



Congress of the United States
House of Representatives
Washington, DC 20515

January 31, 2012

President Barack Obama
The White House
Washington, D.C. 20500

Dear Mr. President,

We were very disappointed in your January 18th decision regarding the Keystone XL pipeline. Congress made it clear that the decision was to be based on national interest. Your announcement did not address that issue. Is it not in the national interest for the United States to be more energy independent from those regimes that want to harm our way of life? Is it not in the national interest to trade with a secure and friendly nation? Is it not in our national interest to create jobs and build the economy here at home?

We believe it is in our national interest.

Iran's recent war games in the Strait of Hormuz underscore how unstable nations on the other side of the globe can affect U.S. energy security. Bloomberg reports:

...About 15.5 million barrels of oil a day, or a sixth of global consumption, passes through the Strait of Hormuz between Iran and Oman at the mouth of the Persian Gulf, according to the U.S. Energy Department. Crude futures have risen 7.4 percent since Dec. 16 on increased concern OPEC's second-largest producer would close the passage in the face of pressure from the U.S. and European governments to abandon a suspected nuclear weapons program.

Oil economists are predicting a 100 to 150% increase in cost in the near future based on these threats. The recent run-up of gas prices is mostly attributable to threatened, disrupted, and restricted oil supplies in the Middle East and North Africa due to political turmoil in producer nations. These events have heightened anxiety among investors and physical traders of oil, which has caused prices to rise and remain at high levels. Fluctuating gas prices demonstrate how our economic and national security is threatened by reliance on unstable sources of oil. Our fragile economy needs the promise of secure Canadian oil soon.

In addition to the Middle East, we must turn east and look at what China and India are doing regarding their thirst for oil. Right now, half of the oil that China imports comes from Iran, and 90 percent of the oil that India consumes comes from that same rogue nation. China is the largest energy consumer in the world and recently announced that it's goal is to have an oil reserve capacity of 90 days of oil (500 million barrels of oil),

when fully implemented. At present they have a little over 100 million barrels in its reserve. India has announced that it wants to take its reserves up from 9.8 million barrels to 40 million barrels of oil, which would be a two-week supply for that country. Sinopec recently purchased a share of American energy company Devon Energy, for \$2.5 Billion; while CNOOC just made a multi-billion investment in Chesapeake Energy. This definitely signals an aggressive move by two nations who receive energy from Iran, to prepare for the worst, should a disruption occur in their oil supplies.

As you can see, the thirst for oil from other nations will continue to put pressure on the entire world market. The Keystone pipeline system can play a major role in maximizing this resource's potential, while helping to create a barrier between the fluctuating oil market and American's. Bringing a massive amount of oil to market, some estimates indicate over 850,000 barrels a day, from a politically and economically secure source can restore market confidence and help to bring down gas prices. The Department of Energy determined this pipeline, along with vehicle efficiency improvements, could "essentially eliminate" our Middle East oil imports.

A November 2011 op-ed appearing in the Huffington Post by Mark Ayers, President, Building and Construction Trades Department, AFL-CIO, details the significant economic benefits of this project, along with the scrutiny it has received in its more than three-year review process:

...The privately-financed Keystone XL pipeline project is projected to create tens of thousands of U.S. jobs in construction and manufacturing, and without one single dollar of government assistance. There is also an economic multiplier effect associated with this project, as the economic impact spreads to other industries where demand and expenditures for goods and services within and around the vicinity of the pipeline's construction are expected to increase significantly. ...

In total, the Keystone XL pipeline project has been subjected to tremendous amounts of scrutiny through the National Environmental Policy Act, which includes review by ten federal agencies, as well as numerous state and local agency reviews. The State Department [Supplemental Draft Environmental Impact Statement] has concluded that the proposed Keystone XL pipeline would have "limited adverse environmental impact during construction and operation" and that it would significantly strengthen U.S. economic security.

But most importantly, it is American workers who are clamoring for the expedited approval of this important project. As infrastructure project after infrastructure project has been "shelved" by your Administration, with the promise of getting to them once the election is over, this infrastructure project is ready to go, with contracts in place and personnel ready to go to work, helping to bring energy security to our nation and to North America.

American workers and families cannot wait for job creation and energy security. Your determination that this project is not in the national interest is disappointing. Congress will not stand by. We will act by moving legislation to make the Keystone XL pipeline a

reality. In the end, we believe you will come to realize that this project is necessary for both Americans and our nation. It is in our national interest.

Sincerely,

Phil Perry

Frank Lopez MI-16

Ed Whitfield

TX-31

John D. Carter

Sam Jah IL-18

Bill Hingsa MI-02

Ally

Candice A. Miller (MI-10)

Wally Hilly IL-14

Mark New

Phil King GA-11

Paul A. Gosar AZ-1

Co. B. King ND-AL

AKA NY-03

Louay Kinell NC-08

John Fleim LA-04

Steph Frank TN-08

Cathy McInnis Rodgers (WA-05)