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4 MARKUP ON H.R. 1938, THE ``NORTH AMERICAN-MADE ENERGY

5 SECURITY ACT''

6 WEDNESDAY, JUNE 15, 2011

7 House of Representatives,

8 Subcommittee on Energy and Power

9 Committee on Energy and Commerce

10 Washington, D.C.

11 The Subcommittee met, pursuant to call, at 9:08 a.m., in

12 Room 2123 of the Rayburn House Office Building, Hon. Ed

13 Whitfield [Chairman of the Subcommittee] presiding.

14 Members present: Representatives Whitfield, Shimkus,

15 Terry, Burgess, Bilbray, Scalise, Olson, McKinley, Gardner,

16 Pompeo, Griffith, Barton, Upton (ex officio), Rush, Inslee,

17 Matheson and Waxman (ex officio).

18 Staff present: Jim Barnette, General Counsel; Charlotte

19 Baker, Press Secretary; Michael Beckerman, Deputy Staff
20 Director; Mike Bloomquist, Deputy General Counsel; Anita
21 Bradley, Senior Policy Advisor to Chairman Emeritus; Maryam
22 Brown, Chief Counsel, Energy and Power; Andy Duberstein,
23 Special Assistant to Chairman Upton; Garrett Golding,
24 Legislative Analyst, Energy; Mike Gruber, Senior Policy
25 Advisor; Cory Hicks, Policy Coordinator, Energy and Power;
26 Kirby Howard, Legislative Clerk; Peter Kielty, Senior
27 Legislative Analyst; Alexa Marrero, Communications Director;
28 Carly McWilliams, Legislative Clerk; Jeff Mortier,
29 Professional Staff Member; Kristin Amerling, Democratic Chief
30 Counsel and Oversight Staff Director; Phil Barnett,
31 Democratic Staff Director; Jen Berenholz, Democratic Chief
32 Clerk; Greg Dotson, Democratic Energy and Environment Staff
33 Director; Caitlin Haberman, Democratic Policy Analyst; Karen
34 Lightfoot, Democratic Communications Director, and Senior
35 Policy Advisor; and Alexandra Teitz, Democratic Senior
36 Counsel, Environment and Energy.

|
37 H.R. 1938

38 Mr. {Whitfield.} The subcommittee will come to order.

39 The chair recognizes himself for an opening statement.

40 Today we are going to have a markup on H.R. 1938, the
41 North American-Made Energy Security Act and hopefully give a
42 green light to a project that is long overdue. We are trying
43 to pass this legislation because in our view, on this side of
44 the aisle, EPA has really been dragging its feet on this
45 important project to build a pipeline through the middle of
46 the United States.

47 Canada is increasing its production of oil, especially
48 from its oil sands in Alberta, and the current pipeline
49 system that sends Canadian oil south to American refineries
50 is struggling to handle the growing volumes.

51 The Keystone project would allow up to 1.29 million
52 barrels of oil per day to flow into refineries in the Midwest
53 and Gulf Coast, a 700,000-barrel-per-day increase over
54 existing capacity. More oil over a period of time means more
55 supply, obviously, which translates into lower prices, and
56 this project would also provide up to 20,000 new construction
57 jobs. So we have a project here that would help increase the
58 supply of oil in America, make us less dependent on foreign
59 oil, create additional jobs and with an uptick in

60 unemployment around the country, it seems to me this is
61 precisely what we need to be doing.

62 Now, how do we find ourselves here today? Well,
63 TransCanada, the developer of this project, first submitted
64 its application for a Presidential Permit in September 2008.
65 The State Department did not release its draft Environmental
66 Impact Statement until April 2010, and after this first step,
67 EPA rejected the draft statement and told State Department
68 they had additional work to do. After another year, the
69 state Department issued a Supplemental draft statement that
70 addressed EPA's concerns. Even then, the EPA asked that
71 additional material be provided.

72 So 1938 is a bipartisan bill that cuts through the
73 endless delays that seem to be becoming commonplace at EPA,
74 and this bill is very simple. It creates a hard deadline for
75 the Administration to make a decision on the Keystone
76 pipeline, and in this bill, we set November 1, 2011, as the
77 date by which a decision must be made.

78 So I think it is time to move this important legislation
79 to, as I said, make us less dependent upon foreign oil,
80 provide additional supply in the United States and create up
81 to 20,000 jobs for the American people.

82 [The prepared statement of Mr. Whitfield follows:]

83 ***** COMMITTEE INSERT *****

|
84 Mr. {Whitfield.} At this time I would like to recognize
85 the ranking member for the purpose of an opening statement.
86 Mr. Rush is recognized for 5 minutes.

87 Mr. {Rush.} I want to thank you, Mr. Chairman, and Mr.
88 Chairman, today we are marking up the North American-Made
89 Energy Security Act, which would short-circuit the permitting
90 process and require the Secretary of Energy to coordinate all
91 of the federal agencies in charge of issuing a final decision
92 on the Keystone XL pipeline by an arbitrary timeline.

93 The problem, as I see it, is that the majority is
94 attempting to use an act of Congress to direct the
95 Administration to do what is already in the process of being
96 done. In a media notice dated June 6th, Mr. Chairman, I want
97 to bring your attention to the fact that the State Department
98 issued a statement saying that they expected to make a final
99 decision granting or denying the permit for Keystone XL
100 pipeline ``before the end of 2011.'' However, Mr. Chairman,
101 this bill will force the Administration to issue the
102 Presidential Permit for the pipeline within 30 days of the
103 final environmental impact statement and not later than
104 November 1, 2011, regardless of whether the review process
105 has been completed or not. This arbitrary timeline will
106 reduce the allotted time that federal agencies would have to

107 determine the national interest in deciding this proposal by
108 almost two-thirds while also reducing or eliminating the 30-
109 day public comment period.

110 Mr. Chairman, I find it difficult to understand why
111 Congress needs to intervene to direct the Administration to
112 do what is already in the process of being done anyway. I
113 also find it equally disturbing that this subcommittee will
114 attempt to cut out the time for the various agencies to weigh
115 in and make their national-interest determination or the time
116 for the public to weigh in simply to instruct the
117 Administration to make a decision only 2 months before it is
118 already said that it would do so. The reason why this
119 permitting process has taken the time that it has is because
120 the EPA has serious concerns with the initial environmental
121 impact statement that the State Department issued and it was
122 sent back to be modified and to be updated. The State
123 Department then decided to allow the public and other
124 decision makers to review the updated information so all of
125 the relevant information could be considered. This bill
126 seeks to force the Administration to make a decision
127 regardless of whether or not this information has been
128 reviewed or even appropriately considered.

129 I would submit that despite the potential benefits that
130 this pipeline may or may not ultimately deliver, it is

131 extremely important that all of the relevant information and
132 consequent impacts be considered so that an informed decision
133 can be made. For a project this consequential, Mr. Chairman,
134 short-circuiting the permitting process in order to expedite
135 a decision just a couple of months early would be so
136 shortsighted and so unacceptable to the American people and
137 to the communities that this pipeline will ultimately affect
138 if it is to be built. In order to allow the public and the
139 agencies the appropriate time to comment, I will offer an
140 amendment to push back the November 1st deadline while also
141 ensuring that a decision is made on this particular issue in
142 a timely manner.

