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# Congress of the United States
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COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

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June 27, 2013

The Honorable John Kerry
Secretary
U.S. Department of State
Washington, DC 20520

Dear Secretary Kerry:

I am writing to urge the State Department's continued adherence to sound science and objective analysis in completing its study of the proposed Keystone XL Pipeline. As Chairman of the Science, Space, and Technology Committee, I called a hearing in May to examine the scientific and environmental issues behind the Keystone XL pipeline. This hearing found the State Department's conclusions, arrived at after over four years of review, to be based on the best available science and I agree with the Department that the proposed project would have "no significant impact to most resources along the proposed route."[1]

The Department first received a Presidential Permit application for Keystone XL in September of 2008, nearly four and a half years ago. To assess this initial permit application, the Department conducted an extensive study and produced a draft Environmental Impact Statement (EIS), a supplemental EIS, and a final EIS, all of which were subject to at least one if not multiple public comment periods. The Department traveled around the country, holding meetings in communities along the route and soliciting public input and comments. Despite multiple reports, hundreds of thousands of public comments, and a thorough review process, President Obama rejected the permit application in January of 2012, stating that the deadline which required him to make a decision prevented a "full assessment" of the pipeline's impact.[2]

In May of 2012, a new permit application was submitted for Keystone XL, which included a re-route through the State of Nebraska to avoid the ecologically sensitive Sand Hills region. This new permit application reflected the decision by TransCanada to divide the pipeline in two in order to begin construction on the lower half of the project, referred to as the Gulf Coast Project. In March of 2013, the Department released its SEIS, which was then subject to a 45 day public comment period, in which it received 1.2 million comments. Clearly, the degree to which this proposed project has been studied, assessed, and subjected to public input at every step should eliminate any suggestion that approval cannot be justified due to the lack of a "full assessment."

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[1] State Department 2013 Draft Supplemental Environmental Impact Statement, Section 4.16 Summary of Impacts, p. 4.16-1.

[2] Statement by the President on the Keystone XL Pipeline, January 18, 2012. Accessible at: http://www.whitehouse.gov/the-press-office/2012/01/18/statement-president-keystone-xl-pipeline

On June 25th, President Obama stated that "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 be served only 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 determine whether this project is allowed to go forward."[3] To this end, the State Department's most recent SEIS includes the following findings, which based on the President's approval criteria, should be determinative in support of the pipeline's approval:

- The Keystone XL pipeline "is not likely to impact the amount of crude oil produced from the oil sands" and that "approval or denial of the proposed Project is unlikely to have a substantial impact on the rate of development in the oil sands, or on the amount of heavy crude oil refined in the Gulf Coast area. "[4]
- "Even when considering the incremental cost of non-pipeline transport options, should the proposed Project be denied, a 0.4 to 0.6 percent decrease in WCSB [Western Canadian Sedimentary Basin] production could occur by 2030."[5]
- "The incremental indirect life-cycle emissions associated with those decreases in oil sands are estimated to be in the range of 0.07 to 0.83 $MMTCO_2e$ annually if the proposed Project were not built..."[6]
- "Rail and supporting non-pipeline modes should be capable, as was projected in 2011, of providing the capacity needed to transport all incremental Western Canadian and Bakken crude oil production to markets if there were no additional pipeline projects approved."[7]

These conclusions clearly indicate that the proposed project would not "significantly exacerbate the problem of carbon pollution" or have a net effect on the climate. They also illustrate that arguments to the contrary are not based on the best available science and instead rely on assumptions that are proved incorrect by the Department's assessment. Simply stated, the Canadian oil sands will be produced and transported to Gulf Coast refineries regardless of whether or not Keystone XL is approved; thus the pipeline's impact on the climate would be negligible at best.

To argue that the proposed Keystone XL pipeline would be responsible for net greenhouse gas emissions would require assuming the oil sands would not be produced in the absence of the proposed project. On the contrary, the Department's assessment concluded that even if the project were to be denied it would result in a mere 0.4 to 0.6 percent decrease in production over the next 17 years. Thus approval or denial of the proposed Project will not significantly impact the rate of production of the oil sands, which means it will also not significantly impact greenhouse gas emissions.

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[3] Remarks by the President on Climate Change, July 25, 2013. Accessible at: http://www.whitehouse.gov/the-press-office/2013/06/25/remarks-president-climate-change

[4] SEIS, Executive Summary, p.ES-15.

[5] SEIS, Appendix W, p. 66.

[6] SEIS, Executive Summary, p. ES-15.

[7] SEIS, Section 1.4, Market Analysis, p. 1.4-1

Additionally, for the proposed project to have a net effect on greenhouse gas emissions one must assume that in the absence of Keystone XL, lighter, sweeter crude blends would replace heavier Canadian oil sands at Gulf Coast refineries resulting in decreased refinery emissions. However, the Department's SEIS correctly notes this is not the case, pointing out that "Having made significant investments in equipment to process heavy sour crude, refiners have strong incentives to obtain such crude."[8] In fact, oil sands crude is projected to reach the Gulf Coast refineries regardless of whether or not it is transported by Keystone XL.

Despite these facts, the EPA has attempted to argue that approval of the pipeline would in fact result in additional carbon emissions.[9] While the EPA's assertion is clearly and thoroughly refuted by the State Department's extensive review and analysis, even if EPA were correct, additional carbon emissions would be exceedingly insignificant relative to current U.S. and global emissions. For example, expert testimony presented before the Science, Space, and Technology Committee found that (using a well-known climate model simulator developed by the U.S. National Center for Atmospheric Research with EPA funding):

> "In the case of the State Department's analysis, as there are very few additional carbon dioxide emissions, there is essentially no associated change in the global climate. The change in global average temperature resulting from the EPA's additional 18.7 million metric tons of carbon dioxide emission per year from the Keystone XL pipeline *would be about 0.00001 °C per year--that is one one-hundred thousandths of a degree.*"[10]

Given this reality, under no circumstance—even using the EPA's highly criticized assumptions—could one reasonably conclude that Keystone XL would "significantly exacerbate" carbon emissions.

Thus, in applying the President's new climate-centered approval criteria for the Keystone XL pipeline, I urge the Department to rely upon sound science informed by its own extensive record and analysis, and prevent political intervention from influencing its decision. Given the depth, rigor, and length of the Department's analysis, I hope that the SEIS and its conclusions will be given the respect and consideration they deserve.

If you have any questions regarding the content of this letter, please contact Ellen Scholl, Professional Staff, Committee on Science, Space, and Technology, at 202-225-6371.

Sincerely,

Lamar Smith

Lamar Smith
Chairman

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[8] SEIS, Section 1.4, Market Analysis, p. 1.4-14.

[9] Letter, Environmental Protection Agency to Department of State, April 2, 2013. Accessible at: http://www.epa.gov/compliance/nepa/keystone-xl-project-epa-comment-letter-20130056.pdf

[10] Testimony of Mr. Paul C. Knappenberger, Joint Hearing on *Keystone XL Pipeline: Examination of Scientific and Environmental Issues*, May 7, 2013. Accessible at: http://science.house.gov/sites/republicans.science.house.gov/files/documents/HHRG-113-SY20-WState-PKnappenberger-20130507.pdf