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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. HATCH).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Heavenly Father, giver of good gifts, thank You for another day to serve You. Focus the attention of our Senators on Your will and enable them to discover what best pleases You. Help them to debate without quarrelling and to disagree without being disagreeable. Inspire them to become disciplined followers of Your purposes ever eager to obey Your commands. Guide, strengthen, and bless them until they reflect Your image of purity, honesty, humility, generosity, and love.

We pray in Your wonderful Name. Amen.

PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

MEASURE PLACED ON THE CALENDAR—H.R. 33

Mr. MCCONNELL. Mr. President, I understand there is a bill at the desk that is due for its second reading.

The PRESIDENT pro tempore. The clerk will read the bill by title for the second time.

The assistant legislative clerk read as follows:

A bill (H.R. 33) to amend the Internal Revenue Code of 1986 to ensure that emergency services volunteers are not taken into account as employees under the shared responsibility requirements contained in the Patient Protection and Affordable Care Act.

Mr. MCCONNELL. In order to place the bill on the calendar under the provisions of rule XIV, I object to further proceedings.

The PRESIDENT pro tempore. Objection is heard.

The bill will be placed on the calendar.

SCHEDULE

Mr. MCCONNELL. Mr. President, today the Senate is continuing to consider S. 1, a bill to approve the Keystone XL Pipeline. Chairman MURKOWSKI and Senator CANTWELL are here this morning to manage debate, and there are several amendments pending. We will begin voting on those—and any amendments in the queue—around 2:15 p.m. on Tuesday afternoon.

I encourage all Senators who have not already done so to talk to the bill managers about scheduling a time to come down and offer their amendments.

It has taken a while to get going on this bill, and the last thing we need at this point is for Members who have been saying they want to have amendments to be reluctant to offer them.

STATE OF THE UNION ADDRESS

Mr. MCCONNELL. Mr. President, we are looking forward to welcoming President Obama to the Capitol on Tuesday. The State of the Union is a unique opportunity, not just for the President but for our entire country. If he lays out an agenda that corresponds to the message the voters delivered in November, it could signal a truly productive moment for our country.

In November the American people told us they are tired of Washington's dysfunction. They told us they are tired of Washington's prioritizing the concerns of powerful special interests over their own. They called for a Congress that functions again, and that is just what we have been working toward. They called for Congress to focus on jobs and reform, and that is what we have been doing.

They also called for President Obama to cooperate with Congress to enact a different and better reform agenda for the middle class. On that front, we have some distance to cover, but Tuesday can be a new day. This can be the moment the President pivots to a positive posture. This can be a day he promotes realistic reforms that focus on economic growth instead of spending more money than we have. We are eager for him to do so.

There is much we can accomplish for the American people if the President is willing to work with us. We will be looking for signs of that in the speech he delivers Tuesday night.

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. HIRONO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

KEYSTONE XL PIPELINE ACT

The PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 1, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1) to approve the Keystone XL Pipeline.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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Pending:

Murkowski amendment No. 2, in the nature of a substitute.

Markey/Baldwin amendment No. 13 (to amendment No. 2), to ensure that oil transported through the Keystone XL Pipeline into the United States is used to reduce U.S. dependence on Middle Eastern oil.

Portman/Shaheen amendment No. 3 (to amendment No. 2), to promote energy efficiency.

Cantwell (for Franken) amendment No. 17 (to amendment No. 2), to require the use of iron, steel, and manufactured goods produced in the United States in the construction of the Keystone XL Pipeline and facilities.

The PRESIDENT pro tempore. The Senator from Hawaii.

Ms. HIRONO. Mr. President, I rise today to speak in opposition to an amendment offered by Senator MCCAIN pertaining to the Merchant Marine Act of 1920, popularly referred to as the Jones Act.

I will, of course, start by saying that the chairman of the Armed Services Committee, Senator MCCAIN, has a distinguished record of support for our men and women in the military and cares deeply about our national security, but on this amendment I respectfully disagree with our chairman.

I wish to take a few minutes this morning to remind my colleagues why the Jones Act is an essential component of our national security policy and shipbuilding is a foundational component of American manufacturing.

The Jones Act requires that our maritime vessels engaged in shipping goods between U.S. ports must meet three requirements: They must be built in the United States, at least 75-percent owned by U.S. citizens, and operated by U.S. citizens. The Jones Act helps to shore up our national security by providing reliable sealift in times of war. It ensures our ongoing viability as an ocean power by protecting American shipbuilders. As a result, the Jones Act provides solid, well-paying jobs for nearly half a million Americans from Virginia to Hawaii.

In short, the Jones Act promotes national security and American job creation. Therefore, I am unclear why some of my colleagues are opposed to this commonsense law. I don't say this simply as a Member from an island State where we depend on the reliability offered by American shippers for fresh food, energy, and other everyday goods, but I say this as a Senator who cares deeply about supporting our strong and growing middle class and creating American jobs.

First, shipbuilding is a major job-creating industry. According to the Maritime Administration, there were 107,000 people directly employed by roughly 300 shipyards across 26 States in 2013. Additionally, shipyards indirectly employed nearly 400,000 people across the country. This amendment would specifically knock out the Jones Act provision that requires that U.S.-flagged ships be built in the United States, jeopardizing good-paying, middle-class jobs. To me, that is reason enough to oppose this amendment.

Secondly, this is not the time to create the instability this amendment would directly cause. After struggling through tough times, America's shipbuilding industry is coming back. Both this Congress and the administration have long stressed the need for creating and keeping manufacturing jobs here at home in the United States. According to the Navy League, there are 15 tanker ships being built here in the United States right now and slated to join our U.S. flag fleet. These ships don't create quick-turnaround jobs but hundreds of thousands of well-paying, long-term manufacturing jobs. If these ships are not built here in U.S. shipyards by U.S. workers, where will they be built? Where will these jobs go? China? Other Asian countries? Europe? The shipbuilding industry in our country is rebounding.

Repealing the Jones Act is a step in the wrong direction. Instead of dismantling a policy that supports American jobs, Congress should be focused on doing more to promote and grow American jobs and American manufacturing.

Repealing the Jones Act's requirement to build ships here in the United States will unquestionably cost U.S. jobs and weaken our position as a manufacturing leader. Those are two strikes against the amendment.

The third and final strike is the fact that the amendment would undermine our national homeland security. The Jones Act's requirements—along with American shipbuilding and the maritime industries they underpin—provide American-built ships and crews for use by the Department of Defense in times of need. It is easy to see why the Navy and Coast Guard strongly oppose repeal of the Jones Act and all of its components.

The Defense Department has concluded:

> We believe that the ability of the nation to build and maintain a U.S. flag fleet is in the national interest, and we also believe it is in the interest of the DOD for U.S. shipbuilders to maintain a construction capability for commercial vessels.

Therefore, there are three strikes against this amendment.

If adopted, the amendment would dismantle the Jones Act, costing American jobs, hurting American manufacturing, and undermining our national security. I ask my colleagues to stand with me—and I certainly ask the chair of the Armed Services Committee to change his mind on this amendment—and nearly half a million middle-class Americans and vote against this amendment if it is brought up for a vote.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. CANTWELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Ms. CANTWELL. Mr. President, I know my colleagues are coming to the floor to talk about various amendments. It is likely that on Tuesday we will start voting on at least the pending amendments we have discussed so far. I come to the floor today to talk about the proposal by TransCanada Corporation and about the fact that, obviously, there are some here who want to give an expedited approval to that and usurp the President, who needs to review this project in detail to make sure we understand the interests of various people, property owners, and people affected by the pipeline.

One particular issue in this debate is why Congress should be hurrying to give a special interest permitting go-ahead while the President still has issues to address and as do the local communities. I know many of my colleagues are going to come to the floor to talk about those special interest concerns, as well as the issues of energy efficiency, property rights, climate change, and a whole host of priorities. But I am here today to talk about an issue I think is particularly important, which is the fact that tar sands has a loophole and doesn't pay into the oilspill liability trust fund.

Both of my colleagues, Senator MARKEY and Senator WYDEN, are going to be putting forward amendments to close this loophole. As a country we have made sure the taxpayers aren't stuck with the tab of cleaning up oil spills. The principle behind that is to keep our waters safe and to keep our communities from paying the cost of this pollution. It means really to have commonsense laws on the books providing that polluters pay for cleanup. So that is the principle that drives the oilspill liability trust fund. It is something we have had in place for a while.

Basically, what the oilspill liability trust fund means is simply that American taxpayers won't be left holding the bag for the responsibility of spills that happen. We currently in law have a loophole that means that companies that produce the tar sands don't have to pay into the trust fund. That is because they are considered as synthetic petroleum. So just by the definition, they basically have had a loophole. It is important to me, as the United States considers whether a pipeline should be built across our country that would include these tar sands, which is very thick and heavy material and it is often diluted with lighter oil so it can be easier to handle. But when the spills happen, and it spills in water as we saw with the Kalamazoo spill, it leaves a thicker oil behind that usually sinks to the bottom of the water. That makes it hugely expensive to clean up and really almost nearly impossible to clean up.

These concerns are driving us to make sure that as the United States and Canada continue to look at tar sands production, we are getting the technology in place to deal with this and to get the job done and to make sure that those who are liable for those

kinds of spills are actually paying into a fund that would help clean up the mess.

That is why it is so important that the Senate take up action on one of these amendments, so that we will be paying into the oilspill liability trust fund for any pipeline that is carrying this crude material.

I want to go back to why this trust fund was created and why it was so important. The oilspill liability trust fund was created in 1986 as part of the Comprehensive Environmental Response and Liability Act. This bill was signed by President Reagan, but it took 4 more years and a major disaster before the country actually funded the oilspill liability trust fund, and that disaster was Exxon Valdez. My colleague from Alaska will be on the floor later today, and I am sure she could talk a lot about this issue as well. I had many conversations with the late Senator Ted Stevens about this issue, and there were various times when we increased payments into the oilspill liability trust fund. When one comes from the State of Washington and Pacific waters and when one comes from Alaska, how we clean up these oil spills is incredibly important to our economies.