143 Mr. Chairman, I urge all of my colleagues to support the
144 amendment that I will offer, and with that, I yield back the
145 balance of my time.

146 [The prepared statement of Mr. Rush follows:]

147 ***** COMMITTEE INSERT *****

|
148 Mr. {Whitfield.} Thank you, Mr. Rush.

149 At this time I will recognize the chairman of the Energy
150 and Commerce Committee, Mr. Upton, for 5 minutes for the
151 purpose of an opening statement.

152 The {Chairman.} Thank you, Mr. Chairman. I am not
153 going to take my full 5 minutes so I will yield some of it to
154 the other members.

155 In this committee, we often hear from the other side
156 that the United States consumes 25 percent of the world's
157 oil, but only controls 2 percent of the world's reserves. In
158 fact, I am told that the President said that just yesterday.
159 So it certainly makes for a good sound bite, no doubt about
160 it, but what you don't hear from those using that line of
161 rhetoric is the massive resource base held by our friend and
162 ally to the north: Canada. Simply put, Canada's recent oil
163 sands discoveries have the potential to tilt the balance of
164 power through energy security in North America's favor.

165 The high oil and gasoline prices seen recently are due
166 at least in part to threatened, disrupted, and outright
167 restricted oil resources in unstable parts of the world. It
168 seems obvious that one of the main pillars of our Nation's
169 economic policy should be to promote trade with stable and
170 friendly nations, especially when it comes to oil. With

171 Canada's oil sands coming online and the enormous untapped
172 resources residing here in the United States, North America
173 appears to have the capacity to break free from unfriendly
174 sources of oil and bring down gas prices at the pump. But
175 there is only one thing standing in the way, and that is this
176 Administration.

177 This is the same administration that asks Brazil and
178 OPEC nations to increase production and promises the United
179 States will be a good customer. But when it comes to Canada,
180 a trusted ally and trading partner, the energy partnership is
181 inexplicably delayed.

182 The Obama Administration's own Department of Energy says
183 we can unshackle ourselves from nations half a world away
184 with the Keystone pipeline. DOE's analysis of Keystone
185 states in clear, simple English that the project can
186 essentially eliminate our Middle East oil imports.
187 Transporting oil sands crude, which is substantially cheaper
188 than OPEC crude, will in fact lower gas prices. Yes, secure
189 oil supplies, those that are not vulnerable to OPEC supply
190 disruptions, will lower gas prices.

191 On top of the clear gas price and national security
192 benefits, economic studies conclude this pipeline could
193 actually perhaps provide 100,000 jobs. Sadly, necessary
194 permits have been in limbo for nearly three years, and the

195 clear implication is that while other agencies have endorsed
196 this job creator, EPA is doing everything it can to delay
197 this project to death.

198 To end the delays and require this Administration to
199 make a timely decision on the pipeline, Mr. Terry of Nebraska
200 has introduced the North American-Made Energy Security Act.
201 This simple bill instructs the President to pull all involved
202 federal agencies together to expedite the already delayed
203 process and come to a decision by November 1st of this year.

204 To those who think the pipeline should not see the light
205 of day because they disapprove of oil sands crude, you are
206 fooling yourself if you think that oil sands will not
207 continue to be produced in Canada in the absence of this
208 pipeline, perhaps as much as 3 to 4 millions a day by the end
209 of the decade. The only difference will be where it is going
210 to be refined and consumed. If not here in the United
211 States, it will likely go to China, and maybe they will
212 export it back. What a deal.

213 With high gas prices, high unemployment and clear
214 threats to national security, a project like Keystone should
215 be a top priority for this Administration as well as any
216 other, and I would like to think that we will be able to move
217 this bill with a bipartisan vote later in the days ahead.

218 [The prepared statement of Mr. Upton follows:]

219 ***** COMMITTEE INSERT *****

|
220 The {Chairman.} I yield to the gentleman from Nebraska,
221 Mr. Terry, the sponsor of the bill.

222 Mr. {Terry.} Thank you, Mr. Chairman.

223 For those who suggest that we are rushing the process,
224 which is humorous, Keystone pipeline is the most studied
225 cross-border crude oil pipeline proposal of all projects that
226 the Department of State has considered. Department of State
227 issued a comprehensive multi-volume draft environmental
228 assessment in April 2010. This April, the State Department
229 issued a supplemental draft environmental impact statement
230 for public comment. The supplemental draft environmental
231 impact statement concluded that ``the information provided in
232 this SDEIS does not alter the conclusions reached in the
233 draft EIS regarding the need for and the potential impacts of
234 the proposed project.'' As a policy matter, it is better for
235 the United States to get its oil from North American sources
236 than from countries that are hostile to us. And make no
237 mistake: the United States is not the only market for this
238 oil. Oil goes where oil is needed. If we choose to let this
239 opportunity slip by because of delay on the decision, this
240 North American energy supply will go to other countries and
241 be returned to us at a premium. Not only that, we will lose
242 the jobs that could have been created both construction and

243 refining. We cannot continue to afford this delay, and I
244 yield back.

245 [The prepared statement of Mr. Terry follows:]

246 ***** COMMITTEE INSERT *****

|
247 Mr. {Whitfield.} Thank you.

248 I would like to remind the members that this is a markup
249 and every member will have an opportunity to make a 2-minute
250 opening statement if they so desire, so at this time I would
251 like to recognize the gentleman from California, Mr. Waxman,
252 for the purpose of an opening statement.

253 Mr. {Waxman.} Mr. Chairman, today we are marking up
254 H.R. 1938. This legislation directs the President to
255 expedite approval of the proposed Keystone XL pipeline, which
256 would carry a sludge made from Canadian tar sands through the
257 middle of America. This project would raise gas prices,
258 endanger water supplies and increase carbon emissions.

259 Keystone XL is a highly controversial project. The
260 State Department received nearly 50,000 comments on the draft
261 environmental impact statement. Once it is built, we will
262 live with the pipeline and its impacts, for 50 years or more.
263 This is a decision that we need to get right.

264 Unfortunately, this bill's approach is not to get it
265 right. Instead, it says whatever the risks and costs, just
266 get it done.

267 H.R. 1938 takes the extraordinary step of interfering in
268 an ongoing decision-making process by the Secretary of State.
269 The Secretary is in the midst of determining whether granting

270 the permit requested by TransCanada would be in the national
271 interest. The process for making these permit decisions was
272 established by Executive Orders issued by President Johnson
273 and President George W. Bush.

274 This bill overrides the Executive Orders and other
275 federal law, and it short-circuits the decision-making
276 process. It requires the President to make a decision by
277 November 1, even if the environmental impact statement has
278 not been finalized, as required under the National
279 Environmental Policy Act. It cuts the time for other
280 agencies to provide their views by two-thirds. It reduces or
281 eliminates the opportunity for public comment on the national
282 interest determination. And it essentially determines the
283 outcome. The bill finds that the earliest possible
284 construction of Keystone XL will serve the national interest,
285 making it extremely difficult, if not impossible, for the
286 State Department to decide otherwise. I don't think Keystone
287 XL is in the national interest.

