

Testimony of Brent Booker
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Before the Subcommittee on Energy and Power
Committee on Energy and Commerce
US House of Representatives

Expediting the Keystone XL Pipeline: Energy Security and Jobs
December 2, 2011

Mr Chairman,

On behalf of the half a million members of the Laborers International Union of North America (LIUNA) I want to thank you and the members of the Committee for holding this hearing.

LIUNA strongly supports the construction of the Keystone XL pipeline which will move oil from deposits in Canada to existing refineries into the Texas, Oklahoma and the Midwest. Our union has been involved with this project for 3 years and we believe that the benefits of this pipeline are too many to allow it to be derailed by environmental extremists.

The Keystone XL will create good paying jobs here in the United States and Canada. It will increase the Nation's energy security by providing a reliable source of crude oil from a friendly and stable trading partner. And it will provide State and local governments with new revenue that can help them provide much needed services to the public.

For many members of the Laborers, this project is not just a pipeline; it is in fact, a life-line. As you may know the construction sector has been particularly hard hit by the economic recession. The unemployment rate in the construction industry reached over 27% in 2010, and has hovered over 20% for much of the last two years. Joblessness in construction is far higher than any industry sector, with over 1.1-million construction workers currently unemployed in the United States. Too many hard-working Americans are out of work, and the Keystone XL Pipeline will change that dire situation for thousands of them.

The construction economy desperately needs the massive infusion of private capital generated by the Keystone XL Pipeline. It is inarguable that the project will create thousands of good jobs for construction workers. Had the project been granted the Presidential Permit by the US Department of State, construction could have begun almost immediately.

TransCanada has executed a Project Labor Agreement (PLA) with the construction crafts that are signatory to the National Pipeline Agreement that will cover nearly all of the pipeline construction. Also, within the last several weeks the company has also agreed to include some of the electrical work at the pumping stations in the PLA, guaranteeing even more of the work is the kind of high road employment that allows workers to earn family supporting wages and benefits.

Regardless of characterizations by the projects opponents, it is indisputable that jobs will be created and supported in the extraction and refining of the oil, as well as, in the manufacturing and service sectors. While economic experts may disagree as to the scale of the impact, there is no dispute that the construction and maintenance of the Keystone XL will have a ripple effect of consumer spending that will have a positive impact on the states and communities where the pipeline will be located.

We know there are many groups outside the construction and oils industry that do not understand the importance of the economic and jobs impact that the Keystone XL Pipeline will have for workers in these sectors. These groups hide behind, unfounded and unrealistic expectations that if the project is not built, the development of the oil sands will cease. However the evidence is overwhelming that with or without the Keystone XL Pipeline, there will likely be no effect on

the production of oil from Western Canada. According to the US State Department's Final Environmental Impact Statement (FEIS), "[t]he proposed Project is not likely to impact the amount of crude oil produced from the oil sands."

Unfortunately, a number of these groups have resorted to attacking the nature of the work that members of unions have chosen as careers. They have imposed a value judgment that holds construction jobs to be of a lesser value because by its very nature a construction project has a completion date and therefore that individual job will come to an end at some point. They call these jobs "temporary" in order to diminish their importance and recruit others to join in a chorus of negativity in the mistaken belief that these jobs have no "real" value to society. They should be ashamed of themselves.

While the information is a bit dated and does not necessarily reflect the industry as impacted by the recession over the last several years I want to quote the US Department of Labor's Bureau of Labor Statistics, *Career Guide to Industries, 2010-11 Edition*:

Hours. Most employees in the construction industry work full time, and many work over 40 hours a week. In 2008, about 18 percent of construction workers worked 45 hours or more a week. Construction workers may sometimes work evenings, weekends, and holidays to finish a job or take care of an emergency. Rain, snow, or wind may halt construction work. Workers in this industry usually do not get paid if they can't work due to inclement weather.

