

March 7, 2014

U.S. Department of State  
Bureau of Energy Resources, Room 4843  
Attn: Keystone XL Public Comments  
2201 C Street, NW  
Washington, DC 20520

**RE: Docket No. DOS-2014-0003, Notice, Solicitation of Comments for Presidential Permit Application: TransCanada Keystone Pipeline, L.P, National Interest Determination; February 5, 2014**

Dear Secretary Kerry:

The undersigned associations write to underscore the importance of the Keystone XL pipeline for our national interests and to comment on the U.S. Department of State's fifth and final environmental impact statement of the permit application. We reiterate what we have stated in previous letters to the State Department: it is in the best interests of all Americans to build the pipeline to ensure our long-term energy security, a steady and reliable supply of Canadian oil to state-of-the-art U.S. refineries, a sizeable contribution to the U.S. gross domestic product, increased tax revenue, and the creation of thousands of American jobs.

We support the State Department's findings, which again confirm that Keystone XL will be safe for the environment while creating significant economic value for the United States as a whole and the states through which its route will cross. After the most transparent and thorough environmental assessment of a pipeline project's application, all that remains is to evaluate the national interest criteria and determine that Keystone XL serves our nation's best interests. As these remaining factors are considered, it will be only more evident that approval is the only decision that is best for Americans and energy security.

Overview – Summary of Key Points in the State Department's Final Study

- *Despite the growth of U.S. oil production, the Canadian oil sands will continue to play a critical role in supplying the U.S. market. "Rising domestic crude production is predominantly light crude, and it has replaced foreign imports of light crude oil. However, demand persists for imported heavy crude by U.S. refineries that are optimized to process that kind of oil." (ES-9)*
- *The Canadian oil sands will be developed regardless of whether Keystone XL is built or not. "[A]pproval or denial of any one crude oil transport project, including the proposed Project, remains unlikely to significantly impact the rate of extraction in the oil sands, or the continued demand for heavy crude oil at refineries in the United States." (1.4-131)*
- *The construction of Keystone XL will make a significant contribution to the U.S.'s continuing economic recovery. "During construction, proposed Project spending would support approximately*

42,100 jobs (direct, indirect, and induced), and approximately \$2 billion in earnings throughout the United States.” (ES-19)

- *Keystone XL will have no impact on greenhouse gas (GHG) emissions associated with energy production because Canada’s oil sands will be developed regardless of its construction.* “Section 1.4 notes that approval or denial of any one crude oil transport project, including the proposed Project, is unlikely to significantly impact the rate of extraction in the oil sands or the continued demand for heavy crude oil at refineries in the United States.” (ES-16)
- *As we move forward, the difference in GHG emissions from Canadian oil sands crudes and other crude oils is likely to become smaller.* “It is not clear how changes in technology would affect the relative GHG-intensity of reference crudes and Western Canadian Sedimentary Basin (WCSB) oil sands-derived crudes, but it is believed the gap between these crudes is more likely to narrow than widen.” (Appendix U, page 97)
- *Keystone XL is the best option for limiting GHG emissions while transporting Canadian oil sands crude to the Gulf Coast.* Compared to the proposed route, a ‘Rail/Pipeline’ scenario results in 41.8% greater transportation CO2 emissions, a ‘Rail/Tanker’ scenario results in 39.7% greater transportation CO2 emissions, and a ‘Rail Direct to the Gulf Coast’ scenario results in 27.8% greater transportation CO2 emissions. (ES-34, Table ES-6)
- *According to the State Department, building the Keystone XL will not raise gasoline prices in the Midwest or anywhere else.* “Varying pipeline availability has little impact on the prices that U.S. consumers pay for refined products such as gasoline or for heavy crude demand in the Gulf Coast.” (ES-12)
- *Exporting crude via the Keystone XL is highly unlikely.* “Once WCSB crude oil arrives at the Gulf Coast, Gulf Coast refiners have a significant competitive advantage in processing it compared to foreign refiners because the foreign refiners would have to incur additional transportation charges to have the crude oil delivered from the Gulf Coast to their location. The pipeline or rail-delivered crude oil would compete with seaborne crude from elsewhere that has already undergone costs of loading onto seagoing tankers and may be delivered to other countries more competitively.” (1.4-140)
- *Construction of the Keystone XL is not expected to change the level of petroleum products being exported.* More than 90% of on-road transportation fuel refined in the U.S. in 2013 was for use in the U.S. Petroleum product exports have risen recently and enhanced the US’s trade position. DOS found that “U.S. product exports are not sensitive to different scenarios of pipeline development.” (1.4-141)
- *Keystone XL will be safe for the environment.* The State Department, in consultation with the Pipeline and Hazardous Materials Safety Administration (PHMSA), concluded that the combined impact of industry standards and practices “...with PHMSA regulatory requirements and the set of proposed Project-specific Special Conditions developed by PHMSA, would result in a degree of safety over any other typically constructed domestic oil pipeline system under current code and a degree of safety along the entire length of the proposed pipeline system, similar to that required in HCAs as defined in 49 Code of Federal Regulations (CFR) 195.450.” Currently, pipelines that ‘could affect’ high consequence areas (HCA’s) are subject to PHMSA’s Integrity Management Program