288 My greatest concern is that Keystone makes us more
289 reliant on the dirtiest source of fuel currently available.
290 On a lifecycle basis, tar sands emit far more carbon
291 pollution than conventional oil, almost 40 percent more by
292 some estimates. That is because it takes huge amounts of
293 energy to take something the consistency of tar, which they

294 mine, and turn it into synthetic oil. We should be reducing
295 our oil dependence and using cleaner fuels. But Keystone is
296 a big step in the opposite direction.

297 This project raises many other concerns. Tomorrow, after
298 this subcommittee acts on this bill, we will hear about
299 pipeline safety concerns associated with tar sands pipelines.
300 TransCanada, Keystone XL's owner and operator, has had 12
301 spills on the first Keystone pipeline, and it has been
302 operating for less than a year. The Pipeline and Hazardous
303 Materials Safety Administration shut down Keystone One
304 earlier this month when it found that continued operation
305 without corrective action would be hazardous to life,
306 property and the environment.

307 The risks from spills are exacerbated with Keystone XL
308 because it is routed through the Ogallala aquifer, which
309 spans eight States and provides drinking water for 2 million
310 people. The shallow water table and highly porous soils mean
311 that a spill can spread rapidly.

312 And with all these risks, the benefits are unclear. The
313 study commissioned by DOE found that we will have excess
314 pipeline capacity from Canada for the next decade or more,
315 even without Keystone XL. And Keystone XL will likely raise,
316 not lower, gas prices. In its permit application,
317 TransCanada told the Canadian government that by addressing

318 the oversupply of crude and raising prices, Keystone XL will
319 increase revenue for Canadian producers by \$2 to \$4 billion a
320 year.

321 I understand why Big Oil wants Keystone XL, and I know
322 why they want to short-circuit the process. The more we
323 learn about this project, the worse it looks. What I don't
324 know is why we should be weighing in on the side of the oil
325 companies when the risks are so high for the American people.

326 Finally, I would like to note that this legislation does
327 not appear to comply with the discretionary CutGo policy that
328 Chairman Upton announced at the beginning of this Congress.
329 H.R. 1938 imposes a new duty upon the Secretary of Energy.
330 However, the legislation fails to impose a limit on the
331 amount of appropriations that are authorized for its
332 implementation, and it does not reduce an existing
333 authorization to offset new programs. I urge Chairman Upton
334 to provide clarity on the status of the policies he announced
335 in January. If he does not intend to follow the
336 discretionary CutGo rules, that would be useful for all
337 members to know.

338 Thank you, Mr. Chairman.

339 [The prepared statement of Mr. Waxman follows:]

340 ***** COMMITTEE INSERT *****

|
341 Mr. {Whitfield.} Thank you, Mr. Waxman.

342 It appears that on our side of the aisle, we have no one
343 else wanting to make an opening statement, so Mr. Matheson,
344 would you--Mr. Matheson waives so at this point the chair
345 would call up H.R. 1938 and ask the clerk to report.

346 The {Clerk.} H.R. 1938, to direct the President to
347 expedite the consideration--

348 [H.R. 1938 follows:]

349 ***** INSERT 1 *****

|
350 Mr. {Whitfield.} Without objection, the first reading
351 of the bill is dispensed with and the bill will be open for
352 amendment at any point. So ordered.

353 In keeping with the chairman's policies, are there any
354 bipartisan amendments? If not, are there any amendments?

355 Mr. {Rush.} Mr. Chairman, I have an amendment at the
356 desk, amendment number 37.

357 Mr. {Whitfield.} The clerk will report the amendment.

358 The {Clerk.} An amendment offered by Mr. Rush of
359 Illinois.

360 [The amendment follows:]

361 ***** INSERT 2 *****

|
362 Mr. {Whitfield.} Mr. Rush, you are recognized for 5
363 minutes to explain your amendment.

364 Mr. {Rush.} Thank you, Mr. Chairman.

365 Mr. Chairman, I have an amendment to delete finding
366 number 15 from the bill. Mr. Chairman, in reviewing the
367 findings in this bill, I found that while many of the
368 statements were questionable, there was one that was very
369 misleading, if not altogether inaccurate. Finding number 15
370 states, and I quote, ``Analysis using the Environmental
371 Protection Agency models shows that the Keystone XL pipeline
372 will result in no significant change in total United States
373 or global greenhouse gas emissions.''

374 Mr. Chairman, my office has been in touch with the EPA,
375 and we were informed that it is very misleading to say that
376 EPA models were used to draw conclusions about the impact of
377 the Keystone XL pipeline on greenhouse gas emissions. In
378 fact, the State Department environmental impact statement, or
379 SDEIS, relies on a 2010 report prepared by Ensys, Energy
380 Systems Incorporated, that was hired by the DOE to run
381 several crude oil transport scenarios using a model developed
382 by Ensys. To estimate greenhouse gas emissions impacts on
383 the back end of their modeling, Ensys used lifecycle
384 greenhouse gas emission factors developed by EPA as a data

385 input into their cancellations. However, the model used by
386 Ensys was not developed by EPA nor has it been used by EPA to
387 analyze the Keystone XL project.

388 Mr. Chairman, the State Department's supplemental draft
389 environmental impact statement on the Keystone XL pipeline
390 specifically confirms that Canadian oil sands crude are
391 greenhouse gas-intensive in relation to other types of crude
392 oil, due primarily to increased emissions associated with
393 production and refining. So I think that we should be
394 careful even in the haste of trying to push this bill through
395 that we do not include misleading statements that attempt to
396 highlight the benefits of building this pipeline without
397 acknowledging any of the potential detriments. In order to
398 correct this misleading statement, I urge all of my
399 colleagues to support my amendment, and I yield back the
400 balance of my time.

401 Mr. {Terry.} Move to strike the last word in
402 opposition.

403 Mr. {Whitfield.} The gentleman is recognized for
404 opposition to the amendment.

405 Mr. {Terry.} Thank you, Mr. Chairman.

406 I reach a different conclusion reading through the
407 environmental study than my colleague and friend from
408 Illinois. He mentioned the Ensys report, and also mentioned

409 that they didn't use the EPA modeling, but they did. It says
410 in the report that changes in lifecycle greenhouse gas
411 emissions were calculated with the models and methodology
412 used in deriving indirect impacts of petroleum consumption
413 for the renewable fuel standards two program, which is the
414 EPA standards. Then based on EPA's modeling, here is the
415 conclusion: The world and DOE energy technology's
416 perspective model analysis results show no significant change
417 in U.S. refining activity, total crude and product import
418 volumes costs and global refining, refinery carbon dioxide
419 and total lifecycle greenhouse gas emissions whether Keystone
420 XL is built or not. And then page after page of the charts
421 showing no significant impacts based on the modeling based
422 upon the EPA's own models.

423 Now, what we are seeing here is in real time what is
424 occurring is the blocking and doing nothing on energy as our
425 energy security and economy deteriorates. So the EPA if they
426 are coming up with new standards to try and alter the outcome
427 here, then that is a different story, and I think that is
428 what EPA is trying to do as the rogue organization that they
429 seem to have embraced today.

430 So, Mr. Chairman, I don't see any need for this. It is
431 the exact verbiage out of the environmental study, and by the
432 way, Mr. Chairman, all of these notebooks here is the first

433 environmental study, and another, well, it is only about two
434 notebooks, is the supplemental, and they have all come to the
435 same conclusion that there is no impact. And just common
436 sense would tell you globally that if this was shipped to
437 China and refined, it is still going to have the same carbon
438 emissions, and that is the conclusion that was made here.

