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MARKUP OF H.R. 3548, THE NORTH
AMERICAN ENERGY ACCESS ACT
MONDAY, FEBRUARY 6, 2012
House of Representatives,
Committee on Energy and Commerce,
Washington, D.C.

The committee met, pursuant to call, at 4:06 p.m., in Room 2322, Rayburn House Office Building, Hon. Fred Upton [chairman of the committee] presiding.

Present: Representatives Upton, Barton, Whitfield, Pitts, Terry, Murphy, Burgess, Scalise, Harper, Cassidy, Waxman, Dingell, Markey, Schakowsky, and Christensen.

Staff Present: Mike Bloomquist, Deputy General Counsel; Maryam Brown, Chief Counsel, Energy and Power; Patrick Currier, Counsel, Energy and Power; Andy Duberstein, Assistant Press Secretary; Garrett Golding, Professional Staff Member, Energy; Peter Kielty, Senior

Legislative Analyst; Phil Barnett, Minority Staff Director; Jen Berenholz, Minority Chief Clerk; Karen Lightfoot, Minority Communications Director and Senior Policy Advisor; Roger Sherman, Minority Chief Counsel; and Alexandra Teitz, Minority Senior Counsel, Environment and Energy.

The Chairman. The committee will come to order.

And I would note that we will be conducting only opening statements today on the bill that we are marking up tomorrow at 9 o'clock. And the chair recognizes himself for 5 minutes.

We are here this week to vote for jobs and energy security. H.R. 3548, the North American Energy Access Act, gives the Federal Energy Regulatory Commission, FERC, 30 days to approve the Keystone XL pipeline expansion, using 3 years' worth of State Department environmental review and strict pipeline safety standards as the basis for that decision.

This pipeline will allow more Canadian oil to reach American refineries, thereby creating jobs, enhancing the Nation's energy security, and helping reduce the future price at the pump, we hope.

While the overwhelming public and bipartisan consensus stands in favor of building this pipeline, opponents of the project have continued to make arguments against it. For example, we have been told that bringing almost 1 million barrels of oil into the American market may somehow raise, rather than reduce, the price at the gas pump, as if Congress has the authority to repeal the law of supply and demand.

We have also been told that the new pipeline is not designed to increase supplies here, but rather to export supplies from the gulf to other countries, including China. But that doesn't pass the commonsense test either. The real risk of losing out on this energy comes from not building the pipeline. If the U.S. refuses to allow

this project to move forward, then not a single drop will come through Keystone XL to refiners in the Midwest and the gulf coast. The Canadian Government would have little choice, as they have made it abundantly clear, but to pursue other markets for its growing oil production, including construction of a pipeline to the Pacific coast for export to China.

Some have questioned the widely used estimates that more than 100,000 jobs would be created by the pipeline project, including 20,000 direct jobs in construction and manufacturing. Opponents claim the number could be as few as 5,000 jobs.

Now, I tend to believe the labor unions and TransCanada, who have actually signed project labor agreements specifying how this pipeline will be built and by how many workers. But I have to question the project's opponents who are so quick to dismiss their low-ball estimate of only 5,000 jobs, ignoring the fact that 5,000 jobs would still make Keystone XL a much better job-creator than many taxpayer-funded projects under the stimulus package. And before Solyndra went under, it employed only 1,100 people, only, and cost taxpayers over half a billion dollars. Today Solyndra, of course, isn't creating any jobs except for a few bankruptcy attorneys.

The Obama administration and others have claimed the Keystone XL decision is being rushed and that more time is needed to study the project. But the pipeline has been under review for over 3 years, an unusually long period for such projects. The final EIS was completed last August, and the administration repeatedly committed to make the

decision before the end of last year.

The only thing that has changed since then is an intra-Nebraska dispute that has already been resolved at the satisfaction of the State government there. And on that point, I would like to thank my good friend and colleague, Lee Terry, not only for his sponsorship of this bill but for tireless efforts to dispel the many Nebraska-related myths put forward by opponents of Keystone XL.

Finally, there is reason to question the claims that stopping the pipeline is the right thing to do environmentally. Without Keystone XL, Canada's rising oil production will reach its end users via increased use of tankers, barges, trains, and trucks, all of which are far riskier modes of transportation than pipelines. The administration's own EIS statement concludes that there is nothing to be gained by rejecting the pipeline.

In sum, the arguments against H.R. 3548 are as weak as the arguments for it are strong. It is time to end the delays and start the building.

I yield back and recognize the ranking member of the committee, the gentleman from California, Mr. Waxman, for 5 minutes for an opening statement.

Mr. Waxman. Thank you, Mr. Chairman.

Today we begin consideration of controversial legislation to mandate approval of TransCanada's tar sands pipeline, Keystone XL.

If we adopt the Republican proposal to approve the Keystone XL pipeline, we might help with job creation in other countries, but it

won't do much for the United States. A green light for Keystone will lead to massive imports of transmission pipe manufactured overseas. I am sure the steel mills in India or China will be delighted. Canada will be able to export its tar sands to the global market rather than having to sell it at a discounted rate in the Midwest. And because the products will be exported from a foreign trade zone, China will be pleased that it can buy petroleum products without having to pay U.S. customs duties.

