. He also made that point in an interview with The New York Times last week.

The president correctly characterized the project's overall effect on U.S. employment but underestimated the number of jobs it would create.

The $7 billion pipeline has become a contentious issue. Project supporters, including unions and lawmakers from both parties, tout the jobs it would create and demand its approval, while environmentalists urge the president to reject it, saying it would carry dirty, carbon-intensive oil.

The State Department expects to issue a final report later this year on whether the project should move forward. The department has authority over the pipeline because it crosses a U.S. border.

Asked Wednesday about the number of jobs that would be created by the pipeline,

State Department spokeswoman Marie Harf said, "The president was clearly stating the proposed Keystone XL project would have a negligible impact on the overall U.S. job market, which was the finding of the State Department" in a draft report last March.

A look at some of the president's recent assertions on the pipeline and jobs and how they stack up:

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OBAMA: "Republicans have said that this would be a big jobs generator. There is no evidence that that's true," he said in The New York Times interview. "And my hope would be that any reporter who is looking at the facts would take the time to confirm that the most realistic estimates are this might create maybe 2,000 jobs during the construction of the pipeline — which might take a year or two — and then after that we're talking about somewhere between 50 and 100 (chuckles) jobs in an economy of 150 million working people. ... That is a blip relative to the need."

THE FACTS: It's not clear where Obama came up with the 2,000-jobs figure.

The project's developer, Calgary-based TransCanada, has said the pipeline could create as many as 13,000 construction jobs — 6,500 a year over two years.

In its March report, the State Department put the number of construction jobs at 3,900 on an annual basis. That figure doesn't include an estimated 4,000 workers that TransCanada says it has hired for a 485-mile southern segment of the pipeline that already is under construction and nearing completion.

Nor do the figures include the peripheral jobs that would be created as a result of a major infrastructure project.

TransCanada says about 7,000 manufacturing jobs will be needed to support the overall project, which will stretch from Canada to the Gulf of Mexico.

The State Department report goes further. It estimates that the project could help create — directly and indirectly — as many as 42,000 jobs, including jobs for suppliers and subcontractors that provide equipment and materials, as well as lodging, food services and other jobs related to construction. The figure includes part-time jobs.

The report said these jobs would amount to 0.02 percent of total U.S employment, a figure that is consistent with Obama's characterization that the project would have minimal impact on the overall U.S. jobs picture.

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OBAMA: Republicans "keep on talking about this — an oil pipeline coming down from Canada that's estimated to create about 50 permanent jobs. That's not a jobs plan," he said in Tennessee.

THE FACTS: Obama is on more solid ground with this assertion. The State Department report, citing figures provided by TransCanada, said there would be about 50 permanent jobs created along the route of the pipeline once it is completed. The report says the number of permanent jobs in the six affected states would have "negligible impacts" on the economy.

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