439 So I yield back.

440 Mr. {Whitfield.} I thank the gentleman.

441 Mr. Waxman, you are recognized for the purpose of
442 supporting the amendment, I assume?

443 Mr. {Waxman.} Yes, Mr. Chairman, I do seek recognition
444 for that purpose.

445 I think that this amendment is a wise one. It would
446 delete a finding that appears to have no factual basis.
447 Nothing in the record for this decision shows any analysis of
448 greenhouse gas emissions based on an EPA model nor does the
449 record indicate that under no circumstances would the
450 Keystone XL pipeline result in higher greenhouse gas
451 emissions. In fact, the supplemental draft environmental
452 impact statement recognizes that tar sands crude has
453 substantially higher lifecycle greenhouse gas emissions
454 compared to the average U.S. crude supply.

455 The supplemental draft environmental impact statement
456 also includes an analysis commissioned by DOE showing that

457 Keystone XL increases total greenhouse gas emissions compared
458 to the base case under at least one of the scenarios
459 analyzed. If a pipeline to the west coast of Canada is not
460 built and a substantial other cross-border capacity is not
461 built or expanded, Keystone XL would increase total lifecycle
462 greenhouse gas emissions.

463 And while Canadian oil producers threaten to send the
464 oil to China if we don't approve the Keystone XL right now,
465 that is not a very plausible scenario. While small
466 expansions of existing capacity may be possible, there are
467 very significant legal and political hurdles for a major new
468 pipeline running through first nations land across British
469 Columbia. Deleting this finding won't make this bill
470 sensible and it won't make it acceptable, but at least it
471 would reflect less poorly upon this committee by deleting a
472 finding that is inadequately supported and therefore I urge
473 members to vote for the Rush amendment. I yield back my
474 time.

475 Mr. {Whitfield.} Does anyone seek recognition to speak
476 in opposition to the amendment?

477 Mr. {Bilbray.} Yes, Mr. Chairman.

478 Mr. {Whitfield.} Mr. Bilbray, you are recognized for 5
479 minutes.

480 Mr. {Bilbray.} Mr. Chairman, you know, I would love to

481 say here we go again where every time there is a proposal, we
482 look at torpedoing a proposal down the line and then trying
483 to find the negatives for the proposal, but we never give the
484 environmental impact of the no-project option equal weight,
485 and it is one of the greatest mistakes we have made in
486 environmental assessment.

487 When you talk about not building a road, everybody is
488 looking at the car emissions of cars on a freeway but they
489 don't look at the fact that if you don't build a road and the
490 congestion goes in there, how much more emissions will be
491 caused by not putting in the capital improvements. And
492 frankly, I just really look at this proposal as a classic
493 example. How can we overlook the fact that the alternative
494 to this project is to continue to import oil into the United
495 States with tankers, which happens to constitute one of the
496 largest threats to our beaches, not offshore oil but imported
497 oil that is coming from overseas is being shipped, you know,
498 thousands of miles by tanker, exposed to not only traditional
499 risk or environmental hazards of nature but also manmade
500 threats are growing all along, and to now try to focus on one
501 aspect that may be a concern and totally ignore the
502 historical problems of the alternative and that is shipping
503 it on tankers in the ocean over environmentally sensitive
504 areas where we have no control over it all and then to ignore

505 that and do it in manner that you claim to be environmentally
506 sensitive I think doesn't reflect reality when it comes down
507 to addressing the issues.

508 And so I understand the traditional approach at looking
509 at this: look at the impact of the project but ignore the
510 no-project impact. I think it is time that those of us who
511 really want to care about the environment and care about
512 environmental independence and the economic and energy
513 independence have to be brave enough to be a little more
514 sophisticated than we have historically done when we have
515 done these assessments, and I think the no-project option as
516 opposed to what is being proposed here is a hell of a lot
517 worse to the environment and to the economy and to energy
518 independence than moving forward with this.

519 And so I will yield back at this time.

520 Mr. {Terry.} Will you yield to me?

521 Mr. {Bilbray.} I yield to the gentleman from Nebraska.

522 Mr. {Terry.} I just want to add one other point or
523 layer, and that is, on those ships is going to be heavy crude
524 from Venezuela or some other place and so you are still
525 refining once it gets here the same level or similar level of
526 heavy crude.

527 Mr. {Bilbray.} Well, reclaiming my time. Anyone who
528 spent any time flying over Houston can see the tankers lined

529 up offshore in the Gulf of Mexico waiting to come in, and the
530 fact is, this thing works both ways and so there is a risk
531 there. I just don't think that, you know, if you really care
532 about the environment and energy independence, you have to
533 look at the big picture, and that is what I think this motion
534 ignores and that is why I sadly have to oppose it at this
535 time and I yield back.

536 Mr. {Rush.} Mr. Chairman, move to strike the last word.

537 Mr. {Whitfield.} The gentleman is recognized.

538 Mr. {Rush.} Mr. Chairman, this seems to me is the
539 proverbial jumping to conclusions kind of scenario. I mean,
540 it seems as though my friends on the other side of the aisle,
541 and they are my friends, they seem to feel as though we are
542 opposed to the pipeline or that the State Department is
543 opposed to the pipeline. I think that is jumping to a
544 conclusion prematurely.

545 However, Mr. Chairman, we are suggesting that there is a
546 falsehood that really kinds of stands up and stands out in
547 their determination in the matter before us and that is the
548 EPA itself said that they did not use our model. Now, if the
549 EPA disowns that statement in the bill, then I think that it
550 is responsible for members of this committee to accept the
551 fact that EPA said that this is misleading, that this is not
552 the model that they use and that the proponents of this bill

553 are actually perpetuating a fraud on the American people by
554 suggesting that this is an EPA model and they did use a model
555 that was verified by the EPA.

556 Mr. Chairman, I also want to say that 2 months, 60 days,
557 that is all that my amendment says, 60 days, give the EPA and
558 the Administration 60 days, and if they don't do it in 60
559 days, then we are all in agreement. We will direct the EPA
560 to enter into negotiations but allow them 60 more days. They
561 have already indicated that they will by the end of this year
562 reach a decision.

563 Now, November or January, I mean, does it really make a
564 difference? Does it really make a difference? So why can't
565 we just accept this amendment and move forward on this, Mr.
566 Chairman. We don't have to spend all this time. It is a
567 sensible amendment.

568 Mr. {Whitfield.} Mr. Rush, I would like to try to
569 clarify one thing. I thought we were discussing the
570 amendment to strike some findings that were in the
571 legislation. We are not taking up the amendment to extend
572 the deadline at this point, are we?

573 Mr. {Rush.} You are absolutely correct, Mr. Chairman.

574 Mr. {Whitfield.} Okay. Does anyone else seek
575 recognition to speak for or against the amendment? If there
576 is no further discussion, the vote occurs on the amendment.

577 All those in favor of the amendment, say aye. All those
578 opposed, no. In the opinion of the chair, the nos have it.