What happened in 1989 is that an oil tanker hit a reef and ended up spilling 11 million gallons of crude oil. It didn't take long for those pristine waters of Prince William Sound in Alaska to be impacted. So the impacts of the Exxon Valdez disaster were devastating not just to Prince William Sound but to the entire Pacific Northwest, and the total cost of that cleanup was $2.5 billion.

Ten years ago, a Federal judge ordered Exxon to pay $6.7 billion to thousands of Alaskans affected by that oil spill. Fishermen in the Northwest lost more than $300 million as a result of that oil spill. At the time, the livelihood of individuals was impacted and, obviously, the wildlife was impacted. It killed sea otters, harbor seals, and approximately 250,000 birds. The images of all this wildlife are seared into our memories even 25 years after the spill.

When the gulf spill just recently happened, we revisited a lot of those issues because we wanted to make sure we were getting things right. It was very interesting to see the environmental effects years later and some of the things that still had not recuperated from the oil spill in Prince William Sound.

In 1990 Congress passed the Oil Spill Pollution Act, and it was signed into law by President Bush. It added sweeping improvements to the oil spill response and held parties responsible. It established the mechanism actually to invest in the oilspill liability trust fund. Specifically, the bill said: Let's have a per-barrel tax to raise the revenue for the fund. So today that is an 8 cents per-barrel tax on oil products.

As I mentioned, this was signed into law by President Bush, who specifically praised the funding of the oilspill liability trust fund. He said that ''the prevention, response, liability, and compensation components fit together into a compatible and workable system that strengthens the protection of our environment.''

The reason I am bringing that up is because if the oilspill liability trust fund was good enough for oil products promoted by a Republican President, then it ought to be good enough for us in Congress to add tar sands. That literally was just not thought of under the current definition because of the way the definition was written. Because it is a synthetic fuel, they have a loophole. It is a question whether we are going to close this loophole or whether we are going to let them pay zero into the trust fund.

The fund is used to pay for immediate cleanup costs and spills in navigable waters. This is a very important point. Some people would say: Well, aren't people just liable for their own mess, and why don't they just clean it up?

I can tell you that in trying to protect Puget Sound and trying to clean up the waters off the coast of Washington, you might think it would be easy to figure out where the oil came from. It is not. When you have a busy waterway like Puget Sound, and all of a sudden somebody sights an oil slick or oil product in the water, they don't know how serious it is. It takes months and months, sometimes years, to figure out where the pollution came from.

Yes, in the case of Exxon Valdez we had a ship that hit a reef and caused a problem. But in many cases, sometimes you don't know where the spill is coming from. A lot of people will say: Well, it wasn't us. Or they start this process. An oil spill needs an immediate response, and that is why we established the oilspill liability trust fund—to have an immediate response so that we are not sitting around waiting for weeks and months to figure out who did the oil spill, and so somebody can start the process immediately and work with the Coast Guard to actually clean it up.

You would think this doesn't happen that frequently, but it happens a lot more frequently than people realize. That is why an immediate fund is important, and that is why everybody who is producing oil should pay into it. Yet there is a loophole in the law, so the per-barrel tax doesn't apply to tar sands.

In 2011 the IRS issued a ruling stating that the tar sands imported into the United States were not subject to the excise tax on petroleum. The ruling was actually based on a 1980 House Ways and Means Committee report that crude oil does not include tar sands. As I said earlier, it is considered synthetic. Therefore, according to the IRS, it is not subject to the tax.

We should simply clean this up and have those responsible for their mess also be responsible for paying in to clean it up. When the oilspill liability trust fund was established, it was intended to be a mechanism for all oil spills—not the definition of oil as a product.

Congress should fix this next week when we vote on this legislation and figure out exactly how to make sure the Commandant of the Coast Guard would have the tools to deal with this.

I, too, have concerns about the fact that we don't really have the tools yet to accurately clean up tar sands. When the Commandant of the Coast Guard was before a commerce hearing just a year ago—because I have a great deal of concern about the moving of this product on a variety of transportation means—I asked him about tar sands because the last thing we want to see is product out on our waterways. He said: Our technology is not as sophisticated when you have tar sands. They are heavier, they sink into the water, into the ocean bottom, so it is a challenge for us. Once it settles on the sea floor, our technology is lacking in that regard.

Basically, I am finding that some of the dirtiest oil out there does not pay into the oilspill trust fund, and we don't even have the mechanisms for cleaning up. Unfortunately, we learned that lesson very hard in the 2010 Enbridge pipeline, which was owned by another Canadian company, along the Kalamazoo River in Michigan. It ruptured, and it spilled 1 million gallons of tar sands into the river.

This is a picture of that cleanup and the process, which was $1.2 billion that was spent. So for those of you who don't know Kalamazoo, it was an incredible economic, environmental, and historic issue for the people of Michigan. The river was closed for business for 18 months after that spill. More than 35 miles of the river had to be off limits because it was difficult to clean up.

Today, 4 years later, they are still impacted. As I said, the cost was $1.2 billion because they had to dredge the bottom of the river. So any oil spill of that magnitude is damaging. Yet, when we look at this issue, the fact that these tar sands were sinking to the bottom made that dredging even more serious.

It is the reason why we need to make sure these tar sands are taxed just as any other oil that is produced in the United States and pays into this trust fund. A Cornell University study found that ''this spill affected the health of hundreds of residents, displaced residents, hurt businesses, and caused a loss of jobs'' in Kalamazoo. This study is located online at: https://www.ilr.cornell.edu/sites/ilr.cornell.edu/files/GLI_Impact-of-Tar-Sands-Pipeline-Spills.pdf.

I think it is just the start of what the challenges will be for us when we allow this kind of tar sands development to move through the United States. Our spill responders are very skilled. First, they know we need to do everything we

can to prevent spills, to begin with. They are developing technologies to respond to the case of an emergency. They are doing everything they can to use this trust fund.

So we need to make sure we are having those who are producing this product pay into the trust fund. We need to make sure we are closing this loophole. So my colleagues—as I said, Senator WYDEN and MARKEY—have been working on this issue for some time. Senator WYDEN, the ranking member on the Finance Committee, I know he feels very strongly they should be paying into the oil spill liability trust fund and paying their fair share of revenue. I know Senator MARKEY has worked on this issue in the House of Representatives before coming to the Senate.

So we need to make sure people understand that dredging is not good enough, that our country needs a plan, that we need not just to rush through this pipeline and basically to think that we have all of the technology, all of the methods, all of the appropriate emergency funds to clean this up. We need to make sure we are not sitting here arguing with a company—a Canadian company—that just wants us to clean up the mess and leave the U.S. taxpayer paying the bill.

In fact, there was some debate in the Kalamazoo spill whether the Enbridge company had hit their liability cap and so the trust fund should pay for it, even though they never paid into the trust fund.

So are we going to let the American taxpayers clean up a Canadian oil mess at our expense—that we paid in—and everybody is affected by that? I think we should slow down this process and make sure we are getting things like the oil spill liability trust fund right and that we are getting this added to this legislation before it moves out of the Senate.

I know my colleagues will get a chance to look at this next week. As I said, we will probably start voting early next week on some of these amendments that are being offered. But I hope my colleagues will close these loopholes and make sure that the U.S. citizen and taxpayer is not left on the hook paying for oil spill responsibility that should be the responsibility of these individual companies. I know we are expecting some of our other colleagues to come to the floor shortly to speak on their amendments.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. MURKOWSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MARKEY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MARKEY. Madam President, when the new Congress opens there is a choice as to which issues we should start to work on. Would it be infrastructure jobs, clean energy jobs, a minimum-wage increase for all of America? No, no. That is not what the new majority decides to bring up. No. Instead, it is a Canadian oil export pipeline.

Next week I am going to offer an amendment that the Senate will consider to ask whether we will put Americans first or oil companies first, whether we will keep this oil and gasoline here for Americans or send it to foreign nations to help them instead.

If my amendment is defeated, it will make clear this is not an energy plan that is ''all of the above,'' it is oil above all.

My amendment says that if we build the Keystone Pipeline, we keep that oil here. We keep that gasoline here. We keep the diesel, the jet fuel, the heating oil. We keep it all here, because if we send it abroad, what are we doing? We are helping Canadian oil companies get a higher price for their oil. We are acting as the middlemen between dirty foreign oil and thirsty foreign markets.

Without my amendment, there is nothing in the bill or U.S. law that would prevent this oil from being exported. Eighty percent of our refined fuel exports go out of the gulf coast, exactly where Keystone would end, and foreign crude oil—including crude oil from Canada—can be freely reexported.

We know what TransCanada's plan is because I asked him at a congressional hearing—a senior TransCanada official—whether he would commit his company to keeping the oil and refined products from Keystone in the United States of America, and he said no.

Why do the oil companies want to export this Canadian tar sands oil? Because they can get a higher price and make more profit.

Tar sands crude in Canada trades for $13 less than the U.S. crude benchmark. The international prices are $3 higher than our prices.

If we do all of this, if we build this pipeline and then we send this oil to foreign countries, then we have turned Uncle Sam into ''Uncle Sucker.'' Because, make no mistake, without my amendment this bill will not do anything to help people at the pump. It will just serve to pump up the profits for oil companies.

We shouldn't export in oil, even as we are forced to send young men and women to defend oil interests in the most dangerous parts of the world.

Let us have that debate. As we import—still—oil from the Middle East, coming into the United States on tankers, this proposal we are debating next week will actually export oil that is already in the United States. We still import millions of barrels of oil every single day.

What we hear from the Canadians, what we hear from the oil industry is that this is all about energy independence. Energy independence cannot, by definition, include the exportation of oil while the United States of America is still importing millions of barrels of oil per day. That is heading us away from, rather than toward, the goal of energy independence.

That, ladies and gentlemen, is at the heart of the issue of what it is that we must understand about this Keystone Pipeline debate. We want lower prices for consumers, lower prices at the gasoline pump, lower prices for home heating oil, lower prices for diesel, and lower prices all across America. It is akin to a tax break that is going into the pockets of every single American, giving them more spending money because they are paying much less for oil in all of its forms in the United States of America right now, and it is giving an incredible incentive for economic growth in America.

