



**December 2011**

## **House Republican Extenders Bill: Keystone XL Pipeline Provisions**

**Committee on Energy and Commerce, Democratic Staff**

### **Title I, Section A**

Section A requires the President to approve the Keystone XL pipeline within 60 days unless he determines the pipeline is not in the national interest. This would short-circuit the environmental review process, deny the public an opportunity to comment, and require the President to make a decision before a decision on a final route has even been selected.

**The Pipeline.** The Keystone XL pipeline is a \$7 billion, 2,000-mile proposed pipeline that would carry a sludge made from Canadian tar sands through the middle of America. Environmental groups have objected to the pipeline because it would increase the carbon intensity of the U.S. fuel supply. On a life-cycle basis, tar sands emit significantly more carbon pollution than conventional oil because of the energy required to extract the tar sands and turn them into liquid form. Environmentalists, landowners, and public officials in Nebraska also objected to the proposed route of the pipeline through the sensitive Sand Hills area of Nebraska and over the Ogallala aquifer.

The State Department announced on November 10, 2011, that it determined there is a need to seek additional information and study alternative routes, given the extensive concerns regarding the proposed route through Nebraska. Nebraska is now in the process of identifying an alternative route. Once a new route is selected, the State Department intends to conduct an environmental assessment and provide an opportunity for public comment before making a final decision. The Department estimates that this process, including issuance of a supplement to the final EIS and the subsequent public comment period, could be completed by early 2013.

**Rushing the Process and Limiting Environmental Review.** Section 1002 of the Republican bill forces the President to make a final decision on the permitting of the Keystone XL pipeline without any of the additional environmental review that the State Department has determined is necessary. The bill requires the President to grant the permit within 60 days unless he determines that the pipeline would not serve the national interest. There is currently no alternative route through Nebraska that avoids the ecologically-sensitive Sand Hills area so the President could be required to make this determination without even knowing the ultimate proposed route of the pipeline. The bill also requires the President to approve the currently nonexistent alternate route once the Governor of Nebraska submits such a route. Despite this significant modification of the proposed pipeline, the bill explicitly states that additional environmental review is not required under the National Environmental Policy Act. In fact, the bill deems the environmental impact statement issued by the State Department in August to satisfy all requirements of NEPA and the National Historic Preservation Act regardless of any modifications to the project that may occur.

**Misleading Claims.** Supporters of the Keystone XL pipeline argue that it will enhance energy security by reducing reliance on oil imports from the Middle East and Venezuela. However, the Department of Energy found that we will have excess pipeline capacity from Canada for the next decade or more, even without Keystone XL. And there is nothing to stop Gulf Coast refineries from simply exporting the refined product.

Supporters of the Keystone XL pipeline also argue that, if the Keystone XL pipeline is not built, Canada will export its oil to Asia through a pipeline to the west coast of Canada, citing Enbridge's Northern Gateway pipeline as an alternative option. However, there are significant barriers to the approval of such a pipeline, and its prospects are highly uncertain. All of the First Nations peoples whose land the pipeline would need to cross have expressed opposition to the proposed pipeline and to the presence of tankers in their waters. In addition, there is also strong political opposition to the proposed pipeline in British Columbia, and a de facto tanker ban exists off the British Columbia coast. In fact, earlier this week, Canada announced that the initial permitting decision on the Northern Gateway pipeline would be delayed a year until late 2013.