579 Mr. {Waxman.} Mr. Chairman?

580 Mr. {Whitfield.} For what purpose does the gentleman
581 seek recognition?

582 Mr. {Waxman.} I have an amendment at the desk, number
583 003.

584 Mr. {Whitfield.} The clerk will report the amendment,
585 please.

586 The {Clerk.} An amendment offered by Mr. Waxman of
587 California.

588 [The amendment follows:]

589 ***** INSERT 3 *****

|
590 Mr. {Whitfield.} Without objection, the reading of the
591 amendment is dispensed with and the gentleman from California
592 is recognized for 5 minutes in support of his amendment.

593 Mr. {Waxman.} This bill makes a series of findings
594 related to the Keystone XL pipeline. Some of these findings
595 are a matter of opinion. One finding says that the earliest
596 possible construction of Keystone XL will serve the national
597 interest. That is what the Secretary of State is supposed to
598 determine with input from the public, States, tribes and
599 other federal agencies. Forty-eight thousand, four hundred
600 and ninety commenters weighed in on just the environmental
601 impact statement but even before they held a single hearing,
602 the Republicans on this committee were sure they knew the
603 answer.

604 Some of these findings appear to be just wrong. Number
605 15 says that analysis using EPA models shows that Keystone XL
606 will result in no significant change in total U.S. or global
607 greenhouse gas emissions. There is no such reference in the
608 decision-making record to analysis using EPA models. But all
609 of these findings share one characteristic: they all support
610 the pipeline and inconvenient facts are not included.

611 I happen to think that the potential impact on gas
612 prices is a critically important fact. As the State

613 Department decides whether this project is in the national
614 interest, I think most Americans would think that impacts on
615 gas prices is a relevant consideration.

616 So my amendment is very simple. It adds a finding that
617 simply states what TransCanada, the company proposing to
618 build the Keystone XL pipeline, told the Canadian government
619 about how the pipeline would affect oil prices in the
620 Midwest. Specifically, TransCanada reported what would
621 happen to oil prices in Illinois, Indiana, Iowa, Kansas,
622 Kentucky, Michigan, Minnesota, Missouri, Nebraska, North
623 Dakota, Ohio, Oklahoma, South Dakota, Tennessee and
624 Wisconsin. TransCanada said that Keystone XL will increase
625 oil prices in these States, increasing annual revenue to
626 Canadian oil producers by an estimated \$2 billion to \$4
627 billion. And at the hearing last month with TransCanada, no
628 one disputed this.

629 I know some of my colleagues will argue that increasing
630 the price of crude oil won't affect gasoline prices but at
631 least one prominent oil market economist says Keystone XL
632 will increase gas prices, and when asked whether he would
633 assure us that the Midwest gas prices wouldn't go up with
634 Keystone XL. The TransCanada representative at the hearing
635 couldn't do that. In fact, the TransCanada representative
636 said that Americans in the Midwest are currently getting

637 discounted oil. The people in the Midwest are known for
638 being nice but I suspect that if you stop at any gas station
639 in the Midwest and tell someone filling up their tank that
640 they are getting discounted oil, you will get an earful.

641 I think the State Department should get a better
642 understanding of this issue at a minimum. I hope my
643 colleagues will support this simple, fact-based, highly
644 relevant amendment, and yield back my time.

645 Mr. {Shimkus.} Mr. Chairman.

646 Mr. {Whitfield.} For what purpose does the gentleman
647 seek recognition?

648 Mr. {Shimkus.} To speak against the amendment, Mr.
649 Chairman.

650 Mr. {Whitfield.} The gentleman is recognized.

651 Mr. {Shimkus.} Thank you, Mr. Chairman.

652 As a Midwesterner, some of these debates, they really
653 don't make a lot of sense. If you are bringing more supply,
654 if you believe in economics 101, more supply in a more secure
655 transportation route, as Mr. Bilbray said, pipelines versus
656 tankers from places that we are going to war with, more
657 secure, more supply, economics 101 would say prices would go
658 down. But if my friend wants to cite the Keystone data, why
659 doesn't he also cite for Illinois the data provided them
660 about the increase in industry output per year if this

661 pipeline goes through, which is \$2.769 million? Why doesn't
662 he cite the increase in GDP for the State of Illinois, which
663 is \$1.445 million? Why doesn't he cite the increase in jobs
664 for the State of Illinois, which is 14,600 jobs would be
665 created, or that jobs created from 2009 to 2025 which will be
666 26,500? Why doesn't he cite the number of suppliers from the
667 State of Illinois, which would be higher to help build the
668 pipeline, which for the State of Illinois is 69?

669 This is a project whose time has come. It has already
670 been delayed 12 months more than any pipeline built across an
671 international boundary. This thing has to move. That is why
672 we no longer need any delay, and I would like to yield my
673 time to Mr. Terry.

674 Mr. {Terry.} Thank you, Mr. Shimkus.

675 Recalling the testimony, the gentleman from TransCanada
676 did not provide an opinion there because that wasn't his area
677 of expertise, but there were several others on that panel if
678 we remember correctly who did refute that statement, saying
679 that, A, on a heavy crude that does sell at a lower price
680 than sweet crude, that the world market for that level or
681 heaviness of crude would dictate it, that the transportation
682 costs being lower would keep the prices down and then
683 economic law of supply and demand, if we are receiving
684 700,000 barrels per day of a resource that can be refined

685 would further reduce prices was the testimony from the expert
686 economist, energy experts that day. So the reality is that
687 the testimony as a whole obtained that day said that this
688 would actually lower prices at the retail pump for consumers.
689 So whatever the person in TransCanada said on the record has
690 been definitely refuted and the retail gas stations in the
691 United States would actually be decreased.

692 So I think the finding is completely representative of
693 the testimony that was obtained and not refuted. So to
694 delete and put in the one statement from a TransCanada
695 official probably out of context would be the one that would
696 be more misleading. So I would recommend a no vote on this
697 amendment.

698 Mr. {Rush.} Mr. Chairman.

699 Mr. {Scalise.} Would the gentleman yield?

700 Mr. {Shimkus.} The time is still mine. I would just
701 end by--

702 Mr. {Rush.} Would the gentleman yield?

703 Mr. {Shimkus.} I will.

704 Mr. {Rush.} You made some pretty glowing remarks in
705 your data concerning the State of Illinois, and as a fellow
706 Illinoisan, and you are very close friends, but I just want
707 to know, what was your source for the data? Is it
708 TransCanada or--

709 Mr. {Shimkus.} The source is the Canadian Association
710 of Petroleum Producers survey members partial listing as of
711 January 2011.

712 Mr. {Rush.} That is what I figured. I figured it was
713 from Canada.

714 Mr. {Shimkus.} Well, reclaiming my time. As you know,
715 Caterpillar is one of our largest companies in the State of
716 Illinois, and guess who will be using the heavy equipment and
717 what equipment they will be using? They will be using
718 Caterpillar equipment. So this is a great benefit for the
719 State of Illinois and that is why I am very supportive.

720 I have only 15 seconds remaining. I yield back my time.

721 Mr. {Rush.} Mr. Chairman.

722 Mr. {Whitfield.} The gentleman yields back the balance
723 of his time. Who seeks recognition?

724 Mr. {Rush.} Mr. Chairman, I seek recognition.

725 Mr. {Whitfield.} The gentleman from Illinois seeks
726 recognition to speak in favor of the amendment.

727 Mr. {Rush.} Mr. Chairman, I yield as much time as he
728 wants to consume to the ranking member of the full committee.

