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**Keystone XL Pipeline Makes America More Secure in Every Way: Militarily,
Economically and Environmentally**

U.S. Senator John Hoeven

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Good morning, Chairman Terry, and members of the House Energy and Commerce Committee.

I welcome yet another opportunity to push for the Keystone XL pipeline project because I believe it contributes to the national interest in so many respects that we need to talk about it in broader terms than just energy, or just the economy, or just the environment.

In other words, we need to talk about what it means to America's economic future, the environment, and our national security in one big picture because they are all related.

Let's start with the economy. In August, unemployment dropped just one tenth of one percent to 7.3 percent – certainly nothing to celebrate. In fact, unemployment's been over 7 percent since December of 2008. That's nearly five years, the same period of time we've been waiting for Keystone.

Cloaked in the most recent unemployment numbers, however, is a more troubling number: The labor participation rate continued to sink, and is now at its lowest level since 1978. In other words, more Americans are just giving up, abandoning their search for work because the jobs just aren't there.

At the same time, the U.S. economy grew at an anemic annual rate of 2.5 percent in the second quarter of this year, revised upward from the original figure of 1.7 percent. That's still well below the 3.3 percent average annual rate our economy has grown since 1929.

Overseas, we continue to see restiveness in Egypt and suicide bombings in Iraq. We see Iran plowing ahead with development of a nuclear weapon, and civil war in Syria, where there is little doubt that Bashar Al Assad has used chemical weapons on his own people.

Despite the turmoil in the region, however, last year we relied on the Persian Gulf for nearly 30 percent of our imports of crude oil and petroleum products.

But it could be worse. Thanks to states like my home state of North Dakota, and our closest friend and ally, Canada, for the first time in decades, perhaps ever, we have options.

Because of advances in technology, we now get more than half of our oil imports from the Western Hemisphere, including from Canada, which is by far our largest trading partner.

At the same time, states like North Dakota are doing their share to boost domestic energy production. We're closing in on 1 million barrels of oil a day, and we're doing it with good environmental stewardship under a states-first approach.

Consequently, in 2012, the U.S. saw its biggest-ever annual increase in oil production – 8.9 million barrels of oil a day, up 13.9 percent from 2011.

So here's what we have: A chronically sluggish economy and high unemployment; turmoil in the Middle East, which account for 30 percent of our oil imports; and burgeoning North American oil and gas production, which is being driven by a revolution in new technologies that are producing more energy with better environmental stewardship right here at home.

What we also have, however, is a project that has languished in bureaucratic limbo for five years – five years to the day today, in fact.

This project will create tens of thousands of jobs, boost our economy, help keep down the cost of fuel, reduce our dependence on Middle Eastern oil, and raise billions of dollars in revenues to address our nation's deficit and debt.

The Keystone XL pipeline will help us to address all of these critical national challenges. It will do so with good environmental stewardship and not one penny of taxpayer funding.

This \$7 billion, 1,700-mile, high-tech pipeline will carry 830,000 barrels of oil a day to U.S. refineries on the Gulf of Mexico.

That includes oil not only from Alberta, Canada, but also 100,000 barrels per day of light, sweet crude from the U.S. Bakken region in Montana and my home state of North Dakota.

In both the construction and operational phases it will create jobs – thousands of jobs. It will also help to boost the U.S. economy and U.S. national security by ensuring a stable energy supply for the nation over an extended period of time.

Local economies within the route will benefit from increased tax revenues and business activity during the construction phase, and local property taxes will be paid on a continuing basis to help shore up local economies.

That also means more revenues for the federal government to help get on top of our deficit and debt – without raising taxes. That, by the way, is a matter of national security as well as a matter of economic security.

However, the Keystone XL is not only an important jobs and economic project; it will also reduce our dependence on volatile parts of the world for energy, which will make us safer over the decades to come.

Right now, between Canada, Mexico and the United States, we produce more than 78 percent of the transportation fuel we consume in the U.S.

The Keystone pipeline, shipping an additional 830,000 barrels of oil a day, will boost that figure by about 5 percent, taking us from 78 to 83 percent.

That puts us well within striking range of the long-sought – long-elusive – American goal of true energy security, which is, of course, inextricably bound to military security.

Napoleon once famously said “an army marches on its stomach.”

But Napoleon today would more likely say an army marches on its energy resources. For now, and the foreseeable future, that means petroleum will be a big part of the mix.

And finally, despite what critics are saying, the Keystone XL is good for the environment as well. Here’s why.

First of all, 80 percent of all new oil sands recovery is being done “in situ,” meaning it has essentially the same environmental footprint as conventional drilling now being done all over the U.S. and the world.

Second, pipelines are safe and they’re getting safer. There are more than 2.6 million miles of oil and natural gas pipelines in the United States that deliver 99.9998 percent of their products safely every day.

Further, the Keystone XL pipeline will incorporate state-of-the-art technology and safety regimes to detect and contain spills.

TransCanada, the company building the pipeline, has agreed to add 57 special safety conditions into the design and construction of Keystone XL. These include a higher

number of remote-controlled shutoff valves, increased pipeline inspections, burying the pipe deeper in the ground, and using thicker steel pipe at river crossings.

Additionally, the pipeline will be monitored 24/7/365 at a high-tech pipeline control center. Information from 21,000 data sensors along Keystone XL will be sent by satellite every five seconds, providing real-time updates on operating conditions.

Any sign of a problem on the pipeline should be quickly detected so that operators can isolate any section of the pipeline within minutes by remotely closing any of the hundreds of valves on the system.

Finally, and this point is very relevant, if the Keystone XL pipeline isn't built, Canadian oil will still be produced and transported – 830,000 barrels or more a day of it. However, instead of coming to our refineries in the United States, it will be routed by a similar pipeline to Canada's Pacific and Atlantic coasts for shipment overseas.

That means it won't create jobs for American workers.

It won't help to keep down the cost of fuel at the pump for American consumers.

It won't help to lift our economy and raise much-needed revenues to address our deficit and debt.

And it won't reduce our dependence on Middle Eastern oil, strengthen our national defense, and enhance our national security.

It will be sent to China, India, and the Pacific Rim.

After being piped from Alberta to the Pacific coast, for example, it will be shipped on tankers across the Pacific Ocean – a highly sensitive ecosystem – and refined in facilities with far weaker environmental standards and safeguards than those in the United States.

I ask you: How does that make sense? The answer is, it doesn't make sense to a majority of the American people. They understand what's at stake with delaying the Keystone XL and projects like it.

In a Harris poll released this summer, 82 percent of voting Americans voiced support for the Keystone XL pipeline project. According to Harris, nine in 10 Republicans and nearly 80 percent of Democrats and Independents believe the pipeline is in our national interest.

And here's the part that goes straight to our topic. I want to cite some of the highlights of the poll regarding national security and defense:

- 85% of people agree Keystone XL would help strengthen America's economic security.
- 81% of people agree Keystone XL would help strengthen America's energy security.
- 77% agree that Keystone XL would help strengthen America's national security.
- 75% agree that Keystone XL would benefit the U.S. military by increasing access to oil from Canada.

Bear in mind, this poll was done before the recent issue of chemical weapons use by the Syrian government came to light.

I've worked toward Keystone XL pipeline's approval, first as governor, and now as a U.S. senator, because I believe it is the kind of project that will grow our economy, create jobs, and make our nation safer.

I will continue to work with my colleagues in both chambers and both parties to make sure it's completed.

Thank you for the invitation to speak here today on behalf of a vital project for our nation.

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