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4 ``KEYSTONE'S RED TAPE ANNIVERSARY: FIVE YEARS OF BUREAUCRATIC

5 DELAY AND ECONOMIC BENEFITS DENIED''

6 THURSDAY, SEPTEMBER 19, 2013

7 House of Representatives,

8 Subcommittee on Commerce, Manufacturing, and Trade,

9 Committee on Energy and Commerce,

10 Washington, D.C.

11 The Subcommittee met, pursuant to call, at 10:15 a.m.,

12 in Room 2322 of the Rayburn House Office Building, Hon. Lee

13 Terry [Chairman of the Subcommittee] presiding.

14 Members present: Representatives Terry, Lance, Harper,

15 Guthrie, Olson, Kinzinger, Bilirakis, Johnson, Long, Barton,

16 Upton (ex officio), Schakowsky, Sarbanes, McNerney, Matheson,

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17 Barrow, Christensen, and Waxman (ex officio).

18 Staff present: Charlotte Baker, Press Secretary; Sean
19 Bonyun, Communications Director; Kirby Howard, Legislative
20 Clerk; Nick Magallanes, Policy Coordinator, CMT; Brian
21 McCullough, Senior Professional Staff Member, CMT; Gib
22 Mullan, Chief Counsel, CMT; Andrew Powaleny, Deputy Press
23 Secretary; Shannon Weinberg Taylor, Counsel, CMT; Michele
24 Ash, Democratic Chief Counsel; Will Wallace, Democratic
25 Professional Staff Member; and Alexandra Teitz, Democratic
26 Senior Counsel, Environment and Energy.

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|
27 Mr. {Terry.} All right. We are going to go ahead and
28 start our hearing on the 5th anniversary of the filing of the
29 permit for the Keystone XL pipeline. By way of explanation,
30 Ms. Schakowsky is at the Intelligence hearing. I guess there
31 are some issues that they are dealing with on that committee.
32 Will she be able to make it later, we don't know. We will
33 see.

34 But Mr. Sarbanes is taking her place as the ranking
35 member of the Subcommittee for the day. So, welcome. And he
36 said he had a nice commute from Baltimore. That is nice. I
37 had a nice commute from my office.

38 So I will start with the opening, my opening statement,
39 so go ahead and start the clock.

40 Thank you all for being here today as we mark the 5th
41 year of the jobs and economic benefits that have been denied
42 by this Administration's refusal to approve the Keystone XL
43 pipeline.

44 Today marks number 1,826, exactly 5 years to the day
45 since the original permits were filed to build the Keystone
46 XL pipeline. To put this delay in perspective, it took our

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47 Greatest Generation just over 1,300 days to fight and win
48 World War II. It took Lewis and Clark just over 1,100 days
49 to completely walk the Louisiana Purchase and back. It took
50 just over 1,400 days to build the Golden Gate Bridge.

51 Now, according to President Obama's own State
52 Department's analysis, the Keystone XL pipeline will create
53 over 42,000 jobs.

54 With us today we have Ron Kaminski, who is my
55 constituent and also a respected labor leader in Omaha, and
56 he will tell us that it is indisputable that this project
57 creates jobs.

58 We will hear from those along the route. Dennis
59 Houston, President and CEO of the Norfolk Chamber of
60 Commerce, will testify to the benefits of building the
61 Keystone XL pipeline that has on the local economy. During
62 the construction of the first Keystone pipeline, the project
63 became the third-largest employer in Norfolk area.

64 But these jobs Keystone creates aren't just in Nebraska.
65 Mr. Delie, President of Welspun Tubular, who has contracted
66 with TransCanada to actually make the pipe for the Keystone
67 XL pipeline, will testify that this project so far has

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68 created around 600 jobs in 1-1/2 years in the Arkansas area.
69 I believe the operative words here are ``so far,' ' because
70 there is still the northern route of the Keystone XL to be
71 approved and built. His company has already made an economic
72 impact of \$108 million.

73 How much more of an economic impact could building the
74 Keystone XL pipeline have, and how many more jobs could be
75 created by approving this critical infrastructure project?
76 Without construction of the northern route, these benefits to
77 our nation of builders are denied. The uncertainty and
78 political gamesmanship from this Administration is weakening
79 our trade relationship with Canada, who also happens to be
80 our country's number one trading partner. In our trade
81 relationship with Canada, 90 cents of every dollar used to
82 purchase Canadian goods and services, including oil, are
83 returned to our economy by Canadians buying American goods
84 and services.

85 The Keystone pipeline is not only in our economic
86 interest; it is plainly in our national security interest.
87 We have seen in the last 2 weeks just how much instability in
88 the Middle East affects the price at the pump. With our oil

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89 and natural gas here in North America, we now have the option
90 to become energy independent. Why wouldn't we want to have
91 our energy come from middle America rather than the Middle
92 East?

93 These opportunities are game-changers and there is no
94 reason why we should continue to deny these economic
95 benefits. During the last 5 years that this Administration
96 has denied building the Keystone XL pipeline, it has acted on
97 other critical infrastructure projects. One of those
98 critical infrastructure projects includes the southern leg of
99 the Keystone XL pipeline. Construction is near completion on
100 the southern portion of the project. While President Obama
101 has had nothing to do with approving this portion of Keystone
102 XL, he took credit for it; even posed for pictures.

103 And the Administration has approved another vital cross-
104 border pipeline with Canada, the Alberta Clipper. In
105 approving the Alberta Clipper pipeline, which coincidentally
106 is sourced from the same oil sands as the Keystone would be,
107 the State Department said: ``The Department found that the
108 addition of crude oil pipeline capacity between Canada and
109 the United States will advance a number of strategic

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110 interests of the United States. These include increasing the
111 diversity of available supplies among the United States'
112 worldwide crude oil sources in a time of considerable
113 political tensions in other major oil producing countries and
114 regions; shortening the transportation pathway for crude oil
115 supplies; and increasing crude oil supplies from a major non-
116 OPEC provider. Canada is a stable and reliable ally and
117 trading partner of the United States in which we have free
118 trade agreements, which augmented in the security of the
119 energy supply.''

120 The State Department went on to say of the Alberta
121 Clipper: ``Approval of the permit sends a positive economic
122 signal in a difficult economic period about the future
123 reliability of a portion of United States energy imports, and
124 in the immediate term. This shovel-ready project will
125 provide construction jobs for workers in the United States.''

126 With logic like this, I don't know why it is not time to
127 build the Keystone XL pipeline. With the stroke of a pen,
128 the State Department can deem this project in the national
129 interest and the President could approve. I am encouraging
130 him to do so as he did already with the Alberta Clipper for

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131 the same reasons as the State Department outlined.

132 And that concludes my opening statement and at this time

133 yield to the acting ranking member, Mr. Sarbanes.

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

135 ***** COMMITTEE INSERT *****

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|
136 Mr. {Sarbanes.} Thank you, Chairman Terry. I
137 appreciate it and am looking forward to hearing from two good
138 panels this morning.

139 I have deep, deep reservations about the Keystone XL
140 pipeline and have for a long time. And I wanted to just sort
141 of address 3 areas that I think are going to come up in the
142 course of this hearing. The first and foremost is the
143 environmental impact. And you have to look at the
144 environmental impact of this proposal from two sides. One is
145 the impact in terms of the frontend of the process. This is
146 the dirtiest source of transportation fuel that is currently
147 available. When you look at the process that is needed for
148 extraction and production of tar sands oil, the impact that
149 that has in terms of CO2 emissions, other environmental
150 impact in my estimation is not worth the benefits.

151 But that is just one lens you can look at it through.
152 The other is what happens if you experience an oil spill.
153 And we already have evidence the Kalamazoo River experienced
154 in 2010 is one. When you have a spill involving this kind of
155 tar sands oil, it is very, very difficult to clean it up and

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156 there are lingering effects that have a tremendous impact on
157 the environment. So you have to look at the environmental
158 impact both on the frontend, the CO2 emissions that are
159 generated, the negative contribution that it is making in
160 terms of impact on climate change, but also the risks that
161 are involved if you have a spill or an accident on the
162 backend.

163 We hear a lot about how this is going to be a real
164 benefit to the U.S. energy consumer. I don't see that and I
165 am interested to hear from the panelists today on that topic
166 as well. This tar sands oil is going across the United
167 States to be refined in Texas and then is bound for world
168 markets. It is not bound for U.S. markets. In fact, the
169 entire business model of the tar sands industry is premised
170 on the idea that this oil will find its way to international
171 markets where it can get the highest price. It is the only
172 way you can justify the high costs that are associated with
173 extracting and producing tar sands oil. So the notion that
174 this is somehow helping us with our all-of-the-above energy
175 portfolio and that it is a benefit to the U.S. energy
176 consumer will help us reduce our dependence on foreign oil

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177 and so forth, that dog just doesn't hunt when you look at it.

178 And I think we have to be clear-eyed in our analysis of
179 whether there are any benefits there. I don't see them. And
180 actually what we are doing is the Keystone pipeline you could
181 refer to as the Keystone lifeline to a tar sands industry
182 that again is one of the dirtiest sources of transportation
183 fuel out there. And I know there is debate on that front,
184 too, that we will hear today. But I don't see the benefits
185 to U.S. energy consumer even though that is an argument that
186 is put forward quite a bit.

187 And then the last item has to do with jobs. And, look,
188 I am very sympathetic to the case that is being made there.
189 We are still recovering from a very tough recession and
190 trying to get our feedback on the ground. No industry
191 experienced that more than the construction industry. And I
192 understand why they are eager for the opportunities that can
193 be presented by this project. We will probably hear
194 testimony as to, you know, exactly what is the number of jobs
195 that are projected both on a temporary and permanent basis.

196 But I think we have been presented with a false choice
197 here. We keep hearing about, well, here are the jobs that

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198 would be created if we had a Keystone, and if we don't have
199 Keystone, then we won't have the jobs. There are plenty of
200 other infrastructure investments that we can make that would
201 generate good jobs across the country, hundreds of thousands
202 of jobs.

203 And fact, in the 5-year time frame that this process has
204 been going on, there have been plenty of shovel-ready
205 projects that, with a modest commitment from Members in this
206 chamber, particularly on the other side of the aisle, to
207 those sorts of investments in partnership with the private
208 sector, we could have launched those projects. They are on
209 the books. The designs are in place. They are ready to go.
210 That is the alternative.

211 And that can happen also in the energy-related industry
212 as we create an infrastructure that can deliver, you know,
213 more sort of renewable energy sources to the driving public
214 and others.

215 So that is the choice we are faced with, and so for
216 those reasons, I continue to have real reservations about the
217 pipeline will look forward to the testimony today.

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

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

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220 Mr. {Terry.} Thank you.

221 At this time I recognize the full committee chair, Mr.
222 Upton.

223 The {Chairman.} Thank you, Mr. Chairman.

224 TransCanada first submitted its application to build the
225 Keystone XL pipeline to the United States' State Department
226 exactly 5 years ago today. And in the fall of 2010, then-
227 Secretary of State Hillary Clinton stated that the Department
228 was ``inclined'' to approve the project. In 2011, in
229 opposing our initial Keystone bill, the White House issued a
230 Statement of Administration Policy, stating that the bill
231 expediting the pipeline was unnecessary because the State
232 Department was ``committed to reaching a decision'' before
233 the end of that year, several years ago. But here we are
234 now, 5 years after the application was filed, and we still
235 don't have approval, 1800-some days.

236 Five years ago, the economy was certainly on an unsteady
237 ground, enduring volatile markets that would lead to the
238 Great Recession, and we are still facing stubbornly high
239 unemployment, certainly in my State of Michigan. And worse

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240 yet, we now have a shrinking labor force with the smallest
241 participation rate since the Carter Administration. It is
242 understandable why some Americans who want to work have given
243 up hope: they see a government that spends their tax dollars
244 on companies that fail while denying permission to build
245 privately financed projects that create real jobs.

246 Keystone XL can't solve all of our employment problems,
247 but it could have helped many by now. And Keystone XL is
248 hardly alone. Whether it is private investments in energy
249 development or plants facing new regs, Washington's red tape
250 factory is making it harder to build things. This
251 subcommittee has focused this year on Our Nation of Builders,
252 yet it seems the federal regulatory maze is designed to
253 prevent us from investing, constructing, and building the
254 next big thing.

255 President Obama's State Department estimates that the \$7
256 billion private investment, shovel-ready Keystone XL
257 infrastructure project will support over 42,000 jobs during
258 the construction phase alone. And if the project had already
259 been approved, companies with contracts could have hired
260 additional workers instead of laying them off. Companies

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261 like Delta Valves in my district in Niles, Michigan, who
262 previously testified that they would double their workforce
263 because of the Keystone pipeline.

264 I would also note that Keystone XL will be the safest
265 pipeline in the Nation, with 57 new safety controls specific
266 to the project. Pipeline safety is of critical importance to
267 all of us, and for me particularly, having endured a 2010
268 spill in the Kalamazoo River just outside of my district.
269 Understanding the lessons from that accident, I joined forces
270 with my fellow Michigan colleague John Dingell in helping
271 getting landmark, bipartisan pipeline safety legislation into
272 law, signed by President Obama last year, to ensure we have
273 stricter controls and higher fines to protect the public on
274 every new pipeline.

275 And despite the added safety controls, exhaustive
276 studies, some 15,500 pages of State Department analysis,
277 thousands of jobs are still being held hostage to an ever-
278 moving goal line. Our friend and ally Canada is pursuing
279 other options, now considering building a pipeline to the
280 eastern seaboard for refining and export. And I would note
281 today that we already import some million-and-a-half barrels

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282 of oil sands every day, and pipelines obviously have less of
283 a carbon footprint than we do by rail or by truck.

284 So the Keystone pipeline is certainly an important
285 component of our architecture of abundance that is necessary
286 to achieve energy self-sufficiency. In January of 2012, the
287 President said he would "do whatever it takes," his words--
288 To create jobs, but here we are still today, 5 years later.
289 It is time for the President to join the broad coalition of
290 job creators, labor unions, Republicans, and Democrats alike,
291 and say "yes" to this jobs and energy project.

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

293 ***** COMMITTEE INSERT *****

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|
294 The {Chairman.} And I yield the balance of my time to
295 Mr. Kinzinger from Illinois.

296 Mr. {Kinzinger.} Thank you, Mr. Chairman. And thank
297 you, everybody, for holding this hearing. Gentlemen, thanks
298 for being here.

299 I can't believe it has been over 5 years since this
300 thing was really even brought up. It really is mind-boggling
301 to me. What does the Keystone pipeline mean for the U.S.?
302 It means 20,000 jobs, not just jobs but high-paying jobs that
303 will pay workers' salaries well above the prevailing wages of
304 their local areas. These workers and their wages brought
305 about due to the construction of the pipeline will be about
306 \$5.2 billion in new property tax revenue for local economies.
307 As local governments struggle to close budget holes, this is
308 going to be vital to recovery in those areas.

309 In addition, we will see 130,000 barrels of safe and
310 secure oil each day from Canada, not the Middle East, which
311 means we will need less oil from the Middle East, and those
312 that want to give money sometimes to people that want to kill
313 our soldiers overseas. We can no longer rely on those

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314 countries and we need to be energy secure here at home.

315 And let's not forget finally somebody is going to

316 benefit out of this oil out of Canada. It is either going to

317 be the United States or it is going to be China. It is going

318 to get drilled and it is going to get shipped. So I think

319 this needs done.

320 I thank the chairman for yielding the time and I yield

321 back.

322 [The prepared statement of Mr. Kinzinger follows:]

323 ***** COMMITTEE INSERT *****

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324 Mr. {Terry.} Thank you.

325 Now, it is my honor to introduce and recognize the full
326 committee chairman on the minority side, Ranking Member Mr.
327 Waxman for your 5 minutes.

328 Mr. {Waxman.} Thank you very much, Mr. Chairman. It
329 used to be called ranking member but I--

330 Mr. {Terry.} What did I call you?

331 Mr. {Waxman.} It is okay. I don't want to use my time.
332 Full committee chairman on the Democratic side.

333 Mr. {Terry.} Oh, yes, ranking member.

334 Mr. {Waxman.} Mr. Chairman and my colleagues, today's
335 hearing is on the TransCanada's proposed Keystone XL tar
336 sands pipeline. I oppose this tar sands pipeline because
337 this locks us into decades of higher carbon pollution. It is
338 a big step in the wrong direction on climate change, and that
339 is something we simply cannot afford to do.

