

Testimony of Ron Kaminski
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Laborers' International Union of North America
Before the Subcommittee on Commerce, Manufacturing, and Trade
US House of Representatives

Keystone's Red Tape Anniversary: Five Years of Bureaucratic
Delay and Economic Benefits Denied

Mr. Chairman -

On behalf of the 500,000 members of the Laborers' International Union of North America (LIUNA), and the 500 plus members of Local 1140, I would like to thank you and Ranking Member Schakowsky and the members of the subcommittee for inviting me to testify today.

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

The construction sector was hit particularly hard by the economic recession. The unemployment rate in the construction industry reached over 27% in 2010, and joblessness in construction remains higher than virtually any industry or sector, with nearly 1 million construction workers currently unemployed in the United States. Too many hard-working Americans are out of work, and the Keystone XL Pipeline will change that dire situation for thousands of them.

TransCanada has executed a Project Labor Agreement (PLA) with LIUNA, the International Union of Operating Engineers, the United Association of Plumbers and Pipefitters, the

International Brotherhood of Teamsters, and the International Brotherhood of Electrical Workers that will cover the construction of the Keystone XL. Other aspects of construction, including pump stations, will be performed by other unions within the Omaha and Southwest Iowa Building and Construction Trades and the Omaha Federation of Labor.

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

Unfortunately, some of the pipeline's opponents have resorted to attacking the nature of the work that members of unions have chosen as careers. They have imposed a value judgment that holds construction jobs to be of a lesser value because, eventually, every construction project has a completion date. They call these jobs "temporary" in an effort to diminish their importance to the men and women who have chosen a career in the construction sector. The undeniable truth is that while opponents of the pipeline have successfully delayed the construction of the Keystone XL, members of my union have lost homes, lost their health care and other benefits. Construction workers deserve more respect.

To further attack the project, they have called these jobs "dangerous" and "dirty." The fact of the matter is, construction is in fact a dangerous occupation and when not performed by trained workers can lead to unacceptable personal or environmental harm. However, when construction

is performed by well-trained union workers, these risks can be minimized. I can assure you, my members, as well as those workers who are part of the project labor agreement with TransCanada are the best trained in the world, and will build the safest pipeline in the world. And you don't have to take my word for it – we just finished building the first Keystone pipeline in 2009 – in Nebraska and over the Ogallala Aquifer, and it has delivered 500 million barrels of conflict-free oil safely since.

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

Many of the pipelines opponents hide behind unfounded and unrealistic expectations that if the project is not built, the development of oil shale deposits will cease. According to the US State Department's very first Environmental Impact Statement (FEIS), "[t]he proposed Project is not likely to impact the amount of crude oil produced from the oil sands." With or without the Keystone XL Pipeline, there will likely be little or no effect on the production of oil sands from Western Canada.

To be clear, the refineries in the Gulf Coast will continue to seek supplies of heavy crude oil. If they don't get it from our friend and ally Canada, they will simply continue to rely on oil from

foreign regimes where environmental and human rights regulations scarcely exist and oil profits are often used to oppose the United States economic and security interests.

The Keystone XL pipeline will be the safest pipeline in the world. The 57 special conditions developed by the Pipeline and Hazardous Materials Safety Administration and the State Department – and voluntarily agreed to by TransCanada – have a degree of safety greater than any typically constructed domestic oil pipeline system under current regulations.

Additionally, in order to address environmental concerns about the Nebraska Sandhills and the Ogallala Aquifer, TransCanada rerouted 195 miles of the pipeline. After a special session of our Nebraska legislature unanimously addressed the routing issue – including a final resolution that was agreed to by environmental groups, and our own Nebraska Department of Environmental Quality conducted a rigorous and transparent examination of the environmental impact of the project, our Governor, Dave Heineman, once an opponent of the pipeline because of environmental concerns, has sent a letter to President Obama approving TransCanada's new 195-mile re-route. It's also important to note that public opinion surveys in Nebraska over the past two years have shown overwhelming support for the project. The elected representatives of Nebraskans and the people of Nebraska have spoken. We want this pipeline. Five years. Over 17,000 pages of environmental studies – all confirming this project will be safe and is in our national interest. It is time to stop moving the goal posts and approve this project.

Opponents are entitled to their own opinions but they are not entitled to their own facts - stopping the Keystone XL Pipeline will not stop the development of Canadian oil. Denial of a Presidential Permit only increases the likelihood that American markets will miss the opportunity to secure long-term commitments for this North American resource.

If the opponents of American jobs succeed in preventing the Keystone XL Pipeline from being built, the socioeconomic benefits of the project will not be realized: No local, state, and federal revenue will be generated by the construction and operation of the pipeline. There will be no additional income to property owners and businesses along the pipeline route. And, critically important to our unions, the jobs that will be created by this massive private investment will be lost.

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