

## Sen. Cantwell ENR Opening Statement as Delivered

1/8/15

Thank you, Madame Chairman. Congratulations on your new chairmanship.

This is the second time I get to call a Murkowski chair of this committee. I am sure your father is very proud at this moment, and I'm sure all Alaskans are very happy at the outcome of you taking over this committee. We recognize this special moment for all of them.

I look forward to working with you on this committee on a myriad of opportunities and issues that you just mentioned.

I too want to welcome the new members on our side – Senator Warren, Senator King and Senator Hirono. Obviously from very different parts of the United States but I am certainly going to count on Senator Warren's help in implementing FERC market manipulation authority that continues to allow them to police energy markets; with Senator King on the issues of biomass and keen interest in making sure that we continue to make sure that we continue to have a leadership role in keeping energy prices down in his region of the world by looking at biomass alternatives; and Senator Hirono who, as you mentioned, has a very unique perspective because of Hawaii and Hawaii's interest, and also very keen on the diversification for their energy sources given the dependence in their electricity grid on the biomass that they currently have.

I look forward to working with the new members on your side -- Senators Daines, Cassidy, Gardner, and Capito. I want to express my feelings of prayers and heart-spoken sorrow to Senator Capito for the loss of her father. I know that she couldn't be with us today.

Sen. Murkowski, I so appreciate what you had to say about the energy agenda moving forward for the committee. As you said, there is a lot Washington and Alaska have in common. Everything from sustainable fisheries, to the interest in the Arctic, to public lands, to hydropower. I actually think I read somewhere that your father was born in Seattle and migrated up to Alaska. So to say that our states are interconnected with economies is really a very big understatement, because there are decades of interdependence between our regions.

Hopefully our energy policy that we can work together and put forth will represent not just the interests of our regions but the entire country.

I certainly look forward to proposing ideas as a part of that -- clean energy solutions that do two things: Help the United States establish a leadership position in energy issues, and protect consumers from unnecessary energy price spikes.

So you mentioned a lot of those things as a broad range of issues and I look forward to working with you on those.

Obviously, needless to say, this week didn't go as we would have liked, and I apologize to our colleagues for the changes and the short notice. I hope we adhere to regular order. This is something we know is important for our Congress moving forward.

## **KEYSTONE XL**

We are here today to discuss whether Congress should prematurely intervene in a pipeline siting process for a special business interest: the TransCanada Corporation.

The Keystone XL proposal has changed substantially over the years – with an updated route through Nebraska.

This has been a much-debated topic here in this committee, and in local governments, public service commissions, state governments, and state courts.

And for good reason.

If a U.S. company tried to site a pipeline, it would have to go through local laws and environmental regulations. So a foreign business should do the same.

All this discussion started to happen when TransCanada Corporation's first proposal went through an aquifer – and lots of local interests in the state of Nebraska objected.

The pipeline travels through 875 miles of America's agricultural heartland, including the environmentally sensitive Sand Hills region of Nebraska.

This region has some of the richest agricultural land in the country. Its Ogallala Aquifer supplies fresh drinking water to eight states – and provides 30 percent of the nation's groundwater used for irrigation.

That's why TransCanada Corporation had to revise its original route.

This new route through Nebraska is now also being challenged, because the Nebraska state legislature gave their governor the authority to site the pipeline over the Nebraska Public Service Commission. That is the state agency dedicated for protecting the public – not special interests, the public interest -- on issues of safety, environment and eminent domain.

Now the Nebraska Supreme Court is set to decide whether the currently proposed route through Nebraska will stand, depending on their interpretation of whether the legislature and the governor acted according to their Constitution.

So if we want to place blame today for a slow decision process, we should start thinking about TransCanada Corporation and what their proposal should have been in the first place. If Congress had succeeded in trying to prematurely decide what is in the state's interest before this pipeline -- which is what the proposals before congress have been before -- we would have approved the Sand Hills route.

What is the emergency here for Congress to usurp the process and become a siting committee, and approve a pipeline for a route that is not yet approved?