340 Yesterday, the Energy and Power Subcommittee of this
341 committee held its first hearing in years on climate change,
342 and we heard from the Secretary of Energy Ernest Moniz, who
343 is also an acclaimed physicist from MIT and Stanford. He

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344 told us that ``we have to act this decade'' on climate
345 change. Our window for avoiding catastrophic effects of
346 climate change is closing rapidly. In fact, we are already
347 experiencing harm from climate change today in our daily
348 lives.

349 Earlier this week, the House Safe Climate Caucus held a
350 forum to hear from Americans who had been harmed by climate
351 disruption. We heard from an Iowa farmer who told us how
352 successive droughts and floods have destroyed his crops. A
353 Californian told us how her community was devastated by the
354 Yosemite rim fire, which has cost \$113 million just to fight
355 and is still burning today. A Texas rancher spoke of having
356 to cull 2/3 of his herd in the drought. A survivor of
357 Hurricane Sandy told us that a quarter of all the houses in
358 her community are damaged and empty almost a year later. And
359 a reverend from Louisiana described how sea level rise
360 threatens his rural community and he invoked the Bible in
361 calling upon Congress to doing something about it.

362 Yesterday, I posed one question to those who oppose the
363 President's action on climate change: What is your plan?
364 Don't just say no; propose an alternative. Instead, we heard

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365 nothing. Instead of doing something to address climate
366 change today, we are holding the 11th hearing since 2011 to
367 push one favored project that would make climate change
368 worse. This single tar sands pipeline would increase
369 America's carbon pollution equivalent to building seven new
370 coal-fired power plants. It is hard to think of another
371 project that could do this much damage.

372 If our goal is creating jobs, Keystone XL is not the
373 answer. Instead, we should be working to ensure broad
374 opportunity for the middle class. We should be fixing
375 America's crumbling roads and bridges, and we should be
376 investing--the other subcommittee is investigating this
377 morning--but we should be investing in the clean energy
378 technologies of the future.

379 We keep hearing about this project and this 5th
380 anniversary. It is also the 5th anniversary of the collapse
381 of our economy, and we are still trying to recover from that.
382 In these last 5 years, millions of Americans have lost their
383 jobs, fallen behind on their mortgages, become swamped by
384 debt, and they are barely getting by.

385 Mr. Chairman, I don't want to take my full 5 minutes. I

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386 always feel guilty when I see such a distinguished group of
387 Members of the House and even a Senator waiting to give us
388 testimony, so I yield back the balance of my time and look
389 forward to this 11th hearing--no, what is this? This--

390 Mr. {Terry.} No, I think you said 11th. I haven't kept
391 track.

392 Mr. {Waxman.} Well, I can hardly wait for more hearings
393 because this seems to be the only issue we are looking at in
394 this committee. Thank you for the time.

395 Mr. {Terry.} Thank you. I appreciate it. We are going
396 to go to our first panel now. And as is tradition, we will
397 take your testimony that there will be questions after. That
398 is the tradition. And so I am going to introduce all of you
399 and then call on from my left to right. So our first panel
400 includes Senator John Hoeven, who is former Governor of North
401 Dakota. Now, he is Senator and the leading person on the
402 Keystone pipeline in the Senate.

403 Then, we have Congressman Rush Holt, a Member of
404 Congress from New Jersey, who was also a classmate of mine.

405 Congressman Ted Poe, senior Member from Texas, serves on
406 Judiciary and Foreign Affairs.

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407 Then we have a newer Member, Congressman Steve Daines,
408 an at-large from Montana, one of the States that this
409 pipeline will go through. So that is our first panel.

410 And now, Senator Hoeven, I recognize you for 5 minutes.

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411 ^STATEMENTS OF HON. JOHN HOEVEN, A REPRESENTATIVE IN THE U.S.
412 SENATE FROM THE STATE OF NORTH DAKOTA; HON. RUSH HOLT, A
413 REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY; HON.
414 TED POE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF
415 TEXAS; AND HON. STEVE DAINES, A REPRESENTATIVE IN CONGRESS
416 FROM THE STATE OF MONTANA

|
417 ^STATEMENT OF JOHN HOEVEN

418 } Senator {Hoeven.} I would like to thank Chairman Terry
419 for inviting me and also acknowledge Chairman Upton for being
420 here. I appreciate their comments. I also appreciate the
421 opportunity to respond to some of the comments made by the
422 minority members of the committee.

423 I think it is remarkable that we are sitting here for
424 this 5th anniversary. You know, usually when you have a
425 birthday or an anniversary, it is a good thing, but here we
426 are, the 5th anniversary of no decision. Is there anybody in
427 this room that would want us talking about them saying for 5
428 years they couldn't make a decision or wouldn't make a

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429 decision? What is going on? And the Administration has not
430 made a decision for 5 years. We elect presidents to make
431 decisions, and here we sit on the 5th anniversary on a
432 project that will produce more energy for this country, it
433 will create jobs, economic growth, and help us with national
434 security.

435 In a recent Harris poll conducted this summer, 82
436 percent of Americans support the project. Tell me one other
437 thing you can get 82 percent of Americans to agree on?
438 Eighty-two percent of Americans in a recent Harris poll
439 support this project. Just some other stats from that poll,
440 85 percent of the people agree that Keystone XL would
441 strengthen America's economic security; 81 percent of the
442 people agree Keystone would help strengthen America's energy
443 security; 77 percent agree it would help strengthen America's
444 national security; 75 percent agree it would benefit the U.S.
445 military by increasing access to oil from Canada.

446 Look, it is not just about Canadian oil. I represent
447 the State of North Dakota. We now produce almost a million
448 barrels of oil a day, second only to Texas. We need to move
449 our oil to market. Day one will put 100,000 barrels a day of

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450 oil into this pipeline, the lightest, sweetest crude there
451 is. You talk about safety; this oil, whether it is our oil
452 or whether it is oil from the oil sands is moving by truck,
453 train, and if we don't take it, tanker to China. What is
454 safer than the latest, greatest pipeline technology when we
455 have millions of pipelines already, some of them very old,
456 and this would be new, state-of-the-art?

457 Some of the other comments that came up talk about
458 environmental impacts. After 5 years and something like four
459 environmental impact statements, the State Department has
460 determined no significant environmental impact. No
461 significant environmental impact. And in fact it produces
462 less emissions than the crude we get from California or
463 Venezuela. What, we would rather get it from Venezuela? Or
464 how about the Middle East with what is going on in Syria and
465 Iran and the instability there, I know, let's continue to
466 depend on the Middle East. That is what Americans want
467 rather than working with our closest friend and ally, Canada,
468 to get the oil? What is going on? I mean it is just
469 unbelievable.

470 Some of the other comments that came up, the benefit.

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471 So here is a pipeline. I think to build the U.S. portion is
472 something like \$5.3 billion. We don't spend one single
473 taxpayer dollar but we get hundreds of millions in tax
474 revenue and the State Department, as Chairman Upton said, by
475 its own admissions, this thing creates 40,000 jobs. Well,
476 what is wrong with that? You know, when you look at the
477 facts it is hard to understand.

478 And then this idea that the oil won't be produced if we
479 don't build the Keystone XL pipeline, come on. It is being
480 produced right now and that volume is increasing. It is
481 moving by truck and train, creating dangerous issues, which
482 you know about. You have heard about some of the problems
483 that it creates like Megantic in Québec, okay, instead of
484 moving it more safely by a pipeline.

485 And so in a final analysis if the United States doesn't
486 take this oil and we don't build this needed infrastructure
487 which States like mine need, it is going to China. So this
488 oil goes to China on tankers and it is refined over there.

489 One other point, this idea that this pipeline is being
490 built for export, the Department of Energy, the Obama
491 Administration's Department of Energy says otherwise. Check

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492 out their June 2011 report that says that the oil will be
493 used in the United States and we need more and it will help
494 lower prices.

495 So let's deal with the facts. Believe me, after 5 years
496 we know what they are. And, you know, today, we are calling
497 attention to this anniversary but it is not the right kind of
498 anniversary, the 5th year anniversary of no decision. And
499 this project really represents a significant problem that we
500 have in this country right now, and that is that the
501 regulatory burden is hurting our economy and Keystone XL
502 pipeline is a clear case in point.

503 Thank you so much for inviting me.

504 [The prepared statement of Mr. Hoeven follows:]

505 ***** INSERT A *****

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|

506 Mr. {Terry.} Thank you, Senator.

507 I now recognize the gentleman from New Jersey, Mr. Holt,

508 for your 5 minutes.

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|
509 ^STATEMENT OF RUSH HOLT

510 } Mr. {Holt.} I thank the chair. It is good to be with
511 you, Chairman Terry and Representative Sarbanes, other
512 members of the committee.

513 As ranking member of the Natural Resource Subcommittee
514 on Energy and Mineral Resources, I have had the opportunity
515 to take part in extensive debate on the merits of the
516 Keystone XL pipeline project.

517 We are talking about a pipeline with the capacity to
518 transport 830,000 barrels per day of tar sands product, one
519 of the dirtiest energy sources on the planet, from the
520 despoiled Boreal Forests of Canada through the central United
521 States over one of this country's most valuable aquifers to
522 the Gulf Coast refineries where much of the oil and refined
523 product will be exported to overseas markets.

524 The tar sands substance--and I call it substance rather
525 than oil--is unbelievably not oil for the purposes of paying
526 into the Oil Spill Liability Trust Fund, meaning that the
527 Canadian tar sands get a free ride through U.S. pipelines. I

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528 have made efforts to correct this loophole by proposing
529 amendments to Keystone XL legislation, but unfortunately,
530 those attempts have been rejected by the majority.

531 Meanwhile, the Government Accountability Office has
532 already warned us that the Oil Spill Trust Fund is at risk of
533 running out of money because of the cost of recent tar sands
534 cleanup efforts following spills in the Kalamazoo River in
535 Michigan, the Yellowstone River in Montana, and suburban
536 streets of Mayflower, Arkansas, where the cleanup continues.
537 Yes, the tar sands is providing jobs in the United States,
538 cleanup jobs, not what we would like to see.

539 If we are going to ask the United States to bear all of
540 the environmental risk of transporting this dirty oil, we
541 should at least ensure that the American people see some
542 benefit. However, 60 percent of the gasoline, 42 percent of
543 the diesel produced in the Gulf Coast Texas refineries was
544 exported last year. And we talk about promoting energy
545 security. When I have proposed amendments to guarantee that
546 the oil stays in the United States, they have been rejected
547 by the majority. Now, granted, a significant number of jobs
548 over the couple of years of construction, but the papers

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549 filed by the proponents of this bill show that over the long
550 term after the bump of construction jobs, there will be about
551 30 to 40 permanent jobs in the United States, not 30 or
552 40,000, 30 or 40 over the long-term.

553 Now, let's take a look at what has happened over the
554 last 5 years. The concentration of carbon dioxide in the
555 Earth's atmosphere has reached 400 parts per million, a level
556 never seen before by humans. The U.S. has experienced
557 drought, flood, fire, barges aground, tornadoes costing
558 American's lives and dollars. Glaciers are shrinking, sea
559 level is rising, the Earth's temperature is increasing
560 unmistakably.

561 The United States doesn't need this dirty energy because
562 the fact is we are developing domestic oil, natural gas
563 resources at a record pace. In the last 5 years U.S.
564 production has steadily increased while per capita
565 construction continues to decline. Combined with increases
566 in renewable energy, we are well on our way to energy
567 independence.

568 Now, we have heard that the XL pipeline will help us
569 develop our domestic energy resources. As my friend from

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570 North Carolina could tell us, we don't need an international
571 pipeline like the Keystone XL to move those resources to
572 market. In this country hundreds of miles of pipeline are
573 already under construction, and as we speak, in the southern
574 portion from Cushing, Oklahoma, to the Gulf Coast, we have
575 pipeline that does not require presidential permit

576 Now, the chairman spoke about the Golden Gate Bridge and
577 the Lewis and Clark expedition. Yes, we should be creating
578 jobs, \$2 trillion of infrastructure backlog that we need to
579 be investing in to put to work engineers and the pipe trades
580 and the laborers and other workers. We should be investing
581 in energy produced and used here in the United States, clean,
582 sustainable energy.

583 The President has wisely said that he will not approve
584 the pipeline if it leads significantly to worse climate
585 change, and that is clearly the case.

586 Now, at the end of the day we know pipelines will leak
587 and oil will spill. Nationwide, about 3.2 million gallons of
588 oil spill every year. We don't want jobs created cleaning up
589 that mess. All risk, no benefit.

590 Now, one option to mitigate the CO2 emissions is carbon

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591 capture and sequestration. I would like to propose an
592 alternative. Leave the carbon in the ground. Don't cut the
593 forests of Alberta. Don't mine and refine the tar sands.
594 Don't burn that refined product. That will offset trillions
595 of dollars of damage that we are facing over the next
596 thousands of years because of climate change.

597 [The prepared statement of Mr. Holt follows:]

598 ***** INSERT B *****

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|
599 Mr. {Terry.} Thank you, Mr. Holt.

600 I now recognize the gentleman from Texas, Mr. Poe, for 5
601 minutes.

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|
602 ^STATEMENT OF TED POE

603 } Mr. {Poe.} Thank you, Mr. Chairman, Mr. Sarbanes.
604 Thanks for inviting me to testify today.

605 Today is a sad anniversary. It is the anniversary of
606 bureaucracy, red tape, and delay, delay, delay, delay,
607 delay--I think that is five delays--with the permitting
608 process. The Keystone XL pipeline was originally proposed in
609 2008, and the permit was applied for by TransCanada on
610 September the 19th, 2008. But we wait 5 years later for a
611 decision.

612 As the chairman has pointed out, 5 years we went to war
613 in World War II on two fronts and won World War II in less
614 than 5 years. Hoover Dam was built in less than 5 years.
615 And we are not talking about building anything. We are
616 talking about a signature on a permit on the dotted line.
617 And it is the American people that pay the price for this
618 inaction by government.

619 There are 11.3 million unemployed Americans today, and
620 some models say the Keystone XL pipeline project is expected

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621 to directly create 15,000 manufacturing jobs, \$118,000
622 spinoff jobs that could help surely put Americans back to
623 work. And some of these jobs will be in my State of Texas.

624 The unemployment rate in Port Arthur, Texas, where this
625 pipeline is to end, is 15.7 percent. Many of those
626 unemployed are minority young adults. The pipeline will help
627 some of them get back to work in high-paying and good jobs.
628 And on top of that, the pipeline is expected to bring \$2.3
629 billion just to the Texas economy. There are currently
630 13,000 refinery workers in Texas and this will help keep
631 those people employed and create more jobs.

632 It is also important to remember this is not all about
633 just crude oil. In addition to the 22 gallons of gasoline
634 that a barrel of oil produces, a barrel also produces 12
635 cylinders of propane, a quart of motor oil, and most
636 importantly, petrochemicals that are used in all kinds of
637 pharmaceuticals, plastics, cosmetics, and foodstuffs.

638 All of the industries that line the Houston ship channel
639 use oil to make these different products. These industries
640 need a constant, reliable source of crude. And over 50
641 percent of the exports out of the Houston ship channel are in

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642 some way involved with the energy industry. So why would we
643 not want to expand these domestic industries to have a clean,
644 safe, and reliable source of crude from North America? And
645 pipelines are the safest way to move crude oil. It has to be
646 moved some way and a pipeline historically is the best and
647 safest way.

648 Now, how much oil are we talking about? How will it
649 change the equation, especially the foreign-policy equation
650 in the United States? Keystone would move about 830,000
651 barrels of oil a day. This represents about half of the
652 daily amount that the United States imports from the Middle
653 East, almost as much as we get daily from Saudi Arabia. With
654 the current instability in the Middle East, approval of the
655 Keystone pipeline is an issue of national security.

656 Mr. Chairman, we can help make Middle Eastern oil,
657 turmoil, and politics irrelevant if we take care of ourselves
658 and approve this pipeline. Canada is already the largest
659 supplier of energy to the United States meeting 12 percent of
660 current U.S. petroleum consumption needs and 18 percent of
661 U.S. petroleum imports. Canada's 175 billion barrels of oil
662 reserves is second only to Saudi Arabia.

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663 Canada is going to build and sell this oil to somebody.
664 We cannot stop production of oil in Canada even in the tar
665 sands. How would we rather this pipeline be built and sent
666 West to our good buddies the Chinese and all float on their
667 tankers? I think not. Inaction is detrimental to national
668 security.

