

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Markup on H.R. 1938, the “North American-Made Energy Security Act”
Subcommittee on Energy and Power
June 15, 2011

Today we are marking up H.R. 1938. This legislation directs the President to expedite approval of the proposed Keystone XL pipeline, which would carry a sludge made from Canadian tar sands through the middle of America. This project would raise gas prices, endanger water supplies, and increase carbon emissions.

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

Unfortunately, this bill’s approach is not “get it right.” Instead, it says whatever the risks and costs, just “get it done.”

H.R. 1938 takes the extraordinary step of interfering in an ongoing decision-making process by the Secretary of State. The Secretary is in the midst of determining whether granting the permit requested by TransCanada would be in the national interest. The process for making these permit decisions was established by Executive Orders issued by President Johnson and President George W. Bush.

This bill overrides the executive orders and other federal law, and it short-circuits the decision-making process. It requires the President to make a decision by November 1, even if the environmental impact statement has not been finalized, as required under the National Environmental Policy Act. It cuts the time for other agencies to provide their views by two-thirds. It reduces or eliminates the opportunity for public comment on the national interest determination.

And it essentially determines the outcome. The bill finds that the earliest possible construction of Keystone XL will serve the national interest, making it extremely difficult, if not impossible, for the State Department to decide otherwise.

I don’t think Keystone XL is in the national interest.

My greatest concern is that Keystone makes us more reliant on the dirtiest source of fuel currently available. On a life-cycle basis, tar sands emit far more carbon pollution than conventional oil – almost 40% more by some estimates. That’s because it takes huge amounts of energy to take something the consistency of tar – which they *mine* – and turn it into synthetic oil. We should be reducing our oil dependence and using cleaner fuels. But Keystone is a big step in the opposite direction.

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

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

And with all these risks, the benefits are unclear. The study commissioned by DOE found that we will have excess pipeline capacity from Canada for the next decade or more, even without Keystone XL. And Keystone XL will likely *raise*, not lower, gas prices. In its permit application, TransCanada told the Canadian government that by addressing the oversupply of crude and raising prices, Keystone XL will increase revenue for Canadian producers by \$2 to \$4 billion a year.

I understand why big oil wants Keystone XL. And I know why they want to short-circuit the process – the more we learn about this project, the worse it looks.

What I don’t know is why we should be weighing in on the side of the oil companies when the risks are so high for the American people.

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