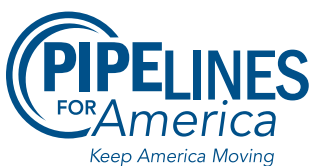




HOW PIPELINES CAN SPUR IMMEDIATE POST-COVID ECONOMIC RECOVERY



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- Northeast Supply Enhancement
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18. MICHIGAN

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22. MINNESOTA

- Line 3 Replacement Project

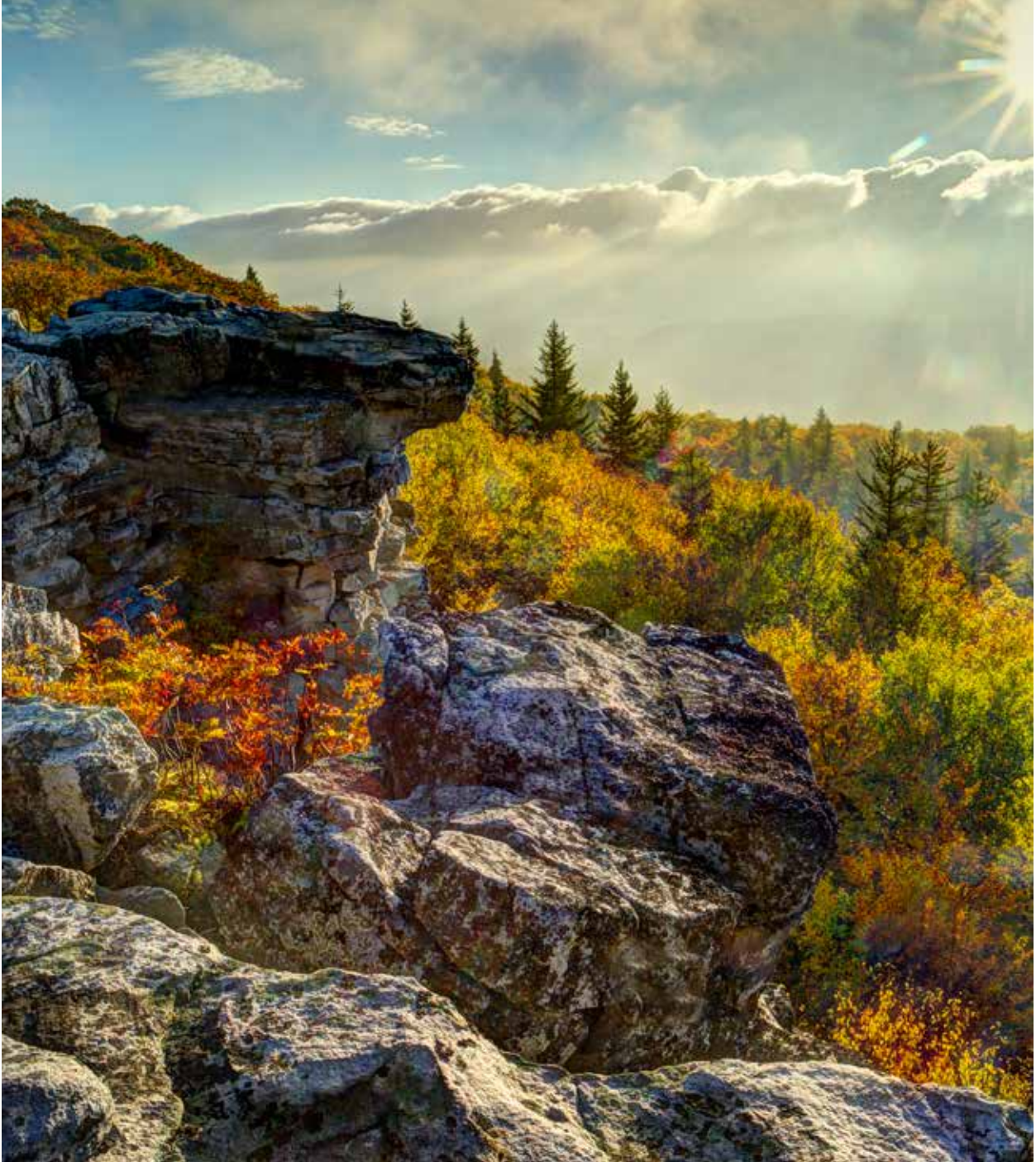
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Pipeline Delays Are:

- Causing More Than \$13.6 Billion in Lost Investment
- Risking More Than 66,000 Jobs
- Blocking More Than \$280 Million in Annual State & Local Tax Revenue

Our country is seeing unprecedented financial harm from the devastating COVID-19 pandemic and government-imposed lockdowns on the economy and travel. The crisis has taken our economy back to depths not seen since the last century. April 2020's monthly employment numbers were the worst since World War II with 20.5 million jobs lost and an unemployment rate of 14.7%.¹ And the second quarter gross domestic product plunged by the largest amount ever – 32.9% – a number that not even the Great Depression can match.²

The real impacts on workforce participation are expected to be historically bad with more than 103 million Americans, or nearly 40% of the country, at least temporarily out of the labor force – a low not seen since January 1973. And the public sector ripple effect from the lost revenues due to the COVID-19 shutdown is starting to be felt: States and municipalities are furloughing staff now and cutting essential services on which the public relies.

In the midst of the crushing job losses and pain being felt across so many of our states, communities, and neighbors, there are signs of hope and incredible stories of sacrifice and dedication by so many in

our critical industries that have kept our country going and our lives connected.

The one thread tying all of this renewed growth together is energy, and it holds the key to our eventual financial recovery. From the production and disbursement of personal protective equipment (PPE) and fuel for food deliveries to the creation of life-saving products, energy and pipeline companies have stepped up while facing their own financial turmoil. Now, these companies continue to provide services that keep hospitals, first responders, grocery stores and our homes powered and online – often at great personal risk to their workers, to help maintain our public health and the health of the nation.

April 2020's monthly employment numbers were the worst since World War II with 20.5 million jobs lost and an unemployment rate of 14.7%. And the second quarter gross domestic product plunged by the largest amount ever – 32.9% – a number that not even the Great Depression can match.

Think about it for a moment – the one thing Americans have rarely had to worry about during the pandemic lockdown has been having enough energy, fuel or power.

Despite this classic American effort of banding together in the face of crisis, there are still forces in this country who are intent on leveraging the pain inflicted by the pandemic to advance an extreme

¹ <https://www.cnbc.com/2020/05/08/jobs-report-april-2020.html>

² <https://www.cnbc.com/2020/07/30/us-gdp-q2-2020-first-reading.html>

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agenda against the infrastructure that delivers the energy we use, which literally makes our world go around, our lives easier, and our environment better. Their effort champions lawsuits, procedural delays, and regulatory roadblocks to stop construction projects that almost always pay wages far above the national average and which, when complete, can lower energy bills and emissions in a host of communities nationwide. Moreover, extremists cheer – or ignore – their destruction of real economic activity and jobs, many times at the expense of families and businesses in communities they don't live in and have no intention to visit, save perhaps to protest.

It is an indisputable fact that pipelines are infrastructure projects that provide the safest and most environmentally sound option to transport our energy, reliably and affordably.³ Pipelines offer an immediate positive impact to communities across the country in terms of jobs and tax revenue, which can help – and in some cases are already helping – ease the fiscal burden that COVID has placed on government treasuries. They share the scale of job creation and economic activity of the public works projects that sparked America's recovery out of the Great Depression, but differ because it is private money that supports the government – instead of the other way around – while creating public good.

Yet some fail to see that good – and that failure has a real cost to Americans, who rely on affordable, reliable and environmentally sound energy.

Activists, litigation and permit delays have canceled or are threatening a minimum of \$13.6

billion in economic activity, the creation and support of over 66,000 jobs and more than \$280 million per year in state and local tax revenue just by targeting the pipeline projects in this report. Further, untold billions in cumulative consumer savings are being put at risk or have been permanently lost during an economic downturn simply because certain policymakers, regulators and even jurists will not approve pipelines.

Activists, litigation and permit delays have canceled or are threatening a minimum of \$13.6 billion in economic activity, the creation and support of over 66,000 jobs and more than \$280 million per year in state and local tax revenue just by targeting the pipeline projects in this report.

