

Testimony of Rep. Rush Holt (NJ-12)

Before the House Energy and Commerce Subcommittee on Commerce,  
Manufacturing, and Trade

September 19, 2013

Thank you Chairman Terry, Ranking Member Schakowsky, and other members of the committee for having me here to testify today.

As Ranking Member of the Natural Resource Subcommittee on Energy and Mineral Resources, I have already had the opportunity to extensively debate the merits of the Keystone XL project.

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

The tar sands oil that Keystone XL will transport is unbelievably, *not oil* for purposes of paying into the Oil Spill Liability Trust Fund, meaning that Canadian tar sands currently gets a free ride through U.S. pipelines.

I have made efforts to correct this loophole by proposing amendments to Keystone XL legislation considered here in the House, but unfortunately these attempts have been rejected by the Majority.

Meanwhile, the Government Accountability Office has already warned us that the Oil Spill Trust Fund is at risk of running out of money because of the cost of recent

major tar sands cleanup efforts following spills into the Kalamazoo River in Michigan, the Yellowstone River in Montana, and the suburban streets of Mayflower, Arkansas.

If we are going to ask the United States to bear all of the environmental risk of transporting this dirty oil, we should at least ensure that the American people see some benefit. However, 60 percent of the gasoline and 42 percent of the diesel produced at Texas Gulf Coast refineries was exported last year. We talk about promoting energy security, but when I have proposed amendments to guarantee that Canadian oil stays in the U.S. they have also been rejected by the Majority.

Yes, the review of this project has taken time, and justifiably so, but let us take a moment to consider what else has happened in the last 5 years?

The concentration of carbon dioxide in the earth's atmosphere has reached 400ppm, a level never before seen in human history. The U.S. has experienced record drought, flood and fire, costing American's their lives and paychecks. Glaciers are shrinking, sea level is rising and the earth's temperature is gradually increasing.

Recently, Canada has proposed taking steps to mitigate their CO2 emissions in exchange for U.S. approval of the Keystone XL pipeline, but without this pipeline the break neck pace of tar sands development in Canada will undoubtedly stall.

One option to mitigate CO2 emissions is carbon capture and sequestration, and I'd like to propose an innovative new development in the application of this technology—Leave the carbon in the ground. Don't clear cut the forests of Alberta, don't mine and refine the tar sands, and don't burn the refined product.

The United States does not need this dirty energy because the fact is that we are developing our domestic oil and natural gas resources at a record pace. In the last 5 years U.S. oil and natural gas production has steadily increased, while consumption has declined. Combined with increases in renewable energy development we are already well on our way to energy independence.

We have also heard that Keystone XL will help us develop our domestic energy resources, particularly those being developed in the Bakken formation of North Dakota. But we don't need an international pipeline like Keystone XL to move these resources to market. In this country hundreds of miles of pipeline are already under construction, and as we speak the southern portion of this project, from Cushing, Oklahoma to the Gulf Coast, which does not require a presidential permit, is nearing completion.

Additionally, the political posturing on this issue has not expedited the approval of this project. In fact efforts to prematurely approve this project have only led to further delays.

Almost two years ago, on December 16, 2011, the House of Representatives passed the Temporary Payroll Tax Cut Continuation Act of 2011. This "must pass" legislation included an unrelated provision requiring President Obama to make a final decision on the Keystone XL pipeline within 60 days.

President Obama denied the application, based on State Department recommendations, stating that "the rushed and arbitrary deadline insisted on by Congressional Republicans prevented a full assessment of the pipeline's impact, especially the health and safety of the American people, as well as our environment."

This misguided attempt to hastily approve Keystone XL forced TransCanada to re-apply for a permit along a newly-proposed Northern route, and that application is the one that remains under review today.

At the end of the day we know that pipelines will leak and oil will spill. Nationwide about 3.2 million gallons of oil spill every year. If a project takes time to permit, but becomes safer in the process, then I think the timeline is warranted.

Thank you for inviting me here to testify today. I appreciate the opportunity.