669 With greater use of Canadian oil along with all-of-the-
670 above energy policy, it is possible the United States could
671 be really energy independent in 10 years. Imagine how our
672 foreign policy could change if that were the case? The
673 United States should work more with Canada not less and also
674 with our partner-neighbor Mexico to form an economic energy
675 security zone in North America, all for the United States,
676 Mexico, and for Canada.

677 Mr. Chairman, in my days as a judge if I heard a
678 criminal case and heard all the evidence and after the
679 evidence was in I told the defendant, oh, I will get back
680 with you in 5 years and let you know whether you are going to
681 jail or not, that would be incompetence. We have got the
682 evidence. The evidence is in, and the overwhelming evidence
683 is it is good for the country overall to build and approve

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684 this pipeline. Let's get it done.

685 And I yield back. Thank you.

686 [The prepared statement of Mr. Poe follows:]

687 ***** INSERT C *****

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|
688 Mr. {Terry.} Thank you, Mr. Poe.

689 And I now recognize the gentleman from Montana, Mr.

690 Daines.

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|

691 ^STATEMENT OF STEVE DAINES

692 } Mr. {Daines.} Thank you, Mr. Chairman. I appreciate
693 the opportunity to testify here today about the importance of
694 the Keystone XL pipeline and the importance to my home State
695 of Montana.

696 As the lone Representative from the State of Montana, I
697 was just elected last year. Prior to coming to Congress, I
698 spent 28 years in the private sector. I have a degree in
699 chemical engineering and worked in business for 28 years. I
700 was elected last fall.

701 I have seen a lot of things in Washington that shocked
702 me since I have been elected, but the fact that we are
703 sitting here 5 years after an approval process was initiated
704 for the construction of this pipeline is astounding. This is
705 a prime example of everything that is wrong with Washington.
706 It took Canada 7 months for the leadership of their
707 government to get it approved. President Obama and the
708 Washington bureaucrats have taken 5 years and we don't have
709 an answer. If we did that in the business world, we would be

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710 out of business. I am here today to tell you that the
711 Montanans are tired of the gridlock and ready for this
712 pipeline to be approved.

713 I would love to see some of my colleagues from the
714 States that are thousands of miles away from Montana and
715 North Dakota to come out and spend some time with the
716 families that are dependent for their economic futures here
717 on this pipeline.

718 The President's inaction and the bureaucratic delays
719 have created uncertainty about whether or not my State will
720 get to reap the benefits of this pipeline. And let me tell
721 you, the benefits are plentiful in Montana.

722 Over the past few years, small towns in the eastern part
723 of Montana have been revitalized by the exploration and
724 production of oil in the Bakken. Energy development means
725 better opportunities for employment. It means more revenue
726 flowing into state and local government coffers for schools
727 and for roads and economic growth and jobs for our
728 communities.

729 Now, I want to remind you the Keystone pipeline starts
730 its journey as it goes from Canada; the first State it enters

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731 is the State of Montana. We kind of have the outset alpha
732 and omega in here I think with myself and the honorable judge
733 from Texas. Montana shares a 500-mile northern border with
734 Canada. Our State is known for its abundance of natural
735 resources. If you have seen the movie a ``River Runs through
736 It,'' that is Montana. And we cannot think of a better place
737 for the Keystone to initiate its route than into the State of
738 Montana.

739 It crosses initially in Phillips County. It is going to
740 cross through five other counties in my State. And more than
741 800 good-paying jobs in Montana will be created by that, with
742 thousands more across the Nation.

743 Now, let me set a fact straight here that has actually
744 been misquoted in this hearing so far. We talk about the
745 830,000 barrels of oil per day being transported, and the
746 Senator from North Dakota mentioned this as well. Remember,
747 100,000 barrels a day of the 830 is Montana and North Dakota
748 oil. So please, as we talk about this, it is not just about
749 Canadian oil. It is about transporting Montana and North
750 Dakota oil in the most efficient and environmentally safe way
751 across this country. And remember, that is about half of the

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752 amount of oil that is currently imported today from the
753 Middle East.

754 Thirty days ago I was standing on the border between
755 Israel and Syria looking into Syria. Remember what happened
756 back in 1973 in the war of Yom Kippur when oil prices spiked
757 4X in a short period of time and created a shockwave in this
758 economy? It is imperative that we move as quickly as
759 possible to creating North American energy independence, and
760 this moves us a long way down that path.

761 It also means cheaper energy costs for the people in
762 Montana. Let me tell you something. Again, I would love to
763 have you come out and spend some time with working moms and
764 dads in Montana who are going to be dependent on this
765 pipeline. I spent time with the NorVal electric co-op. They
766 supply electricity for thousands of Montanans. They told me
767 that if the Keystone pipeline is approved, that their utility
768 rates will be held constant for the next 10 years because of
769 the additional load. They are going to supply electricity to
770 a pump station of the Keystone pipeline. Without the
771 Keystone pipeline, rates are predicted to go up 40 percent.
772 That is right on the backs of hardworking Montana families,

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773 many where moms and dads are having to try to work every day
774 to make ends meet. In fact, it amounts to \$480 per year
775 additional expense for these families out there that, I tell
776 you what, they are working hard living month-to-month.

777 The pipeline has undergone four environmental reviews
778 with one more finalization of review yet to come. Believe
779 me, in Montana we understand the importance of protecting the
780 environment. I am an avid outdoorsman. I love to fish, I
781 love to hunt, I love to back pack, I love to climb mountains.
782 But we can have both, and this is the most environmentally
783 safe way to transport oil yet invented. In fact, when
784 compared to any other means of transportation, it is the most
785 environmentally safe way to do it.

786 These days in Washington it is hard to find any measures
787 that Republicans and Democrats agree on, but let me tell you
788 what, my two Senators from Montana, both Democrats, Max
789 Baucus and Jon Tester, they support the pipeline's
790 construction. This is common sense. Montanans support the
791 construction of the Keystone pipeline. Again, I would invite
792 those Members who are opposed to this, come out and drive
793 around in my Ford truck and spend some time with the Montana

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794 families right now that live month-to-month on their
795 paychecks. Why are we still waiting?

796 [The prepared statement of Steve Daines follows:]

797 ***** INSERT D *****

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|
798 Mr. {Daines.} Finally, my constituents would like to
799 enter the statement of support for the pipeline's approval.
800 The group includes the Montana Electric Co-op Association,
801 Phillips County Commissioners, Eastern Plains Economic
802 Development Corporation, and the Montana Petroleum
803 Association. I ask unanimous consent for these comments to
804 be added to the record.

805 Mr. {Terry.} Hearing no objection, so ordered.

806 [The information follows:]

807 ***** COMMITTEE INSERT *****

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|
808 Mr. {Terry.} And thank you for your testimony. I thank
809 all of you for taking your time out of your busy schedules to
810 join us today. Your input is greatly appreciated.

811 We will now get ready for our second panel.

812 First, we have David Delie, President, Welspun Tubular;
813 the next, Hon. Karen Harbert, President and CEO of Institute
814 for 21st Century Energy and the U.S. Chamber of Commerce;
815 Dennis Houston, President and CEO of the Norfolk Area Chamber
816 of Commerce; Ron Kaminski, Business Manager, Laborers Local
817 1140; Lucian Pugliaresi, Energy Policy Research Foundation.
818 Welcome back. Jane Kleeb, Executive Director of Bold
819 Nebraska making an entry; Anthony Swift, Attorney,
820 International Program, NRDC. And welcome back as well.
821 Thank you.

822 That is our second panel, and we will start with you,
823 Mr. Delie. You are now recognized for your 5 minutes.

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|
824 ^STATEMENTS OF DAVID DELIE, PRESIDENT, WELSPUN TUBULAR, LLC;
825 KAREN HARBERT, PRESIDENT AND CEO, INSTITUTE FOR 21ST CENTURY
826 ENERGY, U.S. CHAMBER OF COMMERCE; DENNIS HOUSTON, PRESIDENT
827 AND CEO, NORFOLK AREA CHAMBER OF COMMERCE; RON KAMINSKI,
828 BUSINESS MANAGER, LABORERS LOCAL 1140; LUCIAN PUGLIARESI,
829 PRESIDENT, ENERGY POLICY RESEARCH FOUNDATION; JANE FLEMING
830 KLEEB, EXECUTIVE DIRECTOR, BOLD NEBRASKA; AND ANTHONY SWIFT,
831 ATTORNEY, INTERNATIONAL PROGRAM, NATURAL RESOURCES DEFENSE
832 COUNCIL

|
833 ^STATEMENT OF DAVID DELIE

834 } Mr. {Delie.} Good morning, Chairman Terry and members
835 of the committee. For the record, my name is David Delie and
836 I am the president of Welspun Tubular, LLC, in Little Rock,
837 Arkansas. I have approximately 35 years of experience in the
838 steel industry and I have been president of Welspun for the
839 past 2-1/2 years.

840 Welspun invested over \$290 million installing two pipe
841 mills, two coating lines, and auxiliary equipment in Little

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842 Rock enabling us to produce line pipe for pipelines in sizes
843 ranging from 6 inches to 60 inches in outside diameter. At
844 our peak, we have had more than 800 employees in our
845 operation, making us one of the largest employers in the city
846 of Little Rock.

847 Approximately 4 years ago, Welspun was chosen as the
848 largest U.S. supplier for the U.S. portion of the Keystone XL
849 pipeline by TransCanada. In all, we have produced over
850 330,000 tons or 700 miles of 36-inch API grade X70 pipe for
851 TransCanada on this project. We produced this pipe in Little
852 Rock and we coated this pipe in Little Rock. This project so
853 far has generated over 600 jobs for over 1-1/2 years at
854 Welspun alone. This is not counting any of our indirect
855 supporting jobs that are required to operate our plant on a
856 daily bases. Welspun has also infused over \$108 million into
857 the local economy from this project so far.

858 Given the delays in the approval process, TransCanada
859 has asked Welspun to store some of the pipe in Little Rock
860 and asked us to apply protective coating so that the pipe can
861 be stored outside without harming the epoxy coating applied
862 to the pipe that is intended to protect the pipe while it is

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863 in the ground. I have attached to my testimony a picture of
864 over 180,000 tons or 373 miles of pipe in this storage yard.

865 Some of the pipe purchased by TransCanada has been
866 installed in a section of the line from Cushing, Oklahoma, to
867 Houston, Texas. That part of the line did not require
868 presidential approval. However, the vast majority of the
869 Keystone will be laid between the Canadian border and
870 Cushing, Oklahoma.

871 TransCanada has made it clear that if KXL is not
872 approved, outlook changes fairly significant as pipe for the
873 Keystone XL will be redeployed to other TransCanada projects
874 or re-sold to other companies, reducing the pipe production
875 levels in 2014 and beyond. Thus, TransCanada can almost
876 overnight be transformed from our biggest customer to our
877 biggest competitor.

878 The sale of this pipe to the open market would result in
879 the direct losses of approximately 1,500 jobs in the line
880 pipe industry, thousands more in the steel industry, and will
881 also have massively depressing effects on the prices of line
882 pipe in the U.S. market.

883 In a recent hearing before the International Trade

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884 Commission concerning a sunset review of anti-dumping duty
885 order on large diameter line pipe from Japan, a commissioner
886 asked expert economists hired by the industry to assess the
887 job impact of the Keystone XL pipeline. That economist, Dr.
888 Robert Scott, using information available to the public and
889 in part on research provided by the Congressional Budget
890 Office, found that approximately 80,000 job years over 2
891 years of construction in the installation of the Keystone
892 pipeline would be created.

893 In addition to the direct impact of the jobs caused by
894 the 5-year delay in the approval of the Keystone pipeline,
895 there has been very significant indirect adverse effects on
896 pipeline construction within the United States. In spite of
897 both the discovery of production of large new quantities of
898 oil and natural gas from new shale fields, pipeline companies
899 are not installing pipelines to bring these products out from
900 the shale areas to the market.

901 For example, in the Bakken in the Dakotas, one of the
902 most prolific and largest oil production areas in the U.S. at
903 the present time, more than 3/4 of that oil production is
904 leaving the region on rail cars. There is little doubt that

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905 transportation of oil through pipelines is safer than by rail
906 or tanker trucks. However, the pipeline companies see what
907 has happened to Keystone XL and are foregoing the massive
908 amounts of time and effort necessary in order to get
909 pipelines approved. Thus, in spite of increases of more than
910 25 percent in overall U.S. oil production over the past 5
911 years, much of it in new oilfields that require pipeline
912 connections to the marketplace, we are seeing significantly
913 less pipeline construction and demand than we were prior to
914 this increase in oil production. This has a negative impact
915 on the line pipe industry, the domestic steel industry, and
916 U.S. jobs.

917 The construction of the KXL pipeline will provide more
918 opportunities as the infrastructure grows in support of the
919 development of oil sands in Canada and the Bakken in the
920 United States. The end result is Keystone XL will enable
921 growth which will support ongoing production and jobs in
922 Little Rock. Denying the project will reduce ongoing
923 employment.

924 I appreciate the opportunity to testify before the
925 committee and hope you are able to pass legislation to

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926 require the approval of the Keystone XL pipeline and to
927 remove the bottlenecks on pipeline construction in the United
928 States.

929 Thank you.

930 [The prepared statement of Mr. Delie follows:]

931 ***** INSERT E *****

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|

932 Mr. {Terry.} Thank you.

933 Now, Ms. Harbert, you are now recognized for your 5

934 minutes.

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|
935 ^STATEMENT OF KAREN HARBERT

936 } Ms. {Harbert.} Thank you, Chairman Terry, Congressman
937 Sarbanes, and members of the committee. I am Karen Harbert,
938 President and CEO of the Institute for 21st Century Energy at
939 the Chamber of Commerce, the world's largest business
940 Federation. The mission of the Institute is to unify
941 policymakers, regulators, business leaders, and the public
942 behind commonsense energy strategies.

943 Today marks the 5-year anniversary of the government's
944 review of TransCanada's application to construct the Keystone
945 XL pipeline. The Energy Institute is convinced Keystone is
946 in our nation's best interest; 15,000 pages of government
947 reviews prove it, and over 80 percent of American citizens
948 support it.

949 You have already heard numerous reasons why KXL is
950 important. It would create thousands of jobs, generate
951 millions of dollars in tax revenue, and allow America to
952 import less oil from unfriendly nations.

953 But unfortunately, the issue in front of us is much

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954 greater now than Keystone. The failure of the Federal
955 Government after 5 years to grant a construction permit for
956 the Keystone pipeline exemplifies perhaps better than
957 anything else the challenges of building energy
958 infrastructure in the United States. This failure has not
959 only denied Americans the benefit of the economic shot in the
960 arm this project would provide; it has tarnished America's
961 image as a can-do country open to investment, a failure that
962 can be hard to shake from investors' minds.

963 And this failure comes at a critical time. The U.S. is
964 moving from energy resource scarcity to one marked by
965 abundance. Indeed, the core underlying assumption of our
966 energy policy, scarcity is no longer valid. We now know that
967 North America has the largest fossil fuel resource in the
968 world, yet our policy is still based on the assumption that
969 we are an energy-poor nation subject to the whims of the
970 world's largest and unfriendly energy exporters. In short,
971 our energy policy has not caught up with our energy reality,
972 and now, we are either not caught up or ignoring this
973 remarkable paradigm shift. The first is solvable; the latter
974 is damaging.

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975 The rapid change in our fortunes of energy has caught
976 many analysts and policymakers by surprise, but now, many
977 experts believe the energy self-reliance for North America if
978 not for the United States is actually within reach. Simply
979 put, the world's energy center of gravity is shifting from
980 the Middle East to North America if we let it.

981 In 2002, North America accounted for about 5 percent of
982 the world's total oil reserves. In 2003, with the addition
983 of Canada's oil sands, those reserves increased to 18
984 percent. And now, a decade later in 2013, technically
985 recoverable resources from unproved conventional and shale
986 oil resources could be as high as 600 billion barrels, triple
987 the 2003 estimate. When we combine that with the 2 trillion
988 barrels of oil shale in the middle part of our country, North
989 America's crude oil resource is greater than the amount of
990 proved conditional resources and the entire rest of the
991 world.

