

**Opening Statement of the Honorable Fred Upton  
Subcommittee on Commerce, Manufacturing, and Trade  
Hearing on “Keystone’s Red Tape Anniversary: Five Years of Bureaucratic Delay and  
Economic Benefits Denied”**

**September 19, 2013**

*(As Prepared for Delivery)*

TransCanada first submitted its application to build the Keystone XL pipeline to U.S. the State Department exactly five years ago today. In the fall of 2010, then-Secretary of State Hillary Clinton stated that the department was “inclined” to approve the project. In 2011, in opposing our initial Keystone bill, the White House issued a Statement of Administration Policy, stating that the bill expediting the pipeline was unnecessary because the State Department was “committed to reaching a decision” before the end of that year. But here we are today, five years after the application was filed, and we still don’t have approval.

Five years ago, the economy was on unsteady ground, enduring volatile markets that would lead to the Great Recession - and we are still facing stubbornly high unemployment. Worse yet, we now have a shrinking labor force with the smallest participation rate since the Carter administration. It is understandable why some Americans who want to work have given up hope: they see a government that spends their tax dollars on companies that fail while denying permission to build privately financed projects that create real jobs.

Keystone XL can’t solve all of our employment problems, but it could have helped many by now. And Keystone XL is hardly alone. Whether it’s private investments in energy development or plants facing new regulations, Washington’s red tape factory is making it harder to build things. This subcommittee has focused this year on Our Nation of Builders, yet it seems the federal regulatory maze is designed to prevent us from investing, constructing, and building the next big thing.

President Obama’s State Department estimates the \$7 billion, private investment, shovel-ready Keystone XL infrastructure project will support over 42,000 jobs during the construction phase alone.

If the project had already been approved, companies with contracts could have hired additional workers, instead of laying them off. Companies like Delta Valves in Niles, Michigan, who previously testified they would double their workforce because of the Keystone pipeline.

I would also note that Keystone XL will be the safest pipeline in the nation, with 57 new safety controls specific to this project. Pipeline safety is of critical importance to me, having endured a 2010 spill in the Kalamazoo River. Understanding the lessons from that accident, I joined forces with my fellow Michigan colleague John Dingell in helping get landmark, bipartisan pipeline safety legislation into law, to ensure we have stricter controls and higher fines to protect the public.

Despite the added safety controls, exhaustive studies, and 15,500 pages of State Department analysis, thousands of jobs are still being held hostage to an ever-moving goal line. Our friend and ally Canada is pursuing other options, now considering building a new trans-Canadian pipeline to their eastern seaboard for refining and export.

The Keystone pipeline is an important component of our architecture of abundance that is necessary to achieve energy self-sufficiency. In January of 2012, the president resolved to “do whatever it takes” to create jobs, but here we still are today. It is time for the president to join the broad coalition of job creators, labor unions, Republicans, and Democrats alike, and say “yes” to this jobs and energy project.

###