What makes America great? What makes America strong? What makes us strong is when we are strong at home. What makes us strong at home is our economy, because the stronger our economy, the stronger the United States is in projecting power across this planet.

That is why on this debate the exportation of oil is so central. It goes right to the heart of what we must be discussing and debating in our country. This is an incredible opportunity for our country.

Let's take it to the next step. The next step includes what is the taxation on the Canadian oil. There is a loophole, believe it or not, in the American Tax Code that allows tar sands oil from Canada—such as that that would flow through the Keystone Pipeline—to not pay into the Federal trust fund to respond to oilspills in the United States—understand that?

Canadian oil, the dirtiest in the world, coming through the pipeline that the Canadians want to build through the United States, in the event of an oilspill, will not have paid into the oilspill liability fund for oilspill accidents in the United States.

I wrote to the Treasury Department in 2012 urging them to close this loophole through executive action, but their response indicated that they do not believe they have the authority to close this loophole on their own, and they need legislation to do so.

Yet there is nothing in this bill that would close this tax loophole for Keystone tar sands oil. Tar sands oil can be more difficult to clean up than regular crude but receives a ''get out of Canada tax-free'' card. That makes absolutely no sense. We are already importing more than 1.2 million barrels per day of tar sands oil into the United States. But oil companies don't have to pay into our cleanup fund to import that dirty oil.

There are roughly 30 oil companies importing tar sands crude into the United States. If you are one of those 30 companies, you are getting a great deal. But if you are one of the hundreds of other oil companies out there that do pay into the oilspill trust fund, you should hate this loophole, and the American people should hate that loophole as well because the Canadians and

their oil companies are not paying their fair share of the dues to be able to participate in our great American society. They want to build a pipeline like a straw right through the middle of the United States, send the dirtiest oil right down that straw, and if that straw breaks, if there is a spill, the Canadians have not contributed to the oilspill liability trust fund. Does that make any sense? Does that make any sense? Of course it doesn't.

That is why this debate is so important. The Congressional Budget Office says this is going to cost the United States of America hundreds of millions of dollars because the Canadians escape their responsibility of paying for the accidents. That is why Senator WYDEN and I are working here to make sure we have an ability to close this loophole, and we are working with Senator CANTWELL, the ranking member on the committee. Along with Senator CANTWELL, we are going to make sure we have this important debate on the Senate floor.

I know Senator CANTWELL was out here earlier today raising this issue, highlighting this issue, pointing out how unfair and unjust it is that the Canadians escape their responsibility to pay and that it is just another giveaway to the oil industry that ensures this is nothing more than a giveaway to those Canadian companies.

I say this on a day when it is being reported there are now 140,000 people in America employed in the solar industry—140,000. There is another 50,000 employed in the wind industry—nearly 200,000 people employed in industries that, for the most part, didn't really even exist in a meaningful way 7 years ago. That is how quickly our own domestic wind and solar industries have been developed—creating jobs here in the United States, creating growth here in the United States, creating opportunity here in the United States.

So this, colleagues, is really what we should be debating. But once again, when the Republicans are in control, we do not debate all of the above. We don't debate wind and solar and biomass and energy efficiency and oil and gas and nuclear. The Republicans always make it one subject, and that is oil above all, not all of the above.

So I am looking forward to this debate. It goes right to the heart of the security of our country, the economy of our country, and the environment of our country. This is the dirtiest oil in the world. This oil is going to contribute dangerously to the warming of the planet. Last year—2014—was the single warmest year ever recorded in the history of the planet—2014. You don't have to be Dick Tracy to figure out this is a problem that we are passing on to the next generations without the debate this issue must have if we are going to discharge our responsibilities to those next generations.

The Keystone Pipeline is the central opportunity we are going to have to raise this issue of global warming, of the national security of our country, of making our economy stronger, and of ensuring we discharge our responsibility to the next generation.

Madam President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. UDALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SASSE). Without objection, it is so ordered.

Mr. UDALL. Mr. President, climate change is one of the greatest challenges of this century. We have a profound choice before us. We can deny that our climate is warming, we can fall behind our economic competitors, we can ignore the danger to our planet and to our security—that is one choice—or we can move forward with the diversified energy portfolio that includes clean energy, with an energy policy that makes sense, that creates jobs, that protects the environment, and that will keep our Nation strong.

There is a lot of work to be done. We can work together, we can find common ground, become energy independent, move us on a path to energy independence, grow our economy, and fight climate change. But instead, unfortunately, our focus today is on the Keystone XL Pipeline. The new majority has not chosen to start with energy policy as a whole or innovation or manufacturing policy or our response to climate change. Instead, we are debating on the floor of the Senate just one pipeline project, which primarily benefits another Nation.

There is really one basic question. Is the Keystone Pipeline in our Nation's interest—not Canada's interest or Wall Street's interest but our Nation's interest. I do not believe it is. I say this for two reasons. First, we are being asked to do something I believe is unprecedented—for Congress to step in and promote a bill for one private-sector energy project, to wave ahead a private pipeline for a private foreign company so that Canadian oil can be piped to Texas for export to other nations. Again, how does this serve our Nation?

We are told it is about jobs. Keystone will create jobs, and, of course, we are all for that. But how many jobs? About 3,900 temporary construction jobs. But how many permanent jobs—jobs that American families can count on for years to come? Maybe about 50. Yet with all the challenges we face, at home and abroad, this is the priority. This is priority No. 1 for the new Republican Congress. This is one choice. It is the wrong choice and the wrong priority.

This brings me to my second point. We are at a crossroads in our energy policy. We can still lead the world in clean energy production—wind, solar, advanced biofuels—to reduce global warming pollution, to become energy independent, and to create permanent American jobs. That is our future. That should be our priority.

New Mexicans are already seeing the impact of global warming. The Southwest is at the eye of the storm, with historic drought, with severe flooding when it does rain, and with more and more wildfires. I talk to farmers and ranchers in my State, and they are struggling. According to a study at Los Alamos National Laboratory, by 2050—not far away—we may not have any forests left in my State. It will be as if New Mexico were dragged 300 miles to the south. Our climate will resemble land that is now in the middle of the Chihuahuan Desert.

I am not a scientist; neither are my colleagues. But the experts at Los Alamos National Laboratory and scientists all over the world are clear: If we do nothing, it will only get worse. We are already seeing the impact. Recently the Government Accountability Office issued a warning: Climate change will continue to increase costs to taxpayers for the Federal Flood and Crop Insurance Programs. FEMA is already $24 billion in debt due to extreme weather events such as Hurricane Sandy and last year's floods in New Mexico. The cost of the Federal Crop Insurance Program has increased 68 percent just since 2007. If left unchecked, these costs will continue to skyrocket.

But this is more than numbers, disturbing as they are. This is the burden of climate change on farmers, ranchers, and our communities. The damage is real. The threat is here. But so are the solutions and the opportunities, and there are many opportunities. With the right priorities, we can encourage the production of clean energy. We can create a clean energy economy that leads the world. We can create the jobs of the future right here at home and revitalize rural America.

I have long said we need a ''do it all and do it right'' energy policy. That includes traditional energy sources. Oil and gas play an important role in my State. New Mexico is a leading producer of both oil and gas. We have strong, independent companies. They employ over 12,000 New Mexicans. They help pay for our schools and our other public services. They are an important part of the mix, and so are renewables such as wind and solar. The United States has incredible wind energy potential, enough to power the Nation 10 times over. New Mexico has some of the best wind resources in the Nation, enough to meet more than 73 times the State's current electricity needs. Wind power emits almost no carbon pollution. It uses virtually no water. It already saves folks in my State 470 million gallons of water a year. The U.S. solar industry employs more than 143,000 Americans—more than coal and natural gas combined. Solar jobs grew 10 times faster than the national average. The majority are in installation, sales, and distribution. Those are well-paying local jobs. Those are permanent

jobs, and they won't be shipped overseas.

Now is the time to build on the momentum and invest in a clean energy economy. Now is the time to create energy at home and jobs at home. Now. Not later. And we need to do it before we lose too much of the market to our overseas competitors in Germany, China, and elsewhere. They can see the future too, and they are going after it.

A national renewable electricity standard would help us get there. The proposal I have introduced for many years would require utilities to generate 25 percent of electricity from renewable sources by 2025. New Mexico and over half the States already have one. The States are moving in that direction. The Nation needs to move in that direction. We need a national standard. Experts have said a national standard could create 300,000 new jobs. I have pushed for this ever since I came to Congress. The House of Representatives has passed it. The Senate has passed a version of this three times. We have to get it right. We have to do this. Let's get it done.

America can lead the world in a clean energy economy. We have the technology, and we have the resources. We just need the commitment and the cooperation.

This is a new Congress. Let's find common ground where we can move forward. Just as we invested in the oil industry, we need to invest in wind, solar, and biofuels. We should support tax credits for renewables. We should encourage important cutting-edge energy research at great institutions such as Sandia and Los Alamos National Laboratories. What we don't need is Congress simply acting as a permitting agency for a Canadian pipeline.

I understand the frustration that this project has been pending for so long. I believe the President should make a decision now. The necessary studies have been done. The recent litigation is over. We have debated this project extensively in this Congress and in several elections. If the President decides to approve it without some strong conditions that mitigate its climate impact, I will be very disappointed. If the President rejects it, the supporters can raise this issue in the next election. But Congress should move on to real, pressing policy debates.

Let's get our heads out of the tar sands and work together for our economy, for our energy independence, and for our future.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MURKOWSKI. Mr. President, it is good to be here on the Senate floor talking about where we are in the process to hopefully finally move toward approval of a permit to allow for construction of the Keystone XL Pipeline.

It has been interesting—the past couple speakers this morning have all mentioned that they don't understand why the first order of business in this new Congress should be this measure, that there are a lot of issues out there. And there certainly are. There will always be issues in the Senate. This is what we do. These are all weighty issues. But I would remind my colleagues that one of the reasons we are moving early to the Keystone XL Pipeline legislation is because in many ways this is a bit of unfinished business.