992 But the question before us is are we prepared to
993 capitalize on it? The Hoover Dam was built in 5 years, the
994 Empire State building in 1, the New Jersey Turnpike in 4, and
995 now it takes an average of over 3 years merely to complete an

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996 environmental impact statement, let alone build anything. So
997 the answer is no, we are not prepared to capitalize on this
998 fundamental and huge opportunity.

999 Our energy infrastructure today is increasingly
1000 inadequate to currently meet our energy-growing demand.
1001 Providing energy is a long, capital-intensive undertaking and
1002 they require long lead times and massive amounts of new
1003 capital. Some of that investment and some of those jobs will
1004 never happened or they will go elsewhere if the regulatory
1005 environment under which companies operate is too burdensome
1006 or unreliable.

1007 Unfortunately, our energy sector does suffer from
1008 lengthy, unpredictable, and needlessly complex regulatory
1009 maze that delays or halts the construction of new energy
1010 infrastructure. We see federal and state environmental
1011 statutes, state citing, permitting, frivolous litigation, and
1012 a ``build absolutely nothing anywhere near anything'' BANANA
1013 syndrome routinely used to stop and block every expansion of
1014 transmission lines to power plants to pipelines to green
1015 energy projects.

1016 As a Nation, a continent, we have been blessed with new

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1017 abundant natural resources, but fulfilling that economic
1018 energy potential requires strategic thinking underpinned by
1019 durable policy. But unfortunately, we now have conflicting,
1020 contradictory, and myopic energy policies. These
1021 extraordinary opportunities created by energy today have come
1022 about despite government policy, not because of it, and that
1023 has to change if we are to energize our economy, put people
1024 back to work, and get the energy infrastructure we need like
1025 the Keystone pipeline. If done right, it can drive our
1026 nation's economic recovery and it can change our energy
1027 future fundamentally, or we can choose to cede those
1028 advantages to other countries.

1029 So let's unleash the power of the market, approve the
1030 KXL pipeline, and show that we believe getting our oil from
1031 our trusted ally Canada is better than sending more of our
1032 hard-earned money to unfriendly or unreliable countries.

1033 Thank you.

1034 [The prepared statement of Ms. Harbert follows:]

1035 ***** INSERT F *****

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|

1036 Mr. {Terry.} Thank you.

1037 I now recognize Mr. Houston from Nebraska. You are

1038 recognized for 5 minutes.

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|
1039 ^STATEMENT OF DENNIS HOUSTON

1040 } Mr. {Houston.} Chairman Terry, Congressman Sarbanes,
1041 and distinguished members of the House Subcommittee on
1042 Commerce, Manufacturing, and Trade, my name is Dennis
1043 Houston. I am the President and CEO of the Norfolk Area
1044 Chamber of Commerce in Norfolk, Nebraska, the 2013 National
1045 Chamber of the Year. The Norfolk area in northeast Nebraska
1046 is home to the original TransCanada Keystone Pipeline route
1047 built in 2009. Norfolk is also the proud boyhood home of our
1048 favorite native son Johnny Carson.

1049 On behalf of the Norfolk Area Chamber of Commerce and
1050 its more than 675 member firms, the 15,000 area residents our
1051 members employ, and the 125,000 people in the Norfolk trade
1052 area, I would like to share our positive experience with
1053 TransCanada and the Keystone Pipeline in our area of
1054 northeast Nebraska.

1055 The original TransCanada Keystone Pipeline has had an
1056 amazing impact on ``Main Street'' in Norfolk, Nebraska. It
1057 would be pretentious for us to say what is best for our

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1058 friends west of us in Nebraska, but we are very qualified to
1059 share our story of what actually happened with the initial
1060 Keystone Pipeline in northeast Nebraska.

1061 In June 2009, the Norfolk Area Chamber of Commerce
1062 established the Pipeline Task Force. We did this with one
1063 mission in mind: we wanted to proactively recruit TransCanada
1064 and the Keystone Pipeline to bring their base camp to Norfolk
1065 and the Madison County area that summer. Our experience with
1066 their organization and their employees was extremely
1067 positive. They entered our community as great corporate
1068 citizens and quickly became tremendous community partners for
1069 Norfolk and all of the neighboring towns in our area.

1070 Our Pipeline Task Force established a pipe liner website
1071 to welcome them to Norfolk. We hosted a community-wide
1072 family welcome BBQ with hundreds of people in attendance. We
1073 created a Pipe Liner Partner Discount Card to be used at area
1074 businesses to grow the local economy. Every marquee in our
1075 community had special messages to welcome our new friends to
1076 our community.

1077 The spouses of the pipe liners, who by their own name
1078 quickly became known as the ``Pipeline Ladies,`` completed a

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1079 renovation of a crisis center for abused children. This was
1080 done with a total donation of time, talent, and dollars.
1081 After a 12-hour day on the job, pipe liners then brought in
1082 heavy equipment to build and landscape children's
1083 playgrounds. They also volunteered their personal time at
1084 Bright Horizons and the Orphan Grain Train, both of which are
1085 nonprofits. This intense level of community involvement was
1086 not simply a goodwill gesture for a weekend project but
1087 rather a way of life that took place over a period of 5
1088 months.

1089 The positive economic impact of the TransCanada Keystone
1090 Pipeline in Norfolk, a vibrant rural community of nearly
1091 25,000 people, was nothing short of amazing. They brought
1092 750 new jobs into the area. TransCanada became our third
1093 largest employer in our area for the 5 months their team was
1094 working on the project. We believe that our partnership and
1095 positive experience with TransCanada and the Keystone
1096 Pipeline helped us to lead northeast Nebraska in economic
1097 success over the past few years. At the end of the day, we
1098 experienced a \$10 million economic impact in Norfolk and the
1099 Madison County area. Please keep in mind that this was all

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1100 happening at a time when most areas of the country were
1101 experiencing the peak of the recession.

1102 In recent years, CNN and Money Magazine designated
1103 Norfolk and Madison County as ``The Second-Best Place for
1104 Jobs in America'' and Norfolk is one of the ``Top 100 Best
1105 Places to Live in America.'' We are very proud of those
1106 accolades, but we certainly do not take them lightly. We
1107 strive each and every day to make them a reality, and more
1108 importantly, we will not do anything to risk our success, the
1109 future of our community, or our environment. The positive
1110 social and economic development impact from projects like the
1111 Keystone Pipeline helped us achieve these accolades and will
1112 help our community carry this torch forward for a long time.

1113 For the citizens of Norfolk and all of Madison County,
1114 the Keystone Pipeline was not just about bringing 750 workers
1115 into our community for 5 months. It was about building a
1116 rural economic development success story in northeast
1117 Nebraska. It was about new job creation in our part of
1118 Nebraska.

1119 Not only was the TransCanada Keystone pipeline a
1120 positive experience for the people of Norfolk, Nebraska,

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1121 during the construction phase in 2009, the pipeline continues
1122 to contribute greatly to our future economic development
1123 success for years to come. Our community has been developing
1124 a new industrial highway around a current industrial park as
1125 we expand the park itself. This new industrial highway will
1126 help Norfolk create and attract additional new jobs. It was
1127 funded by Madison County, the City of Norfolk, and Stanton
1128 County. One million dollars was invested in our economic
1129 development infrastructure for this project by Stanton County
1130 as a direct result of real estate tax dollars collected by
1131 the county for the TransCanada Keystone pumping stations and
1132 pipeline just down the road.

1133 Rural Nebraska, like many rural areas in America, is not
1134 looking for a handout from the Federal Government. We are
1135 simply asking for the opportunity to take care of ourselves
1136 as we create new jobs, attract more industry, and bring new
1137 people to town as a result of projects like this. This would
1138 not have been possible without the original TransCanada
1139 Keystone pipeline running through the Norfolk area.

1140 Thank you.

1141 [The prepared statement of Mr. Houston follows:]

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1142 ***** INSERT G *****

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|
1143 Mr. {Terry.} Thank you.

1144 Mr. Kaminski, you are now recognized for your 5 minutes.

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|
1145 ^STATEMENT OF RON KAMINSKI

1146 } Mr. {Kaminski.} Mr. Chairman, on behalf of the 500,000
1147 members of the Laborers' International Union of North America
1148 (LIUNA) and the 500 plus members of Local 1140, I would like
1149 to thank you and acting Member Sarbanes and the members of
1150 the subcommittee for inviting me to testify today.

1151 The Laborers strongly support the construction of the
1152 Keystone XL pipeline, which will move oil from deposits in
1153 Canada to existing refineries in Texas and Oklahoma. LIUNA
1154 has been involved with this project for more than 4 years
1155 now, which, frankly, is entirely too long for what should
1156 have been a routine pipeline permitting process. This
1157 project will create millions of work hours for the members of
1158 our unions, with good wages and benefits. These delays cost
1159 construction workers' jobs during one of the worst economic
1160 periods in our Nation's history.

1161 The construction sector was hit particularly hard by the
1162 economic recession. The unemployment rate in the
1163 construction industry reached over 27 percent in 2010, and

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1164 joblessness in construction remains higher than virtually any
1165 industry or sector, with nearly one million construction
1166 workers currently unemployed in the United States. Too many
1167 hardworking Americans are out of work, and the Keystone XL
1168 pipeline will change that dire situation for thousands of
1169 them.

1170 TransCanada has executed a Project Labor Agreement (PLA)
1171 with LIUNA, the International Union of Operating Engineers,
1172 the United Association of Plumbers and Pipefitters, the
1173 International Brotherhood of Teamsters, and the International
1174 Brotherhood of Electrical Workers that will cover the
1175 construction of the Keystone XL pipeline. Other aspects of
1176 construction, including pump stations, will be performed by
1177 other unions within the Omaha and Southwest Iowa Building and
1178 Construction Trades and the Omaha Federation of Labor.

1179 It is indisputable that jobs will be created and
1180 supported in the extraction and refining of the oil, as well
1181 as in the manufacturing and service sectors. It is also
1182 clear that the construction and maintenance of the Keystone
1183 XL will have a ripple effect of consumer spending that will
1184 have a positive impact on the States and communities where

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1185 the pipeline will be located.

1186 Unfortunately, some of the pipeline's opponents have
1187 resorted to attacking the nature of work that our members do
1188 and have chosen as careers. They have imposed a value
1189 judgment that holds construction jobs to be of a lesser value
1190 because, eventually, every construction project has a
1191 completion date. They call these jobs ``temporary'' in an
1192 effort to diminish their importance to the men and women who
1193 have chosen a career in the construction sector. The
1194 undeniable truth is that, while opponents of the pipeline
1195 have successfully delayed the construction of the Keystone
1196 XL, members of my union have lost homes, their healthcare and
1197 other benefits. Construction workers deserve more respect.

1198 To further attack the project, they have called these
1199 jobs ``dangerous'' and ``dirty.'' The fact of the matter is
1200 construction is in fact a dangerous occupation and when not
1201 performed by trained workers can lead to unacceptable
1202 environmental harm. However, when construction is performed
1203 by well-trained union workers, these risks can be minimized.
1204 I can assure you my members, as well as those workers who are
1205 part of the Project Labor Agreement with TransCanada, are the

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1206 best trained in the world, and will build the safest pipeline
1207 in the world. And you don't have to take my word for it. We
1208 just finished building the first Keystone pipeline in 2009 in
1209 Nebraska and over the Ogallala Aquifer, and it has been
1210 operating safely since.

1211 Construction of this pipeline will also help produce
1212 needed government revenue at the federal, state, and local
1213 levels that can be used to protect communities from harmful
1214 budget cuts that have led to layoffs and the elimination of
1215 much-needed services.

1216 Many of the pipeline opponents hide behind unfounded and
1217 unrealistic expectations that if the project is not built,
1218 the development of oil shale deposits will cease. According
1219 to the U.S. State Department's very first Environmental
1220 Impact Statement, ``the proposed Project is not likely to
1221 impact the amount of crude oil produced from oil sands.``
1222 With or without the Keystone XL Pipeline, there will likely
1223 be little or no effect on the production of oil sands from
1224 western Canada.

1225 To be clear, the refineries in the Gulf Coast will
1226 continue to seek supplies of heavy crude oil. If they don't

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1227 get it from our friend and ally Canada, they will simply
1228 continue to rely on oil from foreign regimes where
1229 environmental and human rights regulations scarcely exist and
1230 oil profits are often used to oppose the United States'
1231 economic and security interests.

1232 The Keystone XL pipeline will be the safest pipeline in
1233 the world. The 57 special conditions developed by the
1234 Pipeline and Hazardous Materials Safety Administration and
1235 the State Department, and voluntarily agreed to by
1236 TransCanada, have a degree of safety greater than any
1237 typically constructed domestic oil pipeline system under
1238 current regulation.

1239 Additionally, in order to address environmental concerns
1240 about the Nebraska Sandhills and the Ogallala Aquifer,
1241 TransCanada rerouted 195 miles of the pipeline. After a
1242 special session of our Nebraska legislature unanimously
1243 addressed the routing issue, including a final resolution
1244 that was agreed to by environmental groups, and our own
1245 Nebraska Department of Environmental Quality conducted a
1246 rigorous and transparent examination of the environmental
1247 impact of the project. Our Governor, Dave Heineman, once an

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1248 opponent of the pipeline because of environmental concerns,
1249 has sent a letter to President Obama approving TransCanada's
1250 new 195-mile re-route.

1251 It is also important to note that public opinion surveys
1252 in Nebraska over the past 2 years have shown overwhelming
1253 support for the project. The elected representatives of
1254 Nebraskans and the people of Nebraska have spoken. We want
1255 this pipeline--5 years, over 17,000 pages of environmental
1256 studies all confirming this project will be safe and is in
1257 our national interest. It is time to stop moving the goal
1258 posts and approve this project.

1259 Opponents are entitled to their own opinions but they
1260 are not entitled to their own facts. Stopping the Keystone
1261 XL Pipeline will not stop the development of Canadian oil.
1262 Denial of a presidential permit only increases the likelihood
1263 that American markets will miss this opportunity to secure
1264 long-term commitments for this North American resource.

1265 If the opponents of American jobs succeed in preventing
1266 the Keystone XL Pipeline from being built, the socioeconomic
1267 benefits of this project will not be realized. No local,
1268 state, and federal revenue will be generated by the

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1269 construction and operation of the pipeline. There will be no
1270 additional income to property owners and businesses along the
1271 pipeline route. And critically important to our unions, the
1272 jobs that will be created by the massive private investment
1273 will be lost.

1274 Thank you for allowing me to testify before you today.

1275 [The prepared statement of Mr. Kaminski follows:]

1276 ***** INSERT H *****

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|
1277 Mr. {Terry.} Thank you, Mr. Kaminski. I appreciate it.

1278 Mr. Pugliaresi, you are now recognized.

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|

1279 ^STATEMENT OF LUCIAN PUGLIARESI

1280 } Mr. {Pugliaresi.} Chairman Terry, Ranking Member

1281 Sarbanes, thank you so much for this opportunity to talk on

1282 this very important topic.

1283 EPRINC has been around a long time, since 1944. We

1284 study the relationship between petroleum economics and public

1285 policy. So let's go with the first slide.

1286 [Slide]

1287 As you can see by this slide, the vertical axis shows

1288 production in 1,000 barrels a day. Actually, in the 1980s

1289 you can see we produced 10 million barrels a day together

1290 with Canada. Today, we are exceeding the number. It is very

1291 important. This additional production is extremely

1292 important. Had we not had this production, there would be no

1293 excess capacity in the world market today, the price of oil

1294 would be \$20-\$40 higher than it is today, 50 cents to \$1 a

1295 gallon more, and instead of anemic economic growth, we would

1296 still be in a recession. This is critically important. As a

1297 platform, a stable new production in North America is a

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1298 godsend not just for North America but for the world oil
1299 market.

1300 And additionally, every time we produce a barrel of oil
1301 and North America, the real resource cost of that oil is
1302 substantially less than the claims on our resources from
1303 imports. So we produce a barrel of oil, a real resource cost
1304 may be \$50. The difference between 50 and \$100, that is
1305 revenue to state, local, federal governments, return on
1306 capital, profits of course, and also return on labor. So
1307 this is very important. This is a very cost-effective import
1308 substitution.

1309 Next slide.

1310 [Slide]

1311 Now, this is our outlook on the future. This is very
1312 detailed from well-based data. The U.S. and Canada can move
1313 up to 14 million barrels a day by 2020. This doesn't even
1314 include natural gas liquids, which would add another 4
1315 million barrels a day. This is an enormous engine of
1316 economic growth for the United States. It makes our
1317 manufacturing more competitive and requires a very effective
1318 network, a very cost-effective network to move this

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1319 production, much of it out of the northern tier, through the
1320 coast refineries. And I will talk about that in a minute.