Amazingly, defying legal precedent, a federal judge during the pandemic suspended action on a U.S. Army Corp of Engineers water permit needed for a pipeline, and then took the unusual step of placing an injunction on every infrastructure project that used that same Nationwide 12 Water Permit. This unprecedented decision stopped roughly 5,500 different projects from moving forward, everything from pipelines to telecom, electricity, shipping, transportation and more. Although the judge's decision was later altered to include only oil and gas pipelines – which already face the most stringent environmental reviews – it nonetheless demonstrated the great risk that this kind of activist-driven litigation places on our economy.

³ <https://pipelineawareness.org/safety-information/pipeline-safety-facts-statistics/>

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That particular longstanding and heretofore uncontroversial permit simplifies the approval process, but removing it multiplies the already exhaustive paperwork at a bureaucracy-choking rate. The Army Corps of Engineers estimated it would take its 1,250 regulatory project managers 18 months to process the currently pending individual permits if the decision were to stay.⁴ According to an amicus brief filed by 18 state attorneys general in support of the Corps, processing individual permits instead of using the Nationwide 12 permit would take 788 days on average and add hundreds of thousands of dollars in costs.⁵

Another recent decision by a federal judge in the District of Columbia would take the unprecedented step of forcing the Dakota Access Pipeline to cease operations – nearly three years after it has been safely in daily operation⁶ – while its environmental permits are resubmitted and re-reviewed. These are permits that were already federally approved and included significant public input. If upheld, this decision has the potential to create total chaos in the Mid-Continent and Midwest by stopping more than 500,000 barrels a day of fuel from reaching families, truckers and markets. That would in turn have created cascading impacts for farmers and other industries who would have to compete for rail service to move their goods. Fortunately, a higher court ruled

Dakota Access could keep operating until the case reaches a determination.⁷

An analysis by a commodity price-consulting group estimated the negative economic ripple effects for farmers in the Midwest could exceed \$1 billion a year in losses because agricultural products would have to compete for limited rail car space.⁸ Arlen Suderman with Stone X Group consulting noted, “That means that ethanol plants have to wait for rail cars, and that means that grain companies have to wait for rail cars, or the cost of those cars are going to be a lot more expensive.”

A group of state attorneys general, some of whose staff are paid through a private foundation-endowed law school program that sets the terms of their employment based on their anti-energy views, have echoed the demands of extreme activists and urged our federal energy regulators to stop reviewing permits and regulatory decisions for pipelines and related infrastructure.¹¹ The key question the public should be asking policymakers right now is – why are we trying to make it harder for regular people, small businesses, farmers and our industries to get back to work or save on energy costs in the middle of an economic downturn and global pandemic?

After \$2.6 trillion in stimulus, loan and rescue funds have been approved by Congress, the Federal Reserve and the Administration,¹² there

⁴ <https://www.eenews.net/greenwire/2020/04/28/stories/1062995279>

⁵ https://www.eenews.net/energywire/2020/06/24/stories/1063442881?utm_medium=email&utm_source=ee-news%3Aenergywire&utm_campaign=edition%2BiZ%2B%2FftFV%2B2LxUfHtN5bxJQ%3D%3D

⁶ <https://www.law360.com/articles/1268895/don-t-disrupt-dakota-access-pipeline-army-corps-nd-urge>

⁷ <https://www.wsj.com/articles/appeals-court-allows-dakota-access-pipeline-to-continue-operating-11596662661>

⁸ <https://www.agweb.com/article/why-canceling-pipeline-projects-could-cost-farmers-1-billion>

⁹ *Ibid.*

¹¹ <https://thehill.com/policy/energy-environment/496673-10-states-ask-energy-regulators-to-postpone-pipeline-approvals-amid>

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are solutions where pipelines could provide relief today for families and small businesses struggling to make ends meet so they can make payroll and provide employee health benefits. Even better, pipeline projects do not use public funds and can put thousands of people back to work at wages far above the national average.

The average yearly income for a salaried worker in late 2019 was roughly \$48,672.¹³ In 2019, the median wage for the oil, gas and utility sector was \$117,000 or nearly \$40,000 more than the average wage for Americans with advanced degrees.¹⁴ According to the Association of Oil Pipe Lines, one major pipeline construction project will employ 7,000 construction workers and generate \$400 million in salary and benefits that can help put kids through college and give families a better quality of life. The group notes that more than 500 workers are needed to construct each 100-mile section of pipeline, which also require pumping stations to be constructed every 50 miles.¹⁵ A myriad of workers including heavy equipment operators, laborers, welders, Teamsters, foremen, engineers, safety inspectors and support staff are needed for each job.

Further, more pipeline construction activity would create and spur demand in the manufacturing and industrial sector for steel, parts, services and a host of energy and construction supply chain needs. The COVID-19 outbreak has laid bare great weaknesses in our supply chains, including our over-dependence on China and global competitors for key components. That has not only been demonstrated in our consumer and

medical goods supply chains, but in the energy sector for solar development, battery storage and demand.¹⁶

According to the Association of Oil Pipe Lines, one major pipeline construction project will employ 7,000 construction workers and generate \$400 million in salary and benefits that can help put kids through college and give families a better quality of life.

Ending our supply chain vulnerabilities and putting people back to work can happen now if only our policymakers had the courage to say no to politically motivated anti-energy groups, who lack a realistic plan to help get America back on its feet.

***Note to Readers:** This report is a national summary of select projects that are facing further scrutiny following completion, are ready to go, are nearly finished or have unfortunately been canceled because of opposition actions. To understand the cost of arbitrary delays, lawsuits, and roadblocks, each section examines the present economic hardships caused or exacerbated by COVID-19 in the related states and regions. It then explains the financial impact that delays, obstruction or cancellation of pipeline infrastructure projects can or will have on those economies, at a time when an American fiscal recovery requires more economic activity – not less.*

12 <http://www.crfb.org/blogs/how-much-covid-relief-has-been-spent-so-far?emci=2bd84f9d-9bdd-ea11-8b03-00155d0394bb&emdi=386cb4df-8ae0-ea11-8b03-00155d0394bb&ceid=131476>

13 <https://www.thestreet.com/personal-finance/average-income-in-us-14852178>

14 <https://www.energyindepth.org/oil-and-gas-workers-among-the-best-paid-in-america/>

15 <https://aopl.org/305561/Page/Show?ClassCode=Page&Slug=jobs-from-pipelines>

16 <https://www.energy-storage.news/news/coronavirus-is-bringing-to-light-cracks-in-us-infrastructure-and-supply-cha>

HOW PIPELINES CAN SPUR IMMEDIATE POST-COVID ECONOMIC RECOVERY



NEW YORK/NEW JERSEY/PENNSYLVANIA

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PIPELINES FOR AMERICA



Activism and regulatory intransigence in New York, New Jersey, and Pennsylvania against infrastructure is:

- Helping create some of the nation's highest energy prices across the region
- Risking more than \$3.5B in economic activity and more than 17,000 mostly union jobs
- Nearly \$52M/Yr in tax revenues for the three states over decades
- Blocking immediate environmental improvements by keeping higher-emitting fuels in service

New York State's regulatory intransigence and refusal to allow any new pipeline infrastructure to pass through its geography is having drastic economic effects on its own economy and that of neighboring states. New Jersey's similar politically

motivated energy policies appear to ignore the economic harm they are causing. Both states have denied opportunities for Pennsylvania's energy to reach other markets in the most affordable fashion, and are blocking billions in energy savings to consumers and industrial customers. Even more importantly, the delays and denials are removing immediate opportunities to put natural gas into service to replace higher-emitting fuels, therefore are blocking rapid environmental gains.

Note to Readers: Given the interrelated nature of the three states' energy markets and the pipeline projects analyzed, this section examines the individual states' economic and policy challenges separately first, and then catalogues the economic impacts on project-by-project basis with state-specific data broken out.