Work environment. Workers in this industry need physical stamina because the work frequently requires prolonged standing, bending, stooping, and working in cramped quarters. They also may be required to lift and carry heavy objects. Exposure to the weather is common because much of the work is done outside or in partially enclosed structures. Construction workers often work with potentially dangerous tools and equipment amidst a clutter of building materials; some work on temporary scaffolding or at great heights. Consequently, they are more prone to injuries than workers in other jobs. Data from the U.S. Bureau of Labor Statistics show that many construction trades workers experienced a work-related injury and illness rate that was higher than the national average.ⁱ

The BLS Career Guide also points out that:

“Construction offers a great variety of career opportunities. People with many different talents and educational backgrounds—managers, clerical workers, accountants, engineers, truck drivers, trades workers, and construction helpers—find job opportunities in the construction industry.”ⁱⁱ

I would suggest to those that seek to dismiss the nature of the work that LIUNA members are engaged in should perhaps avail themselves to the BLS Guide or perhaps better yet actually try to get some work experience in the field before so quickly dismissing the nature of the jobs.

Construction of this pipeline will also produce needed government revenue at the federal, state and local levels. These new resources can help our state and local governments protect their communities from harmful budget cuts that have led to layoffs and the elimination of much needed services.

While no shipment method is perfect, there are considerable environmental benefits associated with the transport of oil imports from Canada via the Keystone XL pipeline. Regardless of national origin, refineries in the Gulf Coast will continue to seek supplies of heavy crude oil. The failure to secure crude oil from Canada will force these facilities to continue their reliance on oil supplied by foreign regimes where environmental regulations scarcely exist. This oil will be carried largely by oil tankers flying foreign “flags of convenience” and employing low wage workers largely drawn from nations others than our own.

The Keystone XL pipeline will be the safest pipeline in the world. The 57 special conditions developed by the Pipeline and Hazardous Materials Safety Administration and the State Department – and voluntarily agreed to by TransCanada – have a degree of safety greater than any typically constructed domestic oil pipeline system under current regulations. These conditions, to which the whole Keystone XL pipeline will be subjected, are similar to the regulatory requirements for a pipeline in a “high consequence” area. It should also be noted that a significant portion of oil (about 85%) that spills from inland pipelines goes to containment areas around breakout tanks or to solid ground rather than directly into surface waters.ⁱⁱⁱ This minimizes the environmental impact of these unfortunate spills as compared to discharges or spills that occur at sea.

If the Keystone XL Pipeline is not built, Canadian producers will seek alternatives to American markets. This oil will not sit idle; producers will find ways to move the oil to market. Several projects are in the planning and permitting phases that allow the movement of this valuable energy resource to Canadian ports for shipment to China and other Asian markets. Denial of a Presidential Permit to the Keystone XL increases the likelihood that American markets will miss the opportunity to secure long-term commitments for this North American resource, which could be lost forever to China and other international competitors.

Without the ability to bring this Canadian oil to US markets, our nation will continue to rely on unstable and unfriendly nations to meet our petroleum based energy needs. Some of the oil profits that these enemies of our national interests realize will be used to oppose the United States economic and security interests. Keystone XL pipeline will allow our nation to develop a safe and reliable source of energy from a stable and friendly neighbour

Unfortunately, the Administration seems to have sided with a radical minority of pipeline opponents in favour of sound policy and majority support. They have mistaken volume and theatrics for the actual will of the American people. Just last week a poll prepared by Rasmussen Reports found that 60% of likely U.S. voters at least somewhat in favor of building the Keystone XL pipeline and just 24% are opposed.

If the opponents of American jobs succeed in preventing the Keystone XL Pipeline from being built, the socioeconomic benefits of the project will not be realized: No local, state, and federal

revenue will be generated by the construction and operation of the pipeline. There will be no additional income to property owners and businesses along the pipeline route. Our Nation will continue to import oil from unstable regimes that continue to try to undermine the well being of our citizens. And, critically important to our members, the jobs that will be created by the massive private investment will be lost.

Thank you for inviting the Laborers to testify before the Committee today.

ⁱ Bureau of Labor Statistics, U.S. Department of Labor, *Career Guide to Industries, 2010-11 Edition*, Construction, on the Internet at <http://www.bls.gov/oco/cg/cgs003.htm>.

ⁱⁱ Id.

ⁱⁱⁱ American Petroleum Institute, Publication 356 *Analysis of U.S. Oil Spillage*, August 2009. Prepared by: Dagmar Schmidt Etkin, PhD, Environmental Research Consulting.