requirements, which include regular assessments and specified repair conditions for discovered anomalies. (3.13-4)

- The oil transported is hardly unique, and is similar to other crude oils refined in the United States. “[T]he characteristics of the proposed Project’s crude oil would be generally comparable to those of conventional crude oils.” (3.13-5)

#### Market Analysis Shows Oil Sands Will Be Developed<sup>1</sup>

The State Department’s final supplemental environmental impact statement finds that in the absence of any pipelines, Canada’s oil sands resource will be developed. This result hinges on the conclusion that moving Western Canadian Sedimentary Basin (WCSB ) crudes by rail is a viable substitute for the Keystone XL pipeline. To arrive at this conclusion, the final supplemental environmental impact statement carefully examines whether rail capacity could grow to keep pace with growing oil sands production by looking at the current growth in rail use and development of loading and offloading facilities, track capacity, and rail tank car availability. On all three counts, there is ample evidence that it is logistically possible for rail to transport the needed quantity of WCSB crude oil to the Gulf.

The State Department also performed detailed economic modeling for a variety of transport scenarios, including one in which pipeline development was completely constrained. In this scenario, the State Department found that 1.2 to 1.5 million barrels per day of crude would need to be transported by rail, and that not only is this level of rail achievable, but that 1.2 million barrels per day of loading projects are already at least under development (1.4-133).

The final supplemental environmental impact statement concludes that it is both logistically and economically possible for rail to transport the needed quantity of WCSB crude oil to the Gulf. As a result, the State Department’s study found that “approval or denial of any one crude oil transport project, including the proposed Project, remains unlikely to significantly impact the rate of extraction in the oil sands, or the continued demand for heavy crude oil at refineries in the United States.” (1.4-131)

Exports of crude via the KXL and petroleum products refined from KXL crude were also addressed by the FSEIS. Regarding crude oil exports, the FSEIS found that direct export is “unlikely to be economically justified,” especially in the long run, as Gulf Coast refiners have a “significant” competitive advantage in processing it when it arrives at the Gulf Coast compared to foreign refiners. Additionally, the current sources of heavy crudes to Gulf Coast refiners – Mexico and Venezuela - are in decline and expected to continue to decline making the economics of processing Canadian crudes at the Gulf Coast even more attractive (1.4-140). Modeling performed by EnSys for the State Department confirmed this. Moreover, the final supplemental environmental impact statement found that construction of Keystone XL is not expected to change the level of petroleum products being exported (1.4-141).

#### Keystone XL Will Have Little Impact on Climate Change<sup>2</sup>

In the final supplemental environmental impact statement, the State Department finds that Keystone XL will have a negligible impact on greenhouse gas emissions (GHGs). First, the market analysis, as described

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<sup>1</sup> Final Supplemental Environmental Impact Statement, 1.4 Market Analysis/Appendix C Market Analysis Supplemental Information

<sup>2</sup> Final Supplemental Environmental Impact Statement, 4.14 Greenhouse Gases and Climate Change/Appendix U Life-Cycle Greenhouse Gas Emissions, 5.1/5.2/5.3 Route Alternatives

above, found that the Canadian oil sands would be developed regardless of the construction of Keystone XL. The implication is that the quantity and type of oil produced and combusted - and the associated CO<sub>2</sub> emissions – would be the same with or without the Keystone XL pipeline.