NEW YORK

After COVID-19 struck, the city that never sleeps finally slept under lockdown. As cases surged in the first three months of the pandemic, the cascade effect across the economy of New York, both city and state, was severe. In June, federal data showed the unemployment rate had risen to 15.7% from 14.5% in April, counter to the trend in many states of an April unemployment peak.¹⁷ This economic and public health hardship is compounded by the fact that New York's residential electricity rates in May were 43% higher than the national average and the highest in the country after Hawaii, Alaska, California and New England as group.¹⁸

While New York suffered, so did its neighbors in New England who saw high electricity rates in

¹⁷ <https://www.bls.gov/web/laus/laumstrk.htm>

¹⁸ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=table_5_06_a

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part because New York has refused for years to let any new and needed pipelines pass through the Empire State to the Northeast. This led directly to bottlenecks and unnecessarily higher prices similar to those found in geographically remote areas like Hawaii and Alaska. That, for example, has forced Massachusetts in the past to bring in Russian LNG to meet demand, when an ample supply of American gas is barely four hours' drive away.¹⁹

That same punishing energy policy hurts New Yorkers. The state consistently faces natural gas supply issues, which has led to service moratoria – particularly in the New York City metropolitan area and Long Island. Temporary solutions have been offered to address pipeline capacity shortfalls but the state has persistently blocked new infrastructure from being built, even if it would help lower carbon emissions and provide economic relief to families and consumers.²⁰

This refusal to build any pipeline infrastructure – but especially natural gas – on environmental and power generation grounds is confounding, since carbon emissions from the electric sector in New York are down 55% since 1999 while the use of natural gas has increased. It's also placing a large burden on downstate New York's grid, about 70% of which relies on gas.²¹

Then there is the activist-driven closure of the Indian Point Nuclear Power Plant, which provides

nearly a quarter of New York City's power now, without any replacement for its output. Then add in the looming deadlines to implement the Climate Leadership and Community Protection Act (CLCPA), an aggressive carbon emissions plan so short on implementation details that even the governor has admitted it may not be achievable, and the risk to New York's energy reliability becomes clear.²²

Carbon emissions from the electric sector in New York are down 55% since 1999 while the use of natural gas has increased.

To date, the committee working groups to develop the CLCPA have yet to be staffed and little progress has been made with one year left to submit an implementation plan.²³ The legislation requires New York to develop a plan to reduce total carbon emissions by 40% of 1990 levels by 2030 and 85% by 2050. It also mandates that New York generate 70% of its power from renewable energy resources.

In 2018, roughly 27% of that came from renewables, most of it from hydropower generation.²⁴ What many opponents of natural gas pipelines fail to acknowledge is the role it plays in providing back-up power generation that helps expand the deployment of renewable resources to empower the clean energy future the public wants.

19 https://www.washingtonpost.com/business/economy/tanker-carrying-liquefied-natural-gas-from-russias-arctic-arrives-in-boston/2018/01/28/08d3894c-0497-11e8-8777-2a059f168dd2_story.html

20 <https://www.reuters.com/article/us-natgas-williams-pipeline/new-york-denies-pa-ny-williams-northeast-supply-natgas-pipe-idUSKBN22R3FT>

21 <https://www.nyiso.com/documents/20142/2223020/2020-Power-Trends-Report.pdf/dd91ce25-11fe-a14f-52c8-f1a9bd9085c2>

22 <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-E-0302&submit=Search>

23 <https://www.eenews.net/climatewire/stories/1063366177/search?keyword=new+york+climate>

24 <https://www.nyiso.com/documents/20142/2223020/2020-Power-Trends-Report.pdf/dd91ce25-11fe-a14f-52c8-f1a9bd9085c2>

NEW JERSEY

The damage to New Jersey from the pandemic has been fearsome and sustained. The Garden State's unemployment rate rose to 16.6%, the second highest in the nation, in June, sharing neighboring New York's trend-bucking increase from the April peak.²⁵ It got so bad that the NJ Department of Labor and Workforce Development said "it had never before processed as many claims in such a short period."²⁶ That's in a state where 9% of the population was already living in poverty,²⁷ while the elderly and fixed-income families accounted for 16% of the populace.²⁸

No one in New Jersey has it easy when it comes to energy costs, either. Residential electricity prices are 19% above the national average, and are 12th most expensive in the country, according to federal data.²⁹ And bear in mind, U.S. Energy Information Administration data has shown that more than a fifth of the roughly 118 million households in the U.S. have had to forgo food or medicine to pay their energy bills.³⁰

Residential electricity prices are 19% above the national average, and are 12th most expensive in the country

"We can't ask people, residential or business customers, [suffering from impacts of the COVID-19] to pay more for an essential service like electricity right now, unless it's absolutely

necessary," a representative of New Jersey's Division of the Rate Counsel – the state body responsible for protecting consumers from high energy costs – said at a recent webinar.³¹

New Jersey is one of the most expensive real estate markets in the country and has some of the nation's highest property taxes; almost three-quarters of the homes in the state are heated by natural gas. Any change to their energy access would likely increase the already-daunting financial burden on homeowners. Over 90% of the state's electricity comes from nuclear power and gas.

Unfortunately, legislators, regulators, and policymakers in New Jersey have repeatedly pushed forward mandates and directives against pipelines and natural gas use that have made energy more expensive and less reliable.

For example, the Governor's Energy Master Plan envisioned a 100% carbon-free energy mandate that is estimated to cost \$115 billion – or nearly \$40,000 for every household in the state.³² At the same time, the State of New Jersey blocked or impeded billions of dollars in economic activity that pipelines could provide, which would cut energy bills by hundreds of millions of dollars for New Jersey consumers and reduce emissions.

This kind of activist-led policymaking appeals to a narrow interest – most led by out-of-state groups – at the expense of the overall economic health

25 <https://www.bls.gov/web/laus/laumstrk.htm>

26 <https://www.nj.com/coronavirus/2020/06/94-of-nj-unemployment-claims-are-being-paid-labor-office-says.html#:~:text=At%20the%20end%20of%20last,94%25%20have%20collected%20some%20payments.>

27 <https://www.thebalance.com/us-poverty-rate-by-state-4585001>

28 <https://www.prb.org/which-us-states-are-the-oldest/>

29 https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=table_5_06_a

30 <https://www.nature.com/articles/s41560-020-0582-0>

31 <https://register.gotowebinar.com/recording/1544180925673058822>

32 <https://njbia.org/high-cost-of-njs-energy-master-plan-deserves-a-hard-look/>

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of New Jersey. These are easy decisions to make now in a bid for re-election, but these leaders will not have to face voters when the true financial impacts become clear a few years later.

PENNSYLVANIA

As in neighboring states, the pandemic wreaked havoc on the slow but steady revival occurring in Pennsylvania. More than 2 million people have filed for unemployment, and in April, the unemployment rate topped 15%.³³ Although unemployment eased to 12.5% in June, it is still the ninth highest rate in the country.³⁴

Fortunately, the state's regulatory climate is favorable and policymakers largely view Pennsylvania's incredible energy resources as an asset to its economy. Because of this, they've supported policies that have reinvigorated communities that previously suffered from the loss of manufacturing and industry during Pennsylvania's earlier economic heydays. However, municipalities in Pennsylvania are being pushed to ban the use of natural gas and traditional fuels by small, shrill groups who are often supported by large national organizations.³⁵

Activists are ramping up opposition against pipelines and large infrastructure projects like the planned ethylene cracker facility in Western Pennsylvania, which would create the ingredients used in a myriad of consumer products, but is especially critical now for the production of PPE. It would be the single largest source of private investment in the state since World War II, and

before the start of COVID, the project had over 8,000 workers on site before it had to shut down.

The petrochemical sector has also sparked over \$300 billion in new U.S. investment, with nearly 70% of that economic growth coming back to the U.S. from overseas markets primarily because of America's abundant and affordable energy supply and pipeline infrastructure.³⁶

The petrochemical sector has also sparked over \$300 billion in new U.S. investment, with nearly 70% of that economic growth coming back to the U.S. from overseas markets

Yet, despite this proven economic growth due to energy development, states like New York and New Jersey have actively used their permitting processes to stop pipeline infrastructure originating in Pennsylvania. This type of policymaking in neighboring states has led to higher energy costs and lost savings for families, seniors and small businesses—especially in eastern Pennsylvania—and denied the state thousands of new jobs and millions in local tax revenue that would help alleviate the current economic pain being felt across so many communities.

