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United States Senate

WASHINGTON, DC 20510

November 14, 2011

The Honorable Hillary Rodham Clinton
Secretary
Department of State
2201 C Street, NW
Washington, DC 20520

Dear Secretary Clinton:

I am writing to respectfully express my strong objection to the State Department postponing a decision on the proposed KeyStone XL pipeline until after the 2012 election, and specifically to the first quarter of 2013. By delaying its decision on the KeyStone XL pipeline, the State Department is also delaying America's ability to secure its energy future.

As you know the proposed 1,711-mile pipeline would carry energy extracted from Canada's oil sands to refineries on the Gulf Coast and in Oklahoma. In its December 2010 study, the Department of Energy found that imports of heavy crude from Venezuela and Mexico are declining and the KeyStone XL pipeline is necessary to offset those declines. The study also found that stranded Bakken crude in Montana and North Dakota would be able to be transported to major American refineries. Additionally, an Environmental Impact Study completed in August of this year by the State Department found that the pipeline would have minimal environmental impact. Energy extracted from the Canadian oil sands and sent to Houston's refineries would supply 500,000 barrels per day of oil and create over 13,000 jobs in the United States. Almost 900 companies based in the United States are exporting supplies and equipment to the Canadian oil sands because they see the potential the Canadian oil sands provide.

Other nations also see the vast energy potential in Canada. China, for example, has made an \$11 billion investment in Canada's energy production. On the day when the State Department was announcing a delay of more than one year in deciding on the KeyStone XL permit, news reports indicated that Canada's natural resources minister was in Asia to discuss more investment by China in Canada's energy fields. In October, Sinopec, which is majority-owned by the Chinese government, bought Canada's Daylight Energy for \$2.2 billion, and last year Sinopec also spent \$4.65 billion for a 9 percent stake in ConocoPhillips' Syncrude oil sands project in Alberta. In July, the China National Offshore Oil Corporation, which is wholly owned by the Chinese government, bought the Canadian oil company OPTI for \$2 billion. Chinese oil companies are taking positions in Canada because they see the potential long-term energy security in these oil sands developments. Delaying or rejecting the permitting of the KeyStone XL pipeline ensures that developing nations such as China will continue to buy up more of the

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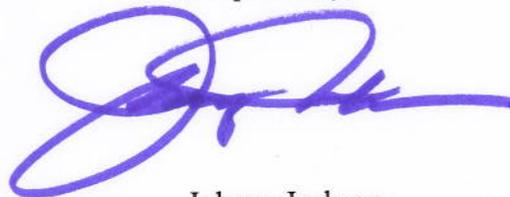
world's energy supply. Canada is one of our closest allies and is our largest trading partner. As we work to reduce American dependency on oil from the Middle East and other volatile regions, it makes sense to expedite, not delay, the KeyStone XL pipeline and to partner with Canada in a mutually beneficial way to help develop Canada's energy resources.

Reports in *The New York Times* and *The Washington Post* have indicated that the Department's decision on this issue may have been influenced by electoral politics relating to President Obama's reelection campaign. Since there is no apparent environmental or security reason to halt approval of this permit, I would hope that the politics of the 2012 election is not playing a role in the security of our nation's energy supply or in acting on the KeyStone XL pipeline.

Additionally, now more than ever is the time we should be developing and exploring all of America's energy resources, ensuring America's energy security, creating jobs for the American people, and stimulating the American economy. Instead we have moratoria on abundant oil and gas resources in our coastal waters and, with the exception of a few recent permits issued in 2011, the Gulf of Mexico as well as the Arctic. We also have a ban on recovering energy from areas in our Western states where scientists estimate that oil shale reserves could be three times as much as the amount of oil in Saudi Arabia.

Demand from developing nations such as China and India is dramatically increasing and supplies are facing regional instability from events in places such as Egypt, Libya, Iran, and Iraq. The State Department must be an ally, and not an impediment, in the effort to secure America's energy future. I urge you to reject the influence of outside interest groups that oppose the pipeline, and to work instead to immediately increase America's energy security, to strengthen ties with one of America's strongest allies, and to create jobs in America by approving the KeyStone XL pipeline. I appreciate your consideration of my views and stand ready to work with you in any way possible.

Respectfully,



Johnny Isakson
United States Senator