Second, the final supplemental environmental impact statement also compared the lifecycle GHG emissions of Canadian oil sands with crudes that they are likely to displace (again, this displacement would occur with or without Keystone XL according to the final supplemental environmental impact statement). The range of estimated incremental GHG emissions from switching to Canadian oil sands crudes is 1.3 to 27.4 million metric tons of CO<sub>2</sub> equivalent (MMTCO<sub>2</sub>e). This range though is misleading. The high end of this range is based on the scenario that light, low-GHG crude oil is replaced with Canadian oil sands crude. This is an unlikely scenario. More likely, and in keeping with the FEIS's Market Analysis, is that Canadian oil sands would replace dwindling supplies of heavy oil from Mexico and Venezuela. Based on this scenario, the incremental GHG emissions would range from 1.3 to only 18.4 MMTCO<sub>2</sub>e (page 88 of Appendix U). Moreover, the final supplemental environmental impact statement concluded that going forward it was likely that the GHG emissions of oil sands crudes would decrease relative to reference crudes.

Lastly, the final supplemental environmental impact statement calculated CO<sub>2</sub> emissions for various transportation alternatives and found CO<sub>2</sub> emissions from Rail/Pipeline are 40 percent higher, Rail/Tanker are 28 percent higher, and Rail Direct to Gulf Coast are 42 percent higher than CO<sub>2</sub> emissions from the pipeline. With the State Department and numerous other experts agreeing that oil sands will be developed regardless of Keystone XL's construction, and that US refineries will continue to refine heavy oils, Keystone XL is an efficient and climate-friendly alternative to bring crude oil to domestic refineries.

### Keystone XL is Efficient and Follows a Safe Route<sup>3</sup>

Three alternatives were subject to full analysis in the final supplemental environmental impact statement in addition to the "Proposed Action" of the Keystone XL's construction. The alternatives include the "No Action Alternative", which also includes other modal alternatives; the "Steele City Alternative", as proposed in the 2011 environmental impact statement; and the "I-90 Corridor Alternative". Other alternatives were screened to determine if they would be feasible but were ultimately dropped from consideration and analysis by the State Department. The Proposed Action makes changes to the route evaluated in the 2011 environmental impact statement to improve constructability, address environmental concerns, most notably, routing around the Nebraska Sand Hills area, and respond to landowner concerns.

The final environmental impact statement analysis thoroughly considers alternative transport scenarios via rail, including rail/pipeline, rail/tanker, and direct rail transport to the Gulf Coast. While rail is not as cost-efficient as pipelines, it remains a competitive alternative because of lower capital costs, quicker transit to market, flexibility with market destinations, and shorter contract terms. This is especially true where there is inadequate pipeline capacity. The analysis found that the increase of unit trains required to transport similar volumes to Keystone XL could affect communities along rail routes through increased noise, congestion, delays, increased risk of spills and collisions, and elevated air emissions.

The final supplemental environmental impact statement, unlike the supplemental environmental impact study, considers a Rail/Tanker route to the Gulf of Mexico (2.2-21). In doing so, it notes that "if WCSB crude oil reaches a Pacific port, regardless of whether by rail or by pipeline, the economics for movement via tanker would favor shipping the oil to Asia rather than the Gulf Coast area" (2.2-25). The United States

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<sup>3</sup> Final Supplemental Environmental Impact Statement, Chapter 2

should not take for granted this opportunity provided by Keystone XL to secure a direct link to stable supply.

#### Keystone XL Is Unlikely to Impact Soils, Ground or Surface Water<sup>4</sup>

The conclusions reached in the final supplemental environmental impact statement regarding geology, soils and water resources do not substantially differ from those reached in the supplemental environmental impact study in that no significant impacts were found. Potential adverse impacts to geologic, soil and water resources are expected to be mitigated by route selection, construction practices, regulatory compliance, and other best management practices. In the instance of a release from the pipeline, the physical and chemical nature of the hydrocarbons released limit the spatial scale of impact. Additional analyses regarding “dilbit”, or diluted bitumen, and “Bakken crude” as materials that might be released from the pipeline indicate limited spatial impact on water resources. A separate sub-analysis of potential impacts of hydrocarbon releases on “Wild and Scenic” rivers concludes that that it is “unlikely that a spill event would occur during the operational life of the pipeline” that would impact a river with a “Wild and Scenic” designation.

#### Keystone XL Would Have Minimal Impacts to Wetlands, Vegetation, Wildlife and Fisheries<sup>5</sup>

In the analysis of impacts to wetlands, vegetation, wildlife, fisheries, endangered species, and land use, the final supplemental environmental impact statement was revised principally to address alterations of the pipeline route. Identified impacts are determined to be minor and mitigation measures have been selected and will be implemented to minimize them.