729 Mr. {Waxman.} Thank you for yielding to me.

730 In the Midwest, which is the only place this tar sand
731 oil can go at the present time, there is an oversupply, and
732 the people in Canada are looking at that and saying, well,

733 there is more supply, that means they can't get the highest
734 price. So then looking forward to shipping this down the
735 pipeline to Louisiana, which will mean they don't have to put
736 as much in the Midwest, and if they send it to Louisiana,
737 that will increase the prices of it after it is refined
738 because there is not an oversupply in Louisiana and other
739 places where that oil will go.

740 So the Midwest is not immune from the basic economics of
741 supply and demand. That is why the Canadian oil companies
742 said that they stand to make more money because they can then
743 start charging more in the Midwest and there won't be an
744 oversupply any longer in the Midwest. If there is not an
745 oversupply in the Midwest, they can charge more for the oil
746 in the Midwest.

747 Now, I think it is just the reality that sometimes our
748 constituents don't know when their representatives act in a
749 way that causes prices to go up but I would submit that
750 passing this legislation and allowing this pipeline to bypass
751 the Midwest, to take that oil right down to the refineries in
752 the Louisiana will end up in a disadvantage for the Midwest,
753 and I think that ought to be one of our findings.

754 Mr. {Terry.} Will the gentleman yield on that point?

755 Mr. {Rush.} I will yield but not right now.

756 Mr. Chairman, I support the Waxman amendment. This is a

757 simple statement of fact. TransCanada told the Canadian
758 government that Keystone XL will increase revenues for tar
759 sands producers by \$2 billion to \$4 billion a year by raising
760 crude oil prices in the Midwest. That is what they told
761 them. And Mr. Chairman, why would we need supplies? The oil
762 industry isn't making a \$7 billion out of the goodness of
763 their hearts. The pipeline is going to make them a lot of
764 money, and if they make that money by raising gas prices,
765 then that should be our most serious and most real concern.

766 So this is clearly relevant to a national interest
767 determination. It is also factually unassailable. Whether
768 or not you agree with them, transaction's statement is in
769 their permit application. Dr. Philip Verleger is a prominent
770 oil market economist who served in the Ford and Carter
771 Administrations, taught at Yale University, worked at a major
772 investment firm and now owns his own consulting firm and
773 teaches at the University of Calgary. Here is what Dr.
774 Verleger had to say about Keystone, and I quote: ``U.S.
775 consumers should not have to pay a \$5 billion duty to
776 Canadian oil companies for an insurance policy of little
777 value.'' He further states that Keystone will allow, and I
778 quote him again, ``a deliberate manipulation of the U.S. oil
779 market that will raise gas prices for Midwest farmers and
780 consumers even higher.``

781 I urge all the members of this committee to support the
782 Waxman amendment, and I yield back the balance of my time.

783 Mr. {Barton.} Mr. Chairman.

784 Mr. {Whitfield.} The chair recognizes himself for the
785 purposes of speaking in opposition to the amendment.

786 I would point out that west Texas intermediate crude is
787 predominantly used in that area and there has been a lack of
788 supply in that area because of the demand and because of
789 that, it is necessary to go to the world marketplace to buy
790 additional oil, which is even higher, and it makes sense to
791 me that if you build a pipeline and you bring in an
792 additional supply of oil from Canada, that that is going to
793 supplement the WTI oil that is there and it is going to
794 reduce the necessity to buy oil on the foreign marketplace.

795 So I think there is every reason to believe that this
796 additional supply is actually going to reduce the price of
797 gasoline, and I would like to yield time to the gentleman
798 from Texas.

799 Mr. {Barton.} Thank you, Mr. Chairman.

800 I feel like I have walked into Alice in Wonderland. You
801 know, I missed the opening statements, and I walk in and my
802 good friend, Mr. Waxman, and my good friend, Mr. Rush, are
803 saying bringing more oil to the U.S. market is going to raise
804 prices, and they point to some studies and stuff. Well, let

805 us just do oil 101 real quick.

806 WTI stands for west Texas intermediate. West Texas
807 intermediate is a type of oil that is in high demand because
808 it has low sulfur content and it has viscosity that allows it
809 to be easily refined to maximize gasoline production, which
810 is the highest quality byproduct that comes from oil. Texas
811 has been producing different types of west Texas intermediate
812 since the 1920s. Right now we are producing about a million
813 barrels a day. Not all of it is west Texas intermediate.

814 The oil that is going to come in from Canada is a
815 different type of oil. It sells at a discount because first
816 of all, it has to be removed from the tar sands and it is a
817 heavier oil. The pipeline is going to bring it in to the
818 Midwest, and it is true that if the Midwest buys that oil
819 that there is going to be revenue additionally generated for
820 the Canadian producers. If that weren't the case, they
821 wouldn't send it down the pipeline. But that doesn't mean
822 automatically that the price is going to be higher to the
823 consumers. The consumers in the Midwest are going to have
824 two choices, the refiners that use the oil. They can use
825 west Texas intermediate from Texas and Oklahoma, they can use
826 this Canadian oil that is coming down from the pipeline.
827 They are going to choose the best price. They are going to
828 choose the best deal. But oil generically is fungible. The

829 oil that they don't use is going to go somewhere else, and it
830 is overall by bringing more oil into the United States
831 market, it is going to lower the price unless the demand for
832 oil worldwide goes up. If there is another crisis in the
833 Middle East, if there is some sort of another explosion
834 somewhere that reduces overall demand on the world market,
835 then the price overall would go up. But if that doesn't
836 happen, if all things are equal and you have normal business
837 conditions, bringing more oil from Canada through this
838 pipeline competing with oil coming up from Texas and Oklahoma
839 is going to make a better deal for the Midwest, more choice
840 and lower price.

841 This amendment is an Alice in Wonderland amendment and
842 should be rejected emphatically, Mr. Chairman.

843 Mr. {Shimkus.} Will the gentleman yield?

844 Mr. {Barton.} I would be happy to yield.

845 Mr. {Shimkus.} And I would just add that right outside
846 my district is the ConocoPhillips refinery, and it is
847 refining both light and heavy. It is just about finishing
848 its \$2 billion expansion. It has had thousands of members of
849 organized labor building the expansion of the ConocoPhillips
850 refinery for years even in this downturn, I have talked about
851 it for years now because we are so proud of the fact \$2
852 billion to refine this heavy crude. And so in this economic

853 downturn, members of organized labor, ironworkers, operating
854 engineers, laborers have been highly employed in this
855 expansion, and this refinery is going to be able to refine
856 both types, which will bring both types of part of the
857 process will be of gasoline to the market. So it is all
858 about jobs, and this is a jobs bill.

859 Mr. {Barton.} And if the chairman would yield back to
860 me the remaining--

861 Mr. {Shimkus.} Yield back.

862 Mr. {Whitfield.} The gentleman is recognized.

863 Mr. {Barton.} If this amendment is correct, the way to
864 lower oil prices for America is not let any oil come in from
865 overseas, not let any oil from anywhere come in and we will
866 get gasoline back to 25 cents a gallon, if this amendment is
867 correct.