It was just 6 weeks or so ago that we had this measure before us on the floor of the Senate. It was before this body for debate—a good debate—led by our former colleague from Louisiana who was absolutely passionate—absolutely passionate—in her defense of why this was timely, important, critical that this measure be approved. We had that debate, and unfortunately in the final vote we were shy one vote and so we did not see passage. It was a measure that was in front of us because it was timely and also because of the work this body had done to advance it. The energy committee had hearings, process, and we had a bill in front of us.

It is the first week of this session, and we have a lot of measures that we will be taking up that are extremely important, but they are perhaps not as primed, if you will, for action on the Senate floor because that legislation hasn't been drafted. The committees have not met to work through some of the legislation that will be before us.

So why not move to advance the Keystone XL Pipeline, a measure that will provide for good-paying jobs in this country; a measure that will work to enhance that relationship with our closest friend and ally to the north, Canada; a measure that will help us from an energy security perspective when we are able to displace oil coming in from places such as Venezuela with oil coming in from Canada. That is a relationship that this Senator would much rather enhance and further.

So for a host of different reasons we are on this measure in the second week of this new Congress. I am pleased we are at this place where when we reached unanimous consent earlier to proceed to consideration of amendments on this bipartisan bill. It has been interesting. As I have talked to not only colleagues but reporters out in the hallways—just people having conversations—and there was a fair amount of skepticism that if Republicans were to regain the majority, would we return the Senate to what we know as regular order, where there is a processing of amendments and a regular committee process, but that is what we are doing, folks. Those who are observing what is going on, beginning today, are seeing something that hasn't been seen around here in a number of years. It was unfortunate that we hadn't had that process, but it is never too late to do the right thing. It is never too late to get back to a deliberative process that allows for the open exchange and consideration of ideas on the floor.

When we talk about an open amendment process, clearly it is not just open for amendments for those of us on this side of the aisle. It is an open amendment process for the full Senate so Members on both sides can offer their ideas and work to get votes on them. The majority leader has said several times that this process is going to be open, but it is not going to be open-ended. We are not going to be on this measure for a full year or even a full month, but we will be taking the time to do the deliberation that I think is important. I think you have already got some people saying: Oh, we are spending enough time on it. It is a mixed message with those saying it is not timely, we shouldn't be taking it up, and then others complaining that we have been on it now since last week. I think it is important for Members to know we are expecting to see amendments filed. We are expecting to see Members come to the floor to call up amendments. I would encourage Members not to wait until the last minute because to use the majority leader's words, this is not going to be open-ended. So let's get to our business and let's get it done.

We have three amendments that are currently pending before the body. Before I speak to each of those, I would like to very briefly address my support for the underlying bill from the perspective of Alaska and being one who is immersed in Alaska's energy process and politics.

I heard from more than a couple of folks back home who have seen the debate and discussion playing out, whether it is on C–SPAN or in the media, and I have been asked: We understand Keystone is in the national interest. We get that. But is it truly in Alaska's best interest? Folks back home are a little worried right now. We are seeing the price for oil sink to lows we have not seen in years, sitting around $46 a barrel today. It has certainly had an impact on our State's budget—dramatically so. It is not just Alaska, I think we are seeing it in other oil-producing States. It is good news to have lower oil prices, but it is kind of a double-edged sword for some.

The questions that are being asked at home are legitimate, fair, and very important questions such as: OK. How does this fit in with the Alaska piece?

We certainly have large-scale infrastructure projects, particularly energy projects of a serious magnitude.

We have a world-class oilfield in Prudhoe Bay and the connector that the Trans-Alaska Pipeline provides from Prudhoe Bay down to tidewater in Valdez, an 800-mile silver ribbon that bisects our State, is truly a modern

marvel. A State can have the resource, but if they don't have the infrastructure to move the resource it doesn't do them much good. It doesn't help their economy and it doesn't help fund education if they cannot move it to market.

As I mentioned, Alaskans are a little nervous right now. A New York Times article recently described what is happening in Alaska. The journalist described it as economic anxiety hanging over the State because of the drop in the price per barrel of oil. When a State relies on oil for about 90 percent of its revenues to fund its budget and the price drops dramatically, they notice it.

One way to deal with the variations and variables in price is to have sufficient production. Alaska is suffering from this economic anxiety because our oil production, which was over 2 million barrels a day, has dropped precipitously over the past couple decades. We are now talking about an oil pipeline that is less than half full. What does that mean to a State such as Alaska when the artery for the State's revenues is not pumping at an optimum level? We are in that place right now. As a State we are looking at what can we do to make a difference when it comes to production because there will be price variables. As long as OPEC is in play there will be price variables we are not able to affect as much as we would like.

We have the resource. We have an estimated 40 billion barrels of oil in our Federal areas, offshore in the Chukchi and Beaufort, on our coastal plain within the NPRA. We are not looking at a situation in Alaska where we are running out of oil or about to run out of oil. Our problem straight up is our limited ability to be able to access it. The holdback we get, the pushback we get from our own Federal Government, the policies that keep us from being able to access that resource has been our challenge.

Now back to the Keystone XL Pipeline. The Keystone Pipeline is not going to be carrying any Alaskan crude. Don't get a mixed message. We have a pipeline. We have already built it. It is waiting to be filled back up. The need isn't infrastructure in Alaska but permission—consent from the Federal Government to access our lands, access our waters to achieve that energy potential.

When I am talking to Alaskans about the imperative for Keystone and how it intersects with Alaska, there are a couple of messages. The first one is simple. There is plenty of demand within just the United States for all the oil Canada and Alaska can produce at the same time. The demand is there, even with the surge we have seen coming out of the Bakken and the amount of increased production we have seen domestically in this country. We are continuing to import that oil. Again, it is better for us to rely more on ourselves. The world view that supports the construction of Keystone XL is the same one that leads to new production in my State of Alaska; that is, the recognition that affordable energy is good. This is my mantra. I keep advertising it. I have a bumper sticker that says ''energy is good.'' Affordable energy is good. The understanding is that low prices result when world markets are well supplied along with the desire to achieve North American energy independence. This is something I feel very strongly about.

Approving the Keystone XL Pipeline is not going to eat into the markets for Alaska's oil. This is an important message for Alaskans to understand. In fact, it is going to help us preserve the markets we have because right now our North Slope crude is shipped predominantly to the west coast—makes sense, it is in closer proximity—where it is refined into gasoline and other petroleum products for use in the lower 48.

We take it down our 800-mile pipeline, put it to tidewater, and it is refined on the west coast. We enjoy the benefit of it here. But this ANS crude—Alaskan North Slope crude—as we call it, is now finding itself in competition from the shale plays out of the Bakken. So what we are seeing is, without a Keystone XL Pipeline oil, the oil that is being produced out of the Bakken is finding a home somewhere. It is not just sitting there. It is being moved.

Where is it being moved to? It is being moved to refineries that have capacity. It is going west. It is going west to those west coast refineries that are used to getting Alaska crude. Keep in mind that as it moves west, if we don't have the pipeline, how is it moving there? How are we moving it? We are moving it by rail, predominantly.

Again, we will have that discussion about the environmental impacts of rail or truck versus a pipeline and the safety and emissions issues. If you want a cleaner way to transport oil, it will be in a pipeline. If you want a safer way to transport oil, it will be in a pipeline. We have had this discussion in the past—and again, so Alaskans understand—and the Keystone XL Pipeline will benefit us in terms of being able to continue to send our crude to those west coast refineries.

We have heard—I believe repeatedly and incorrectly—that the Keystone XL Pipeline is a foreign project that is going to carry Canadian oil to the gulf coast. We know where the name TransCanada derives from. We know that much of the oil to be transported will be from Alberta, but I think it is important to acknowledge that we have about 100,000 barrels of Bakken crude that will come from North Dakota and Montana and down through the midcontinent. If we have the Keystone XL Pipeline constructed, it will avoid the west coast.

The last point I will make for the folks back home, for whom I work and who are following this issue, is that I really think the Keystone XL Pipeline is a test for us. It is a test of whether we as a nation can still review, license, permit, and build a large-scale energy infrastructure project. We are looking at that in Alaska. We need to know that can continue to be done in this country, because if we cannot do it even here in the lower 48, where the costs are lower and there is an existing infrastructure that you tie into, which the Keystone XL will—you have the southern leg already completed—if we can't demonstrate that we can get beyond the process of permitting a leg of this pipeline over the Canadian border and into the United States, what confidence do we have that we are going to be able to do other big energy infrastructure projects? That worries me a great deal.

When people say that we are rushing this too quickly or that it is premature or that we need to let everything play out, I think we need to remind ourselves that 6 years is a pretty long time to play something out. Most companies don't have the wherewithal to wait something out over the course of 6 years because the cost of constructing this pipeline has not gone down during this intervening time period. If anything, the costs are going up. We know the costs are going up. We are working on the Keystone XL Pipeline right now, but it is just the first step of many I believe we need to take and to do in order to improve our energy policies.

I will be continuing my conversation with Members to explain how my State has an awful lot to offer our country—whether it is increasing the flow of oil in our Trans-Alaska Pipeline or getting production up so we are not half full and instead are full, so we can share that resource with people throughout the country. As we look to move our natural gas—our amazing quantities of natural gas—that massive infrastructure project is a way in which we can work to advance that resource.

Alaska has so much to offer the country, but we need to have the chance and the opportunity to do so. Our pipeline up north is already built. It was completed just after I got out of high school. In fact, I was privileged to have the opportunity to work up in Prudhoe Bay at that time and saw what actually happened out there in the oil fields. It has operated successfully, safely, and efficiently for decades. It has far surpassed what we believed we would be able to ship through that line, but it remains surrounded by billions and billions of untapped oil that can be brought to market, which would then bring in jobs, generate revenue, and keep prices as low as possible, and increase our security. We all want that.

This is a conversation that will continue until the conditions of Alaska's Statehood—those promises that were made to us back in 1959 when we became a State—are fulfilled and we are allowed to produce our resources as a State.