This is hardly the backbone of a domestic energy policy for the 21st century. The American people will bear the risks, and Big Oil will reap the rewards. With this pipeline, we get more carbon pollution, more dangerous oil spills, land seizures by a foreign company, and higher oil prices in the Midwest. Big Oil gets the ability to extract more profits from the Midwest, a conduit for exporting tar sands products to China, and the green light to exploit the tar sands at maximum speed, regardless of the consequences.

President Obama listened to the differing views of American citizens and made a responsible decision. He would not approve the pipeline through the ecologically fragile Sand Hills areas of Nebraska, but the State Department would consider an alternative route. Nebraska is taking the time to find a route that is acceptable, and the President is making sure that he has all the information he needs to make the right decision.

This bill takes the opposite approach. It gives the pipeline an unprecedented regulatory earmark. It directs FERC to approve the

pipeline even though we don't yet know what route it will take through Nebraska.

For a year, I have been asking a simple question: Who benefits from this extraordinary congressional intervention in the regulatory process? Last year, Reuters reported that the Koch Industries would be one of the big winners from this earmark. There is ample evidence to support this. Last May, I contacted Koch to inquire about the nature of its interests in the pipeline. They responded that, despite the evidence to the contrary, they had no financial interest in whether the pipeline was built or not, and I accepted that answer. But then I learned that Koch had told the Canadian Government that the company had a direct and substantial interest in the pipeline.

I wanted to know why Koch would tell the U.S. Congress one thing and the Canadian Government the exact opposite. Unfortunately, Chairman Upton and Chairman Whitfield have refused to invite Koch to testify, so we are left with unanswered questions: Why is Koch Industries being placed in a witness protection program? What does the company have to hide? And why does the company get special treatment while the American people get left in the dark?

I also asked the chairman to invite the operator of the pipeline, TransCanada. Members on our side want to ask TransCanada reasonable questions like what route it plans to follow and where its pipe will be manufactured. We also want to know about these jobs figures that have been bandied about. But, like Koch, TransCanada refused to appear, and once again we are left in the dark.

This pipeline is a bad idea, and so is this bill.

And, Mr. Chairman, I yield back the balance of my time.

Mr. Whitfield. [Presiding.] Thank you, Mr. Waxman.

At this time, I will recognize the gentleman from Texas for 5 minutes for an opening -- no, 3 minutes for an opening -- no, 5 minutes for an opening statement.

Mr. Barton. Whatever, Mr. Chairman.

Mr. Whitfield. Two.

Mr. Barton. We will see.

Mr. Waxman. Was that a unanimous consent request?

Mr. Barton. We are going to start the clock on 5 since I am running the clock.

First of all, I appreciate the courtesy of letting me go before yourself, Mr. Chairman, and Mr. Terry, who is the lead sponsor.

I want to comment, while Mr. Waxman is here, briefly on the Koch brothers. They do own refineries, but Keystone is a common carrier pipeline, and it has to provide service for any willing provider and also deliver to any willing seller. Now, there are certain terms and conditions, that just as long as the Koch brothers meet those generic terms and conditions, they have an opportunity to have oil delivered to them from this pipeline. That is it. To my knowledge, there are no special preferences or anything like that.

So I am not sure where my distinguished former chairman is coming from with his concern about the Koch brothers. But it is not because the Koch brothers are going to get any special preference.

Mr. Waxman. Would the gentleman yield?

Mr. Barton. Yeah, actually, I will. I would be happy to yield. You don't normally yield in an opening statement, but --

Mr. Waxman. No, I appreciate that.

But the fact of the matter is, we don't know that that is it. And we would like them to tell us what exactly do -- what interests do they have. Is it just because they can get some of the oil sands once it is transported? Is it something more than that?

We would like our questions answered. There are statements made, as you assumed and others have said explicitly, but I am not sure that we can just say, okay, we are going to take their word.

Mr. Barton. I will continue to research it, Mr. Chairman. But my understanding is that anybody who contracts for oil through this pipeline, that that will be, at the time the contract becomes in effect, will be public record through the Interstate Oil Compact Commission or something like that.

In any event, this is a good project that is good for the country, will create thousands of jobs. I read coming in from the airport, Mr. Chairman, that the number of Americans working, as a percent of the population and a percent of the workforce, has fallen to a 30-year low. Sixty-three percent of adult Americans are gainfully employed. That is a 30-year low. This pipeline, the construction phase, would be somewhere between 10,000 to 20,000 jobs. And then in the production phase, if you count the existing jobs and the jobs that would be created because of the additional 800,000 barrels of oil, it would certainly

be in the tens of thousands.

TransCanada has spent more than \$2 billion, Mr. Chairman, for steel and related facilities. As the full committee chairman just pointed out, there are no show-stopper environmental concerns. Twelve different Federal agencies have reviewed it, and all have given it the green light, including at least contemporaneously the Secretary of State, Hillary Clinton, last year in remarks that she gave publicly out in California.

We need to get this project started. H.R. 3548 is a way to do that. It may not be the perfect way, but given that the President has specifically vetoed the project on the superfluous reason there wasn't time to review a change in the location of it, which the reason the pipeline location was changed was because of concerns expressed earlier by the President or his allies, I would say it is time to move the Terry bill, and I am very happy that we are getting ready to do that.