868 Mr. {Whitfield.} My time is expired. If there is no
869 further discussion, the vote would occur on the amendment.
870 All those in favor shall signify by saying aye. All those
871 opposed, no. In the opinion of the chair, the nos have it.

872 Are there additional amendments?

873 Mr. {Rush.} Mr. Chairman, I have an amendment at the
874 desk.

875 Mr. {Whitfield.} The clerk will report the gentleman's
876 amendment.

877 The {Clerk.} An amendment offered by Mr. Rush of
878 Illinois.

879 [The amendment follows:]

880 ***** INSERT 4 *****

|
881 Mr. {Shimkus.} The gentleman is recognized for 5
882 minutes to explain his amendment.

883 Mr. {Rush.} Mr. Chairman, this is my final amendment
884 for the day, and I just know this amendment is going to pass
885 unanimously.

886 My amendment would allow for 120 days after the final
887 environmental impact or no later than January 1, 2012, for
888 the President to issue a decision on the Keystone XL
889 pipeline. Mr. Chairman, as written, this bill will force the
890 Administration to issue the Presidential Permit for the
891 pipeline within 30 days of the final impact statement and no
892 later than November 1, 2011. This arbitrary timeline will
893 reduce the allotted time that federal agencies will have to
894 determine the national interest in deciding this proposal by
895 almost two-thirds while also reducing or eliminating the 30-
896 day public comment period. I believe public input is a vital
897 and necessary part of the deliberation process, especially
898 for the local communities that will be most affected by a
899 decision to move forward.

900 I also believe it is important for the various
901 departments to weigh in with their national interest
902 determination, which this bill would severely curtail if not
903 completely eliminate. In fact, in conversations that my

904 office has held with the State Department as well as the EPA,
905 we were informed that it would be close to impossible for the
906 responsible agencies to do their due diligence and report to
907 the arbitrary timeline of November 1st as this bill would
908 mandate.

909 Additionally, as I stated in my opening, the State
910 Department has already publicly stated, Mr. Chairman, that it
911 expects to have a decision on Keystone out by the end of this
912 year. Mr. Chairman, my amendment would allow for the
913 appropriate time period for the public and the different
914 agencies to weigh in while also mandating that a decision is
915 made within a timely manner. Pushing the deadline back by
916 just two months will avoid short-circuiting the review
917 process and also make sure that a decision is made in a
918 reasonable time period. And Mr. Chairman, I would further
919 add that it would make this committee look to the American
920 people like it is a committee of determination and not just a
921 committee of expediency.

922 So I urge all of my colleagues to support this
923 amendment, and with that, I yield back the balance of my
924 time. I will yield to the ranking member of the full
925 committee.

926 Mr. {Waxman.} I thank you for yielding to me. I
927 support your amendment.

928 I believe the State Department should take the time it
929 needs to get this decision right. At a minimum, this project
930 locks us into decades of highly polluting fuel. At worst, it
931 could also contaminate a critical source of water that
932 supplies drinking water for 2 million people plus water for
933 ranching and farming across eight States. So I don't think
934 it makes sense to set any artificial deadline for this permit
935 decision.

936 That said, this amendment certainly improves the bill.
937 The State Department has said that they plan to issue a
938 decision by the end of this year, and they appear to be on
939 track to do so. The permit applicant has said that they need
940 a decision by the end of the year. The timing contemplated
941 by this amendment is consistent with timing that both the
942 State Department and the permit applicant have indicated is
943 acceptable.

944 In contrast, the underlying bill short-circuits the
945 process, cuts out most of the time provided for other
946 agencies to weigh in, and under the Executive Order, it
947 largely eliminates any opportunity for public comment on the
948 national interest determination. The November 1, 2011,
949 deadline in the bill is unnecessary, is likely to drive a
950 decision based on inadequate analysis and stakeholder input.
951 While this amendment would not fix the bill, it reduces some

952 of the concerns, and I would urge my colleagues to support
953 this amendment.

954 I thank you for yielding to me.

955 Mr. {Scalise.} Mr. Chairman.

956 Mr. {Whitfield.} The gentleman from Louisiana, Mr.
957 Scalise, is recognized to speak in opposition to the
958 amendment.

959 Mr. {Scalise.} Thank you, Mr. Chairman. I move to
960 strike the last word.

961 I object to the amendment, and frankly, why would we
962 want to delay any longer on reducing our dependence on Middle
963 Eastern oil? This project has gone on. The analysis has
964 been done. It has been going on for over 3 years. In fact,
965 the report and the ability to get this issued is over a year
966 past due already. So delaying it even further just makes it
967 that much harder for us to get more oil from a friendly
968 partner like Canada and stop importing oil from unfriendly
969 nations in the Middle East. You know, when you look at this
970 decision, the transatlantic pipeline folks have said they
971 need a decision by the end of this year, because they are
972 getting offers from other people. China would like this.
973 Other countries would like this oil from these oil sands, and
974 if America says we don't want it from Canada, then Canada is
975 going to go somewhere else and then we are going to be stuck

976 continuing to have an increased dependence on Middle Eastern
977 oil. And what does that mean? First of all, the pipeline
978 means 20,000 real jobs in America. Those aren't Canadian
979 jobs. Those are 20,000 American jobs to build the pipeline.
980 That is just to build the pipeline. Over \$5 billion of
981 property taxes that would be paid in America every year.

982 And then if you look at some of the studies that have
983 been done, there is a net economic benefit from improved
984 efficiencies in America by bringing in this oil from Canada
985 instead of the Middle East of over \$100 to \$600 billion
986 annually. So why would we want to keep delaying bringing in
987 and creating new American jobs, bringing in oil from Canada
988 instead of the Middle East when we can actually get this
989 done? They are saying they want to partner with us. Canada
990 is a good partner with America. In fact, if you look at the
991 trade relationship with Canada, for every dollar we trade
992 with Canada, for every dollar we send, we get over 91 cents
993 back. Now, if you compare that to these Middle Eastern
994 countries who are bringing in over a million barrels a day
995 from, when we send a dollar over to the Middle Eastern
996 countries, less than 50 cents comes back to America and the
997 money they keep in many cases they use against us.

998 So we have got an opportunity to say 700,000 barrels a
999 day can be brought in from Canada, a trading partner where we

1000 get over 90 cents back from that dollar in trade instead of
1001 and replacing all this Middle Eastern oil that we are
1002 getting. And look, the President goes to Brazil, the
1003 President asks OPEC to increase production. He wants to get
1004 it from them instead of Canada, from a good trading partner.
1005 He doesn't want to get it from America where we have got
1006 known reserves here, where we can create great jobs in
1007 America. So what we are saying is, let us go get it from
1008 Canada. They have got the oil, they want to send it to us
1009 and create good jobs here, 20,000 jobs, have a good
1010 partnering relationship, and instead, while the President is
1011 asking OPEC to do more, OPEC said they are not going to
1012 increase production because they want the cost to go up.

1013 Now, you wonder why, you know, they are talking about
1014 the price of oil. This is a supply and demand issue. Why do
1015 you think it is that oil prices have nearly doubled since the
1016 President has been in office? And it is going to continue
1017 going up because the President's policy is shut off supplies
1018 from our friends, shut off supplies in America and make us
1019 more reliant on Middle Eastern oil.