NORTHEAST SUPPLY ENHANCEMENT PROJECT

The Northeast Supply Enhancement Project is a \$1 billion investment—now on hold—to boost existing pipeline infrastructure and increase service capacity

33 <https://www.post-gazette.com/business/money/2020/06/15/Pennsylvania-extended-benefits-unemployment-Pandemic-Emergency-Unemployment-Compensation-coronavirus-COVID-19/stories/202006150077>

34 <https://www.bls.gov/web/laus/laumstrk.htm>

35 <https://stateimpact.npr.org/pennsylvania/2017/01/09/pa-environmental-groups-join-forces-to-increase-advocacy/>

36 CEA Appalachian Basin Petrochemical Update Briefing, June 2020. <https://www.youtube.com/watch?v=5B8QI96Oe1Y>

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to meet consumer demand in the northeast and parts of New York City and Long Island.

Unfortunately, the project's permits have been denied by New York and New Jersey regulators despite the fact it would have solved the supply constraints in the New York City area and created significant environmental benefits. If the project had gone forward, it would have removed the carbon emissions equivalent of a half-million vehicles. The design and construction of the project would create roughly \$327 million in additional economic activity for the states of New Jersey, New York, and Pennsylvania, according to a study by Rutgers University's Bloustein School of Planning and Public Policy.³⁷ The research estimated that the project would supply an estimated 3,186 direct and indirect jobs worth \$234 million in labor income. It could have also helped New York make it almost 10% of the way to its clean energy goals by displacing higher-emitting fuels.³⁸

Below is a state-by-state breakdown of the benefits that could have been put in place:³⁹

New Jersey

- Economic Activity: \$239.9 million
- Jobs: 2,411 direct and indirect jobs
- Labor Income: \$171.9 million
- State and Local Tax Revenue: \$16.4 million

New York

- Economic Activity: \$23.7 million
- Jobs: 276 direct and indirect jobs
- Labor Income: \$16.6 million
- State and Local Tax Revenue: \$2.3 million

Pennsylvania

- Economic Activity: \$63.6 million
- Jobs: 499 direct and indirect jobs
- Labor Income: \$45.6 million
- State and Local Tax Revenue: \$3.9 million

Customer Savings

- According to an analysis by the company, NESE could have saved residential customers 65% on their utility bills and up to \$2,300 on home heating.⁴⁰
- An average commercial or industrial customer could have saved up to \$36,000 a year.⁴¹

Environmental Benefits

- The planned project was located in states with some of the most stringent carbon emissions requirements in the country.
- If delays ended, the project could reduce carbon emissions by 200,000 tons per year, which is the equivalent of taking 500,000 cars off the road.⁴²

PENNEAST PIPELINE

The PennEast Project is roughly a 120-mile long pipeline project that originates in Pennsylvania and would provide 1 billion cubic feet of natural gas per day for families and customers in the eastern part of the state and New Jersey. It would generate roughly \$1.6 billion in economic activity and had it been built, it could have saved customers over \$1.3 billion in energy costs in just two winters.⁴³

37 <https://bloustein.rutgers.edu/transco-gas-pipeline-will-bring-jobs-to-middlesex-county-study-says/>

38 <https://www.williams.com/2018/10/30/highlighting-the-benefits-of-the-northeast-supply-enhancement-project/>

39 <https://northeastsupplyenhancement.com/wp-content/uploads/2017/06/FINAL-Williams-NESE-Analysis-5-24-2017.pdf>

40 <https://northeastsupplyenhancement.com/the-projects/project-benefits/>

41 Ibid.

42 <https://northeastsupplyenhancement.com/home/about-the-project/>

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Yet it has been blocked at every turn by activists who refuse to look at the economic benefits and the environmental improvements it could offer.

These include:

New Jersey⁴⁴

- Economic Activity: \$210 million
- Jobs: 2,870
- Labor Income: \$200 million
- State and Local Tax Revenue: \$6.4 million
- Energy Savings: \$549 million

Pennsylvania⁴⁵

- Economic Activity: \$520 million
- Jobs: 9,290
- Labor Income: \$540 million
- State and Local Tax Revenue: \$11.1 million
- Energy Savings: \$779 million

The project would strengthen American energy self-sufficiency by creating a pathway northward for abundant natural gas from the Marcellus shale formation in Pennsylvania. The benefits would include:

- Economic Activity: \$931 million
- Jobs: 1,680
- State and Local Tax Revenue: \$11.8 million

NORTHERN ACCESS PIPELINE

The roughly 100-mile long project would bring stable and affordable supplies of natural gas in Pennsylvania into New York to help meet consumer demand and lower energy costs in the Empire State, as well as the Midwest and Canada. Despite the nearly \$1 billion in economic activity it could create now, New York regulators denied a water quality permit and denied Western New York municipalities revenue for schools, roads and bridges as well over 1,600 jobs, the vast majority of which would be skilled union workers from Buffalo, Niagara and Southwestern trade unions.⁴⁶

43 https://penneastpipeline.com/wp-content/uploads/2018/05/PennEast_Concentric_Update_FINAL_4-24-2018.pdf

44 <https://penneastpipeline.com/DrexelEconomicStudy/>

45 *Ibid.*

46 <https://www.natfuel.com/pipelineandstorage/supply/NorthernAccess2016/NA%20Project%20Update%20January%202017.pdf>

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VIRGINIA/WEST VIRGINIA/NORTH CAROLINA



The Actual or Potential Economic Harm to Virginia, West Virginia and North Carolina Includes:

- \$2.7B in economic activity, \$7.5B in projected energy savings & 17,000 jobs already lost
- Destruction of decades of annual tax revenue of more than \$31M/Yr
- Mountain Valley Pipeline's \$4.6B investment, 10,000 jobs still at risk

Activists have put at risk – or already destroyed – billions of dollars in economic activity by employing contorted legal theories and endless delay tactics against the pending Mountain Valley Pipeline and the now-canceled Atlantic Coast Pipeline (ACP). Their anti-energy activism created enough higher costs and uncertainty to force the latter project's cancellation. In doing so, these actions led to the

destruction of billions in investment, hundreds of million in future tax revenue and at least 17,000 jobs.

CURRENT ECONOMIC CHALLENGES

COVID-19 nearly quadrupled Virginia's unemployment, peaking at 11.2% in April. Though Virginia has fared better than other states, the pandemic has hobbled a strong economy. To put it in perspective, consider that the number of job losses from February to April 2020 exceeded all the job gains in Virginia over the past decade.⁴⁷

Although the Old Dominion's residential electricity rates are near the national average, sweeping and far-reaching legislation considered and passed during the 2020 session will significantly hit energy budgets of families and businesses in the state. According to analysis by the Virginia Corporation Commission, these new legislative mandates will, at minimum, increase annual residential electricity bills by almost 20% in just a few years.⁴⁸

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Against this backdrop, anti-energy activist groups have waged a continual war against pipelines in the Mid-Atlantic, working to stop the now-canceled ACP and the pending Mountain Valley Pipeline through non-stop litigation and delay tactics.

⁴⁷ https://www.richmond.com/business/virginia-unemployment-rate-improves-to-9-4-percent-in-may-but-pandemic-effect-remains-deep/article_ebbd5def-826b-512f-b01e-25a34f692890.html

⁴⁸ <https://assets.documentcloud.org/documents/6807035/VA-SCC-HB-1526-SB-851-Bill-Impact.pdf>

One notable attempt tried to bend clear and existing federal law to stop the ACP from crossing the Appalachian Trail, despite the fact that dozens of other pipelines already cross it and the use of modern engineering technologies would have left the trail undisturbed during construction. The stretched legal theory cropped up after the project cleared exhaustive federal permitting reviews.

Fortunately, the Supreme Court rejected the argument in a resounding 7-2 decision in favor of the pipeline. Had the activists succeeded, the Appalachian Trail would have become a 2,000-mile plus barrier stopping the area of the country east of the trail from connecting with energy infrastructure to the west of it. The Supreme Court victory proved hollow, however. The ACP's developers canceled the project because of increased regulatory uncertainty and higher costs – driven higher by delays and litigation.

