

1808 Eye Street, NW
Washington, DC 20006



Contact: John Stoody
202-292-4509
jstoody@aopl.org
<http://www.aopl.org>

FOR IMMEDIATE RELEASE
February 15, 2017

Support for Pipeline Infrastructure and Dakota Access Pipeline

WASHINGTON, DC – The Association of Oil Pipe Lines (AOPL) today voiced its support for pipeline infrastructure, the Dakota Access Pipeline and partners in pipeline construction from laborers to contractors. Representatives of each are testifying today before the U.S. House Energy and Commerce Committee’s Subcommittee on Energy and Power. Today’s hearing is on the challenges and opportunities to infrastructure improvement and expansion.

“Pipeline infrastructure offers American workers and consumers great opportunity for good-paying jobs and plentiful, affordable energy supplies, “ said Andy Black, President and CEO of AOPL in a letter to the subcommittee.

The AOPL letter of support made the following points with supporting information and data:

- New pipeline infrastructure offers American workers the opportunity for thousands of good-paying jobs and billions of dollars in worker payroll
- Pipeline construction projects supply both construction jobs and many more types of good-paying jobs beyond construction trades
- While construction of the Dakota Access Pipeline (DAPL) is largely complete, the pipeline will continue to contribute over \$50 million in property taxes in the states along its route
- Major pipeline projects such as DAPL also offer American consumers the potential to benefit from lower energy prices resulting from plentiful energy supplies
- Unfortunately, DAPL also illustrates the challenges of delivering more jobs and lower energy prices to American consumers
- Career field staff of the U.S. Corps of Engineers (Corps) this summer formally found DAPL would have no significant impact on the environment
- The Corps found all alternatives to DAPL, including truck, rail, no project and an alternative route, would do more harm to the environment and public safety than the proposed project
- In response to concerns about the adequacy of stakeholder outreach on DAPL, a federal District Court judge in September found the 250 interaction between the Corps, Dakota Access representatives and consulting tribal, cultural and historical representatives met or exceeded the Corp’s legal obligations
- Political appointees of the previous administration in Washington, DC temporarily halted work on DAPL by overriding Corps career staff in the field and their findings under the NEPA process
- Thankfully, the new administration has put an end to attempts at “death by delay” by issuing the final easement necessary to construct DAPL
- Pipelines remain the safest and most environmentally friendly way to deliver large quantities of crude oil and petroleum products

#####



Association of Oil Pipe Lines
1808 Eye Street, NW
Washington, DC 20006

February 15, 2017

The Honorable Fred Upton
Chairman
Energy & Power Subcommittee
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Rush
Ranking Member
Energy & Power Subcommittee
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Upton and Ranking Member Rush:

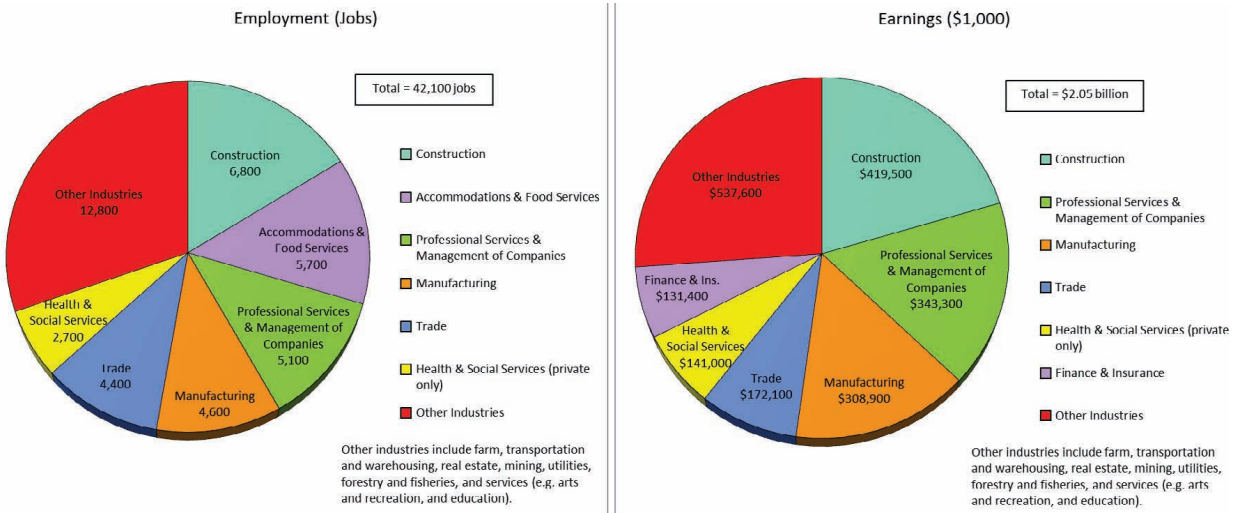
Thank you for holding a hearing on the challenges and opportunities to infrastructure improvement and expansion. Pipeline infrastructure offers American workers and consumers great opportunity for good-paying jobs and plentiful, affordable energy supplies. The Dakota Access Pipeline (DAPL) is a prime example of the benefits that can come to the American people from pipelines. DAPL is also an example of avoidable challenges faced by a project with no significant impact to the environment and with a review that comported with the law and met or exceeded its stakeholder outreach obligations.

