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July 31, 2013

The Honorable Barack Obama
President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

We write to express concern about the continued delay and politicization of the approval process for the Keystone XL pipeline. In your June 25, 2013, speech at Georgetown University announcing your administration's second-term climate change policies, you mentioned the proposal for Keystone XL, stating:

> *"Now, I know there's been, for example, a lot of controversy surrounding the proposal to build a pipeline, the Keystone pipeline, that would carry oil from Canadian tar sands down to refineries in the Gulf. And the State Department is going through the final stages of evaluating the proposal. That's how it's always been done. But I do want to be clear: Allowing the Keystone pipeline to be built requires a finding that doing so would be in our nation's interest. And our national interest will only be served if this project does not significantly exacerbate the problem of carbon pollution. The net effects of the pipeline's impact on our climate will be absolutely critical to determining whether this project is allowed to go forward. It's relevant."*

When the initial permits for the Keystone pipeline were filed almost 1,800 days ago, this project seemed like a commonsense and bipartisan idea that should be easy to get done. The idea of transporting oil from Canada via pipeline is not a new concept. There are currently five pipelines that cross the border between the U.S. and Canada, some of which have been in existence for decades, which collectively transport about 1.4 million barrels per day of crude oil from the Canadian oil sands. These pipelines have been approved by both Republican and Democratic presidents alike, and in substantially less time than the current process for Keystone XL. What was once a standard, apolitical process for approving pipelines with an allied friend and neighbor in Canada, a country with which we have a decades-long Free Trade Agreement,

has now become an embarrassment.

More recently, in an interview published by the *New York Times,* you made statements regarding the Keystone XL proposal that lie in direct contradiction to the findings of two agencies under your administration. First, you stated that the Keystone XL project "might create maybe 2,000 jobs during the construction of the project, which might take a year or two." Yet the State Department found in their draft Supplementary Environmental Impact Statement that during the construction period the project would "potentially support approximately 42,100 average annual jobs across the United States." You also claimed that Keystone XL "might actually cause some gas prices in the Midwest to go up." Yet a memorandum produced by the Department of Energy in June 2011 found that the proposed pipeline would not adversely affect Midwest gasoline prices.

We are concerned that your most recent statements have signaled an arbitrary and abrupt shift in how our nation approves cross-border energy projects. Your recent comments have only added to the immense amount of uncertainty that currently surrounds the Keystone XL approval process, unnecessarily jeopardizing $7 billion in private investment. We would appreciate clarification on the remarks.

You stated that the State Department is now in the "final stages" of evaluating the pipeline proposal, but it appears from the State Department's website that the agency has yet to finish reviewing the comments from the draft supplemental environmental impact statement. This would indicate that not only is the project still mired in the initial stages of redundant NEPA process, but also the State Department is likely at least a year away from completing the environmental review and the national interest determination.

To help provide clarity on the process, we seek answers to the following questions: Is there a deadline that you wish to make a determination by, regardless of the State Department's review process? How, specifically, will you determine if the project will or will not "significantly exacerbate the problem of carbon pollution"? Is this condition a new standard that will be applied as part of the NEPA process, or in a separate determination by your Office? In your determination of whether the project will or will not "significantly exacerbate the problem of carbon pollution", are you taking into account the benefits of transporting crude oil by pipeline compared to other modes of transportation? Will this standard be applicable to all cross-boundary energy projects that presently need Presidential Permits?

We look forward to your responses and respectfully request a meeting to discuss the Keystone XL project and the issue of cross-border energy projects with Canada and Mexico in general. We will adjust our schedules to meet with you at a time and place of your choosing.

We greatly appreciate your consideration of this request and look forward to your response.

Sincerely,

Fred Upton
Chairman
Committee on Energy and Commerce

Ed Whitfield
Chairman
Subcommittee on Energy and Power

Lee Terry
Chairman
Subcommittee on Commerce, Manufacturing, and Trade

cc: The Honorable Henry Waxman, Ranking Member
The Honorable Bobby L. Rush, Ranking Member
The Honorable Jan Schakowsky, Ranking Member