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*Vice President
Energy and Resources Policy*

October 7, 2011

United States Department of State
Bureau of Oceans and International
Environmental and Scientific Affairs
OES/ENV Room 2657
Washington, DC 20520

Re: Comments on Keystone XL Project – Final Environmental Impact Statement

The National Association of Manufacturers (NAM) is pleased to submit the following comments in support for the Keystone XL pipeline. The NAM is the largest industrial trade association in the U.S., representing over 11,000 small, medium and large manufacturers in all 50 states. We are the leading voice in Washington, D.C. for the manufacturing economy, which provides millions of high wage jobs in the U.S. and generates more than \$1.6 trillion in GDP. In addition, two-thirds of NAM members are small businesses, which serve as the engine for job growth.

The Keystone XL pipeline is in our national interest and must be approved quickly. This \$7 billion expansion project will connect oil production in Montana, Oklahoma, the Dakotas and the Canadian province of Alberta to refineries along the Texas Gulf Coast. It will provide the United States with the opportunity to access reliable and affordable energy supplies from Canada, reducing our need to import crude oil from less stable countries and regions of the world.

The XL pipeline expansion will nearly double the capacity of the existing Keystone system, transporting approximately 700,000 barrels of crude oil daily. As users of approximately one-third of the energy consumed in this country, manufacturers know too well that access to a reliable and affordable energy supply is enormously significant to this critical sector of the economy. More affordable energy costs and a reliable energy supply assist manufacturers in retaining and creating jobs, which will help boost the nation's economy.

Not only will the pipeline provide increased energy security, it will also create much-needed manufacturing and construction jobs. TransCanada estimates that 20,000 well-paying jobs will be created in 2011-2012 should this project move forward. In addition, the project will provide an estimated \$5.2 billion in tax revenue to the Keystone XL corridor states. Pipeline construction will also boost the economy in the corridor states by generating additional private sector investment in food, lodging, fuel, vehicles, equipment, construction and services.

The NAM is also very encouraged by the State Department's determination that the Keystone XL pipeline will have minimal impact on the environment. After an extensive three-year safety and environmental assessment, the State Department rightfully concluded that no significant environmental risk exists that should prohibit the construction of the pipeline. During this review process, the State Department worked in conjunction with third-party consultants,

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engineers, environmental scientists and other federal and state agencies to examine every potential risk and alternative to ensure the proposed project proceeds in as safe and environmentally friendly a manner as possible. Still, the pipeline's operator agreed to an additional 57 project-specific special conditions that go above and beyond current regulations. All told, the State Department determined that Keystone XL would be constructed and operated "under a degree of safety greater than any typically constructed domestic oil pipeline."

The pipeline poses minimal environmental impact; using pipelines to transport large volumes of oil remains an efficient and environmentally sound way to move crude. As a recent Department of Energy report states, "whether the [Keystone XL pipeline] is built or not is unlikely to impact the demand for heavy crude oil by the Gulf Coast Refineries." If this demand is not met through the Keystone XL pipeline, increased volumes of crude will be shipped long distances overseas to these refineries. Given these realities, Keystone XL is actually the environmentally sound choice.

I urge the agency to quickly complete the national interest determination and issue permits for the pipeline without delay. With the current national unemployment rate hovering around 9 percent, we desperately need projects like the Keystone XL to put Americans back to work. Thank you for the opportunity to provide comments on this important project.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Yost", is written over a light yellow rectangular background.

Chip Yost
Vice President
Energy and Resources Policy