1020 Just look at the numbers. If we do business with
1021 Canada, if we don't delay any more, and believe me, we have
1022 been delaying for 3 years this has been going on. It is over
1023 a year past due already. EPA would love to have more ability

1024 to drag this out even further. And then guess what, we are
1025 more dependent on Middle Eastern oil because Canada will say
1026 you know what, you all don't want our oil, other people do,
1027 we will go trade with somebody who wants it. And instead we
1028 have got the ability to create 20,000 jobs just on the
1029 construction, billions of dollars coming into our economy
1030 every single year, and we will be trading with a country who
1031 we have got a great relationship with where 90 cents of every
1032 dollar we trade comes back to us. And by the way, we are
1033 replacing over 700,000 barrels a day that we are right now
1034 buying from Middle Eastern countries where less than half the
1035 money comes back to us and the money they keep, many cases
1036 they use against us. This is a no brainer. We have been
1037 delaying way too long already. Why would we want to drag
1038 this out any longer? Why would we want to run even more jobs
1039 out of America to some of these foreign countries who don't
1040 like us?

1041 Let us get this done. They have been dragging it out
1042 for long enough. It makes perfect sense, it would create
1043 great jobs, and it reduces our dependence on Middle Eastern
1044 oil. So I oppose the amendment, and I will yield back the
1045 balance of my time.

1046 Mr. {Rush.} Mr. Chairman, I move to strike the last
1047 word.

1048 Mr. {Whitfield.} The gentleman is recognized.

1049 Mr. {Rush.} Mr. Chairman, I hear my colleagues, and I
1050 do want all to know that I am representative of a district
1051 with especially high unemployment. I mean, we are far past a
1052 recession level in my district. We have been in a potential
1053 depression state for a long time now, so I am for jobs. But
1054 Mr. Chairman, I don't think we need to move hastily.

1055 I just want to read you some quotes from a letter that
1056 the Senator from Nebraska, Senator Johanns, wrote to the
1057 Secretary of State, and I want to quote a letter dated
1058 October 14, 2010. He says, ``Dear Secretary Clinton: I
1059 write concerning the Keystone XL pipeline under consideration
1060 by the Department of State. As you may have know, I have
1061 repeatedly expressed concern that regulatory action relating
1062 to this permit application be executed such that maximum care
1063 is taken to safeguard the Ogallala aquifer, an irreplaceable
1064 natural resource in the State of Nebraska. As noted in the
1065 draft environmental impact statement released on April 16 of
1066 this year, the aquifer supplies 78 percent of public water
1067 supply and 80 percent of irrigation water in Nebraska. The
1068 document further acknowledges that crude oil could migrate
1069 into subsurface aquifers and into areas where these aquifers
1070 are used for water supplies. As a Senator, it is my duty to
1071 review federal actions that might impact resources critical

1072 to the State of Nebraska.''

1073 He goes on in a letter dated August 11, 2010, stating
1074 basically the same thing. He writes to the president of
1075 TransCanada Corporation, and this is from Senator Johanns
1076 again. He says: ``Mr. Girling, I write concerning the
1077 Keystone XL project under consideration by the Department of
1078 State. As you may know, I have repeatedly expressed concern
1079 that the maximum care be granted to safeguard the Ogallala
1080 aquifer, an irreplaceable natural resource in the State of
1081 Nebraska. In addition, I have posed questions to both
1082 TransCanada and federal agencies involved in the permitting
1083 process. I look forward to receiving answers. Today,
1084 however, I write with a separate but equally serious concern
1085 related to ongoing negotiations between Nebraska landowners
1086 and TransCanada and the threatened use of eminent domain. I
1087 have had multiple conversations with Nebraskans who have
1088 indicated that TransCanada representatives have established
1089 hard deadlines for landowner responses to offers for easement
1090 payments within as little as two weeks, I am told. Such
1091 deadlines may be the normal course of business for
1092 negotiation between private parties. However, Nebraska
1093 landowners are being told in addition that the use of eminent
1094 domain authority will be triggered.''

1095 Here are two issues, Mr. Chairman, that are relevant to

1096 my amendment, and the Senator from Nebraska is asking the
1097 Secretary of State to be deliberate in this process, to take
1098 the time necessary, and I think that he is absolutely on
1099 point and I think this subcommittee will be on point if in
1100 fact we would extend this deadline and adopt my amendment.

1101 Thank you, and I yield back.

1102 Mr. {Terry.} Mr. Chairman.

1103 Mr. {Whitfield.} Mr. Terry is recognized for 5 minutes
1104 to speak in opposition to the amendment.

1105 Mr. {Terry.} Thank you. A couple of points.

1106 First, many of the concerns that were in Senator
1107 Johannis' letter we all are concerned in the State of
1108 Nebraska, and I have said and Senator Johannis has said that
1109 we are going to rely on the science and the environmental
1110 impact studies that have shown already that the Ogallala
1111 aquifer and the surface, the environmental surface in the
1112 Sandhills can be protected. So I am going to go with the
1113 science.

1114 And by the way, again, these seven folders here is the
1115 environmental impact study and the supplemental. This has
1116 been studied and studied very thoroughly. There has been no
1117 accusations other than the EPA's and their attempt to delay
1118 this even further that his has been wrong or inadequate.

1119 Now, the other part, and Mr. Rush would not know this,

1120 but Mr. Johanns, the Senator, and I have been working on this
1121 legislation and he doesn't disagree, and the fallacy here is
1122 that somehow this is being rushed, and I find that, as I peak
1123 over the environmental impact study here, very interesting
1124 since the request was initially filed in September of 2008.
1125 generally, pipelines like this will take about 18 months to
1126 work through the process to get their approval, maybe 20
1127 months, maybe on the outside 24. But here we are going on
1128 the third year. There have been 20 public hearings across
1129 the Nation up and down the pipeline in February of 2009.

1130 The last comment I will make here is that what we are
1131 saying is, we want them to really just get off their rear and
1132 start doing it. This is June 15. If the State Department
1133 wants another series of hearings, let them start it. Let
1134 them go out there. The paperwork is all there in front of
1135 them to get the additional comments if they want a second
1136 round. Start them. That is all that we are saying here.
1137 November isn't 30 days away. November is 5 months away. So
1138 start on it now. If we pass this, they will understand that
1139 if they want to go through additional processes, they can
1140 start them now, and that is all we are saying here.

1141 So at this point in time I see no reason to do anything
1142 but oppose this amendment, and I will yield back my time.

1143 Mr. {Whitfield.} If there is no further discussion,

1144 then the vote occurs on the amendment. All those in favor
1145 shall signify by saying aye. All those opposed, no. In the
1146 opinion of the chair, the nos have it and the amendment is
1147 not agreed to.

1148 The vote will now occur on reporting H.R. 1938, the
1149 North American-Made Energy Security Act, out of the
1150 subcommittee. All those in favor of reporting the bill out
1151 signify by saying aye. All those opposed, no. In the
1152 opinion of the chair, the ayes have it, and H.R. 1938 is
1153 reported out of the subcommittee.

1154 The chair thanks all the members and the staff, and the
1155 subcommittee now stands adjourned subject to the call of the
1156 chair.

1157 [Whereupon, at 10:20 a.m., the Subcommittee was
1158 adjourned.]