New pipeline infrastructure offers American workers the opportunity for thousands of good-paying jobs and billions of dollars in worker payroll. A federal government study of a major 875-mile crude oil pipeline found construction of the project would deliver over 42,000 jobs and approximately \$2 billion in worker payroll. The pipeline project would create 16,000 direct jobs at firms awarded contracts for construction goods and services. Another 26,000 jobs would result from goods and services purchased by construction contractors and spending by employers working for contractors or suppliers. Residents along the construction route would hold about 12,000 or 29 percent of the jobs.¹

Pipeline construction projects supply both construction jobs and many more types of good-paying jobs beyond construction trades. A federal government study of a major pipeline project found it would provide 6,800 construction jobs with \$420 million in payroll, 4,600 manufacturing jobs with \$309 million in payroll, 4,400 jobs in trade with \$172 million in payroll, 2,200 jobs in finance and insurance with \$131 million in payroll, 5,100 jobs in other professional services with \$343 million in payroll, 2,700 jobs in health services with \$141 million in payroll, and 5,700 jobs in food and accommodations with \$278 million in payroll.²

¹ Final Supplemental Environmental Impact Statement for the Keystone XL Project, U.S. Department of State, Jan. 2014, p. 4.10-2, <https://2012-keystonepipeline-xl.state.gov/finalseis/index.htm>.

² Id. at 4.10-4.



Thousands of Jobs and Billions of Dollars in Payroll from a Single Major Pipeline Project

While construction of DAPL is largely complete, the pipeline will continue to contribute to the local economy and local government revenue for years to come. Each year, DAPL will pay \$55 million in property taxes in the states along its route.³ That is revenue local school districts can use for new teachers, local law enforcement and fire departments can use for public safety and local governments can use on social services. Additionally, economic activity related to DAPL will boost local revenues by \$155 million.

Major pipeline projects such as DAPL also offer American consumers the potential to benefit from lower energy prices resulting from plentiful energy supplies. The American energy renaissance of greater crude oil and natural gas production over the last 5 years resulted in American consumers benefiting with lower gasoline prices. Five years ago, a barrel of crude oil cost \$100 and U.S. gas prices consistently averaged above \$3.50 per gallon. American technology and ingenuity responded by increasing domestic crude oil production by 3 million barrels per day.⁴

Pipeline operators connected America to these new energy supplies by building 25,000 miles of crude oil pipeline between new production areas, existing refineries and U.S. population centers. New U.S. supplies flooded the market driving down world and U.S. crude oil prices. Today, the average national average price for regular gasoline is \$2.28 per gallon.⁵ As long as U.S. consumers want to benefit from lower gas prices, they will need new pipelines to connect them to new energy sources.

Unfortunately, DAPL also illustrates the challenges of delivering more jobs and lower energy prices to American consumers. Even after extensive environmental review, exhaustive stakeholder outreach and review by the courts, some still are trying to withhold these benefits from the American people.

³ Investing in the Dakota Access Pipeline, An Energy Boom is Underway, Energy & Capital, Jun. 2015, <http://www.energyandcapital.com/articles/investing-in-the-dakota-access-pipeline/4879>.

⁴ U.S. Energy Information Administration, https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbbldpd_a.htm.

⁵ AAA Gas Prices, <http://gasprices.aaa.com>.

This summer, career field staff of the U.S. Corps of Engineers (Corps) formally found DAPL would have no significant impact on the environment.⁶ Required by the National Environmental Policy Act (NEPA), the finding represents the federal government's official assessment of the environmental and cultural impacts of the project. The 1,000 pages of environmental analysis and documentation in the DAPL environmental assessment reflect its thorough review.

