

June 6, 2011

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

Dear Secretary Clinton:

On behalf of the Canadian Energy Pipeline Association (CEPA), I am writing to convey the unequivocal support of the Canadian pipeline industry for the Keystone XL pipeline project. We believe this project has significant economic and societal benefits and we encourage you to proceed with its approval and to grant the necessary Presidential Permit to allow it to move forward in a timely manner.

Our association represents Canada's oil and natural gas 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 on both sides of the border.

North Americans want and need energy. While much work is being done on the development of new technologies and renewable energy alternatives, it may be decades before such changes are a reality of day-to-day life. As such, petroleum products will remain a strategic global commodity and this means that safe, reliable and timely infrastructure development is imperative.

Canada is the number one supplier of oil and natural gas to the U.S. and has the second largest oil reserves in the world, second only to Saudi Arabia. Moreover, Canada is a trade-friendly, politically stable neighbor that shares the interests and values of the U.S. people. Crude oil from Canadian oil sands is a growing source of reliable energy that is easily accessible. 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 Keystone XL serve to strengthen North American energy security.

The Keystone XL project forms a critical part of this infrastructure development. Its completion will allow for vital trade diversification between our two countries by allowing the transportation of significant volumes of Canadian crude oil and thereby ensuring adequate supply to Gulf Coast refineries and, in turn, to the American people. This will alleviate supply issues and will help to significantly moderate gasoline and other product pricing for consumers over the long term.

Keystone is also a shovel-ready project that has no government subsidies or other stimulus attached. Construction of the Keystone XL pipeline is projected to create 20,000 jobs in the United States – 13,000 during construction and 7,000 in the manufacturing sector. Moreover, it is expected to generate more than 118,000 spin off jobs in the long term and inject \$20 billion into the US economy.

We recognize the importance of being stewards of environmental resources while balancing our energy and economic needs. CEPA and its member companies are active participants in numerous provincial, state, national, international and commercial initiatives to address environmental concerns related to oil and gas production and delivery. We recognize the value of collaboration in developing global solutions and our members, including TransCanada Pipelines consistently provide significant expertise and leadership to these initiatives.

Our members are leaders in the area of safety. Pipelines are the safest way to move oil and each day in the U.S. more than 200,000 miles of pipelines move oil and other energy products safely to where they are needed- that's enough pipe to circle the earth eight times. TransCanada, in particular, has been operating pipelines for over 50 years and are dedicated to the development of leading practices and operational safety. Through centralized monitoring and sophisticated inspection tools, they are committed to safety as a number one priority.

In closing, pipelines built and operated by CEPA member companies deliver the energy needed by North Americans to support their quality of life, allow for the economy to grow, while protecting the environment every step of the way. All our members are committed to the highest standards of public safety and the responsible development of natural resources.

We applaud the careful deliberation and due diligence that your office has demonstrated in ensuring that concerns about this project are addressed so that it now meets or exceeds all U.S. regulatory requirements. It is now time to move forward and ensure that this vital infrastructure link becomes a reality for North Americans.

Sincerely,

[Signed Electronically]

Dr. Brenda Kenny, Ph.D, P.Eng
President & CEO