And, with that, I yield back.

Mr. Whitfield. Thank you, Mr. Barton.

At this time, I recognize the gentleman from Michigan, Mr. Dingell, for a 5-minute opening statement.

Mr. Dingell. Mr. Chairman, I thank you for your courtesy. I grieve that I cannot thank you also for courtesy in the way this bill is being handled.

The bill comes up; all of a sudden, the bill is redrawn; all of a sudden, the bill is scheduled for more markups before this body, and we find that none of the concerns that have been set forth by any of

the Members have been addressed. In addition to that, we find that there is no proper consideration of the concerns expressed by many of the Members.

I happen to be one of the fellows on this committee who wants to support this legislation. I think it is a very useful thing, that we should move forward on the bill. Unfortunately, the actions of the leadership here are making it impossible for me to do that.

And it is markedly impossible to say that this is the right way in which this should be handled. The regular order is not being observed. We have not had proper hearings, we have not had the reports on the document, we have not heard what the administration says about it. And we note that the bill is now going to take a new form, be before us I think tomorrow all of a sudden with perhaps the scantiest kind of notice that has ever been given on a piece of legislation. It happened over a weekend, no legislative days, but all of a sudden we are ready to mark up the bill, and not in the subcommittee but in the full committee.

One of the interesting things about this kind of arrangement is that the end result of this kind of conduct assures us that the bill is going to provide substantial employment but it is going to be for the legal fraternity, which is going to make lots and lots and lots of money on litigating the questions that are associated with this.

The wisdom that has gone into addressing these kinds of questions by careful and scrupulous attention to detail, fact, and the gathering of proper information is being completely disregarded here. We note

that the requirements of NEPA are not being met and that nobody knows what will be the impact of this. We know it is going to traverse the Ogallala Aquifer. I can assure you that the agency charged with the responsibility for this knows nothing about the issuance of permits on oil pipelines, although they might know a little about the issuance of permits on gas pipelines.

It is fair to observe the pipeline is going to be 1,700 miles. It is going from here to hell and perhaps back and cause lots and lots and lots of fussing as it goes. And nobody is going to be hearing or is going to be having an opportunity to complain. Agencies that address questions like permits for moving across bodies of water or cemeteries or national parks or other things are not going to be heard, and their expertise is not going to be made available to us.

But the pipeline is going to be built amidst vast litigation and profound ill will which it is going to generate. The end result is that we are going to probably see that it is going to take longer than a more thoughtful approach because litigation of this kind can go on for as long as 4, 5, 6, or 7 years before the courts before it even gets into the Supreme Court, and then it goes out of the Supreme Court and comes back amidst vast and profound waste of time.

Perhaps we will be saved from this by the fact that the Senate is not going to take the bill up. But it is fair to assume that if it does, it is not going to consider the bill and the bill that comes back is not going to be the bill that we are sending over there.

Now, all this presupposes that the President is expected to sign

it, and I don't think he is going to do so. Because no proper attention is being given to anything that we need to know about how the legislation is being marked up or what it means or how it is going to work or what it is going to do to any of the concerns that we have -- protection of water supply, fish and wildlife, air and water pollution, protection of historic areas, and things of that kind, concerns that need to be addressed with regard to aquifers and groundwater and other things.

So if you think that this is going to save us time, I would urge you to think differently, because it is almost assured that this wonderful piece of legislation is going to cause no end of outrage, difficulty, and infuriate people all along the way. And I would suspect that if I came from Nebraska, I probably would be mounting a gun at the border to see to it the damn thing didn't go across my State, because I have heard some complaints from that out there.

Having said this, I have a fine opening statement that I am sure my colleagues will enjoy reading. And I am asking unanimous consent that it be inserted in the record so that everybody may enjoy perhaps more deep thinking than I have given in this opening statement.

In the meantime, I urge you to consider those of us who would like to support the legislation and who would like to see the pipeline constructed, and understand that you are probably creating a lot of unnecessary fights that are going to benefit nobody and cause enormous aggravation.

Thank you, Mr. Chairman.

Mr. Whitfield. Your statement will be submitted in the record,

Mr. Dingell, and we do look forward to reading it very much.

[The prepared statement of Mr. Dingell follows:]

***** COMMITTEE INSERT *****

Mr. Whitfield. At this time, I would like to recognize the gentleman from Nebraska, Mr. Terry, for 3 minutes for his opening statement.

Mr. Terry. Thank you, Mr. Chairman.

I appreciate this bill being marked up. This bill will end the years-long delays and finally permit the Keystone XL pipeline, while respecting the will of the State of Nebraska. After hearing testimony from FERC, the Corps of Engineers, the Department of Interior, we made some changes to the originally drafted bill and are part of the amendment in the nature of a substitute which we will consider tomorrow.

This bill gives the FERC authority and oversight over the pipeline's permit and construction. The legislation requires FERC to approve the pipeline's permit within 30 days and with a final environmental impact statement prepared by the U.S. State Department as the basis for its decision. The FEIS examines several scenarios for construction of the Keystone XL pipeline, including not building it at all. The State Department found in August of 2011 that building the pipeline was the preferred alternative.

