

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on "American Jobs Now: H.R. 3548, the
North American Energy Access Act"
January 25, 2012

(As Prepared for Delivery)

It's not often that Congress can take a single step that will simultaneously help reduce the future price at the gas pump, strengthen the nation's energy security, and create tens of thousands of jobs. And it's certainly not often that we can accomplish all of these important goals at absolutely no cost to the taxpayer. But this is exactly what approving the Keystone XL pipeline expansion project would do, and that is why I support H.R. 3548, the North American Energy Access Act.

Keystone XL is a shovel-ready project whose construction would create badly needed jobs. Once completed, it would allow more oil from our ally Canada to come to the U.S., taking the place of imports from far less friendly producers. The oil would go to refiners in the Midwest and Gulf Coast, increasing the supply of American-made gasoline and preserving domestic refining jobs. The pipeline would also provide an outlet for the growing supplies of domestic oil produced in the Bakken formation in North Dakota and Montana, relieving a potential bottleneck there. And every penny of this \$7 billion dollar project will be paid for by the private sector.

Given the many benefits of Keystone XL, it is no surprise that so many Americans consider this decision to be a no-brainer, especially since the environmental impacts of the project have been extensively studied for several years and found to be minimal.

Last July, the House passed a bill requiring the State Department to make its long-overdue decision on Keystone XL by November 1st. It was truly a bipartisan effort, with 47 Democrats joining nearly all Republicans in supporting this reasonable measure. The bill probably would have garnered even more votes if not for the administration's repeated assurances that it is going to make a decision before the end of 2011, and that a legislated deadline is not necessary.

Unfortunately, as the end of the year approached, the administration reversed position and postponed its decision to 2013 at the earliest. In response, Congress gave the President a second chance to do the right thing by providing him another 60 days to approve Keystone XL as part of the payroll tax bill, but last week he decided to reject the project.

Make no mistake, time is of the essence. Not only are unemployed Americans anxiously looking for jobs, not only is Iran threatening the Strait of Hormuz, not only is the price at the pump headed higher, but the Canadian government is understandably growing impatient with the endless red tape and delays coming from Washington. Canada is rapidly increasing its oil production, and if the U.S. foolishly refuses to be a customer for these new supplies, Canada will build a pipeline to the Pacific coast and the oil will be exported to China and other overseas buyers.

That is why we are again offering an opportunity to approve Keystone XL. I believe the approach in H.R. 3548 of giving the decision-making authority to the Federal Energy Regulatory Commission is a good one and I look forward to moving it through this Committee.

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