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# Testimony

**of Ross Eisenberg**

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Energy and Resources Policy

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*before the* House Committee on Natural Resources  
Subcommittee on Energy and Mineral Resources

*on* H.R. 3 (Terry), the “Northern Route Approval Act”

April 16, 2013



**TESTIMONY OF ROSS EISENBERG**  
**BEFORE THE HOUSE COMMITTEE ON NATURAL RESOURCES**  
**SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES**

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Good afternoon, Chairman Lamborn, Ranking Member Holt and members of the Subcommittee on Energy and Mineral Resources. My name is Ross Eisenberg, and I am vice president of energy and resources policy at the National Association of Manufacturers (NAM). The NAM is the nation’s largest industrial trade association, representing nearly 12,000 small, medium and large manufacturers in every industrial sector and in all 50 states. I am pleased to share the NAM’s views on H.R. 3, the “Northern Route Approval Act,” and the positive impact this bill and the project it concerns—the Keystone XL pipeline—will have on manufacturing.

We are on the cusp of a true manufacturing resurgence in the United States. Leaders across the political spectrum are talking about the need for a strong domestic manufacturing economy—and for good reason. Manufacturing has the highest multiplier effect of any other sector of our economy. Investments in manufacturing multiply across the economy, creating jobs and growth in other sectors. However, manufacturers will not continue our resurgence in this country without policies that make the United States the best place in the world to manufacture. In the case of the Keystone XL pipeline and the unending quest to

obtain a permit, the United States certainly does not look like a place that wants to create jobs through manufacturing. Keystone XL is an example of Washington holding manufacturing back.

**I. Manufacturers strongly support the Keystone XL pipeline.**

Manufacturers believe in an “all-of-the-above” energy strategy that embraces all forms of domestic energy production, including oil, natural gas, coal, nuclear, energy efficiency, alternative fuels and renewable energy sources. The NAM strongly supports final approval and construction of the Keystone XL pipeline. We support H.R. 3, which would bring to a close the unnecessarily protracted regulatory process for Keystone XL and allow the project to move forward.

The Keystone XL pipeline has been waiting for its permit for almost five years. That is three years longer than the *original* Keystone pipeline needed to secure its permit in 2008, even though that pipeline was double the size and crossed twice as many states as Keystone XL. Keystone XL should be a symbol of job creation, advanced manufacturing and North American energy security. Instead, it has become synonymous with red tape and political gridlock.

The State Department has begun another environmental review for the northern leg of the Keystone XL project; once that process is complete, the State Department will then deliberate on what could be a lengthy “national interest” determination. Despite almost five years of review, it appears Keystone XL is still not close to approval at the State Department’s current pace.

H.R. 3 ends the interminable delays for Keystone XL and approves the project. It deems the National Environmental Policy Act (NEPA) complete and removes the requirement that the project receive a presidential permit. It sets forth a reasonable deadline for filing a lawsuit to challenge the permit and expedites judicial review.

Keystone XL will create jobs. These include not only construction jobs, such as welders, mechanics, electricians, pipefitters, laborers, safety coordinators and heavy equipment operators, but also thousands of jobs for manufacturers, who will make the steel pipe and the thousands of fittings, valves, pumps and control devices required for a major oil pipeline.

Keystone XL will improve our energy security. With Keystone XL, we could be importing from Canada in 2020 more than twice what we currently import from the Persian Gulf. The Keystone XL pipeline could bring 830,000 additional barrels of crude oil to the market every day and would provide a critical outlet for crude from the Bakken formation in North Dakota and Montana to reach domestic markets.

Keystone XL enjoys a broad spectrum of support. The project is supported by manufacturers, organized labor, veterans, hundreds of mayors and state legislators from across the country and workers in thousands of other businesses who understand the benefits the pipeline and the development of Canadian oil sands will bring to the United States. Legislation to approve the project has been passed by strong, bipartisan majorities in both the House and Senate—a sign that if the Administration will not act, then Congress will.

**II. There is no reason whatsoever to further delay approval.**

Opponents of H.R. 3 (and of Keystone XL) will argue that the bill would thwart much-needed additional study of the project's environmental impacts. They will argue that the bill circumvents the President. And they will continue to argue that Keystone XL is so unique and its impact so significant that the permit must be denied. The facts easily rebut each of these assertions.

**(a) Keystone XL has been exhaustively studied.**

It bears repeating that Keystone XL has been studied for five years. The average NEPA environmental impact statement (EIS) only takes 3.4.<sup>1</sup> The final EIS produced by the State Department in 2011 was an 8,000-page behemoth spanning eight volumes. It analyzed greenhouse gas emissions, environmental justice, geology and soils, water resources, wetlands, terrestrial vegetation, wildlife, fishery resources, threatened and endangered species, cultural resources, air quality and noise, land use, recreation and visual resources, socioeconomics, cumulative impacts and environmental impacts in Canada. Each area received a thorough, exhaustive analysis; for instance, the sage grouse received 100 pages by itself. The three-year EIS process included numerous public meetings, hundreds of thousands of public and agency comments and publication of a Draft EIS, a Supplemental Draft EIS and the 8,000-page Final EIS. The Final EIS concluded that the project would have no significant impact and would actually be safer than any other typically constructed domestic oil pipeline system.