This legislation is important in my home State of Nebraska because it sets a time limit of 30 days for entering into the MOU with FERC. Furthermore, it gives FERC 30 days to approve the Nebraska reroute after the State's Governor has completed the necessary environmental review and approved it. FERC has decades of demonstrated experience siting interstate natural gas pipelines, certainly more than the State

Department or the White House, making it the expert.

Since the beginning of the discussion on Keystone, I have focused on energy security and jobs. I believe it is in our national interest to secure energy from our neighbor and our best trading partner, Canada. I can't say it strongly enough. The Keystone XL pipeline will greatly enhance America's energy security. With the current situation in the Middle East and tensions in the Strait of Hormuz continuing to rise, approving this pipeline is the right energy and national security policy for America.

Canada is already our largest supplier of imported oil -- almost 2.4 million barrels per day, or one-fourth of our imports. With this proposed pipeline, our crude imports from Canada could reach 4 million barrels a day by 2020, twice what we currently import from the Persian Gulf. And enhancing our energy partnership with Canada will strengthen America's energy future. Each additional drop of oil from Canada offsets a drop of OPEC oil.

This project will provide 20,000 jobs in construction and manufacturing in the next 2 years and add tens of thousands of additional jobs throughout the economy in other sectors, including service, retail, distribution, and transportation. With our Nation's stubbornly high unemployment, it would be irresponsible to let such good-paying jobs slip away.

National security, energy security, and jobs -- these are the things that will be accomplished if this bill is signed into law.

I yield back.

Mr. Whitfield. Thank you, Mr. Terry.

At this time, I recognize the gentleman from Massachusetts, Mr. Markey, for 3 minutes for an opening statement.

Mr. Markey. I thank you, Mr. Chairman.

We have been told that the oil coming through this pipeline would enable us to reduce our dependence on oil imported from unfriendly Middle Eastern nations. In TransCanada's testimony to this committee, I posed what I thought was an inconsistency in their statements. They said to us, TransCanada, do Americans want secure, stable oil from a friendly neighbor in Canada or do they want to continue importing high-priced conflict oil from unfriendly regions such as the Middle East and Venezuela?

Mr. Terry just said that we now receive about a quarter of our oil from Canada, approximately 2.4 million barrels of oil per day that we import. And he said that is a good thing; they are our neighbors. And that by the time this pipeline was finished and all the oil that was in that pipeline was flowing through it over the next couple of decades that we could get upwards of 4 million barrels of oil per day from this pipeline.

And by the way, if that was true, then that would be a big part of this debate. But, of course, I asked the TransCanada CEO, sitting here at the table last month, if he would agree that all of the oil would stay here in the United States, and he said, no, I cannot agree to do that. And so that leaves us with a little dilemma. The gentleman from Nebraska is asserting that this oil is going to stay here, and

the CEO of TransCanada said, no, I cannot promise you that the oil is going to stay here.

So that, then, raises the question of what is the real plan. And so I have figured out what the real plan is. Step number one, TransCanada puts the dirtiest oil on the planet into the brand-new Republican pipeline. Two, TransCanada sends that oil to the gulf coast, where it can make billions more than where it currently sells in the Midwest. Three, refineries in the gulf coast re-export it to other countries at world oil prices and don't pay any taxes for doing so. Step four, Americans get higher gas prices and no increased energy security. Five, TransCanada, Hugo Chavez, and the sheiks in Saudi Arabia laugh all the way to the bank.

This bill not only tries to sneak a pipeline through the country, it also allows TransCanada to sneak the fuels from the pipeline right out of our country, totally contradicting what the gentleman from Nebraska just said.

During our subcommittee hearings, Republicans constantly argued that the oil market follows the law of supply and demand. I agree with that. What they fail to mention is that it is OPEC's law of supply and demand that governs this market, which is, "We control the supply, so you pay what we demand." If this oil stayed here in the United States, that would be great. But the truth is, all we are going to be in the United States -- and this is TransCanada's vision that we are going to pass out of this committee tomorrow -- is as the mere middleman between Alberta and Asia.

I hope we can all agree, if the pipeline is built, the oil and refined fuels should stay here. We should write it into the bill. That will be my amendment tomorrow. And I hope that I can have the support from the Republican side so we can go from 2.4 million barrels a day coming from Canada up to 4 million a day as the reward we get for having the pipeline go through our country.

Mr. Whitfield. Thank you, Mr. Markey.

At this time, I recognize the gentleman from Pennsylvania, Mr. Pitts, for 3 minutes for an opening statement.

Mr. Pitts. Thank you, Mr. Chairman.

It is unfortunate that, at a time when Americans are looking for work, this administration chose to put politics first. Approving the Keystone pipeline project would have been the safe, appropriate thing to do. And, more importantly, it would have created jobs. Unemployment continues to hover around 8-1/2 percent in this country. The administration passed up an opportunity to import thousands of jobs and, instead, chose to pander to its base and push the decision beyond an election.

After the President chose not to work with Canada on this project, Canadian Natural Resource Minister Joe Oliver hinted at diverting this oil westward to China. He said, quote, "The decision by the Obama administration underlines the importance of diversifying and expanding our markets, including the growing Asian market," end quote. Watching Canada export this oil to China will not create jobs in America. The President made the wrong decision in snubbing Canada, and we will work

in this committee to make sure that his decision is not final.

