



# International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

November 17, 2014

JAMES T. CALLAHAN  
GENERAL PRESIDENT

The Honorable Harry Reid  
522 Hart Senate Office Building  
Washington, DC 20510

The Honorable Mitch McConnell  
317 Russell Senate Office Building  
Washington, DC 20510

Dear Leaders Reid and McConnell:

After five different Environmental Impact Statements and over six years of evaluation, the Keystone XL pipeline has been the most exhaustively reviewed pipeline in history. All of the federal studies have reached the same conclusion: The Keystone XL pipeline merits approval. The Governors of each state along the pipeline's route support the project. Had the project not crossed the international border, construction would have begun long ago. It is time for Congress to act and approve the Keystone XL pipeline.

The International Union of Operating Engineers (IUOE) seeks your support for S. 2280 to move the project forward, allowing members of the IUOE to go to work almost immediately building this critical piece of energy infrastructure. Please support S. 2280 when it comes to the Senate Floor on Tuesday.

As you know, the IUOE proudly represents heavy equipment operators and mechanics in the construction industry throughout the United States and Canada. A large cadre of our members possess specialized training and years of practical experience building oil and gas pipeline infrastructure. Members on both sides of the border hope to build the Keystone XL.

There is strong precedent for legislative approval of pipelines of national significance. Overcoming environmental objections in the 1970s, Congress approved the Trans Alaska Pipeline System (TAPS). That legislation, similar to the legislation before you, deemed the environmental review complete and approved the project. In the face of this Administration's pointless delay, the same step is necessary to approve the Keystone XL. This bill – unlike past versions of Keystone XL legislation – does not contain language related to the “take” of endangered or threatened species, nor does it provide for the issuance of Clean Water Act permits by the Army Corps of Engineers. It closely mirrors the approach taken in the 1970s to a key intrastate pipeline, without an international border, that also received virulent and, we now know, misguided opposition from the environmental community.

The livelihood of thousands of IUOE members depends on this outcome. The International Union of Operating Engineers is one of four unions signatory to the National Pipeline Agreement with the Pipe Line Contractors of America (PLCA). It is through this agreement, voluntarily entered into by TransCanada, that skilled pipeline workers will build this key piece of North American infrastructure. The pipeline will be built 100% by union labor. TransCanada recognized the productivity and skill levels of Operating Engineers by making this commitment, and in doing so, they dramatically increased the quality of direct jobs associated with the projects construction.

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Members of the Operating Engineers alone performed over two-million hours of work on the Gulf Coast segment of the Keystone XL. That's roughly 1,000 jobs for a year for IUOE members, without taking into consideration the direct employment of other workers on the project. Through the collective bargaining process, members of the Operating Engineers will earn roughly \$35 an hour on their checks as they build the Keystone XL. They will also make hourly contributions to their retirement funds, family health-care coverage, and training funds to support the development of the industry's workforce. With congressional approval of the pipeline, you can unleash this massive economic activity – at no cost to taxpayers.

The misguided criticism of the pipeline by the environmental community does not change the facts. Virtually their whole critique depends on a fundamental misunderstanding of the oil-transportation industry and its economics. Critics of the project refuse to accept that Keystone XL has little or no effect on the extraction of oil sands. Alternative transportation methods will step in to move the commodity, irrespective of the Keystone XL decision. Indeed, five different environmental impact statements have all reached that very same conclusion. The latest FSEIS is no different. It says Keystone XL is unlikely to significantly impact the rate of oil sands extraction or the continued demand for heavy crude oil at U.S. refineries.

The oil and gas industry possesses too much operational flexibility to allow one pipeline to limit the extraction rates of oil sands in Western Canada. Rail and other pipeline alternatives are ready to move oil sands and Bakken crude. To emphasize the point, Enbridge has signaled their intention to dramatically increase the throughput of their Line 3 from Hardisty, Alberta, to Superior, Wisconsin, taking the capacity of that pipeline from 390,000 barrels per day to 760,000 barrels per day. No Presidential Permit would be necessary for this Line 3 replacement.

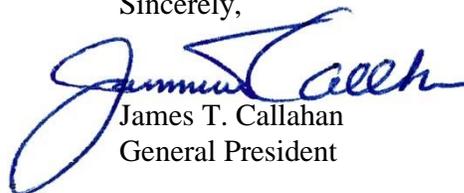
Not building Keystone XL would actually be more dangerous to human health and safety. In fact, if rail completely replaced the 830,000 barrels per day that could be moved by Keystone XL, it would increase GHGs by 42%, according to the FSEIS. If this alternative moved the commodity, rather than the pipeline, environmentalists will have produced a worse environmental alternative through their opposition to Keystone XL, upending any logic and common sense. The projections from the FSEIS also tell us that there will be a higher frequency of injuries and fatalities if the Keystone XL is *not built* than if the crude is allowed to move by other means. If the 830,000 barrels of oil per day were moved by rail, revisions to the FSEIS estimate that 189 injuries and twenty-eight fatalities would occur on an annual basis. If the Keystone XL is built and moves 830,000 barrels per day, the FSEIS estimates that no fatalities and one injury a year would occur. Clearly the Keystone XL is the best choice for public safety, human health, and the environment.

The Pipeline and Hazardous Materials Safety Administration has ensured that Keystone XL will be safer than any other domestic oil pipeline system built under current code as a result of its required 59 Special Conditions. These conditions usually accompany pipeline requirements in a "High-Consequence Area" – a steep slope, for example. Yet these conditions will apply across the entirety of the Keystone XL pipeline. The conditions relate to everything from manufacturing specifications of pipe, to construction techniques, to post-construction monitoring.

This \$5 billion privately funded pipeline will move an essential North American commodity more safely than other alternatives. Keystone XL will improve public safety, enhance American energy security and reduce environmental risk. It will also grow the economy by putting thousands of Operating Engineers and other construction workers back on the job.

The International Union of Operating Engineers respectfully requests your support for S. 2280, legislation to approve the Keystone XL pipeline. Thank you for your consideration.

Sincerely,



James T. Callahan  
General President