# United States Senate

WASHINGTON, DC 20510

May 23, 2013

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

Dear Mr. President:

We are concerned by recent proposals that you pair approval of the Keystone XL pipeline with enactment of new environmental regulations and energy taxes. Your review of TransCanada's application for a Presidential Permit to construct oil import facilities at the U.S.-Canada border should consider only whether the Keystone XL pipeline project itself serves the national interest. We strongly urge you not to expand the scope of your review to include, or otherwise combine approval of the Keystone XL pipeline project with, expanded regulations or taxes that threaten use of America's affordable, reliable, abundant coal, oil, and natural gas resources.

Although a series of executive orders delegated the authority to approve the cross-border permit to the State Department, you have indicated you will make the final decision in the case of the Keystone XL pipeline project. The "jurisdiction to issue a Presidential Permit includes only the border crossing and the associated facilities at the border," according to the State Department's draft Supplemental Environmental Impact Statement (SEIS). The "authority over the border crossing does not include the legal authority to regulate petroleum pipelines within the United States." Nor does it empower you to regulate carbon emissions from coal-fired power plants, petroleum refineries, or other wholly unrelated fossil fuel consuming facilities.

Yet opponents of the project propose you look beyond the merits of the Keystone XL pipeline project itself for opportunities to impose carbon-reduction policies. If you grant TransCanada a Presidential Permit to construct the Keystone XL pipeline, they demand expanded regulations and new taxes – like a carbon tax, regulation of greenhouse gas emissions from existing power plants, or a low-carbon fuel standard – in return.

Last month, Senator Sheldon Whitehouse recommended that if you "can't be dissuaded" from approving the Keystone XL pipeline project, you should "surround that decision … [with] a whole formidable array of environmental and anti-carbon measures" that will "actually turn the whole package into a very strong, anti-carbon pollution suite of strategies."

Americans cannot afford the environmentalist wish list of carbon reduction policies as a *quid pro quo* for Keystone XL pipeline project approval. With a 7.5 percent unemployment rate and continued anemic economic growth, our nation desperately needs the over 42,000 jobs the Keystone XL pipeline project is estimated to generate. We simply cannot withstand the soaring energy prices and further job losses that would result from a new carbon tax, regulation of greenhouse gas emissions from power plants, or a low-carbon fuel standard. To attract new

capital to our shores in order to boost our economic growth, the federal government must provide potential investors like TransCanada with regulatory certainty, not arbitrarily change the rules of a project's review after more than four years of scrutiny.

"[T]he Keystone XL project begins and ends with one word: JOBS," wrote Mark Ayers, President of the AFL-CIO's Building and Construction Trades Department, in 2011. Most other unions agree. So do 62 members of the Senate – including 17 Democrats – a majority of the House, more than 70 percent of the American people, and every state along the pipeline's proposed route. TransCanada worked diligently with Nebraska to re-route the pipeline and has agreed to incorporate 57 special conditions developed by the Pipeline and Hazardous Materials Safety Administration, in response to environmental concerns. The draft SEIS concluded that this pipeline project will not accelerate greenhouse gas emissions or otherwise significantly impact the environment.

The Keystone XL pipeline project serves the national interest and must be granted a Presidential Permit for border crossing and ancillary facilities. We strongly urge you to immediately approve this vital project, not sentence it to death by a thousand cuts with yet more environmental review and further regulatory delay. You should approve the Keystone XL pipeline project on its merits alone without suddenly moving the goalposts after more than four years of review by tethering its fate to wholly unrelated and economically disastrous new regulatory policies. The American people can afford no less.

Sincerely,

John Barrasso

John Hoeven

Lisa Murkowski

David Vitter

Mitch McConnell

John Cornyn

John Thune

Roy Blunt

Jerry Moran

Jeff Sessions

Orrin G. Hatch

Ron Johnson

Ted Cruz

Jeff Flake

John Boozman

Saxby Chambliss

Michael B. Enzi

Dan Coats

Jim Risch

Roger F. Wicker

Mike Johanns