So watching what is going on with Keystone is something that is of great interest to the folks back home. We will continue to watch it and hopefully be encouraged that we do the right thing from a jobs perspective, from a revenue perspective, from an economic perspective, and an energy-security perspective.

We have three amendments which are pending. I was privileged to be sitting in the Chair a little while ago when the junior Senator from Massachusetts spoke about his amendment. His amendment relates to exports from the Keystone XL Pipeline. My colleague from Massachusetts is not from a big oil-producing State, as I am.

I believe it is fair to say that his State cares a lot about the cost of energy. They have cold winters, infrastructure challenges, and other issues as it relates to energy, and I appreciate that. But it is important to understand what my colleague's amendment would do. It would specifically prohibit the export of oil that is brought into the United States through the Keystone XL Pipeline, as well as the export of the finished products made from that oil. It is not just the raw crude that is put into the line. It is what goes down to the refineries in the gulf coast and is then refined into products—whether it is diesel or some other product. It is saying that the export of that should be prohibited.

Basically, his amendment is a full-on, flat-out statement saying that you can't have any aspect of it—any drop of that—leave this country. It essentially says that all of this—every ounce of this new Canadian resource—will be brought into this United States and will stay here.

My colleague has raised the concern that the United States should not be that passthrough entity. He used the terminology that it is similar to a straw from Canada down to the gulf, and then it goes out the back end from there. The President, in a comment, used the term conveyor belt and that the United States should not be that conveyor belt. The argument is that we should not just be a passthrough where Americans get none of the benefits. Well, if we didn't get any of the benefits, I think we should be talking about that.

It is important to know this is not the first time we have had this discussion or this idea in front of us. Back in early 2012, it was part of an amendment that came before the floor. It was defeated 33 to 65. We had many of our Democratic colleagues join with all of the Republicans to reject a statutory ban on exports.

I am hopeful this amendment that has been offered and is pending will see the same fate and ultimately be defeated by at least the same margin. I say that because I think it continues to be unnecessary, and I strongly believe it takes our export policies in the wrong direction.

This is not just LISA MURKOWSKI saying this takes us the wrong way. The Department of Energy has looked critically at the issue of the Keystone XL oil being exported and whether or not that makes sense. In their analysis—and they state it pretty succinctly—they say: Without a surplus of heavy oil in PADD 3—that is the gulf coast area—there would be no economic incentive to ship Canadian oil sands to Asia via Port Arthur, which is where it is coming out of.

The Department of Energy's conclusion—they had a pretty broad discussion about it. But their conclusion was then reinforced by the State Department in its final supplemental EIS for Keystone, which is a document that everybody should read—granted that it is 1,000 pages long, or thereabouts, but there is a summary that helps to condense so much of it. In the State Department's final EIS, they say that ''such an option''—that being export—''such an option appears unlikely to be economically justified for any significant durable trade given transport costs and market conditions.'' Think about that. I believe these conclusions make some pretty good sense here.

The purpose of the Keystone XL Pipeline is to bring Canadian and American oil—let's not forget the 100,000 barrels coming out of Montana and North Dakota—to the gulf coast. It does not make any sense to bring oil all the way—850 miles—to refineries that can refine it—remember, these refineries in the gulf coast are set up to deal with exactly this type of oil. So we have the line that brings it from the north to the south where you have refineries that are able to handle this. So tell me why it would make sense to just use this pipeline as a passthrough—as a conveyor belt or straw—and then ship it to refineries around the world that will add that transport cost to it. As the State Department EIS said, it would not be economically justified.

It is important to understand, again, what is going on down there in the refineries in gulf coast, and the State Department looked at that. What they found was that the traditional sources of heavy oil used on the gulf coast are declining. Why are they declining? What we traditionally see coming in as imports there—coming in from Venezuela and Mexico—has been drawn down or lessened, if you will, for a host of different reasons, but not the least of which is because we are producing more here in the lower 48 States in the Bakken.

We have talked a lot about the misalignment that is going on within our refineries and what is being produced and what we are capable of refining. But again, what we are seeing in the gulf coast is an ability to take on more capacity for this heavy oil. The opportunity to refine the product that is coming out of Canada there in the gulf coast refineries is real. It is there.

Now, I think it is important to be honest here. I don't want to be written up in somebody's fact checker. Believe me, we looked at that. There are small amounts of oil from Keystone XL that could be reexported as a matter of economic efficiency, but that should not give anyone a reason to panic or get everybody all excited. It may come as a surprise to some, but the reexport of Canadian oil that is not commingled with the domestic crude is already completely legal. It is already a routine matter where the Commerce Department just routinely signs off on it. This is no big deal. There is no change in policy that is dramatic.

The Obama administration has already approved dozens of licenses to reexport crude oil all across the world.

I think it is important to recognize that this amendment offered by my colleague from Massachusetts would not just block the export of the crude, it would block the export of finished products. As he said, it would be everything. It would be the crude, and it would be everything that is then produced. Every bit we have he would have stay here. But blocking the export of finished products would be a reversal of existing law and current practices. And think about it—just from a practical perspective, how do we enforce this? How would we realistically enforce this measure of diesel that came from this refinery, from this pipeline here in the lower 48—that we can go ahead and export—and this is what we do. It is not any great state secret. We move our refined products, and we do so in a significant way to the benefit of our Nation. So how do we fence off everything that comes out of Keystone XL and say: The refined product from this particular pipeline can't move outside this country. It creates potential havoc, and maybe that is the point.

I think the Senate should recognize that this amendment is not going to improve this bill. I don't think it will change anybody's mind. I don't think it is going to bring new support. I think it is meant to kind of poison the well and perhaps ensure that this pipeline will never be built and that it can't operate.

I encourage my colleagues to look at a couple different documents. I mentioned the final supplemental environmental impact statement the State Department did. It is an important read for the critical analysis that went into it. I have cited those areas where they speak specifically to the impact of the export. There are others who have reviewed not only that but other documents, other outside facts.

I mentioned that President Obama had made reference to the conveyor belt theory or tagging Keystone XL as being a conveyor belt for the oil. He made that statement when he was in Burma in November. His specific words were that it would provide ''the ability of Canada to pump their oil, send it through our land, down to the Gulf, where it will be sold everywhere else.''

So the fact checkers got on President Obama for that and did a pretty good analysis. I felt it was a pretty good

analysis. They laid it out in clear English and ultimately decided that the President was going to be awarded three Pinocchios for that statement. For those who aren't familiar, if a person makes a significant factual error or obvious contradiction, they get three Pinocchios.

But it wasn't just the Washington Post and Glen Kessler who did this assessment. We also had another fact check come out of PolitiFact, and they also rated that statement mostly false on their Truth-O-Meter.

I ask unanimous consent that both of these fact checks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 20, 2014]

OBAMA'S CLAIM THAT KEYSTONE XL CRUDE WOULD GO 'EVERYWHERE ELSE' BUT THE UNITED STATES

(By Glenn Kessler)

''I won't hide my opinion about this, which is that one major determinant of whether we should approve a pipeline shipping Canadian oil to world markets, not to the United States, is does it contribute to the greenhouse gases that are causing climate change?''—President Obama, news conference at G20 summit, Brisbane, Australia, Nov. 16, 2014.

''Understand what this project is. It is providing the ability of Canada to pump their oil, send it through our land, down to the Gulf, where it will be sold everywhere else.''—Obama, news conference, Rangoon, Burma, Nov. 14.

Twice during his recent overseas trip, President Obama asserted that the proposed Keystone XL pipeline was designed to take Canadian crude oil to the world markets. The implication of the president's words is that the United States would be simply a conveyor belt for the oil.

The pipeline would allow the Canadians ''to pump their oil, send it through our land, down to the Gulf, where it will be sold everywhere else,'' the president said in Burma. The question he faced, he said in Australia, is whether ''we should approve a pipeline shipping Canadian oil to world markets, not to the United States.''

The White House did not provide an on-the-record comment.

Update: The Natural Resources Defense Council, in a response to this column, said we were relying on ''outdated'' information. It noted that in recent months there has been a jump in unrefined crude oil exports from the Gulf Coast, contradicting the conclusions of the State Department. ''Data from the Gulf Coast today show that some of the tar sands from Keystone XL will be exported internationally before it sees a U.S. refinery,'' the NRDC said. ''some'' at the moment amounts to about 200,000 barrels a day; for reference, a supertanker carries 2 million barrels. We did adjust some of the language concerning exports in response to the NRDC critique.

THE PINOCCHIO TEST

The president seriously overstates the percentage of Canadian crude that might be exported if the Keystone XL pipeline is built. He suggests all of it would be exported, without mentioning that it first would almost certainly stop on the Gulf Coast to be refined into products. On top of that, current trends suggest that about half of that refined product would be exported. That is not insubstantial, but it is certainly much smaller than 100 percent.

All of this is laid out in the extensive report issued by the State of Department earlier this year. The president might want to study it before he addresses the Keystone question again. In the meantime, he earns Three Pinocchios. We nearly made it Four Pinocchios, but it is correct that at least some of the product would be exported, based on current market conditions.

THREE PINOCCHIOS

Is this really the case?

THE FACTS

First of all, the president leaves out a very important step. The crude oil would travel to the Gulf Coast, where it would be refined into products such as motor gasoline and diesel fuel (known as a distillate fuel in the trade). As our colleague Steven Mufson reported more than two years ago, the refineries on the Gulf Coast are ''eagerly waiting'' for the Canadian crude, since there isn't enough oil in the area anymore to feed the refineries.

''The modernized Valero refinery [in Port Arthur, Tex.] can turn 310,000 barrels a day of some of the world's worst quality crude oil—such as the bitumen-laden mixture from Canadian oil sands—into gasoline and diesel fuel for cars and trucks,'' Mufson wrote. ''Valero, the largest U.S. oil refining company, would be one of the biggest customers of oil from the Keystone XL pipeline, buying about 150,000 barrels a day.''