There are too many important environmental issues to be considered instead of giving a foreign company – a special interest – a sweetheart deal from Congress that even U.S. businesses haven't gotten.

My message to TransCanada Corporation is: Play by the rules.

## **CLEANUP**

My colleague from Michigan well knows, we don't know how to clean up tar sands that spill into water. In her state, in 2010, tar sands spilled in what has been called the "biggest inland oil spill in U.S. history."

A pipeline owned by a different Canadian company ruptured and spilled 800,000 gallons of tar sands oil into the Kalamazoo River.

In that spill, Enbridge found that the tar sands SANK to the bottom of the river. The only way to clean it up was to dredge the river.

The cost of cleaning up that spill was \$1.2 billion dollars.

The bill in front of us could put the Ogallala Aquifer at risk of the same thing that Kalamazoo went through.

And the Canadian corporation behind it won't have to pay a penny into America's Oil Spill Liability Trust Fund.

That's because currently there is a loophole in the law that says tar sands don't have to pay into the Oil Spill Liability Trust Fund. So the Keystone project would escape paying millions of dollars into that trust fund.

I plan to introduce legislation requiring that those corporations actually do have to pay into the Oil Spill Liability Trust Fund.

## **RISK**

Even in the current Keystone project environment, there are many questions. I will pass out to my colleagues a recent story that was in BusinessWeek saying that of the current sister Keystone project, during one week in September, 72 percent – or almost three quarters – of the welds on the "safest pipeline in the world" required redoing.

So as we are expanding tar sands and pipeline expansion, we are also finding a lot of safety issues and concerns. So again I say, why the hurry?

Americans are bearing the risk of transporting Canada's dirty oil to a world market. And the oil industry is now pushing to allow U.S. crude oil exports at the same time that they are saying the pipeline is vital to U.S. interests.

So the fact that TransCanada is going to export oil through our country, their goal is to sell oil to the highest bidder. This could ultimately raise the price of gas.

In fact, in the last markup, I pointed this out to many of my colleagues because currently the Midwest and our industrial base has a better price, and I am sure is very concerned about what the price would be in the Midwest if so much of that oil was exported out of the country.

So for those who think all the safety issues have been resolved, who think that all of these issues about getting rid of tar sands oil spills -- according to the State Department's Environmental Impact Statement, tar sands oil can emit "well-to-tank" global warming pollution that is 81 percent higher than the average oil that we use in our refineries.

## **CONCLUSION**

So Madame Chairman, I just simply ask today: that this is a premature effort -- us trying as a Congress to decide a siting issue that has taken a long time for very important environmental and safety and public issues -- to say nothing of eminent domain debates -- to be resolved.

I think just like Nebraska is finding out, when you try to subvert those environmental laws, it ends up taking longer because of the court process and the processes that we have to go through.

So Madame Chairman, I thank you for the opportunity to make a statement about this.

I would just add that I really do look forward to working with you on the legislation that this committee could put forward in a comprehensive way that will lead to real job creation.

I think about the 2005 and 2007 energy bills from this committee -- they are really quite remarkable. I would encourage my colleagues on both sides of the aisle to see what was accomplished in a bipartisan manner during that time period.

We were able in working with our other colleagues to bolster a hybrid and electric vehicle industry that added over 260,000 jobs in the last five years.

The 2005 and 2007 bills also helped support 450,000 jobs with energy efficiency laws that we passed. We also helped support clean energy technology development through efforts of the wind energy tax credit. Working with our colleague on the Finance Committee -- the former chair of this committee, Senator Wyden -- that has helped increase 50,000 jobs in the United States of America.

I really think this 21<sup>st</sup> century energy strategy for our country will help produce that cleaner energy; help us not be so subject to price spikes in the future; and help to lead our country forward.

It's unfortunate how all of this week came together, that at this very first meeting we're having such a contentious issue, but I think that you and I working together after this legislation moves through, we'll really embrace working across the aisle in a bipartisan fashion with all of our colleagues to show that we can move our country forward on a comprehensive energy strategy.

Again, thank you, and congratulations.

###