The bill before us today will simply expedite the approval of the pipeline so that delay tactics and political calculations will no longer keep key jobs out of our economy. Jobs are going to be created, either here in America or China. We know that refining in the U.S. will be done cleaner than in China, and it is in the interest of our national security.

Also, USA Today had an article recently saying, quote, "Get ready for another round of pain at the pump." It concluded gasoline prices could spike another 60 cents or more by May, end quote.

Mr. Chairman, I urge support for the Terry bill, and thank you for bringing it up.

I yield back.

Mr. Whitfield. Thank you, Mr. Pitts.

At this time, I recognize the gentlelady, Ms. Christensen, for 3 minutes for her opening statement.

Dr. Christensen. Thank you, Mr. Chairman, for the opportunity to speak on H.R. 3548.

The heart of this discussion and our attention should really be centered on the safety and environmental costs of obtaining energy security, as well as creating green jobs. I even question the name of the bill, because even if we had enough refineries to process this tar, it is my understanding that, with the demand for gasoline decreasing in the United States, the refined product would be shipped overseas, as we have heard already, and do nothing to increase American

access.

But it would likely increase the costs. According to a February 2011 story from Reuters, and I am quoting here, "Although the pipeline, if approved, would increase the supply of oil reaching the U.S., a 2009 market analysis conducted by TransCanada, the builder of the pipeline, projected that prices would increase about \$3 per barrel as a result of the pipeline."

And with Hovensa closing in my district and refineries closing everywhere, I wonder if this has been evaluated enough to know if any of them that are now closed or any that remained open would make the heavy investment necessary to process these tar sands.

This project raises safety and environmental concerns that the costs should not outweigh the benefits, which is consistent with President Obama's statement that this should be carefully studied to ensure all questions are properly addressed and all potential impacts are properly understood. To date, the safety and environmental studies performed regarding the Keystone XL pipeline raise significant issues that merit further examination. Proposed legislation intended to weaken regulatory oversight ignores the recognized need for responsible development practices in the energy arena. This is a precedent we do not need and ought not to set.

I agree with the recent National Petroleum Council report which recently stated, quoting again, "In order to realize the benefits of North American oil resources, safe, responsible, and environmentally acceptable production and delivery must be ensured in all

circumstances. The critical path to sustain expanded resource development in North America includes effective regulation and a commitment of regulators to continuous improvement in practices that eliminate or minimize environmental risk." That is from the National Petroleum Council.

Even in the absence of a spill or leak, this project will create long-term increases in greenhouse gas emissions at a time when all experts realize the need to achieve the opposite. Reducing demand for oil and investing in renewable alternatives is the best way to obtain energy security and create jobs, and it would relieve us of the multitude of concerns as it relates to endangering the communities where the pipeline would travel, the increase in greenhouse gas emissions, and the resultant impact on human health.

Instead of H.R. 3548, we should be investing in a future that we can be proud to leave for future generations.

And I yield back the balance of my time.

Mr. Whitfield. Thank you.

At this time, I recognize the gentleman from Louisiana, Mr. Scalise, for 3 minutes for an opening statement.

Mr. Scalise. Thank you, Mr. Chairman, for having this hearing.

And I want to thank my colleague from Nebraska, Mr. Terry, for bringing this bill, the North American Energy Access Act, to fast-track the Keystone pipeline that unfortunately has been sidetracked and derailed by President Obama for political purposes.

You know, we have heard a lot about all of the different issues

surrounding it. The President gives speeches, and he tries to make people think that he hasn't had enough time to study this issue, when, in fact, when we had a hearing just a few days ago here in this room with the State Department, they confirmed that the State Department got the application for Keystone back in September of 2008 -- September of 2008. When you look at the timeline, there has been more time to study this than -- I think one of our colleagues pointed out that we won World War II in the amount of time that President Obama has had to study Keystone and to try to shelve this project and the 20,000 jobs that go with it.

And, of course, if you look through the timeline's history, back in October of 2010, October of 2010, Secretary of State Hillary Clinton actually said, when she was asked if she was inclined to approve the Keystone pipeline, in 2010 she said, "We are inclined to do so." And then the State Department further went on and did their study. And in their study, they said there would be no significant impact on moving forward with the Keystone pipeline. This was back in August of last year.

So when the President talks about not having enough time, what American families and hardworking families out there struggling right now would say is that we don't have enough time to keep allowing the President to punt this issue down to the next administration -- because hopefully he won't be in office next year -- as he continues to push this off.

And this is a clear example of the difference in energy

strategies. You know, the President gave his State of the Union Address and he said he wants an all-of-the-above energy strategy. Unfortunately, he has done everything in his policies to undermine energy security in America. Keystone is just one clear example. And I guess the real contrast is that House Republicans have been trying from the very beginning to get this project online, to get the 20,000 jobs approved. And the President continues to push this off and to try to hide behind excuses that just don't hold up to merit when you actually study the timelines that are out there.