Indeed, the State Department's final environmental impact statement on the Keystone XL project specifically disputed claims that the oil ''would pass through the United States and be loaded onto vessels for ultimate sale in markets such as Asia,'' saying it was not economically justified. The State Department noted that the traditional sources of crude for the Gulf Coast, such as Mexico and Venezuela, are declining, and so refineries would have ''significant incentive to obtain heavy crude from the oil sands.''

So then the question turns on what happens to that oil after it leaves the refinery. Oil is a global commodity, of course, and where it travels often depends on market conditions. In Obama's telling, however, the refined Canadian oil goes ''everywhere else'' and ''not to the United States.''

But that's not right either, according to the State Department report. U.S. exports are not affected by various pipeline scenarios but instead by market conditions, such as ''domestic demand versus domestic refining capacity, the cost of natural gas, and refining capacity abroad, including in foreign markets currently importing U.S. refined products such as Mexico, Brazil, Chile, and Europe,'' the report said. The demand for exports, in other words, is completely unrelated to building the Keystone XL pipeline.

For the sake of argument, let's look at the percentage of exports currently from the Gulf Coast area, using data for refining output and product exports from the Energy Information Administration. Depending on how you crunch the numbers, the percentage of exports for finished products ranges between 35 percent and 50 percent. The State Department pegged the rate of exports at just over 50 percent, noting that ''this increased volume of refined products is being exported by refiners as they respond to lower domestic gasoline demand and continued higher demand and prices in overseas markets.''

In other words, at least half of the oil that is refined on the Gulf Coast stays in the United States. Market conditions could change, of course, but there is little basis to claim that virtually all of the product would be exported. (The Fact Checker has previously noted that, contrary to the claims of advocates of the project, Keystone XL is unlikely to have much impact on gasoline prices.)

Opponents of the Keystone project have seized on slides, such as the one below from one of Valero's presentations to investors, to suggest the plan ultimately is to export the production from Canadian oil sands.

But Bill Day, a spokesman for Valero, says ''it's a mistake to interpret this to mean that Gulf Coast products would ONLY go to export markets.'' The slide is simply showing the flow of trade, from various refineries; diesel currently is more popular in Europe while gasoline is king in the United States, though demand for diesel is growing in both markets. Day noted that currently the vast majority of the company's products stay in the United States for domestic consumption.

[From PolitiFact, Nov. 20, 2014]

OBAMA SAYS KEYSTONE XL IS FOR EXPORTING OIL OUTSIDE THE U.S., EXPERTS DISAGREE

(By Lauren Carroll)

President Barack Obama and many other Democrats think there's little to be gained by building the Keystone XL pipeline.

On Nov. 18, Senate Democrats voted down a proposal to build the oil pipeline—which would stretch from Canada to Steele City, Neb., where it would connect with an existing pipeline that goes to Texas' coast. But the issue isn't going anywhere. When the new Republican-led Senate takes over in January, it will likely be at the top of their priorities list.

Obama and other Keystone critics have argued that the pipeline would have a negative environmental impact, while having little benefit for the United States. For example, constructing the pipeline would result in few permanent American jobs.

''Understand what this project is,'' Obama said at a Nov. 14 press conference in Burma. ''It is providing the ability of Canada to pump their oil, send it through our land, down to the Gulf, where it will be sold everywhere else. That doesn't have an impact on U.S. gas prices.''

Two days later, in Brisbane, Australia, Obama described Keystone XL as ''a pipeline shipping Canadian oil to world markets, not to the United States.''

Predicting the effect of the pipeline on gas prices is a little tricky. Experts tend to agree that it could impact gas prices, but the effect would be indirect and minimal. But in this fact check, we're going to focus on the export question—whether or not, as Obama said, Keystone XL's primary destination is beyond the United States.

We found that Obama's off the mark.

CRUDE OIL

In recent years, the United States has become a net-exporter of refined oil products, like gasoline, jet fuel and asphalt (meaning it exports more products than it imports), according to the U.S. Energy Information Administration. However, it is a net-importer of the crude oil it uses to make those products.

Keystone XL would transport crude oil from Canada's tar sands through the Midwestern United States down to the Gulf Coast, and there are refineries all along the proposed route.

America gets more crude oil from Canada than any other country. Nearly all of Canada's exports go to the United States, and this accounts for about a third of America's total crude oil imports. Much of its oil already makes it to the United States by rail and existing pipelines.

We asked several energy economics experts, and they believe that quite a bit—if not most—of the Keystone XL crude oil will be bought and used by American refineries.

''It's difficult to say with any certainty, but it is most likely that most would be refined in the U.S.,'' said Kenneth Medlock, an expert in energy economics at Rice University in Texas.

A recent State Department report argues that it would not be ''economically justified'' for Canada to primarily export its Keystone XL oil to countries other than the United States, when there are plenty of American refineries to consume it.

Some independent refineries—particularly those in the upper Midwest, but also in Texas—are in desperate need of crude oil, said Charles Ebinger, a senior fellow in energy security at the Brookings Institution. Currently, the refineries have to import crude from places like Venezuela and Mexico—though it would be cheaper and better for overall energy security to buy from a North American source, rather than pay high transport costs.

On Nov. 17, TransCanada told Reuters, it ''makes no business sense for our customers to transport oil down to the U.S. Gulf Coast, pay to export it overseas but then pay to transport millions of barrels of higher-priced oil back to the U.S. refineries to create the products we rely on.''

Ebinger added that many American refineries are geared to use heavy crude, which is what Keystone would transport from Canada's tar sands.

There would, though, likely be oil coming through the Keystone XL pipeline in excess of what the American refineries would be able to use, noted Eric Smith, an energy economist at Tulane University. This excess oil could go to other countries capable of refining it. Still, most Keystone oil would stay in North America.

REFINED PRODUCTS

Some Keystone XL critics have focused on the fact that American refineries could export some of the products they make with the Canadian crude oil, such as gasoline, diesel fuel or asphalt. They argue that because products made in the United States, using Keystone XL oil, will leave the country, the pipeline wouldn't improve domestic energy security or independence.

Anti-Keystone XL environmental group Tar Sands Action (part of the larger 350.org) said in a Keystone XL fact sheet, that American refineries will process the oil but, ''much of the fuel refined from the pipeline's heavy crude oil will never reach U.S. drivers' tanks.''

However, American oil refineries' product exports are ''not sensitive'' to the addition of a new pipeline, the State Department study says. Export trends are more dependent on demand—both domestically and abroad—as well as the cost of natural gas and foreign refining capacity. American oil refineries are already increasing their exports, and that trend could continue independent of Keystone XL.

''Refined product export levels have already increased and some of the crude used is from foreign sources,'' the report says. ''As this may already be occurring, it may continue with or without (Keystone XL).''

Further, the report says, ''The economic viability of exports does increase the demand for crudes in the United States,'' but, ''this demand does not depend on the proposed project.''

Even if exports are increasing, the majority of oil products refined in the United States stay in the United States. For example, in 2013, Gulf Coast area refineries produced about 946,000 barrels of finished motor gasoline per day. They exported about one-third of that—323,000 barrels per day.

In January, Our friends at the Washington Post's Fact Checker looked at an ad by liberal PAC NextGen Climate that said, ''(China is) counting on the U.S. to approve TransCanada's pipeline to ship oil through America's heartland and out to foreign countries like theirs.'' A spokesman for NextGen told Fact Checker that they were referring to refined product exports, rather than crude oil. Fact Checker gave the ad its lowest rating of Four Pinocchios.

Even if Keystone XL isn't built, experts said Canada will find other ways to transport their oil to the United States. Canada already sends crude from the oil sands into the United States by rail and other pipelines.

''I have no doubt that Canada will develop alternate means of monetizing its crude oil, whether that be via expanded rail shipments or by building pipelines to one or both of its coasts,'' Smith said.

The longer that politicians debate Keystone XL, the more time Canada has to figure out these alternate means.

''Keystone XL is rapidly becoming irrelevant,'' said Michelle Foss, energy economist at the University of Texas' Bureau of Economic Geology.

OUR RULING

Obama said, Keystone XL allows ''Canada to pump their oil, send it through our land, down to the Gulf, where it will be sold everywhere else.''

The general consensus among experts, as well as the State Department, is that American refineries would be the primary buyers of crude oil transported through the Keystone XL pipeline, by a vast margin. Some Keystone XL critics have a point that American refineries would likely export some of the products that they make with crude oil transported by the pipeline. The State Department says, however, that product exports are already increasing, and that trend would likely continue independent of a new pipeline. Additionally, American refineries tend to keep more products in the country than they export.

We rate Obama's claim Mostly False.

Ms. MURKOWSKI. Again, I think it is important to have a full understanding of what we are talking about when we talk about the export of Keystone XL and the imperative that in order for something to work, as the Senator from Massachusetts has suggested that we are just going to have this passthrough, it has to make sense for those who are moving this product. There has to be economic justification at the other end. And what makes sense is to move that product to the gulf coast, where our refineries have the capacity to handle that heavy crude, turn it into product there, and continue to create jobs within that region.

I am not going to support the amendment of the Senator from Massachusetts, which I think is obvious from my statement, but I believe it is important to give some of the background. I would commend to colleagues some of these articles I have referenced.

There are two other amendments that are pending before us, and I will speak very quickly to the amendment that has been offered by the Senators from Ohio and New Hampshire. They have once again teamed up to offer this bipartisan amendment on energy efficiency. They have worked very closely on these issues over the years. We are to the point where we can't think about energy efficiency without thinking PORTMAN or SHAHEEN, so I commend my colleagues for their diligence. I have been happy to support them in their efforts, and I am happy, quite honestly, that we will have an opportunity to vote on an amendment that does relate to energy efficiency. It is not the full-on energy efficiency bill my colleagues introduced previously, but it is an amendment with text that is identical to the measure that came out of the House, the Energy Efficiency Improvement Act. This is a bill that moved through the House 375 to 36 during the last Congress, toward the end. We tried to move it through in the Senate, and we came close to advancing it by unanimous consent, but there were still a few outstanding concerns we couldn't get around, so it is back before us once again. But really nothing has changed since then, and in my view this is a good reason why this proposal is really regarded as important and noncontroversial. It is cost-neutral. It contains four provisions, one of which is extremely time-sensitive.