1321 Next slide, please.

1322 [Slide]

1323 If you look at this slide, the vertical axis shows the
1324 percentage of U.S. GMP, that is how much our import bill as a
1325 percentage of our GMP. And if you look at, you can see that
1326 out to 2019, 2020, the progress looks quite good. Oil
1327 imports as a percentage of GMP continue to decline. Now,
1328 exports/imports are not a very cost-effective way to think
1329 about energy security, but the notion of North America as a
1330 platform for stable new production is. And you can see here
1331 that when we look at it as a North American lens, which is
1332 really important, the U.S. and Canada together take the
1333 imports down to less than half-a-percent of GMP. The North
1334 American lens is the right way to look at this.

1335 Once again, as many of the other speakers of pointed
1336 out, production of Canadian oil and the purchase of it by
1337 American consumers comes back to the United States in the
1338 purchases of capital and consumer goods by over 90 percent.

1339 Next slide.

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1340 [Slide]

1341 This shows the congestion, what we call sort of the
1342 congestion of the network. If you think about the United
1343 States, we produced our oil in the Gulf Coast. We imported
1344 our oil in our parts in the Gulf Coast, and we moved it up.
1345 But all of a sudden, we have this surge of production out of
1346 the northern tier, North Dakota, Montana, Canada. We need to
1347 take that production now and move it to the coast refineries.
1348 And it is this congestion here which is causing enormous
1349 problems throughout the producing regions of the United
1350 States. In fact, if we could get XL built, we believe that
1351 it will probably lift well head values throughout North
1352 America by \$3 a barrel. A lot of that money shows up in
1353 local, state, and federal revenues.

1354 Next slide.

1355 [Slide]

1356 I think it is very important to understand what is going
1357 on. The middle of the United States today no longer uses any
1358 non-US or non-Canadian oil. As you can see by this chart up
1359 here, imports are in the green, so if you produce more oil in
1360 Canada or more oil in North Dakota, you have to move that oil

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1361 to a coastal refining center. The midcontinent of the United
1362 States is now using only U.S. and Canadian crude. And so if
1363 we don't have an effective transportation system to move this
1364 crude to the coastal refining centers, we are not going to
1365 embrace the huge benefits that the North American petroleum
1366 renaissance is presenting the country. And this actually is
1367 a serious problem because when we can't pull the trigger on
1368 something as simple as XL, we are sending a message to OPEC,
1369 to investors around the world that we are incapable of even
1370 embracing the simplest measures that will enhance the
1371 petroleum renaissance, our energy security.

1372 Finally, the last slide.

1373 [Slide]

1374 I think there are a couple of issues on expectations I
1375 would like to talk about. As we have spoken already, if you
1376 look from Cushing to the Gulf Coast, that project is almost
1377 done, so it is the missing piece on XL. But what has
1378 happened from this decision process in terms of expectations?
1379 The first thing that has happened is no Canadian company
1380 today or U.S. company will consider a cross-border pipeline.
1381 We know this because we have spoken to some and suggested

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1382 some areas where they could do it, and they have said you
1383 guys are crazy. We are not going to go through the torture
1384 chamber of the U.S. decision process. It is not good for our
1385 company, it is not good for the process, and it is too
1386 unpredictable.

1387 The second issue that is really important is that
1388 TransCanada--and many people may not know this--TransCanada
1389 purchased \$2 billion worth of pipe 2 years ahead of schedule
1390 under the expectation that President Obama, like every other
1391 American President, would not deny a cross-border pipeline
1392 with Canada. That is now sitting in the ground. That loss
1393 of expectations are serious problem.

1394 Thank you, Mr. Chairman.

1395 [The prepared statement of Mr. Pugliaresi follows:]

1396 ***** INSERT I *****

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|
1397 Mr. {Terry.} Thank you.

1398 Ms. Kleeb, you are now recognized for your 5 minutes.

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|
1399 ^STATEMENT OF JANE FLEMING KLEEB

1400 } Ms. {Kleeb.} Thank you, Representative Terry and
1401 members of the committee, and thank you to all the pipeline
1402 fighters and landowners watching at home. I am Jane Kleeb,
1403 the Executive Director of Bold Nebraska.

1404 As a great Republican President once said, ``no man may
1405 poison the people for his private profit.'' I believe
1406 President Teddy Roosevelt was absolutely right. And in
1407 Nebraska, we are fighting to keep the Keystone XL away from
1408 the delicate Sandhills, which it still crosses, and our
1409 precious Ogallala Aquifer.

1410 When Keystone I was built in our State, Nebraskans
1411 actually didn't know much about oil pipelines. We are an ag
1412 State; we are not an oil State, and we certainly didn't know
1413 anything about tar sands. As a State, when that pipeline was
1414 built, we did not see a huge economic boom, and as a nation,
1415 we did not see a huge employment boom. The \$1.8 billion
1416 dollars that TransCanada promises our counties must have been
1417 paid in Monopoly money because in fact when Keystone I was

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1418 built, the counties that that pipeline crossed, their tax
1419 revenue went down.

1420 Looking at job records on Keystone I and TransCanada's
1421 Gulf Coast Segment, you see about 8 to 900 folks that come in
1422 from out of state that are employed for about 6 months to a
1423 year and about 100 local folks good jobs for about the same
1424 time period. While those are good jobs and those are good
1425 people, it is nowhere near TransCanada's promise of 20, 40,
1426 or a million jobs that we have sometimes heard on the Hill.

1427 In April 2010, the Deepwater Horizon platform exploded
1428 into the Gulf of Mexico claiming 11 lives and releasing over
1429 5 million gallons of oil. Within 10 days of capping the BP
1430 well, Enbridge's tar sands pipeline ruptured into the
1431 Kalamazoo River, and with it lots of cancer-causing chemicals
1432 in tar sands.

1433 In 2013, tar sands literally ran down the streets in a
1434 town in Arkansas. It was then that our State and our nation
1435 were now focused on not the economic benefits of Keystone XL
1436 but the economic risk. Our State's economic backbone is
1437 based in agriculture not oil pipelines. Our farmers' and
1438 ranchers' livelihoods rely on clean and abundant water from

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1439 the aquifer. We are the number one State in the Nation when
1440 it comes to irrigated acres, and it is only because we sit on
1441 this vast resource.

1442 There has never been a worst-case water risk analysis
1443 done by the State Department or by the Nebraska DEQ and
1444 TransCanada admits their pipeline could rupture up to 1.3
1445 million gallons of tar sands and benzene into our water
1446 supply, and that is obviously a very eye-catching number
1447 because it is about the same amount of tar sands and
1448 chemicals that were spilled into the Kalamazoo River. Three
1449 years later and over \$1 billion in cleanup, that tar sands is
1450 clinging to the edges of that riverbank and is on the bottom
1451 of the river. The EPA admits we simply don't know how to
1452 clean it up, and I am sure Chairman Upton knows this risk
1453 that faces his State and his community.

1454 We are deeply worried that our rivers--the Platte, the
1455 Niobrara, and the Ogallala aquifer--will be the next
1456 Kalamazoo River, will be the next Mayflower, Arkansas, or
1457 will be the next Gulf Coast of Mexico.

1458 America's national interest is not served by a project
1459 that lines the pockets of the few--and I would say foreign--

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1460 while risking the livelihoods and lives of many Americans.
1461 Our families live in rural America for a reason. We like our
1462 way of life. We can actually see the stars there. We can
1463 drink from the water directly from the aquifer. We gather by
1464 the river every year to see the annual migration of the
1465 Sandhills cranes, which I proudly wear on my boots. The
1466 Department of Interior says that all of that is literally at
1467 risk with this project.

1468 When you know this is an export pipeline--every one of
1469 you knows it; TransCanada knows it, too--and you know it is
1470 going to get refined by countries that you all say you hate--
1471 Saudi Arabia and Venezuela--and it is made with foreign
1472 steel--Welspun knows that. This is not made-in-the-USA
1473 steel. It is rolled and coated in Arkansas. When you know
1474 that and you know that TransCanada threatens eminent domain
1475 from day one when talking with landowners, you should be
1476 ashamed of yourselves for supporting this project.

1477 TransCanada is asking landowners to take on a lifetime
1478 of risk, and so we are asking you to intervene. We want you
1479 to see their massive lobby and P.R. campaign and all of the
1480 millions of dollars of lobby dollars as it is, and it is

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1481 simply a Hail Mary pass. They are landlocked. They need to
1482 get their product to the export market, and when it does, it
1483 will open the floodgates to the tar sands pipelines or, as
1484 the person who spoke before me, other pipeline companies will
1485 then not want to cross the border because they know that they
1486 will be facing Nebraska ranchers and farmers.

1487 A risk to our agriculture production in Nebraska or
1488 other Midwestern states that rely on the aquifer can easily
1489 turn into a catastrophic economic risk. Last weekend, just
1490 in a tiny town of Benedict, Nebraska, a group of landowners
1491 and concerned citizens like these two folks right here, we
1492 started to build a solar-powered barn with wind directly
1493 inside the route of the Keystone pipeline. With the drills
1494 and hammers, with sturdy backs and a lot of will, we are
1495 building our own clean and reliable energy. And the fact of
1496 the matter is is that little barn, that little clean energy
1497 project will put more energy on Nebraska's power grid than
1498 the TransCanada Keystone pipeline ever will.

1499 And so we ask you to stand with us, farmers and
1500 ranchers, stand against eminent domain, stand against foreign
1501 oil, and help us get this pipeline denied.

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1502 Thank you.

1503 [The prepared statement of Ms. Kleeb follows:]

1504 ***** INSERT J *****

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|
1505 Mr. {Terry.} Thank you.

1506 Mr. Swift, you are now recognized for 5 minutes.

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|

1507 ^STATEMENT OF ANTHONY SWIFT

1508 } Mr. {Swift.} Thank you, Chairman Terry, Ranking Member
1509 Sarbanes, and members of the subcommittee. Thank you for
1510 today's opportunity to testify on the economic and
1511 environmental issues associated with the Keystone XL tar
1512 sands pipeline. My name is Anthony Swift. I am a policy
1513 analyst for the Natural Resources Defense Council. NRDC is a
1514 national, nonprofit organization dedicated to protecting
1515 public health and the environment.

1516 When TransCanada first proposed to build Keystone XL,
1517 the controversial project generated public outcry for good
1518 reason. The proposed pipeline would have transported 830,000
1519 barrels of tar sands crude, the dirtiest, most carbon-
1520 intensive crude in the world, across America's farms,
1521 communities, and through some of the Nation's most sensitive
1522 water resources. The intervening years of public scrutiny
1523 and environmental review have only bolstered the argument
1524 that the Keystone XL tar sands pipeline is not in the
1525 Nation's interest and should be rejected.

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1526 In the period since TransCanada filed its initial
1527 application, we have learned through tragic experience of the
1528 dangers of tar sands spills. In spills in Kalamazoo,
1529 Michigan, and Mayflower, Arkansas, we have seen communities
1530 destroyed and learned that tar sands is far more difficult to
1531 contain and clean than conventional crude. We watched as
1532 TransCanada put two new pipelines, Keystone I and Bison, into
1533 service. Both had special safety conditions, and yet in its
1534 first year, Keystone I spilled 14 times and had to be shut
1535 down by federal regulators while the Bison pipeline exploded.

1536 We have learned that the Keystone XL's supporters have
1537 dramatically exaggerated many of the benefits of this
1538 project. We were told the Keystone XL was critical to U.S.
1539 energy security. We now know that over half of the tar sands
1540 from Keystone XL will be exported after it is refined in the
1541 Gulf. Rather than a pipeline to the United States, Keystone
1542 XL is an export pipeline through it.

1543 While supporters of the pipeline continue to pitch the
1544 project as a national jobs creator, the reality is quite
1545 different. The State Department's review indicates that the
1546 construction of Keystone XL has a job creation potential on

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1547 par with building a shopping mall, and it will support far
1548 fewer jobs after it is built. In fact, it will employ just
1549 50 permanent workers in both the United States and Canada
1550 after construction. That is simply not the national jobs
1551 plan that its boosters claim.

1552 And we have seen climate change imposing increasing
1553 costs on the American people. We just finished last year,
1554 the hottest year on record across the continental United
1555 States. We spent over \$140 billion to cover crop losses. We
1556 saw wildfires that burned 9.3 million acres of our forests
1557 and fields and witnessed storms like Hurricane Sandy--which
1558 left 130 Americans dead--do more than \$80 billion of damage.
1559 Climate-related spending by the government cost the average
1560 American taxpayer \$1,100 last year alone.

1561 We have long known that tar sands is incredibly carbon-
1562 intensive to produce. Not only are the well-to-tank
1563 emissions from gasoline produced from tar sands over 80
1564 percent higher than that from conventional crude, we now know
1565 that a barrel of tar sands produces greater quantities of
1566 carbon-intensive byproducts like petroleum coke. Replacing
1567 conventional crude at the Gulf with tar sands from Keystone

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1568 XL would generate annual emissions equivalent to those of
1569 over 5 million vehicles. To put that in perspective,
1570 Americans would have to drive 60 billion fewer miles every
1571 year to make up for the increased carbon emissions from
1572 Keystone XL.

1573 We also learned that Keystone XL is the linchpin for the
1574 tar sands industry's expansion plans. Goldman Sachs,
1575 Standard & Poor's, and other market observers have noted that
1576 the current pace of tar sands expansion cannot continue if
1577 Keystone XL is rejected. We have heard confirming evidence
1578 of that today. The efforts of Keystone XL supporters to
1579 secure the approval underlying the importance of this
1580 pipeline to the tar sands industry expansion plan and the
1581 carbon emissions associated with that plan. Even in the
1582 unlikely scenario that every other proposed tar sands
1583 transportation project moved ahead, the tar sands industry
1584 would still not have sufficient transport capacity to meet
1585 its expansion plans without Keystone XL. There is simply no
1586 credible way to divorce Keystone XL with the tar sands
1587 expansion and the carbon pollution associated with it.

1588 There is a better path forward, one which involves

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1589 expanding a clean economy that already puts millions of
1590 Americans to work today. In recent years, we have watched
1591 clean energy become one of the fastest-growing sectors in the
1592 U.S. economy creating hundreds of thousands of jobs in the
1593 process. In fact, just in the second quarter of this year,
1594 58 new projects in clean energy and clean transportation were
1595 announced, which will create over 38,000 jobs.

1596 Our choice is clear: Either we will begin on our watch
1597 to reduce the dangerous carbon pollution that is driving
1598 global climate change or our children will inherit climate
1599 chaos tomorrow. Years of public scrutiny have given us a
1600 myriad of reasons to reject this tar sands project. Keystone
1601 XL is not in the Nation's interest.

1602 NRDC thanks you for the opportunity to present its views
1603 and I would be pleased to answer any questions you may have.

1604 [The prepared statement of Mr. Swift follows:]

1605 ***** INSERT K *****

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1606 Mr. {Terry.} Thank you, Mr. Swift.

1607 And that concludes the testimony of our witnesses and
1608 now begins our question-and-answer period. Each Member has 5
1609 minutes to ask questions. I am going to start as the
1610 chairman.

1611 So, Mr. Kaminski, an accusation was laid that the jobs
1612 have been overstated. Your labor hall has a contract, as I
1613 understand, with TransCanada to supply labor.

1614 Mr. {Kaminski.} That is correct. We constructed the
1615 first Keystone line with TransCanada. TransCanada was a
1616 great partner. They wanted the best workers building that
1617 pipeline. That is why we believe they signed the Project
1618 Labor Agreement to ensure union members were put to work.

1619 I find it quite amusing that all these studies that have
1620 so-called taken place about jobs numbers, no one has ever
1621 contacted me about a survey or a study on how many jobs are
1622 created on the first Keystone line, nor on the second one.
1623 The ideas that these are temporary jobs, every job in
1624 construction is temporary. We construct wind turbines, we
1625 construct ethanol plants, biodiesel plants, and we build

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1626 those wind turbines. We can build 120 wind turbines in about
1627 a quarter of the time that we would build this pipeline. So
1628 to say that because it is an alternative source of energy or
1629 a type of energy it is not a temporary job is just pretty
1630 funny to me.