I think what most families know out there is what really happened, is that back a few months, about a month and a half after the State Department indicated that we should go forward with Keystone, a bunch of radical environmentalists went over to the White House and protested and literally threatened to not support the President's reelection unless he pushed Keystone off. I know Daryl Hannah got arrested in that White House rally. I wonder if Daryl Hannah is now the President's energy czar, because he seems to take more indications from her than he does from his own State Department, who indicated that we should do Keystone.

Everybody that looks at this recognizes that Keystone ought to be approved. Keystone ought to be approved to bring those 20,000 jobs that hardworking families demand right now. And the President has got to put politics aside. And if he won't -- and unfortunately he has refused to do so -- then we, as Members of Congress, need to move forward and approve and get the Keystone pipeline back on track.

And at least in this bill, we allow FERC to go forward with Keystone and remove it from the politics that President Obama has invoked in delaying and sending those jobs to China. Because China is saying we want the oil, and Canada is saying they want to do business with us; we are a good friend. And unfortunately, the President continues to side with China over American workers.

I yield back.

Mr. Whitfield. The gentleman's time has expired.

At this time, I recognize the gentlelady from Illinois, Ms. Schakowsky, for a 3-minute opening statement.

Ms. Schakowsky. Thank you, Mr. Chairman.

This bill is nothing more than a shortsighted handout to Big Oil. The jobs estimates are wildly distorted and pale in comparison to the clean energy jobs that could be created if this body was serious about our energy future. This bill would also allow for irreversible damage to our Nation's water supply.

H.R. 3548's supporters claim Keystone XL will create at least 20,000 new jobs. You can say it all you want, but even the vice president of the company petitioning for Keystone, TransCanada, has said that the number reflects temporary jobs and admits that permanent jobs will be in the hundreds. And Cornell University researchers found that XL pipeline would create far fewer than 20,000 temporary construction jobs, more like 500 to 1,400. Their analysis went on to say that the construction of Keystone XL, quote, "may actually destroy more jobs than it generates," unquote, as a result of widespread

contamination of agricultural lands and water.

Two-point-four million jobs have already been created in the clean energy sector and related industries. The Department of Energy loan guarantee program, which was highly criticized by our friends across the aisle, has already created 50,000 direct jobs. According to the Center for American Progress, clean energy investment creates more than three times the number of jobs as the fossil fuel industry per \$1 million spent. And a study from the University of California-Berkeley demonstrated that shifting from dirty energy toward energy-efficient sources creates net jobs and found that continued effort to expand green energy would create millions more jobs.

And if you care so much about jobs, we should be voting on the President's Affordable Jobs Act. That is 2 million new jobs.

Beyond the irrational economic argument for Keystone XL posed by the majority, the pipeline would directly threaten the water we drink and produce and consume. The pipeline would cross major rivers, including the Missouri, Yellowstone, and Red rivers, as well as key sources of drinking and agricultural water as the Ogallala Aquifer, which supplies drinking water for 2 million Americans and 30 percent of American irrigation water. The XL's pipeline predecessor suffered 10 major leaks in its first year of operation, and similar spills in the Ogallala Aquifer would cripple many Plains States. A University of Nebraska study concluded that 91 major spills can be expected from the XL pipeline over the lifetime of the pipeline.

And that is why the President was right not to move forward with the pipeline at this time. We cannot afford to cling to oil as the energy technologies of the future take hold, and we cannot turn a blind eye to the immense environmental ramifications of moving forward with this pipeline. I cannot support this legislation, and I urge my colleagues to vote "no."

And I yield back.

Mr. Whitfield. Thank you.

We made a decision that we would be giving these opening statements based on who was here and what time they got here. So I am just going to tell you, we just have a few people left, but Mr. Harper is next, then Mr. Cassidy, then Mr. Burgess, then Mr. Murphy. And then I deferred my opening statement, so after you all finish, I will give mine.

So, at this time, I will recognize Mr. Harper for 3 minutes.

Mr. Harper. Thank you, Mr. Chairman, for bringing H.R. 3548 to the full committee for markup. I am excited about the work that the Energy and Commerce Committee continues to do to report commonsense legislation that creates jobs for Americans.

I, along with Members of the House and Senate, as well as much of the American public, was very disappointed in the President's political decision to reject the application for the Keystone XL pipeline. That disappointment is rooted in a belief that Keystone XL makes too much sense to reject. The pipeline from Canada to the U.S. gulf coast means jobs for Americans. Estimates show that Keystone XL

could create 20,000 jobs immediately and another 100,000 indirect jobs over the course of the pipeline's lifetime. And those are jobs that don't require a flawed stimulus bill or the wasting of taxpayer dollars.

Mr. Chairman, at a time when the economy is still soft and unemployment numbers are still too high and too many people have quit looking for work, Keystone XL would be welcome news to many American workers. In a recent United Technologies/National Journal Congressional Connection poll, 64 percent of those asked favored the building of Keystone XL pipeline.

Estimates show that the pipeline could transport almost a million of barrels of oil per day more from Canada and the Bakken shale formation in North Dakota and Montana to gulf coast refineries. With the ability to transport that amount of oil from our largest trading partner and neighbor to the north, Canada, as well as domestic oil from Bakken, and with the ability to create those jobs, it is no wonder why the American public supports Keystone XL.

The sentiment of the American people is what brings us here today. I am pleased that there has been legislation introduced in the Senate to push Keystone XL, and I am very happy to be here today to express my support for the House legislation.