Sometimes people don't want to get down into the weeds of certain aspects of what we are dealing with. The time-sensitive provision we are dealing with is these energy efficiency standards related to water heaters where we have a consent decree from back in 2010 that our water heater manufacturers have until April 16 of this year—so actually 3 months from today—to meet these revised minimum efficiency standards from DOE.

The problem we have is that DOE's standards effectively ban production of these grid-enabled water heaters that many of our rural co-ops use for electrical thermal storage or demand response programs. So instead of saving energy, these revised standards now threaten to actually work against these goals. So we have a bizarre, unintended consequence in this situation.

We have been working for a couple of years now to address this and to fix it, and now it is urgent. Now we have to deal with it because, again, we are at 3 short months. The manufacturers are worried about what the Congress is going to do. Is it going to be resolved? Should I be building any of these? Thanks to the cooperation of the Senators from Ohio and New Hampshire, we have an opportunity to have this measure in front of us once again.

There are three other provisions in this amendment that are equally noncontroversial. They all relate to voluntary efficiency programs. One focuses on the efficiency of commercial office buildings. Another provides greater information about energy usage in those buildings. The third looks at energy-efficient government technology and practices.

This is one that I hope we will be able to advance without further delay. This is really a commonsense effort to fix a real problem for our rural co-ops.

More importantly, let's embrace energy efficiency around here. We are now involved in the discussion about

increased production, which is very real. I started off my comments by talking about Alaska's desired contribution to the national energy economy, but I view energy from a three-legged stool perspective: We have increased production. We have all the technologies that are going to allow us to achieve our potential with our clean and renewable resources, which is hugely important, but we also have the efficiency and the conservation piece. We don't talk about that enough around here. We need to do more. Shaheen-Portman is one way to get us there, albeit in a very small way.

The last amendment we have pending is an amendment offered by my colleague from Minnesota on the other side of the aisle, who also serves on the energy committee. He has introduced an amendment that would require that all of the iron, the steel—that all the manufactured goods that are used to construct Keystone XL be produced right here in the United States.

I think all of us want to do all we can, certainly, to encourage more jobs and job creation here in this country and to put in place policies that would allow us to do so. I do appreciate that the Franken amendment inserts language in the amendment that allows—or I guess it avoids a conflict with our international trade agreements because we know that could have really threatened the bill. It would actually have given the President real reason to threaten to veto this bipartisan bill. But they have addressed that within the amendment. I also appreciate that the amendment allows the President to waive the requirements for American materials based on findings he makes. So that is language which is included in it.

But I have to tell my colleagues, we are sitting here at 2,310 days since the initial cross-border application was submitted for this project. I was reminded that when the initial application was first presented, the President was then Senator Obama. That much time has elapsed. So I see this language, and I think it is included in this amendment in good faith, but I just can't be convinced that the President would actually exercise this type of a waiver in a timely manner. He certainly hasn't demonstrated it at any point throughout this whole, long, drawn-out process we have been on with Keystone XL after 6 years.

So I am going to be opposing this amendment for the same reasons I opposed it when we had it in front of us in 2012. It was included as part of a broader amendment at that time, but it did fall on a pretty strong bipartisan basis.

These are important issues to be thinking about and considering, and I did take good time to review this. Again, I think all of us want to do more to encourage job production, job creation. I buy American and I buy local wherever and whenever I can. I strongly support the use of American materials in American projects, whether it is in my State or around the country. I know the Presiding Officer probably does as well, as does the Senator from Minnesota. But in considering whether we here in Congress should mandate specific materials for the Keystone XL Pipeline, I have come down on the side that we should not mandate that.

I think we need to look at several things. First off is the commitment that has been made to buy American without any sort of mandate, without any requirement coming out of Congress. Fully 75 percent of the pipe from this project is going to come from North America. That is the commitment that has been made, and I understand that more than half of that—about 332,000 tons—is going to come from Arkansas alone.

Again, this is a commitment that has been made to ensure that America does derive benefit, that we do see those—direct and indirect—induced jobs. When you make a commitment, you say that we will pledge a full 75 percent of the pipe for the project that is going to come from North America. I think that is important. It was important enough that TransCanada announced this 3 years ago. So this is not just something they have decided in order to help facilitate this—that we are going to say 75 percent. They made this commitment a while ago.

Here in Congress we passed the Buy American Act, and that act specifically is applied to projects that are Federally funded. But keep in mind here that when we are talking about Keystone XL, this is a private project. Keystone XL gets no subsidies. It will receive no taxpayer dollars. It will be built to the government's specifications. We have seen that when you look to that final SEIS, where the additional mitigation measures are required once the permit is approved. It will be built to government specifications, but I don't think the government should decide what it is actually built with. We are going to define the parameters in terms of mitigation, but, again, this is a private project. This receives no Federal funds, and it would be somewhat precedent setting. So I asked the Congressional Research Service to see if they can identify for me any other projects where the Congress has sought to force or direct private parties or a private company to purchase domestic goods and materials—so all of the materials that go into it and not just the steel but everything else in there. They have been looking. They have some pretty sharp folks over there at CRS. So far, they have not been able to come up with an example in our laws. I am concerned about this, quite honestly. As much as I support ''Buy American'' and making sure that we receive the benefit of these jobs from creating these products, I am concerned about the Congress' setting a precedent here. I think it potentially puts us on a pretty slippery slope.

If we are going to set the precedent here for Keystone XL and say, well, you have to do it for pipelines, why wouldn't we do it for other energy sources? Is that going to be a requirement we are going to place on wind turbines?

I know some of my colleagues are in some States where they are manufacturing good made-in-America wind turbines. I am all for that, but is that a policy we are going to take on—where we are going to say, no, it is an important industry, it is an important sector, and so we are going to require that it all be made in America? If that is the case, why not on our vehicles? Why not everything?

I worry about that. I worry about the precedent. I worry about where we go beyond Keystone XL if that is the requirement. I think it is also important to listen to the industry's perspective on this position. The American Iron and Steel Institute have been a huge supporter of Keystone XL for years now. They have 19 different member companies, major producers such as U.S. Steel. They have 125 associate members.

On January 8—actually, right after we came into session—before this amendment was even filed, the American Iron and Steel Institute sent every one of us a Steelgram reiterating their support for Keystone XL, and their letter is pretty definite. They are not nuanced about it. They say:

> It is essential that Congress act to ensure the approval of the Keystone XL Pipeline without further delay.

I think we should listen to those words. Those words aren't coming from a TransCanada. They are not coming from an oil company. They are coming from associations and workers around the country who believe earnestly and honestly that construction of this pipeline will be good for this country and it will be good for these families. So let's listen to them. Let's agree that 2,310 days and counting is more than enough time to make a decision.

We saw the Nebraska Supreme Court come out with their determination that the decision that came out of Nebraska was not unconstitutional. So it clears away that excuse, if you will, or that reason to say we can't move forward.

There is really nothing holding up a decision at this point in time other than the President's unwillingness to move on this issue. I think if we want to move forward and provide good jobs—and we have had the debate about how many jobs are really created. Is it the 42,100 that the final SEIS states in terms of direct and indirect jobs?

If you want just to focus on the permanent jobs, that is definitely a much lower number—35 to 50 permanent jobs. But you know what. When you build something, there is the opportunity for good, honest work for well-paying jobs for welders, for truck drivers, for operators. People are looking for an opportunity such as this. They want to be

part of building something. I can tell you that in Alaska, when we are debating how we are going to move our natural gas to market and how we are going to build this natural gas pipeline that will move this, nobody is saying that we can't build this because it is only going to provide temporary construction jobs. That is not what we are talking about. They know that there is benefit there. They are hoping they are going to be part of that benefit.

When we talk about where we are with some of these amendments coming forward, I think it is good to have this debate. I think it is good to have this discussion, whether it is talking about exports, because that is a legitimate part of the discussion, talking about requirements that may be placed on construction. But I think we have to remember we are not the zoning board here in the Senate or in the Congress. This bill doesn't have anything to do with siting. We are not determining the route. That is what the States do and rightly so. What this 2-page, 400-word bill does is approve the issuance of that permit to allow for construction, but we are not the ones determining that this is the way the line goes.

I would urge colleagues to look critically at the language and see exactly what it does. Understand that when we are talking about the benefits and burdens of a pipeline, it is true that pipelines are not 100 percent fail-safe. Not much that we build is 100 percent fail-safe, but what we try to do at every turn and at every opportunity is to make it as close as possible. But when you look from a safety perspective, from an environmental perspective, the safest and most environmentally sound way to move this oil is in a pipeline. It is not putting it in rail to other parts of the country. It is not putting it on the roads as we are seeing. Those are the options right now. Whether people in this body or across the Chamber here object, Canada is accessing their resource. They are accessing their resource, and they will move their resource. Right now the way they are moving it is in a way, quite honestly, that adds to emissions, has greater potential for a spill and for an environmental incident. So I am looking at it from the perspective that Canada is going to move that. They have made that very clear.

In fact, there was an article just a couple of days now, in the Wall Street Journal—and it is talking about the impact of lower oil prices and the impact on what is happening in Canada as an oil producer. Are they slowing down their production in response to lower oil prices? Absolutely not. What we are seeing is almost—I don't want to describe it as a doubling down because that is an inaccurate phrase—but what we are seeing is continued effort within Canada to access their oil resources. Some of the statements that are made by some of the Canadian oil companies are really quite telling. They say that Canadian Natural is a company that will ''ensure the oil sands will continue adding to the global oil glut for a long time to come, regardless of the price of crude.'' They go on to say: ''It's not well understood just how robust the oil sands are. If you stopped expansion of the oil sands tomorrow, you would have no decline in the production base for decades . . . But few of the largest producers in Canada envision scaling back production at their oil sands operations.''

