

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “American Jobs Now: A Legislative Hearing on H.R. 3548,
the North American Energy Access Act”
Subcommittee on Energy and Power
February 3, 2012

Today we are holding a legislative hearing on a bill to mandate approval of TransCanada’s tar sands pipeline Keystone XL.

This tar sands pipeline is hugely controversial, for good reason. 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 area in 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 the State of Nebraska. It exempts the pipeline from the requirement to obtain permits from the Corps of Engineers before crossing rivers and wetlands. It takes away the Department of Interior’s authority to protect sensitive public lands.

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 Koch Industries would be one of the big winners from this earmark. There is evidence to support this.

We know that Koch is one of the largest crude oil exporters in Canada. We know it owns an oil terminal in Hardisty, Canada, where the pipeline would begin. And we know it has a refinery in Texas near where the pipeline ends.

Last May, I contacted Koch to inquire about the nature of its interest in the pipeline. Koch responded that despite the evidence to the contrary, it 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, so I asked Chairman Upton and Chairman Whitfield to invite Koch to testify today.

They refused, and Koch refused to appear without an invitation from the Chairmen.

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 Chairmen 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 in Nebraska.

We also want to know about these claims of jobs. The State Department testified that we would get five to six thousand temporary jobs if this pipeline is approved. These jobs would be around for two years. TransCanada said it’s going to be 20 thousand jobs, or over 100 thousand. Where do they get the number 100 thousand? That’s looking at the lifetime of the pipeline for 100 years. This is the Republican jobs bill. 20 thousand jobs, they say. Maybe 100 thousand jobs. But the State Department did an analysis, and they say five to six thousand jobs for two years.

I regret that Koch and TransCanada are not here today, and I ask the Chairman to refrain from moving the Keystone pipeline bill until they are available to testify.

I am glad we have excellent witnesses here today who are going to give us their views: the two departments that are going to be excluded from giving their usual review of the project – that might change, I’m pleased to hear – and two gentlemen who have special insight on what this project will mean.