



June 16, 2010

The Honourable Hillary Clinton
Secretary
U.S. Department of State
2201 C Street, N.W.
Washington, DC 20520

Dear Secretary Clinton:

On behalf of the Canadian Energy Pipeline Association (CEPA), the American Petroleum Institute (API), and the Association of Oil Pipe Lines (AOPL) please accept our comments in support of the existing regulatory process for issuing a Presidential Permit for a cross-border pipeline, and in opposition to the request to delay approval of the draft Keystone XL Environmental Impact Statement (EIS). Introducing such uncertainty into the process may have a chilling effect on the development of important pipeline infrastructure and the timely delivery of energy to North Americans.

The Canadian Energy Pipeline Association (CEPA) represents Canada's transmission pipeline companies. Together, CEPA members transport 97 per cent of Canada's crude oil and natural gas from producing regions to markets throughout Canada and the United States via an integrated, continental energy transmission network. In the next 15 years, CEPA members expect to invest more than \$40 billion in new and expanded pipeline infrastructure to meet the growing needs of energy consumers.

The American Petroleum Institute (API) has about 400 member companies, representing all sectors of America's oil and natural gas industry. Our industry supports 9.2 million American jobs and provides most of the energy we need to power our economy and our way of life.

The Association of Oil Pipe Lines (AOPL) represents the interests of owners and operators of America's liquid pipelines. AOPL members carry nearly 85 per cent of the crude oil and refined petroleum products moved by pipelines in the United States.

Pipelines built and operated by our association member companies deliver the energy needed by North Americans to support their quality of life, and for the North American economy to grow, while protecting the environment every step of the way. We are committed to public safety, respect for landowners' and land users' rights, and responsible development of natural resources.

North Americans want and need energy, and that means infrastructure is needed to transport energy reserves. Canada is the number one supplier of oil and natural gas to the U.S., with the second largest oil reserves in the world, second only to Saudi Arabia. In addition, Canada is a business friendly, politically stable energy supplier to the U.S. It is important to note that crude oil from Canadian oil sands is a growing source of reliable energy. Long-term flexibility in supply sources is critical in a world where risks are growing, whether due to declining production from once reliable sources, unstable geo-political situations, or uncertainties in key oil producing regions. Projects like the Keystone XL and Enbridge Inc.'s Alberta Clipper serve to strengthen North American energy security.

Undue delay and the addition of new review requirements partway through an ongoing permitting process fosters regulatory uncertainty, which may deter future investment and thereby undermine the goal of ensuring secure, stable energy supplies. In order to promote access to such stable and secure supplies, U.S. environmental and permitting review of individual pipeline projects and expansions by federal and state agencies should continue to be based on the facts surrounding the pipeline projects themselves, rather than the potential or ancillary environmental impacts of the production activities or refineries they serve. Such impacts or secondary implications should continue to be evaluated on their own merits by the appropriately tasked governmental authorities, and not be added as an additional regulatory review requirement for the permitting of needed pipeline infrastructure.

The process required by NEPA under the auspices of the Department of State and the additional eleven cooperating agencies is very thorough. The process allows for rigorous environmental review and provides ample opportunity for public input and participation. The scope of all of these reviews includes potential impacts to the environment, socioeconomics, cumulative impacts, and other additional factors. Those who disagree with the content of these reviews and who are seeking to arbitrarily delay or restrict this informed decision-making process have failed to demonstrate any basis for an eleventh-hour change in the regulatory review process.

In closing, we encourage the U.S. government to maintain its leadership role, by allowing well defined regulatory processes established for major infrastructure development to proceed as established under federal and state regulations.

We respectfully request that the Department of State allow the continuation of the comprehensive regulatory review processes currently underway on this critical continental energy project.

Sincerely,



Jack Gerard
President & CEO
American Petroleum Institute



Mr. Andrew Black
President & CEO
Association of Oil Pipe Lines



Brenda Kenny
President & CEO
Canadian Energy Pipeline
Association