1631 Mr. {Terry.} I appreciate that.

1632 Mr. Houston, you had testified that there was a positive
1633 economic impact from the employees and from property taxes
1634 generated from the pipeline. Was there a decrease in tax
1635 revenues during the construction of the pipeline?

1636 Mr. {Houston.} Just the opposite for us. When I
1637 mentioned the industrial road around our industrial part,
1638 that million dollars is coming from those tax dollars that
1639 are coming in from Stanton County and from the pipeline
1640 pumping stations and in those areas. It is money that is
1641 coming in that is paying for those roads. It is allowing us
1642 to grow our community.

1643 Mr. {Terry.} All right. And so they are paying taxes?

1644 Mr. {Houston.} Yes.

1645 Mr. {Terry.} And during the time of the construction,
1646 was there an increase in tax revenues or a decrease?

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1647 Mr. {Houston.} A dramatic increase. When you look at
1648 where the national economy was, you know, at the height of
1649 the Great Recession in the summer of 2009, to have 750
1650 additional workers who are away from home that are out there,
1651 you know, working hard day in and day out on these 12- and
1652 14-hour days building the pipeline, they all spend their
1653 money in our community and all the neighboring communities.
1654 It had an economic impact of more than \$10 million, and that
1655 is a very conservative number. Even from trying to
1656 accommodate that many people in a rural community, I mean we
1657 had people that did a 2-week time period that built
1658 additional RV parks working literally 24 hours a day around
1659 the clock to build RV parks just so people would have a place
1660 to live during that time period.

1661 Mr. {Terry.} Okay.

1662 Mr. {Houston.} Because in that rural community of
1663 25,000 you don't have 750 extra apartments or homes available
1664 when people move into the area.

1665 Mr. {Terry.} Well, I appreciate that.

1666 Mr. Pugliaresi, as I understand, from the oil sands in
1667 Alberta there is to the west a pipeline that is under

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1668 construction and been approved for the Kinder Morgan pipeline
1669 to the west. So let's make an assumption that there is no
1670 Keystone pipeline and the oil sands are moved to the east and
1671 west in Canada not through the United States. Is there an
1672 economic impact to the United States?

1673 Mr. {Pugliaresi.} Yes. Once again, it is important to
1674 look upon this as a network issue. We really want the whole
1675 North American network to be as efficient as possible to move
1676 crude to the coastal refining centers that are most adept and
1677 who add the most value in processing those crudes. So for
1678 Canada to move it east and west it is a second-best solution.
1679 It is a solution I believe they will pursue. But the most
1680 efficient solution is to move the oil sands production to the
1681 Gulf of Mexico where the existing technology, the cokers, and
1682 the refineries are there to process it. The light, sweet
1683 crude should be moving to California and to the PADD 1.

1684 So when we impose this restriction by prohibiting it
1685 from moving, all we are doing is imposing an economic cost on
1686 both countries. That economic cost is going to show up not
1687 just in lower profits but lower revenues for state, federal,
1688 and local governments.

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1689 Mr. {Terry.} All right. Thank you. My time--

1690 Ms. {Kleeb.} Mr. Chairman, just the--

1691 Mr. {Terry.} No.

1692 Ms. {Kleeb.} Okay. Well, there is--

1693 Mr. {Terry.} My time is up, and by the way, the rules
1694 of this are that you will be asked questions. You don't get
1695 to blurt out.

1696 And now Mr. Sarbanes will help you. You are recognized
1697 for 5 minutes.

1698 Mr. {Sarbanes.} Thank you, Mr. Chairman.

1699 Ms. Kleeb, do you want to finish your thought?

1700 Ms. {Kleeb.} Mr. Terry had said that there was, you
1701 know, an east and west pipeline. Neither is under
1702 construction, neither has a permit, and both are facing
1703 fierce opposition both from First Nation tribes, as well as
1704 farmers and ranchers and other folks in Canada who are
1705 opposed to tar sands just as much as we are.

1706 Mr. {Sarbanes.} Thank you.

1707 A couple things: first off, I find the testimony about
1708 the job creation around this project compelling. However, I
1709 don't accept the notion that there aren't other tremendous

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1710 opportunities to create jobs, construction jobs, through
1711 infrastructure investment that will be more environmentally
1712 sound than this one. And I don't want to get trapped into
1713 the notion that if we don't pursue this particular project we
1714 have abandoned the imperative of trying to create good,
1715 strong jobs and do that within the construction industry.

1716 Now, Mr. Swift, I wanted to talk a little bit about this
1717 issue of whether the construction of this pipeline is in fact
1718 critical to the future of the tar sands industry because this
1719 is an important point. You know, we have looked at the
1720 environmental issue from these two sides. Some people are
1721 focusing pretty exclusively on whether it is safe to
1722 transport it through the pipeline and, you know, we have
1723 heard testimony about the 57 points of safety that have been
1724 developed. I am not convinced that there aren't still
1725 significant risks, and when tar sands is involved, I think
1726 those risks are even greater. But most of the people that
1727 are focusing on that are not talking about the first instance
1728 of the environmental impact, which is the extraction and
1729 reduction of it, which makes it the dirtiest source of
1730 transportation fuel out there.

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1731 So those of us who are very concerned about that, how it
1732 contributes to climate change and do kind of focus on that
1733 piece of it, it would be somewhat dispositive of our view of
1734 this thing if we were convinced that it is going to happen
1735 anyway, right, that even if we don't do Keystone, they are
1736 going to continue to find the opportunity to develop this
1737 source of energy. And so the climate change impact is going
1738 to be there anyhow.

1739 But I think you have a different perspective. I would
1740 like you to maybe expand on that. I mean the State
1741 Department made a statement that they thought it was unlikely
1742 to impact the rate of development in the oil sands, but there
1743 are financial and industry experts who have a different view,
1744 and if you could speak to that, again, I think it is really
1745 important that we try to nail this down as best we can.

1746 Mr. {Swift.} Thank you so much. And that is a critical
1747 question. Wall Street generally believes that Keystone XL is
1748 critical to enable tar sands expansion, and the reason for
1749 that, one thing that is important to understand is that new
1750 tar sands projects have very high breakeven rates. In order
1751 to simply break even, many of these projects require anywhere

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1752 from \$80 to \$100 a barrel to be profitable. And because of
1753 those high costs, many companies, you know, are on the fence
1754 right now about moving forward with tar sands production
1755 projects, new ones.

1756 The difference between moving tar sands by pipeline and
1757 by rails appears to be fairly substantial. Pipelines offer
1758 the cheapest transportation option for companies to move tar
1759 sands, you know, from northern Alberta to the Gulf. And it
1760 is becoming relatively clear that many new projects are at a
1761 critical juncture as far as their profitability, and without
1762 a clear indication that numerous new pipelines are going to
1763 be moved forward with, they are not going to pull the trigger
1764 on that production. And this is an opinion that is shared by
1765 groups like Goldman Sachs as well.

1766 So the folks that are really invested in identifying
1767 which way production is going to go and what the impact of
1768 the Keystone XL decision will be on tar sands expansion
1769 indicate that the decision to permit the pipeline would
1770 enable significant tar sands expansion.

1771 Mr. {Sarbanes.} Well, I appreciate that. I mean those
1772 of us who are very focused on the climate change impact of a

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1773 project like this need to understand that this if this
1774 project doesn't go forward, it really could have a
1775 significant impact in reducing those CO2 emissions. And we
1776 have heard a lot of statistics, comparative statistics, about
1777 how large that impact would be.

1778 So I appreciate your testimony and I thank the panel.

1779 Mr. {Terry.} Thank you, Mr. Sarbanes.

1780 And now we recognize the vice chairman of the
1781 subcommittee. Mr. Lance, you are recognized.

1782 Mr. {Lance.} Thank you very much, Mr. Chairman, and
1783 good morning to you all.

1784 Not to make a decision is in effect making a decision,
1785 and I have been listening to the testimony and I respect the
1786 testimony of all of those on the panel. However, it is my
1787 position that a decision should be rendered by the
1788 Administration, yea or nay, and then we in Congress can react
1789 to that once that occurs.

1790 To each member of the panel, do you believe the
1791 Administration should render a decision and when do you
1792 believe the Administration should render a decision?

1793 Mr. {Delie.} I believe the decision should have been

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1794 rendered years ago, not today, but, you know, every day we
1795 wait it is costing us jobs.

1796 Mr. {Lance.} You favor a decision today?

1797 Mr. {Delie.} Yes. I could give you one quick example.
1798 There is a 55,000-ton order that TransCanada is going to
1799 build in Canada needing pipe, and I just came to the
1800 understanding that that would be 3 months' work for my
1801 employees that they are going to use pipe from KXL to build
1802 that project and not produce new pipe for that.

1803 Mr. {Lance.} Thank you.

1804 Ms. {Harbert.} Yes, it is past due and there is,
1805 contrary to what Jane said, an existing pipeline that they
1806 will be reversing on the oil sands to go to the east coast
1807 that is under consideration right now with the government's
1808 full backing.

1809 Mr. {Lance.} Thank you. Mr. Houston?

1810 Mr. {Houston.} My answer, yes, and my time frame would
1811 be yesterday.

1812 Mr. {Lance.} So that means by definition today?

1813 Mr. {Houston.} Yes.

1814 Mr. {Kaminski.} I believe that in our organization,

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1815 like I said, we care deeply about the environment. I believe
1816 that the process does have to take time. Do I think 5 years
1817 is too long? I do. So I think that decision has to be made
1818 as soon as possible.

1819 Mr. {Lance.} Thank you very much.

1820 Mr. {Pugliaresi.} Yes, it should be made immediately.

1821 Mr. {Lance.} Yes. Ms. Kleeb?

1822 Ms. {Kleeb.} I stand with the President. As he said,
1823 when all the proper studies are done--

1824 Mr. {Lance.} Um-hum.

1825 Ms. {Kleeb.} --including--

1826 Mr. {Lance.} Um-hum.

1827 Ms. {Kleeb.} --a worst-case scenario spill on our
1828 water--

1829 Mr. {Lance.} Um-hum. And what would your time frame
1830 be?

1831 Ms. {Kleeb.} When the proper studies are done.

1832 Mr. {Lance.} Well, can you estimate for the panel when
1833 your time frame would be?

1834 Ms. {Kleeb.} If the State Department can do that study
1835 in 2 months, 6 months, it depends on when that study can be

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1836 done. I will also make sure that the panel knows I am not
1837 sure if Representative Terry told you, but the Nebraska route
1838 is actually in question. It is in court, has been in court
1839 for over a year. We have our lawsuit trial on September 27.
1840 That could throw out the Nebraska route and force TransCanada
1841 to go through--

1842 Mr. {Lance.} So what would your time frame be? Could
1843 you estimate for us when you think would be an appropriate--

1844 Ms. {Kleeb.} We feel confident that the President would
1845 deny the pipeline today, and so if he makes the decision
1846 today, that is fine with me. We have been confident from day
1847 one.

1848 Mr. {Lance.} And do you favor the President making a
1849 decision today?

1850 Ms. {Kleeb.} I favor the President making the decision
1851 when he thinks that all the studies have been done.

1852 Mr. {Lance.} And do you agree that not making a
1853 decision is in effect making a decision?

1854 Ms. {Kleeb.} I think by him waiting until all the
1855 studies are and has provided the evidence that we need to
1856 prove that this pipeline is not in our national interest.

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1857 Mr. {Lance.} And do you believe 5 years is too long?

1858 Ms. {Kleeb.} No, because we still don't have a water
1859 risk analysis.

1860 Mr. {Lance.} No. So you do not believe 5 years is too
1861 long?

1862 Ms. {Kleeb.} No, we still don't have a water risk
1863 analysis. It was TransCanada's--

1864 Mr. {Lance.} Would 6--

1865 Ms. {Kleeb.} --own fault and arrogance of why we are in
1866 this position right now. They should have never tried to
1867 cross the Sandhills or the aquifer to begin with.

1868 Mr. {Lance.} Would 6 years be too long?

1869 Ms. {Kleeb.} If we still don't have the proper water
1870 study, then it is not long enough.

1871 Mr. {Lance.} Six years is not long enough in your
1872 opinion?

1873 Ms. {Kleeb.} If we don't have the proper water risk
1874 analysis, yes.

1875 Mr. {Lance.} Thank you. Mr. Swift?

1876 Mr. {Swift.} I think a decision should be made. This
1877 current application is dated from 2012, and I do believe

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1878 that, given the State Department has a million comments to go
1879 through, it is critical that they get the process right and
1880 that they get the best information--

1881 Mr. {Lance.} And do you believe a decision should be
1882 made?

1883 Mr. {Swift.} I do believe that a decision--

1884 Mr. {Lance.} And perhaps you and I might disagree as to
1885 what that decision should be; I respect that. And you
1886 believe a decision should be made now?

1887 Mr. {Swift.} I believe that a decision should be made
1888 once the best information is evaluated based on the best
1889 information available. We have to remember this pipeline,
1890 TransCanada intends to use it as a perpetual resource that is
1891 rated for--

1892 Mr. {Lance.} And what would your time frame be,
1893 Mr. Swift?

1894 Mr. {Swift.} It is based on content of the
1895 information--

1896 Mr. {Lance.} Yes, I have 27 seconds.

1897 Mr. {Swift.} As soon as possible.

1898 Mr. {Lance.} As soon as possible. I agree with that.

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1899 And I think 5 years is too long. And let me repeat I believe
1900 not making a decision is making a decision. And you and I
1901 might disagree as to what the decision would be, and I
1902 respect your position and your organization has done
1903 distinguished work in the United States, but you and I agree
1904 that a decision should be made as soon as possible?

1905 Mr. {Swift.} No sooner than possible.

1906 Mr. {Lance.} Thank you very much, Mr. Chairman.

1907 Mr. {Terry.} I recognize the gentleman from Georgia for
1908 5 minutes.

1909 Mr. {Barrow.} Thank you, Mr. Chairman, and thank you
1910 for holding this hearing on the Keystone XL pipeline.

1911 I am a supporter of the Keystone XL pipeline. I believe
1912 its approval is long overdue. It will increase our access to
1913 North American energy production and that will better protect
1914 families here at home from the effects of energy market
1915 uncertainty caused by political and economic troubles in
1916 other parts of the world. And let's project that
1917 construction of the pipeline will create at least 13,000 new
1918 construction jobs and an additional 7,000 manufacturing jobs.
1919 These are highly skilled jobs that folks all across the

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1920 country are looking for.

1921 When the Keystone XL pipeline is complete, it will move
1922 an estimated 840,000 barrels of oil per day. That amounts to
1923 10 percent of America's net daily oil imports, enough to
1924 displace the oil we import every day from Venezuela. When
1925 the folks in my district in Georgia look at this project,
1926 they realize that it won't increase our dependence on oil as
1927 our primary source for transportation energy as we are
1928 already totally dependent on oil for our transportation
1929 energy. But it will make us less dependent on hostile rivals
1930 and more reliant upon friendly allies for our transportation
1931 energy.

1932 I also understand that it will not harm the environment
1933 because this oil energy is going to be reduced and refined
1934 and consumed by somebody. The only real question is whether
1935 we get first dibs on it or whether we have to get to the back
1936 of the line behind countries like India and China for our own
1937 North American oil. For all of these reasons, I urge all
1938 parties involved to work together to make the Keystone XL
1939 pipeline a reality.

1940 And with that, I yield back the balance of my time.

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1941 Mr. {Terry.} Thank you.

1942 At this time I recognize Mr. Olson from Texas for 5
1943 minutes.

1944 Mr. {Olson.} I thank the chair and I would like to
1945 start my comments with a quote about the southern leg of the
1946 Keystone XL pipeline, and here is the quote: ``Moving oil
1947 from the Midwest to the world-class, state-of-the-art
1948 refineries on the Gulf Coast will modernize our
1949 infrastructure, create jobs, and encourage American energy
1950 production.'' That quote did not come from Chairman Terry.
1951 It didn't come from a Texan like me. It came from President
1952 Obama's head spokesman, James Carney, earlier this year.
1953 Create jobs, modernize our infrastructure, encourage American
1954 energy production.

1955 I would like to follow up on Mr. Kaminski's spot-on
1956 comments about we all have our own opinions but not our own
1957 facts. I would like to offer every panelist a little
1958 multiple-choice question about transporting liquids, whether
1959 it is milk or oil. And so starting at the end there with
1960 you, Mr. Delie--is that pronounced correctly?

1961 Mr. {Delie.} Yes, sir.

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1962 Mr. {Olson.} What is the safest way to transport
1963 liquids? Is it train, truck, ocean liner, or pipeline?