With the recent news projection that gas at the pump may soon reach \$4 a gallon, it is important that we take steps to increase our supply. The Keystone XL pipeline can be completed in an environmentally safe manner and allows us to conduct business with our friends in Canada.

Support in the House to move the pipeline forward has been

bipartisan, very public, and very well received by the American people. That effort continues here today with the markup of H.R. 3548. I urge my colleagues to support this shovel-ready jobs and energy project.

And, at this time, I would yield to the gentleman from Nebraska, Mr. Terry, the balance of my time.

Mr. Terry. Thank you.

Very quickly, Mr. Chairman, I would just, in regard to the gentlelady from Illinois' statement about a University of Nebraska study, there was no University of Nebraska study done. It was a professor who works at the university, but it was not a University of Nebraska white paper. It wasn't even really a study.

So I just wanted to clarify.

Mr. Whitfield. Thank you.

At this time, I recognize the gentleman from Louisiana, Mr. Cassidy, for a 3-minute opening statement.

Dr. Cassidy. Thank you, Mr. Chairman.

Unemployment right now in our country is not generally distributed. It is particularly concentrated among blue-collar workers, particularly blue-collar men. And the problem with the President vetoing this is that blue-collar men have traditionally been employed in construction, manufacturing, and mining. And so it is particularly tragic that the President has decided to sacrifice the Keystone XL for political purposes.

The Keystone XL pipeline delivers blue-collar jobs in each area that blue-collar jobs have traditionally been created. Mining is most

obvious. And though it is in Canada, there will be many Americans employed in the mining of this oil. Construction is next most obvious. We are going to construct a pipeline from Canada down to the gulf coast. The idea that this will create only 500 jobs is kind of silly.

Next is manufacturing -- perhaps not the most obvious but perhaps the most impactful, because not only are we manufacturing steel, we are manufacturing pipes out of that steel, manufacturing pumps to take the oil at different places along the way. Among many other things, I am told we will manufacture gloves and pickup trucks and tools, all needed to build this pipeline. Lastly, the petrochemical plants themselves will create permanent manufacturing jobs where the oil will be transformed into value-added products to serve our economy.

Clearly, both in construction, mining, and manufacturing, we have the potential to create blue-collar jobs -- the segment that is most hurting for jobs right now.

That said, my Democratic colleagues, I think, let their prejudice toward oil and gas allow them to ignore this impact. So don't just take my word for it, listen to the words of Laborers' International Union of North America President Terence O'Sullivan. He recently said, "For the men and women of our union, the Keystone XL is not just a pipeline, it is a lifeline. It is a Depression-like situation for construction workers throughout our great country. Our country needs to do more of this, matching men and women who need work with work that needs to be done."

Again, I ask my colleagues and the President not to let prejudice

against oil and gas penalize those families who most desperately need good jobs with good benefits. I just hope, for their sake, my colleagues would join us in supporting this bill.

I yield back.

Mr. Whitfield. Thank you, Mr. Cassidy.

At this time, I recognize the gentleman from Pennsylvania, Mr. Murphy, for a 3-minute opening statement.

Mr. Murphy. Thank you, Mr. Chairman.

Fewer than 2 weeks ago, President Obama came before Congress saying he wanted to increase domestic oil and gas production. Energy means jobs, he told us. Then why did he block the Keystone pipeline, which is the largest energy job-creation project in the country? This privately financed, heavily studied, \$7 billion and 1,700-mile pipeline will create 20,000 good-paying American jobs and tens of thousands of spinoff support jobs.

Concern raised by the Environmental Protection Agency about the pipeline's route through the Nebraskan Sand Hills were resolved by the State's legislature and Governor. Now, Nebraska elected officials have repeatedly said that construction could begin while the details on rerouting through the State are finished. Moreover, there is no Federal role and no permit from the executive branch is required for an intrastate pipeline like the Nebraska reroute.

The State Department is ready to give the green light. There has been bipartisan support for its construction in Congress. And in August, the final Federal environmental review was supportive. The

momentum was there. Then, after nearly 4 years of study, the President denied the permit -- a move likely to bolster his reelection prospects among environmentalists and more liberal members of his party, who have been dead-set against the project from the beginning.

But the President's authority to deny the project was permitted only if he believed it was not in the best interests of the United States. When Iran threatens to shut down the Straits of Hormuz, through which 20 percent of world oil travels, and 13 millions Americans are out of work, how is a stable energy source and all these jobs not in the best interests of our country?

Americans in southwestern Pennsylvania need these pipeline jobs. From local steel mills to machine shops to factories, the pipeline project will indirectly impact our regional economy. The Keystone pipeline project requires no taxpayer money -- a far cry from the trillion dollars of our children's money wasted on the failed stimulus plan that did nothing to reduce long-term unemployment.

By denying the permit, the President has allowed OPEC to tighten its stranglehold on the United States economy. If we are ever going to stop sending more than \$150 billion a year in foreign oil, which is also foreign aid, to OPEC, we must seek out stable energy sources that break our dependence on Mideast oil.