The Corps found all alternatives to DAPL, including truck, rail, no project and an alternative route, would do more harm to the environment and public safety than the proposed project. The alternative pipeline route north of Bismarck, ND advocated by some would actually have a greater impact on the environment and water resources. The alternative DAPL route would have a greater impact on green space crossings (+48 miles), 100-year flood plain crossings (+11), waterbody crossings (+33) and wetlands (+21).⁷ The environmental assessment also documented how DAPL would tunnel nearly 100' beneath the bottom of Lake Oahe, ND, never coming anywhere near the actual water of the lake.⁸

In response to concerns about the adequacy of stakeholder outreach on DAPL, a federal district court judge in September found the 250 interactions between the Corps, Dakota Access representatives and consulting tribal, cultural and historic representatives met or exceeded the Corps' legal obligations.⁹ The judge, appointed to the bench by President Obama, documented how DAPL project sponsors changed the route of DAPL to avoid 91 Native American stone features and made 140 total route modifications to avoid potential cultural resources. To further reduce impact, the pipeline wherever feasible follows the route of existing pipeline and electric utilities. At the Lake Oahe crossing, DAPL is 100% adjacent to, and within 22 to 300 feet of an existing pipeline, making it less likely that new disturbances would harm intact cultural or tribal features.¹⁰

Political appointees of the previous administration in Washington, DC nonetheless halted further work on the project by overriding the decision of Corps career staff in the field and their findings under the NEPA process. Subsequent review by the Department of the Army found the previous decisions, which included issuing a finding of no significant impact and permits reflecting the finding, "comported with legal requirements." Nevertheless, political appointees still ordered further study of the project.¹¹

Political appointees of the previous administration continued their manipulation of the NEPA process by issuing a notice of intent to conduct an environmental impact statement, but never formally withdrawing the previous July 25 record of decision finding no significant impact.

⁶ Dakota Access Environmental Assessment and Finding of No Significant Impact, U.S. Corps of Engineers, Jul. 25, 2016, <http://www.nwo.usace.army.mil/Missions/Civil-Works/Planning/Project-Reports/Article/633496/dakota-access-pipeline-environmental-assessment/>.

⁷ Id. at 9.

⁸ Id. at Appendix B.

⁹ Standing Rock Sioux Tribe v. U.S. Corps of Engineers, D. D.C., No. 16-CV-1534, 9/9/16, <http://www.aopl.org/wp-content/uploads/2017/02/DAPL-Injunction-Denial-Decision.pdf>.

¹⁰ Id. at 14.

¹¹ Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works), Department of the Army, Nov. 14, 2016, http://www.aopl.org/wp-content/uploads/2017/02/Corps-Letter-Continuing-Discussions-11_14_16.pdf.

This action allowed the past administration to continue drawing out the process without taking a final agency action that would make their delay reviewable by a court. The political appointee requiring further delay through additional review and analysis admitted this was her “policy decision” even while once again admitting previous actions of the Corps “comported with legal requirements.”¹²

Thankfully, the new administration has put an end to attempts at “death by delay” by issuing the final easement necessary to construct DAPL. As the Corps identified in its notice that it would issue the easement, the previously issued formal finding of no significant impact demonstrates there is no cause for completing any additional environmental analysis.¹³

DAPL builds on a consistent pattern of federal reviews demonstrating pipeline projects have less impact on the environment than the alternatives, including the status quo of no project. The U.S. State Department’s environmental impact analysis of Keystone XL showed canceling Keystone XL and forcing its crude onto trains would result in 830 times more crude oil releases per year and 2 ½ times more barrels of crude released into the environment each year.¹⁴ Similarly, no action on Keystone XL would result in 48 additional injuries and 6 additional fatalities.¹⁵

Pipelines remain the safest and most environmentally friendly way to deliver large quantities of crude oil and petroleum products. Federal review consistently shows pipelines are better than the alternatives. Pipeline opponents may have unrelated policy reasons for trying to block a pipeline, but the benefits of pipelines themselves are not in doubt. Thank you for the opportunity to share with the subcommittee the value of pipelines and hear from witnesses who will confirm the benefits of pipelines to American consumers and workers.

Sincerely,



Andrew Black
President & CEO
Association of Oil Pipe Lines

¹² Jo-Ellen Darcy, Assistant Secretary of the Army (Civil Works), Department of the Army, Dec. 4, 2016, http://www.aopl.org/wp-content/uploads/2017/02/Corps-Filing-12_14_16.pdf.

¹³ Douglas Lamont, P.E., Senior Official Performing the Duties of the Assistant Secretary of the Army (Civil Works), Department of the Army, Feb. 7, 2017, <http://www.aopl.org/wp-content/uploads/2017/02/Corps-Notice-of-No-EIS-and-Decision-Memo-1.pdf>.

¹⁴ U.S. Department of State, *supra*, at 5.3-8.

¹⁵ *Id.* at 5.3-9.