1964 Mr. {Delie.} Pipelines.

1965 Mr. {Olson.} Pipeline.

1966 Ms. {Harbert.} Domestic pipelines, but we are going to
1967 need more than just pipelines as well with this abundance.

1968 Mr. {Olson.} Yes, ma'am, just the safest one
1969 statistically. Yes, I agree completely.

1970 Mr. Houston? Great last name, by the way.

1971 Mr. {Houston.} Thank you. Pipeline.

1972 Mr. {Olson.} Mr. Kaminski?

1973 Mr. {Kaminski.} No question, pipelines.

1974 Mr. {Olson.} Mr. Pugliaresi?

1975 Mr. {Pugliaresi.} Yes, long-term data show pipelines
1976 have the lowest risk.

1977 Mr. {Olson.} Ms. Kleeb?

1978 Ms. {Kleeb.} It actually depends on what stats you are
1979 looking at, which Mr. Swift, I am sure, can talk about. But
1980 as President Obama said, we have enough pipelines to wrap
1981 around the world. We don't need another one, especially a
1982 foreign oil one.

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1983 Mr. {Olson.} Okay. You dodged the question. And Mr.

1984 Swift?

1985 Mr. {Swift.} There is some question in this--

1986 Mr. {Olson.} Truck, ocean liner, trailer, or pipeline,

1987 four choices. We are in real world here.

1988 Mr. {Swift.} Yes.

1989 Mr. {Olson.} Just stay in real world. Those are our

1990 four choices, liquid, milk.

1991 Mr. {Swift.} It is unclear. We found there are some

1992 issues with both forms actually, all four.

1993 Mr. {Olson.} Okay. And one final point about the

1994 Ogallala aquifer, it is not just under Nebraska.

1995 Ms. {Kleeb.} Um-hum.

1996 Mr. {Olson.} It is under Wyoming and South Dakota and

1997 Colorado and Kansas and New Mexico and Oklahoma, in my home

1998 State of Texas. Right now, there are at least 25,000 miles

1999 of pipeline over the aquifer in all those States, 2,000 over

2000 Nebraska. And again start at the end, does that sound right,

2001 accurate, yes or no? And it is with you, Mr. Delie, 25,000

2002 over the aquifer and 2,000 over Nebraska?

2003 Mr. {Delie.} That sounds correct.

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2004 Ms. {Harbert.} We have a tremendous amount of pipeline
2005 infrastructure and we need a lot more to move these molecules
2006 around for the benefit of our economy.

2007 Mr. {Olson.} Mr. Houston, I love saying that last name,
2008 sir.

2009 Mr. {Houston.} Keep saying it. I would agree.

2010 Mr. {Olson.} Mr. Kaminski?

2011 Mr. {Kaminski.} I would agree and I don't think that
2012 this argument is about the Sandhills or the aquifer. If it
2013 was about the Sandhills, the environmental groups in Nebraska
2014 would not agree to the resolution we came up with and that
2015 all--

2016 Ms. {Kleeb.} Which environmental groups--

2017 Mr. {Kaminski.} --super majority of the State Senators
2018 and the Governor approved. I don't think this is about the
2019 aquifer or the Sandhills. I think that is an excuse.

2020 Mr. {Olson.} Right. It is pipelines.

2021 Mr. {Kaminski.} Yes.

2022 Ms. {Kleeb.} There are not 2,000 miles of tar sand
2023 pipelines--

2024 Mr. {Olson.} Not tar sands, pipeline.

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2025 Ms. {Kleeb.} Yes, there are--

2026 Mr. {Olson.} Pipeline, pipeline, pipeline.

2027 Ms. {Kleeb.} There are things like water pipelines,

2028 fertilizer pipelines--

2029 Mr. {Olson.} And also--

2030 Ms. {Kleeb.} --things that produce the agriculture--

2031 Mr. {Olson.} --still it is also petroleum products, not

2032 just--

2033 Ms. {Kleeb.} So--

2034 Mr. {Olson.} --Keystone is not unique. Yes, ma'am, I--

2035 Ms. {Kleeb.} The only tar sands pipeline that crosses

2036 our State right now is Keystone I, and when it went in the

2037 ground, people have actually thought it was a water or

2038 natural gas pipeline, so that is only one tar sands pipeline.

2039 And I will say that this pipeline still crosses the

2040 Sandhills. No environmental group signed off on a crooked

2041 map that TransCanada and our government--

2042 Mr. {Olson.} I am out of time, ma'am. Mr. Swift--

2043 Ms. {Kleeb.} --tried to force down our throats.

2044 Mr. {Olson.} --you are up, sir. Does that sound about

2045 right, sir, 25,000 over the aquifer, 2,000 over Nebraska?

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2046 Mr. {Swift.} Well, I come from West Texas where most of
2047 those pipelines are, and I can tell you that most of that
2048 pipeline mileage is in the West Texas part of the aquifer.
2049 Most of the aquifer's water is actually in Nebraska, the vast
2050 majority of it and not the overlying other States.

2051 Mr. {Olson.} Yes, sir. I would just like to talk
2052 briefly about the jobs.

2053 Mr. Chairman, I ask unanimous consent to submit a letter
2054 for the record from Hudson Products Operation, a corporation
2055 in my district. I went down and visited them during the work
2056 period, drove down U.S. 59, soon to be I-69, and they are a
2057 small business which makes fans that are being used in the
2058 pipeline up there in the tar sands in Canada and they will be
2059 used to export LNG to other countries. So again this is real
2060 jobs in Beasley, Texas. This pipeline is necessary. It is
2061 safe.

2062 And I yield back the balance of my time.

2063 It has been 5 years.

2064 Mr. {Terry.} Thank you. And without objection, so
2065 ordered.

2066 [The information follows:]

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2067 ***** COMMITTEE INSERT *****

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|
2068 Mr. {Terry.} Mr. Harper, you are now recognized for 5
2069 minutes.

2070 Mr. {Harper.} Thank you, Mr. Chairman, and thank each
2071 of you for being here on what is continuing to be a very
2072 important topic.

2073 And if I could ask Mr. Pugliaresi some questions here.
2074 You know, as has been stated, much of the Canadian crude is
2075 now being transported by truck or rail and barge, so what
2076 would you say to folks as to why we need the pipeline?

2077 Mr. {Pugliaresi.} So once again, we have this problem.
2078 We produced and shipped our crude oil and products from the
2079 south up to the northern tier. We have large-scale
2080 production now coming out of the northern tier. It needs to
2081 be moved efficiently in order to set a set of expectations
2082 that we can continue to produce this oil. This oil has huge
2083 net value. This is something I don't think we really
2084 understand. You can say you don't want to build Keystone XL,
2085 you can say you don't want to drill offshore, but you can't
2086 say it is free. We are going to give up that value. And if
2087 we give up that value, at least we ought to be honest about

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2088 what we are losing out on because the numbers are very, very
2089 big.

2090 Mr. {Harper.} You know, we of course on this side of
2091 the aisle are very supportive of this project moving forward
2092 and the need to do that. So if you are telling someone and
2093 you are rating the efficiency and cost of the various
2094 methods, where does the pipeline stack up with the
2095 transportation methods on cost and efficiency?

2096 Mr. {Pugliaresi.} I would say that when you have a
2097 long-lived resource like the Canadian oil sands, it is at
2098 least three times more efficient because you can amortize the
2099 cost of the pipeline over 20 years and everything can be
2100 built out efficiently.

2101 Mr. {Harper.} As has been stated, we have other
2102 pipelines, many pipelines crossing our borders. How does the
2103 Keystone XL compare to these other cross-border pipelines in
2104 terms of the scope of the review and the timeline for
2105 approval, as others have seen?

2106 Mr. {Pugliaresi.} As I said, there has never been a
2107 cross-border pipeline turned down by an American President.
2108 So historically, we have treated the North American trade

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2109 relationship with Canada as an open border, highly integrated
2110 economic conditions, highly integrated ownership patterns and
2111 this is the first time, and it has become more a symbolic
2112 fight than an actual fight. If you look at the data, you
2113 take it through all the way, it is not something that should
2114 have created all this furor.

2115 Mr. {Harper.} And this President has approved a cross-
2116 border pipeline in the past, has he not?

2117 Mr. {Pugliaresi.} Absolutely.

2118 Mr. {Harper.} All right. Here is one thing we look at
2119 is we look around the world in the global economy that we are
2120 in and we look at the private sector, how would the private
2121 sector here in the United States and around the world be
2122 viewing us as we go through this process on Keystone XL?

2123 Mr. {Pugliaresi.} Yes, I think the real danger of this
2124 is we look incompetent. We have this enormous value, this
2125 transformation of North America that is before us and we
2126 can't do the simplest thing to embrace it. I really think
2127 the fight over this is not about whether we build the
2128 pipeline or not; it is about the fact that the breakthroughs
2129 in hydraulic fracturing and horizontal drilling, the in situ

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2130 production in Canada suggests that we are no longer living in
2131 an era of limitations and scarcity. We can restore growth.
2132 We can enhance our strategic outlook. And this is a kind of
2133 ideological fight because a lot of people don't--that was not
2134 the world they wanted to see.

2135 Mr. {Harper.} And if I could, Mr. Kaminski, this is
2136 obviously very important to your members as a project, and
2137 again, give the numbers that you would say would be employed
2138 if this moves through?

2139 Mr. {Kaminski.} Within our organization locally, we are
2140 talking hundreds and hundreds of jobs, but we are only one
2141 piece of unions that are actually going to construct this
2142 pipeline and the pump stations. The--

2143 Mr. {Harper.} Total among those that you would say were
2144 union members, how many jobs are we talking about across--

2145 Mr. {Kaminski.} I would think with the northern segment
2146 probably 9,000, 10,000 jobs. And that is trades that I spoke
2147 about earlier. National AFL-CIO is in support of this, state
2148 AFL-CIO, Building and Trades, every labor organization that
2149 deals with construction is in support of this project.

2150 Mr. {Harper.} Ms. Kleeb, don't you think those jobs are

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2151 important?

2152 Ms. {Kleeb.} I think union jobs are very important.

2153 Mr. {Harper.} Okay.

2154 Ms. {Kleeb.} In fact, I worked with Ron on trying to
2155 pass the Employee Free Choice Act, and so there is no
2156 question--

2157 Mr. {Harper.} Okay.

2158 Ms. {Kleeb.} --about union support--

2159 Mr. {Harper.} Okay.

2160 Ms. {Kleeb.} --but those job figures just simply don't
2161 pan out.

2162 Mr. {Harper.} Okay. Well, what if it is--

2163 Ms. {Kleeb.} When you look at the job records on
2164 Keystone I, it clearly says that about 8 to 900 workers--

2165 Mr. {Harper.} Okay.

2166 Ms. {Kleeb.} --for about 6 months to a year--

2167 Mr. {Harper.} Fine.

2168 Ms. {Kleeb.} --worked on that line in that State.

2169 Mr. {Harper.} Let's say--

2170 Ms. {Kleeb.} And they build man camps for 900, not
2171 9,000.

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2172 Mr. {Harper.} Let's say it is 8 to 900.

2173 Ms. {Kleeb.} Sure.

2174 Mr. {Harper.} Are those homes and lives and jobs and

2175 families, are they not important, too? Those are--

2176 Ms. {Kleeb.} They are critically important--

2177 Mr. {Harper.} --important, are they not?

2178 Ms. {Kleeb.} --so are the families--

2179 Mr. {Harper.} Well, then let's get them--

2180 Ms. {Kleeb.} --and generations of farmers and

2181 ranchers--

2182 Mr. {Harper.} Let's get them to work.

2183 Ms. {Kleeb.} Nobody is--

2184 Mr. {Harper.} This has been dragged on--

2185 Ms. {Kleeb.} Yes, let's put them to work.

2186 Mr. {Harper.} --for way too long.

2187 Ms. {Kleeb.} You don't have to wait 5 years for this

2188 project. Put them to work on the backlog--

2189 Mr. {Harper.} This--

2190 Ms. {Kleeb.} --of infrastructure jobs that you guys

2191 continue to block--

2192 Mr. {Harper.} This project--

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2193 Ms. {Kleeb.} --because of the Republican party.

2194 Mr. {Harper.} Okay. Look, this job is important. It

2195 is important to America. It is important to our national

2196 security and energy security and it puts people to work.

2197 And I yield back.

2198 Mr. {Terry.} Thank you.

2199 Mr. Johnson, you are recognized.

2200 Mr. {Johnson.} Thank you, Mr. Chairman.

2201 Ms. Kleeb, the CV that you submitted to the committee

2202 lists some work you did from 2008 to 2010 for the SEIU as

2203 Nebraska State Director.

2204 Ms. {Kleeb.} Yes.

2205 Mr. {Johnson.} Your CV goes on to state that you

2206 currently run a group called Bold Nebraska.

2207 Ms. {Kleeb.} That is correct.

2208 Mr. {Johnson.} Is the SEIU one of the groups you are

2209 working with in your role at Bold Nebraska?

2210 Ms. {Kleeb.} No, SEIU was just--

2211 Mr. {Johnson.} Okay. That is all I need.

2212 Ms. {Kleeb.} Okay.

2213 Mr. {Johnson.} So if the SEIU, a group that you claim

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2214 to have worked for at roughly the same time that you started
2215 Bold isn't funding you, then who is?

2216 Ms. {Kleeb.} So we actually have a list of donors. You
2217 can see if you go on rally.org/build. Thanks for the plug.

2218 Mr. {Johnson.} How about you provide them to this
2219 committee? How about you do that?

2220 Ms. {Kleeb.} I would be more than--

2221 Mr. {Johnson.} Thank you.

2222 Ms. {Kleeb.} --happy to--

2223 Mr. {Johnson.} Do you have any other jobs besides your
2224 activities at Bold?

2225 Ms. {Kleeb.} Will you ask Ron Kaminski that same
2226 question?

2227 Mr. {Johnson.} No. No.

2228 Ms. {Kleeb.} Okay.

2229 Mr. {Johnson.} I am asking the questions.

2230 Ms. {Kleeb.} He started a front group, so--

2231 Mr. {Johnson.} I am asking the questions--

2232 Ms. {Kleeb.} Okay.

2233 Mr. {Johnson.} --Ms. Kleeb.

2234 Ms. {Kleeb.} Okay.

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2235 Mr. {Johnson.} Okay? Let me explain how this process
2236 works. You are testifying before the American people. That
2237 means I ask the questions and you answer.

2238 Ms. {Kleeb.} And I am a citizen--

2239 Mr. {Johnson.} Okay?

2240 Ms. {Kleeb.} --paying your salary.

2241 Mr. {Johnson.} Hey, that is not what this meeting is
2242 about. You get to vote back in Nebraska. That is who your
2243 elected representatives are. I am in power right now to ask
2244 questions on behalf of the American people, so don't start
2245 filibustering me.

2246 Ms. {Kleeb.} I am in power--

2247 Mr. {Johnson.} Do you have any other jobs besides your
2248 activities at Bold?

2249 Ms. {Kleeb.} I work for Bold Nebraska. I am the
2250 executive director.

2251 Mr. {Johnson.} Okay. I understand that your husband is
2252 the CEO of a woman-owned business called Energy Pioneer
2253 Solutions, which received an \$800,000 grant from the
2254 Department of Energy in late 2010.

2255 Ms. {Kleeb.} That is correct.

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2256 Mr. {Johnson.} Are you the woman referred to in the
2257 grant application?

2258 Ms. {Kleeb.} No, I am not.

2259 Mr. {Johnson.} Okay, good.

2260 Ms. {Kleeb.} That is hilarious, though.

2261 Mr. {Johnson.} Do you have a financial stake in this
2262 company?

2263 Ms. {Kleeb.} No. Because my husband--I mean I--

2264 Mr. {Johnson.} Let me remind the committee that the
2265 jobs, development, economic stimulus, and the tax revenue
2266 that will come if we build Keystone at no cost to the
2267 taxpayers. Meanwhile, we have activists that are trying to
2268 game the system to benefit their own financial interests and
2269 then turn around and take taxpayer dollars to boot.

2270 Ms. {Kleeb.} That is completely inappropriate.

2271 Mr. {Johnson.} Ms. Kleeb, you have made a number of
2272 extreme statements about Keystone and climate change over the
2273 years. Upon review, I have some of those quotes from
2274 prominent scientists--

2275 Ms. {Schakowsky.} Mr. Chairman--

2276 Mr. {Johnson.} --experts who have engaged in this

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2277 debate.

