



INSTITUTE FOR 21ST CENTURY ENERGY
U.S. CHAMBER OF COMMERCE

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July 30, 2012

Ms. Genevieve Walker
OES/ENV Room 2657
U.S. Department of State
Washington, DC 20520

Re: Public Notice 7924 Notice of Intent To Prepare a Supplemental Environmental Impact Statement (SEIS) and To Conduct Scoping and To Initiate Consultation Under Section 106 of the National Historic Preservation Act for the Proposed TransCanada Keystone XL Pipeline Proposed to Extend From Phillips, MT (the Border Crossing) to Steele City, NE

Dear Ms. Walker:

The Institute for 21st Century Energy (Energy Institute) is an affiliate of the United States Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector and region. The Energy Institute believes that construction of TransCanada's Keystone XL (KXL) pipeline project is in our nation's best interest, and is pleased to submit these comments supporting TransCanada's Keystone XL (KXL) pipeline project and the findings of the Final Environmental Impact Statement (FEIS) published in August 2011.

According to the Energy Information Administration (EIA), petroleum fuels will remain the largest energy source worldwide for decades to come. As the world

economy recovers from the financial crisis, demand and competition for petroleum and all forms of energy will increase in the U.S. and throughout the globe. The U.S. Department of State itself has said that the rising demand for crude oil in the U.S. cannot be entirely met by increased efficiency, conservation, or use of renewables, and recognized that as crude oil demand increases, the overall domestic supplies of crude oil are declining.

Canada is an important and reliable trade partner and is by far the largest supplier of oil and natural gas to the United States, supplying 12 percent of U.S. petroleum consumption needs and 18 percent of U.S. petroleum imports. Stable, long-term energy supplies from Canada are critical to U.S. energy security at a time when global supplies are often found in geopolitically unstable regions of the world, and production from once-reliable sources are slowing.

According to the EnSys Energy Report (December 2010) conducted for the U.S. Department of Energy on the KXL pipeline project, the projected increase in the U.S. refining of Canadian crudes “would curb dependency on crude oils from other sources notably the Middle East and Africa.” Ensys also reports “A combination of increased Canadian crude imports and reduced U.S. product demand could essentially eliminate Middle East crude imports longer term.”

The economic impact and long term benefits of the construction of the KXL pipeline are significant. When completed, the KXL pipeline will have the nominal capacity to deliver over 800,000 barrels per day of crude oil to U.S. refineries and will create thousands of well-paying construction jobs. According to the KXL FEIS, \$349 million to \$419 million in total wages would be generated by the project and \$140.5 million in annual property tax revenue will be result for state governments and local entities where the pipeline is located.

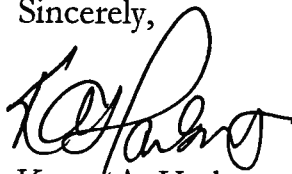
The FEIS also highlights the benefits of two connected KXL projects to newly developed U.S. domestic energy resources. The FEIS specifically identifies the Bakken Marketlink and the Cushing Marketlink Projects which will have improved distribution and access to new markets when KXL is completed

In August 2011, after more than three years of consideration and coordinated review by more than a dozen agencies, the U.S. Department of State completed and published its Final Environmental Impact Statement for the entire U.S. portion of TransCanada's proposed KXL project. This comprehensive, extensive and thorough independent environmental review found that the proposed pipeline would have no significant impact on the environment.

The Energy Institute opposes any additional review requirements that would further delay the proposed KXL pipeline. This critical project will help enhance American energy security and create much needed jobs and investment, and should be approved as soon as possible. For its Supplemental Environmental Impact Statement, we strongly encourage the State Department to limit the environmental review only to the newly designated Keystone XL corridor in Nebraska. Any re-review of other portions of the proposed KXL route are unwarranted and will only cause further delays and prolong our realization of the economic and energy security benefits of the project.

The Institute for 21st Century Energy urges the Department of State to move forward and designate the Keystone XL pipeline project as in our nation's interest and issue the Presidential Permit needed so that this important project can proceed. Building the Keystone XL pipeline is critical to America's energy and economic security and vital to creating jobs and putting Americans back to work. We appreciate the opportunity to participate in this process and look forward to working with the Department of State and other Federal agencies to enhance our Nation's energy security.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen A. Harbert', written in a cursive style.

Karen A. Harbert

cc: The Honorable Steven Chu, Secretary of Energy
The Honorable Jack Lew, White House Chief of Staff