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<sup>1</sup> Piet deWitt and Carole A. deWitt, "How Long Does It Take to Prepare an Environmental Impact Statement?" *Environmental Practice* 10 (4), December 2008.

The President denied the permit for Keystone XL in January 2012, citing a need for additional study and ongoing concerns over the route's impact on Nebraska. The project was re-routed through Nebraska to avoid the controversial Sandhills region, and the State of Nebraska performed an environmental study. Nebraska's review of the new route thoroughly considered impacts on geology, soils and sediment, groundwater resources, surface water, wetlands, terrestrial vegetation, wildlife, fisheries, protected species, air quality, noise, waste management, agriculture and land use, public services, recreation and visual issues, population and vulnerable groups and cultural resources. Three months ago the Nebraska Department of Environmental Quality released a favorable Final Evaluation Report, and Gov. Dave Heineman approved the project in his state. The remainder of the unpermitted Keystone XL route is largely unchanged from the route examined in the 2011 EIS.

Nevertheless, the State Department has commenced yet another comprehensive, multiagency review of the project, with a comment period ending April 22, followed by many months of interagency review. The scope of this Draft Supplemental EIS went considerably farther than the proposed new route through Nebraska—and even into areas not required by current law—yet once again suggests that “there would be no significant impacts to most resources along the proposed project route.”

The studies that the President sought 15 months ago are complete. There is no longer a need for additional analysis.

**(b) The President is the final Keystone decider, even under H.R. 3.**

H.R. 3 eliminates the need for the lengthy “national interest” determination that would precede a presidential permit for Keystone XL. It was this finding that the President claimed he was unable to complete under the timeline mandated by the 2011 Payroll Tax bill compromise, which he cited as his reason for denying the permit. Because H.R. 3 would make a congressional declaration that the project is in the national interest, such a permit would be duplicative anyway.

It should be noted, however, that H.R. 3 does not remove the President from the process. Either way, the President is still the final decision-maker: under H.R. 3, rather than issuing a presidential permit, final authorization would come from the President in the form of signing the bill into law.

**(c) Keystone XL is not the only pipeline in the United States and not the only source of oil sands crude.**

If you listen to the narrative Keystone XL opponents create, you might think this is the only major pipeline in the United States or the only one carrying oil sands crude. Neither is true.

We have more than 180,000 miles of petroleum transmission pipelines in this country. The 875-mile Keystone XL northern route proposal represents less than one-half of a percent of that. In fact, Keystone XL is but a fraction of the 7,000 miles of new pipelines under construction, according to *Oil & Gas Journal's* February 2012 construction report.

Moreover, Keystone XL would not be the first, or the last, pipeline transmitting Canadian oil sands-derived crude oil in the United States. Canada is already our largest foreign supplier of crude oil, supplying about 25 percent of all

U.S. imports. Of the approximately 2.5 million barrels a day of Canadian crude oil we import, about 1 million barrels originate from oil sands in Alberta. Most of this oil is transported via pipeline to various U.S. refineries. Crude from Canadian oil sands has been flowing through pipelines in North America for more than 30 years.

Canada is not the only source of oil sands in North America. We have significant oil sands reserves in Utah, and there is heavy oil in California that mirrors Canada's oil sands.

Finally, much has been made lately of Keystone XL's lifecycle greenhouse gas impact. This issue has been analyzed in both the 2011 EIS and the most recent Draft Supplemental EIS, with the latter concluding that approval or denial of Keystone XL will not have a substantial impact on the rate of development in the oil sands, nor the resulting greenhouse gas emissions. In fact, according to the high-end estimate contained in the Draft Supplemental EIS, building the Keystone XL pipeline would impact global greenhouse gas emissions by less than .01 percent.

### **III. Conclusion**

Manufacturers are ready to power the economy. However, a true manufacturing resurgence in the United States will not occur absent a signal that manufacturers are truly wanted here. The Keystone XL pipeline is one of the clearest examples of Washington holding manufacturing back, and its delay must stop. The Keystone XL pipeline is a clear manufacturing job creator, producing



thousands of direct jobs and even more indirect jobs and “flow through” jobs. It is a boon for manufacturing in the United States, both through construction of the pipeline and access to a reliable energy supply from Canada, North Dakota and Montana. The NAM supports H.R. 3 and stands ready to work with the Committee to secure final approval of the Keystone XL pipeline.