

Congressman Ted Poe Statement for Energy and Commerce Subcommittee on Commerce

Manufacturing and Trade

“Keystone’s Red Tape Anniversary: Five Years of Bureaucratic Delay and Economic Benefits Denied”

Thursday, September 19, 2013

First, I would like to thank Congressman Terry for inviting me to testify today, and also for his longstanding work on the Energy and Commerce committee in attempting to get the Keystone XL Pipeline permit approved. Today we are celebrating an anniversary. This is not a happy anniversary; instead, it is **an anniversary of bureaucracy, red tape and playing politics with the permitting process.**

The Keystone XL pipeline extension was originally proposed in 2008, and a permit was applied for by TransCanada on September 19th, 2008. Yet, we still wait---5 years later--for a decision to be made. The US involvement in World War 2 took less time. It took roughly 5 years to build the Hoover Dam. And let’s remember, we are not waiting to build this pipeline, **we are just waiting for the permit.** Unfortunately, it is the American people that are paying the price for this inexcusable inaction by their government.

Today, there are currently 11.3 million unemployed Americans. According to some economic models, the Keystone XL pipeline project is expected to directly create more than 15,000 manufacturing jobs, and 118,000 spin-off jobs, that could help put Americans back to work. Many of those jobs will be in my home state of Texas.

The unemployment rate in Port Arthur, where one of the southern terminuses of the pipeline will be, is currently 15.7%. Many of those unemployed are young adults. This pipeline will help put those folks back to work in high paying, good jobs. And, on top of that, the

pipeline is expected to bring \$2.3 billion in new spending for the Texas economy. There are currently nearly 13,000 refinery workers in Texas and this pipeline will help keep those jobs and create even more.

It is important to remember, this is not all about oil. In addition to the roughly 22 gallons of gasoline that a barrel of oil produces, a typical barrel also produces 4 pounds of charcoal briquettes, 12 cylinders of propane, a quart of motor oil, and petrochemicals used in the productions of all kinds of pharmaceuticals, plastics, cosmetics and foodstuffs. All of the industries that line the Houston ship channel use oil to make these different products. These industries need a constant reliable source of crude. Why would our government not want these domestic industries to have a clean, safe, and reliable source of crude that would last for many years to come? If we don't act, the Canadians will build the pipeline west and offload its oil to China. Do we want Vancouver to become the next Houston? **Not on my watch.**

Finally, we need to consider exactly how much oil we are talking about here, and how this pipeline will change the foreign policy equation in the 21st century. According to the Department of Energy, Keystone XL would be able to move up to **830,000 barrels** of oil per day. This represents about one half of the daily amount that the U.S. imports from the Middle East, and almost as much as we import daily from Saudi Arabia. With the current instability in the Middle East, approval of the Keystone XL permit is an issue of national security. For every barrel of oil that we import from our friendly neighbors to the North, that is one less barrel we have to import from the Middle East.

Canada is already the largest supplier of energy to the United States, meeting 12% of current U.S. petroleum-consumption needs, and representing 18% of U.S. petroleum imports.

Let's make that number bigger.

Canada's 175 billion barrels of oil reserves is second only to Saudi Arabia. **Canada is going to sell this oil to somebody.** Would we rather that they build a pipeline west and sell to our good friends the Chinese? This Congress should not sit back and allow that to happen. Such an action would be detrimental to our national security for generations to come.

With greater use of Canadian oil, along with an "all-of-the-above" energy policy, it is entirely possible that the United States could be energy independent within the next 10 years. Imagine how our foreign policy could change if that was the case? This pipeline is in the long term national security interests of the United States---- and we need to act now. We can't afford to wait another year.

Congress should take all possible action to expedite this permitting process including passing legislation like Rep. Terry and myself have introduced to immediately congressionally approve the pipeline permit. The time for action is now.