While many anti-energy groups claim this as a win, be sure that it is not. Traditional energy, especially natural gas, will be needed and used far into the future to meet underserved regions across Virginia and the Mid-Atlantic that need service, and to maintain grid reliability. The tactics activists use to stall and delay are in service of a strategy to make projects more expensive, which renders them either financially infeasible to develop or increases the cost to consumers when completed. Either way, this risks the public's access to affordable, reliable energy.

ATLANTIC COAST PIPELINE

Beyond the cost to consumers and their energy access, there is a higher price to Virginia, West Virginia and North Carolina caused by this activist strategy. The ACP would have injected over \$2.7 billion in new economic activity into West Virginia, Virginia and North Carolina, and created more than 17,000 construction jobs, more than \$28 million in annual local tax revenue and kept consumer costs low for years.⁴⁹ The 600-mile project was planned to start in West Virginia, a state just turning the corner and leading the nation with the highest GDP growth, and finish in the southeastern part of North Carolina, an area that has faced significant economic hardship for generations – even before the latest economic downturn. This, all while the state remains fourth in electricity consumption, of which, 33% is generated from natural gas.⁵⁰

This is a conundrum for utilities in the region, particularly those in North Carolina and Virginia that desperately need additional gas to serve customers, heat homes and supply growing industries. Over the next 20 years, the ACP was projected to generate \$7.5 billion in energy savings, \$2.6 billion in labor income and \$4.4 billion in gross state product to Virginia and North Carolina.⁵¹ All that is gone now, thanks to opposition tactics that dragged out legal proceedings,⁵² resulting in extended delays and cost overruns that led to this significant loss for families, manufacturers, farmers and small businesses across the region.

⁴⁹ <https://atlanticcoastpipeline.com/>

⁵⁰ <https://www.eia.gov/state/?sid=NC>

⁵¹ <https://energysure.com/the-facts/making-our-region-energy-sure.aspx>

⁵² <https://energysure.com/news/2019/4/10/listen-david-butterworth-of-pipe-fitters-union-blasts-activist-judges-for-lost-jobs.aspx>

VIRGINIA/WEST VIRGINIA/NORTH CAROLINA

PIPELINES FOR AMERICA

The impact on each state from these misguided actions includes:

North Carolina

- Jobs Lost: 4,400
- State and Local Tax Revenue Lost: \$12.8 million annually

Virginia

- Jobs Lost: 8,800
- State and Local Tax Revenue Lost: \$8.8 million annually

West Virginia

- Jobs Lost: Over 3,000
- State and Local Tax Revenue Lost: \$10 million annually

- State and Local Tax Revenue: \$34 million
- Energy Savings: \$5.6 million annually⁵⁴

West Virginia

- Economic Activity: \$811 million
- Jobs: 4,500
- State and Local Tax Revenue: \$47 million

North Carolina

- Economic Activity: \$113 million
- Jobs: 1,130
- State and Local Tax Revenue: \$9.7 million

MOUNTAIN VALLEY PIPELINE

The \$4.6 billion project will move 2 billion cubic feet of natural gas into Virginia and the Southeast. The 300-mile project has been approved by federal regulators and would create roughly 10,000 jobs paying an estimated average income of \$56,200 in Virginia, and \$49,300 in West Virginia.⁵³ A 75-mile extension is planned into Alamance and Rockingham Counties in North Carolina with a capital expenditure of \$468 million is underway but faces activist roadblocks.

What follows is a state-by-state breakdown of what's at risk:

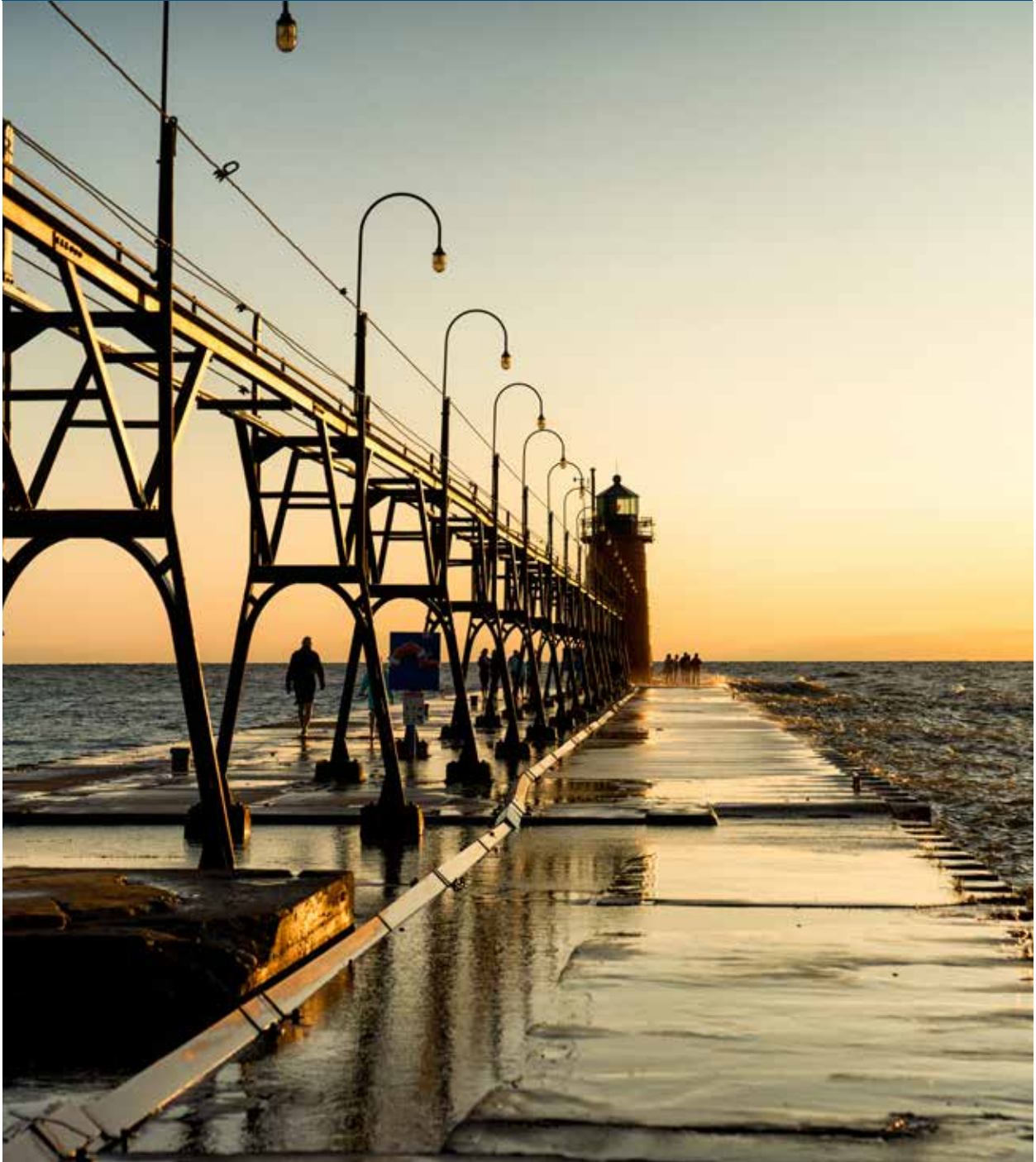
Virginia

- Economic Activity: \$407 million
- Jobs: 4,400

⁵³ <https://www.mountainvalleypipeline.info/local-summaries/>

⁵⁴ https://www.roanokecountyva.gov/DocumentCenter/View/6192/12-10-2014-Mountain_Valley_Pipeline_Virginia_Report?bidId=#:~:text=Ongoing%20operation%20and%20maintenance%20of,second%20area%20of%20operational%20benefits

HOW PIPELINES CAN SPUR IMMEDIATE POST-COVID ECONOMIC RECOVERY



MICHIGAN

MICHIGAN

PIPELINES FOR AMERICA



Blocking the Line 5 Tunnel Project Would:

- Destroy \$5.4B a year in economic activity in Southeast Michigan, Ohio
- Put the environment at risk with 2,000 trucks or 800 rail cars out every day to carry the same energy
- Raise Michigan's already higher-than-average energy costs
- Eliminate almost two-thirds of the Upper Peninsula's propane supply

Michigan is facing a daunting economic recovery from COVID-19, but persistent, politically-motivated actions against the Line 5 upgrade are stalling a \$500 million private investment that could contribute immediately to the economy. What's more, the stall tactics are part of a campaign that could drastically raise energy prices for Michigan families, farmers and small businesses, and kill

off \$5.4 billion in annual economic activity in Southeast Michigan and Ohio – at a time when the state's leaders should be courting more of investment and spending.