The President's decision to punt is significant. It means that Canada, with its oil surplus, will look to sell its reserves to other Nations, namely to Chinese state-owned refineries, where they will support Chinese jobs. It means we continue to spend blood and treasure

in the Mideast to protect OPEC oil, keep open the Straits of Hormuz, and other military operations.

So here is the bottom line. We need jobs. We need energy security. A North American pipeline is needed. And all these jobs are needed and worth emphasizing it and reemphasizing it and reemphasizing it. Energy independence is needed. Oil from North Dakota and Montana and Canada is needed.

And, yes, we should work on alternate energy sources, but we still need oil for now. And for now, I say let us use North American oil whenever we can and increase our energy independence, boost our economy and jobs. I look forward to seeing H.R. 3548, the North American Energy Access Act, approved by this committee.

And I yield back.

Mr. Whitfield. Thank you, Mr. Murphy.

At this time, I will recognize myself for 5 minutes for an opening statement.

I don't think there has ever been a pipeline that has been more thoroughly analyzed than this pipeline. There have been 40 months of review, 11 agencies, 7 committee meetings. Two bills passed the House of Representatives, and one was signed into law by the President.

The controversy now seems to be that, because the route was changed in Nebraska, that for some reason that means you have to delay this pipeline for almost ever. And I would just like to go back and review some historical facts relating to this pipeline.

First of all, the original application was submitted by

TransCanada in September 2008. In April 2010, the State Department issued its draft environmental impact statement on the project. And then, as was stated by Mr. Scalise, in October, Secretary of State Hillary Clinton was giving a speech in San Francisco and was asked whether or not she intended to approve the Keystone XL pipeline, and she said, "We are inclined to do so."

But because of political pressure, she did agree to a supplemental environmental impact statement. The supplemental was released in April 2011, and that found no new issues of substance.

In August of 2011, the State Department issued its final environmental impact statement and initiated the interagency national interests comment period. And in that final environmental impact statement, the State Department specifically said that looking at the option of, one, building the pipeline or, two, not building the pipeline, the preferred option was to build the pipeline. And the rationale for that was, without the pipeline, if you moved the oil from Canada to the U.S., it would be moving by trucks and by rail, and there would be more emissions into the atmosphere that way than certainly by using the pipeline.

Anyway, after the State Department issued that final EIS in August, everyone was prepared and it looked like it was imminent that the State Department was going to make a final decision. But because of pressures on the President, he announced that he was going to postpone any decision until after the election.

That was what precipitated the original legislation on the

payroll tax deduction legislation on which we requested the President to make a decision by February of 2011. And soon after that, the State Department announced it would seek a new route through the State of Nebraska. And based on that, the President said, "Oh, this changes everything. I can't make a decision within that short time period."

But I would remind everyone, this is over a 1,700-mile pipeline. The only part of this pipeline route that was changed was that small portion in Nebraska, which was less than 60 miles. And once the decision was made by the State Department to reroute in Nebraska, the Governor of Nebraska called a special session of the legislature, and he passed a new law which gave the Nebraska Department of Environmental Quality the ability to site and evaluate the new route in Nebraska within a very short period of time.

After that, the decision was made that, since the rest of the pipeline route has not changed and has already been evaluated and there has been a final environmental impact statement, there really was no reason for the White House or State Department to believe that there is not enough time for the President to make a decision on this pipeline by February the 21st. And that is why we put this in the Payroll Tax Extension Act, because we thought that the argument was not valid that the President was making. And that is why tomorrow we want to report this bill out of committee, because we think it is the right thing to do.

And someone asked the question, who will benefit from this pipeline? The American people will benefit from this pipeline.

Experts are saying that they anticipate the price of gasoline this summer will increase by 40, 50, 60 cents from where it is today, which will put it well over \$4 a gallon.

Now, Mr. Markey raised the issue that, oh my gosh, all of this oil is going to be exported to Asia. We have a memorandum here from Carmen DiFiglio, Ph.D., Deputy Assistant Secretary for Policy Analysis at the Department of Energy, which was written in the summer of 2011. And he says, this memoranda provides data and analysis about a number of issues raised by Dr. Verleger, who is saying that all of this oil is going to be exported. And the Department of Energy -- this is President Obama's Department of Energy -- concluded that the refiners will likely consume the additional Canadian oil well in excess of what would be provided by the Keystone pipeline. It also concluded that any export of Canadian oil sands from Port Arthur is extremely unlikely.

So it appears that this argument is a red herring. And I hope that everyone will support our efforts tomorrow to report this out of committee.

If there are no further opening statements, then the chair will call up H.R. 3548 and ask the clerk to report.

The Clerk. H.R. 3548, to facilitate United States access to North American oil resources, and for other purposes.

[The information follows:]

***** INSERT 1-1 *****

Mr. Whitfield. Without objection, the first reading of the bill is dispensed with, and the bill will be open for amendment at any point.

So ordered.

Now, for the information of Members and staff, we are now on H.R. 3548.

The committee is going to recess, but we will reconvene at 9:00 a.m. tomorrow. And I will remind Members that the chair will give priority recognition to amendments offered on a bipartisan basis.

I look forward to seeing all of you tomorrow.

And, at this time, the committee stands in recess.

[Whereupon, at 5:00 p.m., the committee was recessed, to reconvene at 9:00 a.m., Tuesday, February 7, 2012.]