#### Keystone XL Economic Benefits Mean More than Jobs Alone<sup>6</sup>

Keystone XL’s economic benefits extend beyond the 16,100 direct construction jobs that will be created to build the pipeline. Just like the draft supplemental environmental impact statement, the final supplemental environmental impact statement estimates direct, indirect, and induced employment as well as earnings associated with building the pipeline at 42,100 jobs and \$2.1 billion in earnings (4.10-9).

The final supplemental environmental impact statement also projects increases in tax revenue. During construction, eight construction camps are estimated to generate the equivalent of one full year of property tax revenue for the seven counties where they would be located, totaling about \$4 million. Short-term revenues from sources such as sales and use taxes would total approximately \$66 million combined in the states that levy such a tax. Yields from fuel and other taxes would provide some additional economic benefit to host counties and states (4.10-5).

During the first full year of operations, the total estimated property tax would be about \$55.6 million spread across 27 counties in three states (Figure 4.10.1-4). The State Department found that this impact to local property tax revenue receipts would be substantial for many counties, constituting a revenue impact of 10 percent or more in 17 of the 27 counties that the proposed pipeline would affect (4.10-5).

#### Consultation with Native American Tribes Protects Cultural Resources<sup>7</sup>

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<sup>4</sup> Final Supplemental Environmental Impact Statement, Chapter 3.1, 3.2, 4.1, 4.2

<sup>5</sup> Final Supplemental Environmental Impact Statement, Chapter 3.4-3.9, 4.4-4.9

<sup>6</sup> Final Supplemental Environmental Impact Statement, Chapter 3.10, 4.10, Appendix O

<sup>7</sup> Final Supplemental Environmental Impact Statement, Chapter 3.11, 4.11

The State Department has conducted outreach with Native American tribes along the route and has obtained participation from 67 of 84 Indian tribes to become consulting parties. Ongoing discussions and a tribal monitoring plan have been developed to account for potential concerns.

All route modifications have been or will be surveyed to identify impacts to cultural, historical or archeological sites. The cultural resources potentially impacted are on or near right-of-ways or near ancillary facilities (e.g., access roads, pump stations, construction camps). Most resources are able to be avoided and the few remaining that could be potentially impacted, the State Department will work with state and local agencies along with Indian tribes and TransCanada through protocols established in the programmatic agreement to avoid or best mitigate disruption during pipeline construction and operation.

#### The Construction and Operation of Keystone XL Is Not a Major Source of Air Emissions<sup>8</sup>

As noted in the March 2013 supplemental environmental impact statement, the State Department again concludes that construction and operation of Keystone XL would not cause or contribute to violations of federal, state, and local standards or trigger Title V permitting since the project is located in remote and rural areas currently meeting ambient air quality regulations. During construction, emissions would be local and short-termed, and below regulatory control thresholds since camps will be powered by utility electricity and only rarely by emergency generators using ultra-low sulfur diesel fuels. Camps do not store materials at quantities posing a chemical release hazard and are distant from noise sensitive national parks or wilderness areas. Any occasional local noise impacts were found to be brief. During pipeline operation, pump and valve stations are electrically driven with only minimal intermittent fugitive emissions from maintenance and repair of mainline pump station components.

#### Pipeline Transportation is Safe and Efficient<sup>9</sup>

The final supplemental environmental impact statement confirms that building the Keystone XL pipeline is the best option for limiting crude oil releases to the environment.

The pipeline will be built to the most up-to-date standards and codes available and will use high strength pipe meeting the latest industry specifications. In addition, Keystone XL will be constructed under special conditions negotiated with PHMSA. “The PHMSA Special Conditions related to pre-commissioning quality inspection and detection of construction defects are intended to help ensure high-quality construction standards to minimize the potential for defects (3.13- 22) Further conditions will be placed on operational controls to augment what PHMSA requires of all pipelines to minimize the potential for a release. The State Department expects that due to modern standards and with application of the special conditions, “...it is reasonable to expect a sizable reduction in spills when compared to the historic spill record.” (4.13-30).

The State Department also points to the National Research Council’s Transportation Research Board (TRB) Special Report (NAS 2013), which finds that operations are the same for shipments of diluted bitumen as for shipments of other crude oils: “The study did not find evidence indicating that pipeline operators change or would be expected to change their operational practices in transporting dilbit.” (3.13-25). Additionally, the TRB report found that diluted bitumen, to which some have ascribed corrosive characteristics, poses no additional threat to pipelines as compared to other crudes.

