

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115

Majority (202) 225-2927
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February 2, 2012

Mrs. Deborah Hohlt
7901 Kent Road
Alexandria, VA 22308

Dear Mrs. Hohlt:

According to lobbying disclosure documents filed with the U.S. Senate, you were retained by the State of Indiana to lobby regarding the proposed Keystone XL pipeline. I am writing to request a briefing in order to better understand the State of Indiana's interest in Keystone XL.

On January 24, 2012, in responding to President Obama's State of the Union address, Indiana Governor Mitch Daniels criticized President Obama's recent decision to deny a permit for the proposed Keystone XL oil pipeline.¹ I have subsequently learned that in the fourth quarter of 2011 you received \$50,500 in state taxpayer funds as a lobbyist for the State of Indiana, including for lobbying related to Keystone XL.² This seems unusual as the State does not have an obvious interest in seeing the Keystone XL project constructed. The proposed route for the Keystone XL pipeline does not pass through the State of Indiana, nor does it come close to the State's borders; the nearest the proposed route would approach would be hundreds of miles away in Nebraska and Kansas.³ Indiana facilities would not have access to the pipeline,

¹ Governor of Indiana Mitch Daniels, Response to the State of the Union Address (Jan. 24, 2012) (online at http://articles.cnn.com/2012-01-24/politics/politics_sotu-gop-response-transcript_1_mitch-daniels-union-speech-middle-class?_s=PM:POLITICS). Governor Daniels referred to the President as having "cancel[ed] a perfectly safe pipeline that would employ tens of thousands."

² LD-2 Lobbyist Disclosure Report for Deborah Hohlt (Q4 2011) (online at <http://disclosures.house.gov/ld/pdfform.aspx?id=300449392>); see also *Lobbying Disclosures Reveal Indiana Gov. Mitch Daniels Used State Dollars to Lobby for Keystone XL Pipeline*, ThinkProgress Green (Jan. 26, 2012) (online at <http://thinkprogress.org/green/2012/01/26/411882/lobbying-disclosures-reveal-indiana-gov-mitch-daniels-used-state-dollars-to-lobby-for-keystone-xl-pipeline/?mobile=nc>).

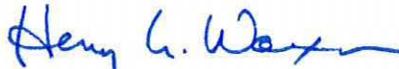
³ U.S. Department of State, *Final Environmental Impact Statement for the Proposed Keystone XL Project*, at ES-4 (Aug. 26, 2011) (online at <http://www.keystonepipeline->

nor would it appear that Indiana would particularly benefit from any economic activity associated with the construction of the pipeline. According to reports, TransCanada has contracted to purchase its steel from India – not from U.S. steel producers. The State of Indiana thus appears to receive no clear benefit from the construction of the Keystone XL pipeline.

In fact, TransCanada has stated that oil prices will increase in Indiana and other Midwestern states as a result of the Keystone XL project. In its application for the Keystone XL pipeline, TransCanada told the Canadian government that the Midwest market is “oversupplied,” resulting in “price discounting” for Canadian heavy crude oil.⁴ TransCanada concluded that a pipeline to the Gulf Coast will benefit all heavy crude producers in Western Canada “by increasing the price they receive for their crude.”⁵ TransCanada also provided an independent analysis predicting that the Keystone XL pipeline would increase prices by \$6.55 per barrel of crude oil in the Midwest and \$3 per barrel everywhere else.⁶ By 2013, this will generate between \$2 billion and \$3.9 billion in additional revenue for Canadian oil companies.⁷

I would appreciate the opportunity to learn about Indiana’s interests in the proposed Keystone XL pipeline. To schedule a meeting, please contact Alexandra Teitz of the Energy and Commerce Committee Democratic Staff at (202) 226-3400.

Sincerely,



Henry A. Waxman
Ranking Member

xl.state.gov/clientsite/keystonexl.nsf/03_KXL_FEIS_Executive_Summary.pdf?OpenFileResource).

⁴ TransCanada Keystone Pipeline Group Ltd., *Keystone XL Pipeline Section 52 Application, Section 3: Supply and Markets* at 7.

⁵ *Id.*

⁶ Purvin & Gertz, Inc., *Western Canadian Crude Supply and Markets*, Prepared for TransCanada Keystone Pipeline Group Ltd. (Feb. 12, 2009) at 27-28.

⁷ *Id.* at 29. See also, Philip Verleger, *If gas prices go up further, blame Canada*, Minnesota Star-Tribune (Mar. 13, 2011).