CURRENT ECONOMIC CHALLENGES

The State of Michigan remains one the hardest-hit from the COVID-19 pandemic. Not only did it experience a massive public health crisis in the spring, but the lockdown persisted and the phased reopening stalled, creating a surge in the unemployment rate to over 21% – the third highest in the country.⁵⁵ Fortunately, it receded to 14.8% in June, but was still the sixth highest in the nation.

The economic shutdown hammered most of the state's traditional manufacturing base, including the auto industry.⁵⁶ Many plants closed, while others struggled to reopen given the disarray in global supply chains.

Family-owned businesses, like the Michigan Maple Block Company, which opened in Petoskey in 1881, closed their doors for good, and now only has operations in states with cheaper energy costs.⁵⁷ And Michigan's tourism industry, which supports one out of every 16 jobs in the state and makes most of its money in the summertime, spent this year in survival mode.⁵⁸

Adding insult to injury, Detroit's newly remodeled Metro Airport saw a more than 94% decrease in daily traffic at the height of the pandemic and has been slow to rebound. Factor in additional

⁵⁵ <https://www.marketwatch.com/story/unemployment-rate-falls-in-43-states-in-may-but-still-tops-20-in-nevada-michigan-and-hawaii-2020-06-19>

⁵⁶ <https://www.brookings.edu/blog/the-avenue/2020/06/04/why-covid-19-hit-michigan-so-hard/>

⁵⁷ <https://www.wsj.com/articles/factories-close-for-good-as-coronavirus-cuts-demand-11589122800>

⁵⁸ <https://www.cbsnews.com/news/michigan-tourism-coronavirus-pandemic-survive/>

MICHIGAN

PIPELINES FOR AMERICA

layoffs, a wave of early retirements, home losses, and people already struggling to pay their bills and we've far surpassed the ingredients for an economic disaster.

With Michigan's residential electric rates already more than 20% above the national average, it makes this current economic malaise even harder on the population of the state, where the median household income is just shy of \$55,000 a year. It's even worse for those with low or fixed incomes and those living paycheck-to-paycheck.⁵⁹

WHAT'S AT RISK NOW

Unfortunately, there is even more uncertainty about Michigan's energy future and it is putting at risk more than half a billion barrels of energy that is now delivered every day. Legal and political wrangling is stalling implementation of an existing bipartisan solution for Michigan's energy consumers, approved more than two years ago, which will replace existing pipeline under the Straits of Michigan with a new state-of-the-art tunnel.

Following the independent Michigan Petroleum Pipeline Task Force's Dynamic Risk Report in 2017 and bipartisan approval of legislation authorizing the upgrade in the state legislature, the current administration of Gov. Gretchen Whitmer, through Attorney General Dana Nessel, sued to stop the pipeline and its operators with two cases. Their first effort reviewing the constitutionality of the legislation lost in both the lower court and the court of appeals, while the second involving the

line's easement is ongoing. The administration also requested an emergency injunction to shut down the line, which was lifted.

These delay tactics are wasting millions in taxpayer dollars and increasing project costs – which can be avoided to save Michiganders from suffering from needlessly higher energy prices. Line 5 fuels families, truckers, farmers and local economies and brings 65% of the Upper Peninsula's propane supply, crucial for the biting winters. Michigan is among the top five states in residential petroleum use and the top residential consumer of hydrocarbon gas liquids, which is mostly propane, according to the U.S. Energy Information Administration. After months of trying to identify an alternative, the state keeps creating taskforces to search in vain for an energy source to somehow replace Line 5, something which homes, businesses, factories and fleets are already configured to use.

These delay tactics are wasting millions in taxpayer dollars and increasing project costs – which can be avoided to save Michiganders from suffering from needlessly higher energy prices.

Traditionally, government task forces are an elaborate way to delay while creating the impression of action. The current Administration's task force has yet to come up with viable alternatives to Line 5, risking 14.7 million gallons of transportation fuel, 756,000 gallons of propane to the UP, and a loss of \$5.4 billion in annual

⁵⁹ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

economic output to southeast Michigan and Ohio, which also rely on the pipeline for some of their energy needs.⁶⁰

Here is a fact: The only way to meet the Upper Peninsula's and the rest of Michigan's energy needs without Line 5 would be to put the energy equivalent of Line 5 onto 2,000 trucks or 800 railcars every day, which would add significant traffic to roads and rail lines through communities, and increase the very emissions the state is hoping to avoid.⁶¹

LINE 5 TUNNEL PROJECT

Line 5 has been safely operating for over 60 years with recurring engineering and safety upgrades to ensure it can provide Michigan with 55% of its propane and 30% of the feedstock for refineries to make gasoline, diesel, and jet fuel. The remainder is developed into byproducts used for consumer goods. Like any piece of infrastructure, it needs upgrades and maintenance. It is well past time to modernize Line 5, since it's a key part of a 645-mile system that moves 540,000 barrels of energy a day.

The Line 5 upgrade is a wholesale change that will entomb the pipeline segment that is now anchored to the lakebed inside a tunnel 100 feet below the bottom of the lake in solid bedrock. Just to be sure, the new pathway for the dual-line pipeline will be reinforced with concrete and constructed using state-of-the-art boring technology to reduce environmental risks to the Straits. The project will be a \$500 million private

investment, employ up to 350 people in local labor, and utilize revolutionary technology and materials for enhanced safety and efficiency.

With almost 1.5 million Michiganders out of work⁶² and 14.1% living in poverty, people across the state desperately need new economic opportunities to shore up family budgets and improve business bottom lines. The Line 5 project can help affordably fuel many of them.

60 https://www.enbridge.com/~media/Enb/Documents/Factsheets/FS_Without_Line5_econ_impact.pdf

61 <https://consumerenergyalliance.org/cms/wp-content/uploads/2020/08/MI-Pipeline-Report.jpg>

62 https://ycharts.com/indicators/michigan_unemployment_rate

HOW PIPELINES CAN SPUR IMMEDIATE POST-COVID ECONOMIC RECOVERY



MINNESOTA



Opposition to Line 3 Replacement Project Threatens:

- \$35M/Yr in new tax revenue on top of current \$30M/Yr
- \$2B billion in economic activity, \$162M in local construction-related spending
- 8,600 jobs worth \$167 million in payroll

The Line 3 modernization is once again stalled by an appeal filed by the state agency charged with spurring Minnesota's economic development, but which instead has aligned with anti-energy activists who oppose the essential upgrade to infrastructure that has served the state for over 50 years. This latest legal salvo is confounding given the ready spending and jobs it can create immediately, and especially since it has faced

the most extensive, exhaustive environmental review in state history.

CURRENT ECONOMIC CHALLENGES

Although below the national average, Minnesota hit its highest-ever recorded unemployment rate in May 2020 at 9.9%.⁶³ Working families and those struggling to get by have been hit the hardest like many other areas of the country.