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<sup>8</sup> Final Supplemental Environmental Impact Statement, Chapter 3.12, 4.12

<sup>9</sup> Final Supplemental Environmental Impact Statement, Chapter 3.13, 4.13

Before going into operation, TransCanada will need to produce an Emergency Response Plan for Keystone XL that would include a facility response plan to meet PHMSA requirements and spill prevention, control, and countermeasure plans to meet EPA requirements. These plans would lay out preparedness and resources for appropriate response to releases, including worst case release from the pipeline.

#### No Cumulative Effects<sup>10</sup>

The final supplemental environmental impact statement's cumulative effects assessment (CEA) broadens the geographic boundary of the projects and activities that may have the potential to contribute to cumulative effects. In response to public comment, the CEA also considers the potential impacts of the proposed project in conjunction with the TransCanada Gulf Coast Pipeline, completed in 2013.

As the draft supplemental environmental impact statement also found, the final study concluded that given TransCanada's agreements to comply with all laws and safety measures, impacts associated with the construction and normal operation of the proposed project will not result in significant impacts to most resources and are not expected along the project route (4.16-1). As previously discussed, the State Department clearly states that the project will not significantly contribute to GHGs or climate change as "...approval or denial of any one crude oil transport project, including the proposed Keystone XL pipeline, is unlikely to significantly impact the rate of extraction in the oil sands, or the continued demand for heavy crude oil at refineries in the United States." (4.15-104).

Concerns expressed about impacts to boreal forest in the 2013 draft supplemental environmental impact statement are actively being addressed by regulators and oil and gas producers. First, the government of Alberta estimates that approximately 80 percent of the oil sands reserves would be accessed using in situ extraction techniques, which results in a small surface footprint. Second, mine operators are required to obtain reclamation certificates to ensure reclamation requirements are met. Techniques such as progressive reclamation are also in use as certain mining operations. It was also found that oil sands mining projects have reduced GHG emissions intensity by an average of 26 percent between 1990 and 2010. (4.15-08).

#### Keystone XL Serves our Nation's Interests

We commend the State Department for its thorough environmental analysis that supports a finding that construction of Keystone XL is consistent with our nation's best interests. As the State Department conducts the national interest determination (NID) process over the next few weeks, this case will only be strengthened.

In accordance with Executive Order 13337 (April 30, 2004) the State Department – in consultation with other federal agencies – will consider additional factors prior to making a recommendation to the president. Factors to be considered include: energy security benefits, environmental, cultural, and economic impacts, foreign policy, and compliance with relevant federal regulations.

When these criteria are evaluated, there should be no doubt that Keystone XL warrants approval.

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<sup>10</sup> Final Supplemental Environmental Impact Statement, Chapter 4.15, 4.16

1. Environmental impacts of the proposed project

- The Department of State has conducted an extraordinarily thorough environmental review of the Keystone XL project involving multiple federal, state and local agencies, providing extended opportunity for public input throughout the process, and including a comprehensive analysis of alternate routes and crude supply scenarios in the final supplemental environmental impact statement's market assessment. The final supplemental environmental impact statement has found the project will have negligible impacts to the environment during construction and operation. Following more than five years of review, with findings showing that Canada's oil sands will be developed regardless of Keystone XL, it is time to move this important project forward.

2. Impacts of the proposed project on the diversity of supply and security of transport pathways for crude oil imported to the United States

- The United States will need all forms of energy, with even the boom in domestic production, in the foreseeable future; other countries are considering the realities of their energy futures, and the United States should do the same.
- Expanding pipeline capacity from Canada to the U.S. Gulf Coast via Keystone XL would provide more flexibility to the U.S. supply system, bring infrastructure in line with oil supply trends (namely the increasing supply of Canadian oil as noted by the U.S. Energy Information Administration and IHS CERA in its forecasts), and enable increased U.S. domestic production in the upper Midwest. ("Keystone XL Pipeline: No Material Impact on US GHG Emissions", IHS CERA 2013)
- A larger, more dynamic pipeline system benefits consumers compared with a more constricted system that is less able to handle shifts in demand and supply. ("The Role of the Canadian Oil Sands in the US Market: Energy Security, Changing Supply Trends, and the Keystone XL Pipeline", IHS CERA 2011)
- In the absence of oil sands supply, Gulf Coast refiners are expected to demand similar volumes of heavy crude oils, but from more distant sources of supply such as Venezuela and Mexico. (IHS CERA 2013)
- Pipeline transportation has long been recognized as one of the safest, most reliable and well-regulated methods for moving crude oil and petroleum products. The Keystone XL pipeline will be built to the most advanced specifications and will be monitored and maintained by state-of-the-art technologies.

