

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Markup of H.R. 3548, the North American Energy Access Act
Full Committee
February 6, 2012

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

If we 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'm 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 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 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 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 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 – quote -- “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 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 and where its pipe will be manufactured.

But like Koch, TransCanada refused to appear. Once again, we are left in the dark.

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