An analysis by IHS Markit found that half of all African-American workers in Minnesota lost their jobs during the pandemic.⁶⁴ The harmful ripple effects have bled into the workforces of non-profits as well. Nearly a third of non-profit workers have lost their jobs, with charitable giving declining by \$1 billion just in the month of April, according to a study by the Minnesota Council of Nonprofits.⁶⁵

Like most of the rest of the country, tourism and events in the Twin Cities have also been hard hit. Nearly 50% of all events at St. Paul's RiverCentre have been postponed or canceled, along with the traditional sports seasons for the state's professional teams.⁶⁶ And after 27 years in business, the Wabasha Street Caves will be shutting its doors for good, putting an end to a historic destination that began as a silica mine and later served as a speakeasy nightclub and hideout for gangsters in the 1930s and '40s.⁶⁷

The cascade effect has tremendously hurt restaurants, small businesses, and retailers that are struggling to survive. Scores of restaurants

63 <https://www.bizjournals.com/twincities/news/2020/06/18/minnesota-unemployment-rate-may-2020.html>

64 <https://www.startribune.com/half-of-black-workers-in-minnesota-have-lost-work-during-pandemic/571820441/>

65 <https://www.startribune.com/about-a-third-of-all-nonprofit-workers-in-minnesota-have-filed-for-unemployment-during-covid-19/571796602/>

66 <https://minnesota.cbslocal.com/2020/06/25/covid-19s-impact-on-the-twin-cities-economy-is-causing-ripple-effects/>

67 <https://www.twincities.com/2020/05/16/wabasha-street-caves-st-paul-closing-in-november-another-victim-of-the-coronavirus-pandemic/>

have announced they will never reopen. With sales off more than 50%, restaurant owners like Hector Ruiz are paying themselves less than minimum wage just to keep their staff employed.⁶⁸

Given these ongoing challenges, it is perplexing to consider the continued, persistent push to delay and obstruct critical pipeline replacement projects that could instantly reinvigorate economic activity. Coupled with harmful proposed electrification mandates, which remove choices for families and businesses and will increase costs, it begs the question of whether Minnesotans can afford higher prices amid all this economic uncertainty.

Coupled with harmful proposed electrification mandates, which remove choices for families and businesses and will increase costs, it begs the question of whether Minnesotans can afford higher prices amid all this economic uncertainty.

LINE 3 REPLACEMENT PROJECT

Line 3 in Minnesota is over 50 years old and needs modernization to 364 miles of it spanning three states. With all necessary permits in North Dakota approved and replacement construction complete in the Wisconsin segment, Line 3 continues to face unnecessary delays in Minnesota. Out-of-state anti-energy groups keep litigating endlessly with the sole purpose of

delaying and driving up costs. Activists use child protesters and instigators as a way to stall the project by making the clearly false argument that Minnesota's economy does not need the energy; energy, in fact, that it uses every single day. To the further detriment of the public, they have aligned with the very state agency charged with promoting economic development, a dynamic that requires affordable, reliable energy. The Department of Commerce in August filed another appeal, after Line 3 has undergone the most extensive review in state history – lasting six years, incorporating 70 public hearings, and creating over 13,500 pages of expert environmental analysis.

Line 3 has literally kept Minnesota's economy moving for 52 years, by transporting oil to two in-state refineries, and helping neighboring states feed their refineries, too. What comes back from them is the gasoline, diesel, and jet fuel that supports Minnesotans' daily lives, their ability to travel, and more importantly, the agricultural base, manufacturing and tourism.

Unlike other professions, farming has always been a calling fraught with challenges from nature to foreign markets. Energy costs can make or break a farmer's ability to keep working the land. Energy is necessary to run generators, tractors, and other farm implements, and it makes the fertilizer that helps bring crops to market.

Farmers' cash expenses for total energy consumption run anywhere between 28%-52% of their expenditures, depending on the

MINNESOTA

PIPELINES FOR AMERICA

crop, according to the USDA.⁶⁹ With economic hardships falling especially hard on our dairy farmers, keeping energy costs low is essential for a healthy agriculture sector and the overall Minnesota economy.⁷⁰

Look at manufacturing, which is the largest contributor to Minnesota's gross domestic product and is part of the industrial base that uses a third of the state's energy.⁷¹ Manufacturing creates 324,000 jobs and contributes more than \$52.7 billion a year to the economy, and its competitiveness relies on stable, affordable energy.⁷² Delaying Line 3 puts that reliability, which every business needs to forecast and plan, into jeopardy.

The jet fuel Line 3 carries makes it possible for more than 400,000 takeoffs and landings to occur every year at Minneapolis-St. Paul International Airport. In 2017, a record 38 million passengers and tourists traveled through it. That supports 86,900 jobs and generates \$15.9 billion in total economic output for the Twin Cities metropolitan area.⁷³

Contrary to opposition opinions, the updates to the existing pipeline's path with new, larger-diameter steel pipe will improve public safety, while minimizing disruptions to farmland and local indigenous religious sites. Creating even further goodwill with the public, the operator created funds to cover the cost of taking Line 3 out of service in the future, and changed parts of the route to accommodate the requests of

important stakeholders, including Minnesota's indigenous populations.

Regardless of the delays, the \$2.9 billion project continues to receive strong support from the State Public Utilities Commission after the lengthy review process.

Now, with economic difficulties, a collapse in tourism and the unemployment rate at 8.6%,⁷⁴ building Line 3 could bring stable funding for public services through property tax revenue, which will expand by \$35 million in the first year of operation from the current more than \$30 million a year.⁷⁵ Additionally, it could provide \$2 billion in economic activity and 8,600 jobs that would generate \$167 million in payroll and \$162 million in construction-related spending locally⁷⁶ – giving the state a shot in the arm, and people the dignity of a hard day's work.

⁷⁰ <https://extension.umn.edu/news/minnesota-dairy-farmers-covid-19-presents-another-hurdle>

⁷¹ <https://www.eia.gov/state/?sid=MN#tabs-2>

⁷² <https://mn.gov/deed/ed/minnesota-industries/manufacturing/overview/>

⁷³ <https://www.mspairport.com/news-and-media/news/msp-international-airport-sets-new-passenger-record-2017#:~:text=In%202017%2C%20a%20record%2038%2C034%2C341,37%2C604%2C373%20was%20set%20in%202005.>

⁷⁴ <https://www.bls.gov/web/laus/laumstrk.htm>

⁷⁵ <https://www.enbridge.com/projects-and-infrastructure/public-awareness/minnesota-projects/line-3-replacement-project>

⁷⁶ Ibid

HOW PIPELINES CAN SPUR IMMEDIATE POST-COVID ECONOMIC RECOVERY



MONTANA, SOUTH DAKOTA, NEBRASKA, IOWA, ILLINOIS



DAKOTA ACCESS OPTIMIZATION

Shutdown of Pipeline May:

- Add \$1 billion/Yr to farmers' costs as oil demand drives rail car prices up
- Risk higher gasoline, diesel and jet fuel prices for upper Midwest
- Set a dangerous precedent by undermining integrity of finalized reviews

DAKOTA ACCESS

This proposed project will add three new pumping stations along the route of the Dakota Access Pipeline, increasing its power to pump more energy from the Bakken region of North Dakota. The three new stations are planned

for Illinois, North Dakota, and South Dakota to help maintain pressure and volume flows along the line. Once again, activists are opposing the project, particularly in Illinois, at a time when the state has the seventh-highest unemployment rate – 14.6% – because of COVID-19.⁷⁷ The pipeline owner estimates 700 jobs will be created through the construction of the pump stations and the needed electrical infrastructure upgrades to accommodate the new horsepower.⁷⁸

Enhancing the capacity of existing pipeline infrastructure like Dakota Access is essential to being responsible stewards of our shared environment. Without capacity enhancements to existing infrastructure, it would be necessary to develop new pipelines along new routes. Although state and federal regulators enforce rigorous environmental safeguards, it remains a fact that fewer environmental disturbances occur when existing infrastructure is upgraded. It bears noting that pipelines remain the safest way to transport energy, with a 99.9% safety record, according to federal government data.⁷⁹

At the same time, a federal judge is trying to force a new, years-long federal environmental permit review process onto the Dakota Access Pipeline almost three years after it began operations. If this ruling were to move forward, nearly half of the production in the Bakken would be stranded, and consumers, motorists, and fuel markets in the Midwest would lose over a half-million barrels per day of vital energy including gasoline, diesel and jet fuel.