3. Impact of a cross-border facility on the relations with the country to which it connects

- The Keystone XL pipeline will strengthen our trade relationship with a friendly, reliable neighbor because it will enhance our energy security by increasing our capacity to import oil and process it into value-added products in U.S. refineries.

4. Stability of various foreign suppliers of crude oil and the ability of the United States to work with those countries to meet overall environmental and energy security goals

- The U.S. and Canada already enjoy the largest trading partnership across the longest peaceful border in the world. Sourcing more of our energy from a friendly, stable and reliable North American neighbor will help reduce reliance on energy resources from elsewhere. While the

United States should certainly expand the safe production of its own domestic energy resources, imported oil is widely recognized to continue to play a key role in meeting energy demand; oil from Canada can help meet our growing demand. With smart policies, secure supplies from the United States and Canada could provide 100 percent of the US liquid fuel needs by 2030 according to API calculations based on EIA data and Wood Mackenzie, "U.S. Supply Forecast and Potential Jobs and Economic Impacts (2012-2030)," September 7, 2011.

5. Impact of proposed project on broader foreign policy objectives, including a comprehensive strategy to address climate change, bilateral relations with neighboring countries, and energy security

- Of the top five sources of imported oil for the United States, Canada is the only country with GHG standards in place.
- GHG emissions from oil sands crude are comparable with other crudes refined in the United States.
- Seventy to 80 percent of GHGs are emitted during combustion of fuel in engines, thus the vast majority of emissions remain the same regardless if crude comes from Canada, Nigeria or California.
- Technological advancements have cut per-barrel GHG emissions from oil sands production by 26 percent compared to 1990 levels, according to the Canadian government.
- The State Department concluded in the draft supplemental environmental impact statement that "the overall contribution to cumulative GHG impacts from proposed Project construction and operation would not constitute a substantive contribution to the US or global emissions".
  - The State Department concludes that these numbers are very small compared to total GHG emissions for the U.S. (draft supplemental environmental impact statement)
  - The increase in GHG emissions from oil sands, and consequently from the proposed Keystone XL pipeline, is not as high as in the draft supplemental environmental impact statement or as perceived by some other observers. (IHS CERA 2011)

6. Economic benefits to the United States of constructing and operating the proposed Project

- Increased investment in Canadian oil sands development can create more than 500,000 new U.S. jobs and generate \$775 billion in GDP by 2035. For approximately every two Canadian jobs supported by oil sands development, one job will be created here in the United States (CERI 2011; 1.2 million new Canadian jobs – 520,000 new U.S. jobs)
- The \$7 billion Keystone pipeline expansion will generate as many as 42,000 new U.S. jobs during construction alone, putting \$2 billion in workers pockets (draft supplemental environmental impact statement).
- There are at least 2,400 American companies in 49 states (Hawaii not represented) already involved in the development of Canada's oil sands.
- The United States and Canada are each other's largest trading partner. For every dollar the United States spends on Canadian products, including oil, Canadians purchase up to 90 cents of U.S. goods and services. (US Census Bureau/Stats Canada)

7. Relationships between the proposed Project and goals to reduce reliance on fossil fuels and to increase use of alternative and renewable energy sources

- While alternatives will play an important role in our energy future, U.S. government projections show that oil and natural gas will remain the dominant energy sources for decades to come, and responsible, efficient use of these energy resources are essential for our way of life and our economy. (EIA, Annual Energy Outlook 2014 Early Release, December 16, 2013)

Without question, construction of Keystone XL is in our nation's interest and the project should be approved immediately. Keystone XL will result in no significant environmental, climate or cultural impacts, but it *will* create jobs immediately and significantly contribute to the U.S. economy. Keystone XL will also appreciably enhance the country's energy security with a safe, secure, and reliable supply from a friendly neighbor. With such positive contributions, we hope that the State Department recognizes that Keystone XL is in clearly in our national interest and recommends swift approval to President Obama.

Should you have any questions or would like to discuss our views, please contact Cindy Schild with the American Petroleum Institute at (202) 682-8482 or [schild@api.org](mailto:schild@api.org).

Sincerely,

American Petroleum Institute

American Fuels and Petrochemical Manufacturers

American Highway Users Alliance

American Iron and Steel Institute

American Trucking Associations

Association of Oil Pipe Lines

Canadian-American Business Council

Independent Petroleum Association of America

Petroleum Marketers Association of America

Small Business and Entrepreneurship Council

US Oil & Gas Association

Western Energy Alliance