2278 Ms. {Kleeb.} Yes.

2279 Mr. {Johnson.} David Keith, a Canadian climate

2280 scientist with a Ph.D. from MIT, currently serving professor

2281 of applied physics at Harvard. He says, ``the extreme

2282 statements that this is game over for the planet are clearly

2283 not intellectually true.'' Do you agree with Mr. Keith, yes

2284 or no?

2285 Ms. {Kleeb.} When--

2286 Mr. {Johnson.} Yes or no?

2287 Ms. {Kleeb.} No, I don't because--

2288 Mr. {Johnson.} Okay, good.

2289 Ms. {Kleeb.} --when that statement--

2290 Mr. {Johnson.} Ken Caldeira--

2291 Ms. {Kleeb.} Are you going to let me answer or are you

2292 just going to continue to yell at me?

2293 Mr. {Johnson.} Ken Caldeira, a climate researcher at

2294 the Carnegie Institution for Science and a professor in

2295 Stanford's Environmental Earth Systems Sciences Department

2296 with a master's degree and a Ph.D. from NYU says, ``I don't

2297 believe that whether the pipeline is built or not will have

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2298 any detectable climate affect.'" Do you agree with Mr.

2299 Caldeira's--

2300 Ms. {Kleeb.} Clearly, I don't--

2301 Mr. {Johnson.} --yes or no?

2302 Ms. {Kleeb.} --or I wouldn't have dedicated the last 4

2303 years--

2304 Mr. {Johnson.} Okay. No. Michael Levi--

2305 Ms. {Kleeb.} --of my life to try to beat this pipeline-

2306 -

2307 Mr. {Johnson.} --senior fellow for Energy and

2308 Environment at the Council on Foreign Relations who has also

2309 served as director of the Federation of American Scientists

2310 Strategic Security Project and holds an M.A. in physics from

2311 Princeton and a Ph.D. from the University of London. He says

2312 this: ``And despite fears by climate change activists that

2313 increased oil sands production has profoundly negative

2314 consequences to global warming, Alberta's massive reserve

2315 base contributes relatively little to the problem at a global

2316 scale.'" Do you agree with Mr. Levi, yes or no?

2317 Ms. {Kleeb.} I agree--

2318 Mr. {Johnson.} Do you agree with Mr. Levi?

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2319 Ms. {Kleeb.} --providing--

2320 Mr. {Johnson.} I am not interested in the picture--

2321 Ms. {Kleeb.} I think--

2322 Mr. {Johnson.} --that you have got there.

2323 Ms. {Kleeb.} Well--

2324 Mr. {Johnson.} I am interested in your answering my
2325 questions.

2326 Ms. {Kleeb.} These are the generations that we are
2327 fighting for and you are continuing--

2328 Mr. {Johnson.} Mr. Chairman, would you instruct her to
2329 answer the questions?

2330 Mr. {Terry.} I will instruct both. Give her a little
2331 bit of time--

2332 Ms. {Kleeb.} No, I don't agree with any of your
2333 questions--

2334 Mr. {Terry.} Ms. Jane Kleeb, I am--all right. Continue
2335 with your questions.

2336 Mr. {Johnson.} Now, I will quote from President Obama's
2337 own State Department from its draft 2013 assessment which
2338 found that ``Canada will develop its oil sands with or
2339 without the project. Approval or denial of the proposed

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2340 project is unlikely to have a substantial impact on the rate
2341 of development in the oil sands or on the amount of heavy
2342 crude oil refined in the Gulf Coast area.' Do you agree
2343 with the President's Administration, specifically the
2344 Department of State, yes or no?

2345 Ms. {Kleeb.} Representative Johnson, I do not agree
2346 with the State Department's analysis, which is widely known
2347 because it was written by--

2348 Mr. {Johnson.} Good.

2349 Ms. {Kleeb.} --a TransCanada--

2350 Mr. {Johnson.} We have got three experts with numerous
2351 advanced degrees from the world's most prestigious
2352 universities and the President's own Department of State
2353 saying that the environmental impact of the Keystone pipeline
2354 would be nonexistent. What qualifies you other than your
2355 activist title to dispute the assertions made by so many
2356 aforementioned experts?

2357 Ms. {Kleeb.} Because the--

2358 Mr. {Johnson.} Do you hold a graduate-level degree in
2359 any relevant field?

2360 Ms. {Kleeb.} Because I--

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2361 Mr. {Johnson.} Do you hold a graduate degree in any
2362 relevant field?

2363 Ms. {Kleeb.} I have a--

2364 Mr. {Terry.} Let her answer the question.

2365 Ms. {Kleeb.} --graduate degree in international
2366 training and education.

2367 Mr. {Johnson.} Did you ever take a chemistry course?

2368 Ms. {Kleeb.} No, sir, I did not.

2369 Mr. {Johnson.} Did you ever take a physics course?

2370 Ms. {Kleeb.} Have you ever worked on a farm or ranch?

2371 Mr. {Johnson.} Oh, absolutely. I am a two-wheel,
2372 wagon-rutting mule farmer.

2373 Mr. {Terry.} All right.

2374 Mr. {Johnson.} Do you want to hear my mule stories?

2375 Mr. {Terry.} Your time is expired for both.

2376 And now we have the ranking member, Ms. Schakowsky, who
2377 has 5 minutes.

2378 Ms. {Schakowsky.} Mr. Chairman, when I attempted to
2379 intervene at what I believe was an inappropriate harangue,
2380 which included suggesting that people including, I guess,
2381 Ms. Kleeb--he is gone now--that somehow she brought it on

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2382 herself, I would like to say that in this committee I would
2383 hope that we treat witnesses who have come here a bit better
2384 than that, and nobody deserves to be harangued in the manner
2385 that she was. And I take great exception. And what I would
2386 like to do right now is give Ms. Kleeb an opportunity to
2387 respond in any way you would like to the questions to which
2388 you were not given appropriate time to answer.

2389 Ms. {Kleeb.} Thank you, Representative.

2390 I mean I am quite certain that even Representative Terry
2391 would know that I am in this fight for very clear reasons.
2392 My husband's family homesteaded in the Sandhills. We have a
2393 long line of ranchers and farmers in our family. There is
2394 one reason why we are fighting this pipeline and it is
2395 because we don't believe that American farmers and ranchers
2396 should have to take on the risks of a foreign tar sands
2397 export pipeline. It is pretty simple. And people can kind
2398 of lob and he is not even here to look at me in the eye to
2399 continue. I guess he didn't have the courage to stand here
2400 and wouldn't allow me to fully answer. So I am willing to
2401 debate anyone, anytime on this pipeline. I don't have to
2402 have a chemistry degree to know that this pipeline is all

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2403 risk and no reward. It is simply that easy.

2404 Ms. {Schakowsky.} And let me just say, too, the
2405 pipeline itself we can argue about jobs or whatever, but the
2406 issue of unleashing the dirtiest source of energy, the tar
2407 sands in Canada, is a dangerous and unnecessary way in my
2408 view to proceed right now. I don't think that this is--and I
2409 have talked to my friends in labor who made it very clear
2410 there are a lot of jobs fixing pipes right now that need to
2411 be done. We see one after another of leaks that are
2412 erupting. I support that. We need to do infrastructure.
2413 Those are real jobs. Those are real jobs.

2414 And, you know, I am not saying these pipeline jobs
2415 aren't but to do something that I think not even in the long
2416 run but in the short run exacerbates what many of my
2417 colleagues on the other side of the aisle want to simply deny
2418 that climate change is real and detrimental and that we are
2419 contributing to it.

2420 I wondered, Mr. Swift, as one of our other witnesses, I
2421 wondered if you wanted to contribute to this?

2422 Mr. {Swift.} Well, I would just add with regard to the
2423 importance of tar sands is an emitter of carbon, increasing

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2424 emissions from tar sands are why Canada is on track to miss
2425 its climate obligations, its 2020 climate obligations.

2426 Ms. {Schakowsky.} Well, and it also withdrew from the
2427 Kyoto Treaty, right?

2428 Mr. {Swift.} That is exactly right. They withdrew in
2429 2011 from Kyoto. They committed to reduce their carbon
2430 emissions by 17 percent in 2020 and almost entirely because
2431 of increasing tar sands emissions, they are going to miss
2432 that goal by quite a bit.

2433 And beyond 2020, the plans to triple tar sands
2434 production from, you know, 2010 to 2030 would have a very
2435 large impact on carbon.

2436 Ms. {Schakowsky.} Well, could you comment on whether or
2437 not this is going to happen anyway? My understanding if the
2438 United States does not agree to this, that this is not
2439 necessarily going to happen anyway.

2440 Mr. {Swift.} That is exactly right, and that is why the
2441 tar sands industry is so committed to try to get this
2442 pipeline through because it is a lifeline to their expansion
2443 plans. Even if every other transportation project went
2444 through that they proposed, they wouldn't have enough

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2445 transport potential to supply their expansion plans, and most
2446 of those other projects have serious issues. Most of them
2447 are not going to go through. Keystone XL is one of the
2448 largest and the most immediate projects available to them. A
2449 rejection of Keystone XL would send a significant signal to
2450 the investment community that tar sands are simply too
2451 carbon-intensive. There is no social license for developing
2452 them. They are too high-cost to put money into.

2453 Ms. {Schakowsky.} Well, I want to thank you for that.
2454 You know, rather than spending its time trying to defund and
2455 stop any kind of clean energy project whatsoever in this
2456 country, which is a fact time after time after time on the
2457 other side of the aisle, I have suggested and will suggest
2458 again that my friends on the Republican side of the aisle
2459 ought to get their heads out of the tar sands. Thank you.

2460 Mr. {Terry.} I now recognize the gentleman from
2461 Missouri, Mr. Long, for 5 minutes.

2462 Mr. {Long.} Thank you, Mr. Chairman. I appreciate the
2463 introduction.

2464 I want to thank you all for being here today, number
2465 one, and, Ms. Kleeb, you have had a lot of questions asked of

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2466 you today and you would be what I call fairly combative and I
2467 will give you a little tip on dealing with me. If you don't
2468 answer my questions, just get really, really loud and really,
2469 really animated because the louder you get, the more I am
2470 going to lower my voice, and pretty soon, I won't be talking
2471 at all. So--okay.

2472 Do you know the average age, Ms. Kleeb, of those
2473 pipelines that we have enough of to wrap around the world
2474 that President Obama referred to?

2475 Ms. {Kleeb.} Yes, and my mom would call it assertive or
2476 independent.

2477 But we have an aging pipeline infrastructure. PHMSA has
2478 talked about this actually more recently. They talked about
2479 how they actually don't have enough staff to really be
2480 monitoring the pipelines in a safe manner and that they wish
2481 that more States like Nebraska would actually take on a state
2482 review process.

2483 Mr. {Long.} You are going into a lot of detail. I have
2484 only got 5 minutes. I am just asking about do you know the
2485 average age of them?

2486 Ms. {Kleeb.} I think it is somewhere between 40 and 50

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2487 if I am correct.

2488 Mr. {Long.} Okay. Common sense would dictate to me
2489 because that is kind of what I have been saying out there
2490 when I am talking about Keystone XL, but common sense would
2491 dictate to me that pipelines that are 40, 50, 60, some 70
2492 years old and better would probably not be nearly as safe as
2493 a new state-of-the-art pipeline that we could build today.

2494 You have, Ms. Kleeb, what did you say your mom said? It
2495 is assertive?

2496 Ms. {Kleeb.} Yes, independent, assertive--

2497 Mr. {Long.} All right.

2498 Ms. {Kleeb.} --yes.

2499 Mr. {Long.} I was going to say that you have attacked
2500 people, but I am going to change that. I am going to say
2501 that you have been assertive with people, as your mother
2502 would say, who support Keystone XL as extreme, reckless,
2503 desperate, those three things come to mind. And I am not
2504 here to judge your opinion, but given those remarks which are
2505 out there in the public domain, I want to put them in a
2506 little bit of context.

2507 So let's look at a record of the Democratic-controlled

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2508 United States Senate. We have people such as--this is the
2509 one time that Keystone XL was voted on--was allowed a vote.
2510 It passed 62 to 37; 17 Democrats voted in favor. One, which
2511 I am assuming either Senator Chris Coons was extreme,
2512 reckless, or desperate, and I will let you pick which one of
2513 those he was, but he is a Democrat from Delaware and someone
2514 with a lifetime voting record of 96 percent with the League
2515 of Conservation Voters, which I am sure you are well aware of
2516 is a pretty liberal environmental group. He voted for it.

2517 Senator Carper, Democrat from Delaware, with a lifetime
2518 League of Conservation Voters rating of 80 percent, voted for
2519 Keystone XL. Senator Michael Bennet, Democrat from Colorado
2520 with a League of Conservation Voters lifetime rating of 90
2521 percent, voted for Keystone XL. Senator Bob Casey, a
2522 Democrat from Pennsylvania with a lifetime League of
2523 Conservation Voters record of 93 percent, voted for Keystone
2524 XL. Senator Kay Hagan, lifetime League of Conservation
2525 Voters, 84 percent, voted yes; and Senator Jon Tester,
2526 Democrat from Montana with an 84 percent record with the
2527 League of Conservation Voters.

2528 So, again, being one of the most liberal environmental

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2529 groups, if they think the Senators are just great most of the
2530 time on most issues, are you really calling them reckless,
2531 extreme, and desperate?

2532 Ms. {Kleeb.} I think that the vote was wrong, and
2533 honestly, the only folks that I care about and take direction
2534 from are the farmers and ranchers in our State on this
2535 particular project and--

2536 Mr. {Long.} So I will take that as a yes, you are
2537 calling those Democrat Senators--

2538 Ms. {Kleeb.} Well, I never said that, Mr. Long, but if
2539 you want to put words in my mouth, feel free.

2540 Mr. {Long.} I am not trying to put words in your mouth.
2541 I am just saying that--

2542 Ms. {Kleeb.} I said their vote was wrong. And I am
2543 sure I have written many letters to their offices saying as
2544 much and so have farmers and ranchers and other citizens
2545 have.

2546 Mr. {Long.} And when you are confrontational with
2547 people that support Keystone XL as extreme, reckless, and
2548 desperate, I just want to put it in some context.

2549 It was brought up and you laughed it off, but just for

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2550 the record, in your husband's woman-owned business, who is
2551 that woman?

2552 Ms. {Kleeb.} He has many female investors, and so if
2553 you want to ask my husband about his business, which I am not
2554 sure that you asked any other panelist about their spouses'
2555 business--

2556 Mr. {Long.} Well, you can be sure of that--

2557 Ms. {Kleeb.} --which I find completely sexist--

2558 Mr. {Long.} --because I haven't asked any other--

2559 Ms. {Kleeb.} --Mr. Long.

2560 Mr. {Long.} --panelists anything.

2561 Ms. {Kleeb.} So if you would like to bring my husband
2562 in to talk about his business, which is very successful,
2563 which employs more individuals than--

2564 Mr. {Long.} Can you provide us--

2565 Ms. {Kleeb.} --TransCanada's Keystone XL pipeline--

2566 Mr. {Long.} --with a name of the--

2567 Ms. {Kleeb.} No, Mr. Long. I won't--

2568 Mr. {Long.} You can't provide the committee with that
2569 name?

2570 Ms. {Kleeb.} No, I won't do that, but if you want to

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2571 ask my husband to come and visit about his business, I am
2572 sure he would be happy to.

2573 Mr. {Long.} I will leave that up to the chairman. That
2574 is not at my discretion.

2575 Ms. {Kleeb.} Okay.

2576 Mr. {Long.} But I would think that you would know who
2577 owned your husband's business so--

2578 Ms. {Kleeb.} I do. I never said--

2579 Mr. {Long.} With that, I yield back.

2580 Ms. {Kleeb.} --that I didn't.

2581 Mr. {Terry.} All right. The gentleman yields back.

2582 And having no further Members to ask questions, that
2583 concludes our hearing.

2584 To the panelists that are here, thank you for being
2585 here. We appreciate your testimony. The Members have the
2586 right to send it written questions within 10 days to you. If
2587 you receive written questions, we would appreciate a prompt
2588 reply. Prompt would be a couple weeks, just not several
2589 months.

2590 So with that, we stand adjourned.

2591 [Whereupon, at 12:26 p.m., the Subcommittee was

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2592 adjourned.]