⁷⁷ <https://www.bls.gov/web/laus/laumstrk.htm>

⁷⁸ <https://daplpipelinefacts.com/Updates.html>

⁷⁹ <https://www.phmsa.dot.gov/data-and-statistics/pipeline/data-and-statistics-overview>

However, we can look to the pre-Dakota Access days to see how oil from North Dakota reached energy consumers – by train. Railroads are already planning for a return to oil delivery by rail.⁸⁰ Due to this, we will see a return of the harmful impacts this mode of transportation had on farmers across North Dakota. It is estimated that shutting down Dakota Access will cost farmers up to \$1 billion in additional transportation costs each year as oil shipments by rail increase the competition for corn crops on rail lines.⁸¹ Since 2013, over half of all family farms have lost money, farm debt has reached a record high, and as a result, mental health issues are devastating many agricultural communities.⁸²

KEYSTONE XL EXPANSION

Failure to Move Ahead:

- Will destroy \$3.4 billion in investment, 10,400 jobs and \$55 million in local tax revenue/Yr
- Force U.S. to take a half-million barrels of oil a day from countries like Venezuela
- In just one town, revenue would have taken half the cost of a new school off residents' taxes

The Northern leg of the Keystone XL project would deliver over 830,000 barrels per day of fuel and create \$8 billion in economic investment. The project has been under federal review and litigation for more than a decade and has undergone six comprehensive scientific reviews led by the U.S. State Department. In August 2011, the Obama Administration's State Department exhaustive environmental impact statement – involving

eight federal departments, 10 federal agencies, and consultations with nearly 70 Tribes – found the project “wouldn't add significant amounts of greenhouse gas emissions to the atmosphere” or have long-term harmful environmental impacts.

Regardless of the findings, the northern half of the project continues to be blocked by litigation, and a judge in Montana recently issued a blanket injunction for any project like Keystone XL that uses an Army Corps of Engineers Nationwide 12 Permit. This permit is used to build roads, bridges, and even broadband cable rights-of-way.

While the endless litigation continues, here's what consumers, families and small businesses are being denied:

- Economic Impact: \$3.4 billion
- Jobs: 10,400
- Local Tax Revenue: Over \$55 million in year one of the project⁸³

This political delay has resulted in rural towns across Keystone XL's route losing local tax revenue, but more importantly, residents are being denied opportunities that are now all but lost. Here is the impact from just one town: In 2013, residents of Glasgow, Montana, approved bonds for a new elementary school that would have been backed by tax revenue from the completed pipeline. Had it been finished, the revenue from Keystone XL would have cut the portion of the construction costs borne by residents in half.⁸⁴

More than providing economic benefits, Keystone

80 <https://www.reuters.com/article/us-usa-pipeline-energy-transfer-rail/dakota-access-pipeline-shutdown-may-revive-oil-by-rail-industry-idUSKBN2472V5>

81 <https://www.agweb.com/article/why-canceling-pipeline-projects-could-cost-farmers-1-billion>

82 <https://time.com/5736789/small-american-farmers-debt-crisis-extinction/>

83 <https://www.tcenergy.com/siteassets/pdfs/oils-and-liquids/keystone-xl/keystone-xl-project-overview.pdf>

84 <https://mainstreetmontanaproject.com/wp-content/uploads/2019/03/Growth-Policy-1.pdf>

XL is a strategic element of U.S. foreign policy. It will further insulate American energy consumers from foreign governments that demonstrated, at the outset of the COVID-19 crisis, their willingness to manipulate energy markets to damage America's energy self-sufficiency.⁸⁵ After decades of this kind of dependency, America has the power to fend it off and Keystone XL will bolster it by reducing our trade with OPEC+ nations.

American refineries along the Gulf Coast are designed to process heavy crude oil, more than 500,000 barrels a day of which come via supertankers from Venezuela. With the tumult and sanctions placed on Venezuela for human rights abuses, American refiners are left with few options to procure it. Keystone XL was specifically designed to transport heavy crude from our long-standing ally Canada. If it were in service, not only would we have a secure source of energy, but the United States would have better foreign policy options and insurance against geopolitical machinations.⁸⁶

⁸⁵ <https://www.cnbc.com/2020/03/08/oil-plummets-30percent-as-opek-deal-failure-sparks-price-war-fears.html>

⁸⁶ <https://www.japantimes.co.jp/news/2019/02/06/business/trump-squeezes-texas-refineries-venezuela-sanctions-amid-keystone-pipeline-impasse/>

HOW PIPELINES CAN SPUR IMMEDIATE POST-COVID ECONOMIC RECOVERY



LOUISIANA

LOUISIANA

PIPELINES FOR AMERICA



If Bayou Bridge Opponents Had Succeeded:

- Louisiana would have lost \$17.8 million in sales tax
- Over \$420 million in payroll for 2,500 construction jobs would have evaporated
- Nearly \$35 million would not have been spent for materials from Louisiana firms

Louisiana is one of America's oil and gas hubs, making it a favorite target of anti-energy activists who don't concern themselves with the economic impact and costs to consumers their actions can cause. Fortunately, the state avoided that kind of problem with the successful building of the Bayou Bridge pipeline, but 28 similar infrastructure projects underway will be forced to run a similar gauntlet before they can bring tangible, job-creating economic benefits to Louisiana in a time of need.

CURRENT ECONOMIC CHALLENGES

The pandemic hit Louisiana from two directions. One blow came from the public health side, making the state among the worst-hit in the first wave of infections. The second came from the economic fallout.

Louisiana's economy was the second hardest hit in the country with businesses in all parts of the state directly affected by the shutdown and workers having limited ability to carry out their jobs remotely.⁸⁷ And that happened in a state where 18.6% live in poverty already – well above the national average – and the median household income is \$47,942.⁸⁸

And it has hurt Louisiana's African-American population disproportionately. In April and May, 40% of the unemployed were African-Americans, although they are less than a third of the total workforce.⁸⁹

Fortunately, the state's unemployment rate is starting to decline, landing at 9.7% in June, versus a peak of 15.1% in April.

Louisiana's energy policies offer good solutions for families and businesses. The state already has very low residential electric rates – almost 43% below the national average – and a regulatory climate that promotes energy infrastructure, regulatory transparency and sensible energy and environmental policies.⁹⁰

87 <https://wallethub.com/edu/state-economies-most-exposed-to-coronavirus/72631/>

88 <https://www.census.gov/quickfacts/LA>

89 <https://www.labudget.org/2020/06/race-unemployment-and-covid-19-in-louisiana/>

90 https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

Unfortunately, even the pandemic and unemployment have not deterred activists from trying to shut down or protest one of the state's 28 natural gas infrastructure projects, many of which will help supply American's burgeoning LNG exports. Anti-energy activists appear to have no concern that their activities could harm Louisianans or the financial and environmental health of the country by slowing economic recovery even further.

And they do not stop, even after infrastructure is up and running safely, and built in accordance with the highest environmental and safety standards in the world – exactly how Bayou Bridge was built.

Even the pandemic and unemployment have not deterred activists from trying to shut down or protest one of the state's 28 natural gas infrastructure projects

BAYOU BRIDGE

Although the Bayou Bridge pipeline is now complete, had activists succeeded, they would have destroyed \$17.8 million in sales tax from the project, \$420 million in payroll for 2,500 construction jobs and eliminated the addition of permanent jobs that average \$77,000 in annual salary. That is nearly \$30,000 more than the median Louisiana income.⁹¹

Still, in late March of 2020, a federal judge ruled against activist groups that were still trying to shut down the recently completed Bayou Bridge project. Nearly 90% of the project ran in parallel to the right-of-way of existing infrastructure corridors, creating minimal disruption to other land. Bayou Bridge was built with Louisiana-made pipe.⁹² The groups petitioned the court in a federal challenge, weaponizing the National Environmental Policy Act, Clean Water Act, and other laws to demean the work done by the U.S. Army Corps of Engineers. The judge ruled in favor of the pipeline.

Again, had these groups been successful, it would have shut off access to approximately 480,000 barrels of domestic energy for Louisiana families and businesses and the economic opportunity it creates. Energy overall in Louisiana generates a staggering \$20.5 billion in household income across the state and \$2.9 billion into the state treasury.⁹³

That's what is really at stake when activists attack infrastructure – jobs, continuing economic benefit, the affordable energy prices that benefit Louisianans, and ultimately the very environment they claim to protect.

91 <https://bayoubridge.com/docs/BBP-Economic-Benefits-7-19-18.pdf>

92 https://bayoubridge.com/docs/Bayou_Bridge_fact_sheet_2-1-19.pdf

93 <https://bayoubridge.com/>