



Statement By

Consumer Energy Alliance Before Public Scoping Meeting On Keystone XL Pipeline June 29, 2010 Washington, DC

Good afternoon. My name is Michael Whatley. I am here tonight in my capacity as Vice President of Consumer Energy Alliance, a nonpartisan, nonprofit group dedicated to extending dialogue between the energy and consuming sectors and ensuring a balanced national energy policy. I am pleased to comment before the Department of State on behalf of CEA and our members. CEA is made up of 142 affiliate members representing every aspect of the US economy from truckers, shippers, airlines, highway users, iron & steel producers and agricultural stakeholders to manufacturers, small businesses and energy producers, as well as over 275,000 individual members.

We at CEA agree with the State Department regarding the conclusions given by the Draft Environmental Impact Statement (DEIS) on the Keystone XL pipeline project. The DEIS evaluation studied the project's potential impact on various environmental matters, upon which it was found that the Keystone project would result in "limited adverse environmental impacts during both construction and operation".

Once completed, the Keystone XL project would consist of three new pipelines that will span approximately 1,380 miles across the United States from Canada, with the capacity to carry about 700,000 barrels of crude oil per day initially with an eventual increased capacity of nearly 900,000 barrels in the long term. The environmental footprint for this project is minimal – in fact, the total disturbed area for the project will only be approximately 150 square miles.

These secure energy supplies from the purposed pipeline will strengthen America's energy and economic security, as well as creating hundreds of high paying, family

supporting jobs along the way. The Government of Alberta projects that U.S. imports of Canadian oil sands will increase from current amounts of about 1.5 million barrels daily to nearly 4.3 billion barrels a day over the next two decades in order to meet increasing demand. CEA hopes that the benefits of such a project like the Keystone XL will be considered and fully supported by the federal government; especially at a time when we are importing more and more energy supplies from places around the world that do not share our strategic interests.

Consumer Energy Alliance also agrees with the Department of State that its environmental analysis for the Keystone Pipeline project should not include a lifecycle GHG analysis of the fuels that it will move. The Draft Environmental Impact Statement (DEIS) that has been prepared for this project properly evaluates the greenhouse gas emissions that will directly result from the project. Any evaluation of the indirect GHG emissions (such as from oil sands production or the transportation sector) would be purely speculative and should not be considered.

Despite efforts to develop alternatives, crude oil will remain a critical component of meeting America's energy needs for the foreseeable future. Ensuring access to affordable, reliable energy from our North American allies that provides economic and energy security benefits should be a national priority. Projects such as the Keystone pipeline ensure increased domestic energy security, stable prices for consumers, along with minimal environmental impacts.

CEA remains committed to working cooperatively with the State Department, the Administration, affected stakeholders, and consumers to ensure U.S. energy policy accurately reflects our growing needs to enhance U.S. energy security, properly protect our environment, expand our resource base, and work toward the thoughtful utilization of all energy resources which includes the benefits of the Keystone XL project. CEA would once again like to thank the Department of State for their work on the DEIS.