So what we are seeing is there was big investment up front with the oil sands in Canada and accessing a resource that is plentiful, but if you are to believe some of the statements from these Canadian companies, they are going to continue to produce their resource, even in the face of what we are seeing—declining world oil prices.

If Canada is going to continue to produce, how is that product going to be moved? I would rather it be moved safely through a pipeline, with fewer emissions through a pipeline, and to a part of the country where we are set up to accommodate that resource in our refineries so that we can refine that product to our benefit.

To me, that makes sense. So we will have good and—excuse the pun—energetic debate about amendments in these coming days. I think you can see from my comments we are going to have some amendments that I like and some that I am not supporting. But what I am looking forward to is the fact that we are at a point that we are describing as regular orders. We are going to be voting on amendments, perhaps quite a few, as we move toward the final passage of this bipartisan bill. I look forward to the exchange that we will have.

I thank you for your attention, and I yield the floor.

The PRESIDING OFFICER (Mr. TILLIS). The Senator from North Dakota.

Mr. HOEVEN. I am very pleased to join my colleague this morning, the chairman of our energy committee. The Senator from Alaska is doing a fantastic job leading our energy committee. I so appreciate her leadership on the committee, her knowledge of energy. Her words this morning—very well spoken—I think really go to the heart of what we are trying to do with this legislation: not only pass important energy legislation for the country but have this open process, open dialogue, have a real energy debate, and not just a debate but give people the opportunity to vote.

Republican and Democrat alike, we are saying, come on down here, bring your amendments, and let's have a serious discussion about energy and about building the energy future of this country. Offer your amendments, make your case, and then let's vote. If you can get 60 people to support your amendment, if you can get 60 votes, that gets attached to the legislation. That is the way it is supposed to work around here.

So we are encouraging our colleagues to join with us and get the work done that the American people want done. So I thank our energy chairman for setting that in motion. That is the right way to do business. That is what we are elected to do. We are going to get something done for the American people, who sent us here for that very reason.

When you look at what is going on in energy today, you have to feel pretty good about it. If not, drive over to the gas station to fill your car. Gas prices at the pump are about a dollar lower than they were this time a year ago. If you equated that savings our consumers are receiving at the pump to a tax cut, it would be more than a $100 billion tax cut for hard-working Americans. That is pretty exciting. That did not just happen. It certainly did not happen because OPEC or anyone else—Venezuela or Russia or anybody—decided they wanted to cut us a break, cut hard-working Americans, hard-working taxpayers, consumers, small businesses across this country a break. It happened because we are producing more energy in this country and we are working with our closest friend and ally in the world—Canada—to produce more energy.

On a daily basis we consume about 18 million barrels of oil a day—oil and oil equivalents—and produce about 11 million of those barrels here domestically. We are up to about 3 million, so of the 7 million we import, about 3 million comes from Canada. So we are down to only importing about 4 million barrels a day from other sources. If we stay on this track, if we build the necessary energy infrastructure—such as the Keystone XL Pipeline—and we continue to build good business climates and get our companies to invest, to create jobs, and produce more energy, we can get to a point where we truly have North American energy security, meaning we produce more energy here at home and with Canada than we consume. Boy, then we will be in the driver's seat—not OPEC; America will be in the driver's seat. If we don't do it, if we block projects like we are debating right now, then we will put OPEC back in the driver's seat. So when they hear our President say he is going to continue to block this project, to veto this legislation if we are able to pass it with a strong bipartisan majority, that is music to OPEC's ears because that puts them right back in the saddle. That is what they want.

But we work for America. That is why we need to continue to move forward and build this exciting energy future for our country that we are building. It is energy. It is jobs. It is economic growth. This project will create hundreds of millions of dollars of revenue—State, local, and Federal revenue to help reduce the debt and deficit. That is a huge and important impact of the project. Of course it is about national security with energy security. So I want to emphasize that

again because that is doing the work the American people sent us here to do.

For the opponents—there are a couple of things that I heard this morning and that I hear on an ongoing basis. One is that, oh, gee, we should be doing renewable energy instead of fossil fuels.

Why not do all of it? Why are they mutually exclusive? How does doing this project in any way prevent us from doing any renewable project we ought to do? Let's do those renewable projects.

In my home State we use steam from coal plants to produce biofuels, power biofuels plants. We use the wastewater from some of our communities in those biofuels plants. We have wind energy. We have geothermal, ethanol, biodiesel. We are now the second largest oil-producing State in the country. We produce 1.2 million barrels a day—second only to Texas.

They are not mutually exclusive. Let's do it all. How does holding up one enable us to do the other? It does not. So when I hear the argument that ''Well, we ought to do all of those other things,'' good—let's do them. But doing this project helps us. It provides more energy. Heck, let's do the others too. So arguing that we should do renewables is not an argument against this project. Fine. Let's do it. Let's do them both.

The other argument that I heard this morning and that I hear, of course, a lot from the critics is the environmental argument. Again, I say look at the facts. Go back to the science. The report itself says ''no significant environmental impact.'' That is the report done by the Obama administration, the environmental impact statement that was designed to look specifically at the environmental impacts. That has been done over the course of 6 years; not one, not two, not three, but five reports—three draft reports, two final reports. The results are right in the report: The Keystone XL Pipeline will have no significant environmental impact.

In fact, we will have higher greenhouse emissions without the pipeline than we will with it because it would take 1,400 railcars a day to move all of that crude into our country, which is what will happen. If somehow the critics manage to block that, then it would go to China. We would have pipelines built to the west coast of Canada. The oil would go to China in tanker ships and be refined in refineries that have higher emissions. So however you slice it, without the pipeline, we would have higher greenhouse gas emissions.

But here is what I want to touch on for just a few minutes today. I will talk about it more next week. Canada is working aggressively to get investment in the oil sands to reduce the greenhouse gas emissions. Exxon has a major project up there. Shell has a major project up there. The Exxon project is the Kearl project. The Shell project is the Quest project. In both cases they are bringing down the greenhouse gas emissions of the oil sands buy investing in new technologies, in cogeneration, and in carbon capture and storage. Hundreds of millions—billions of dollars are being invested along with the Canadian Government in carbon reduction technologies. Not only does that reduce the carbon footprint of the oil sands, but think about it—as that technology is developed, what happens? It is adopted in other places. It is adopted here in this country. It might be adopted in China and other places around the world. So the advances they make in technology in reducing greenhouse gas emissions, in reducing the footprint of this oil production and finding better ways, more cost-effective, more efficient ways, more environmentally friendly ways to produce that energy, that technology then is adopted around the world.

In other words, they are finding solutions to some of the concerns that are being raised on the environmental front by the very critics of this project. So instead of stopping that investment and that advancement, why don't we find ways to continue to develop that, which is not only a benefit in the oil sands in Alberta, but it is a benefit that we can utilize to produce energy in this country and other places around the world. That is true for oil. That is true for gas. That is true for all fossil fuel energy.

See, that is how America has always worked. We create that business climate. We encourage the investment. We get American ingenuity. We get American companies to use their entrepreneurial genius to make those investments to not only create good jobs but to produce more energy, giving us energy security, and deploy the very technologies that give us the better environmental stewardship that we want. But when we block these projects, when we prevent the investment, when we will not let them build the infrastructure, we bring all of that to a grinding stop. Why would we do that? It does not make sense.

There is not one penny of U.S. taxpayer money going into this $8 billion project. It is private investment. Why would we not want the private investment that helps build the infrastructure and develop and deploy the technology that gives us better environmental stewardship? Isn't that what it is all about? Isn't that why our powerplants and our energy production in this country are light-years ahead of what they are doing in countries around the world, where in many cases they are still using third world-type energy approaches? Let's lead the way forward in technology. Let's empower that to happen.

Because I note that the time is wrapping up here, I will come back to the floor next week. But I am going to talk about the hundreds of millions that are being invested in the Kearl project—Exxon is doing that project—and also in the Quest project, and Shell is doing that project. They are working with the provincial government in Alberta to develop carbon capture and storage. That is something we talk all the time about wanting to do. Here we have private companies working to put hundreds of millions into developing that very technology.

Since 1990 the greenhouse gas emissions for the production of oil in the oil sands has come down 28 percent—been reduced almost by one-third. They are continuing to find ways to improve the environmental stewardship and reduce the greenhouse gas emissions. Isn't that what we want versus continuing, for example, to import oil from Venezuela that has as high or a higher footprint, and you do not have that kind of investment in new technologies, that kind of investment in better environmental stewardship.

So as we talk about this issue, let's talk about it in a way where we advance the ball and we do it the right way; where we get the energy, the jobs, the economic growth; where we build our relationship with Canada rather than saying: No, we are not going to work with you guys. At the same time, we will get better environmental stewardship. We can do it. Let's do it.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CYBER SECURITY

Mr. HATCH. Mr. President, I rise to discuss the critical need for cyber security legislation.

Computers control nearly everything we use in our daily lives. They control our cars, our phones, our water supply, our power grid, our financial services, our retail networks, our food production and in many respects our military capabilities.

Fortunately, our adversaries have not yet succeeded in inflicting major physical damage on our Nation's interdependent critical infrastructure.

That is not to say however they are not vulnerable to persistent threats in cyber space. Look no further than in the ''2014 U.S. State of Cybercrime Survey.'' That is a study prepared by PricewaterhouseCoopers, the U.S. Secret Service, Carnegie Mellon University, and CSO magazine.

Of the more than 500 U.S. executives and security experts surveyed, 77 percent of businesses detected an attempted security breach in the previous 12 months, and 34 percent of these businesses said the number of security incidents detected increased over the previous year, with an average number of 135 incidents per organization.

The report makes many key observations, but let me emphasize a key finding that resonated with me. One thing

is very clear: Most organizations' cyber security programs do not rival the persistence, tactical skills, and technological prowess of today's cyber adversaries.

Cyber thieves proved their determination just last week when Russian hackers amassed over 1 billion Internet user names and passwords, the largest known collection of Internet credentials.

In the years following the September 11, 2001, attacks, the U.S. Director of National Intelligence consistently ranked terrorism as our No. 1 threat, but that started to change a few years ago. In 2012 then-FBI Director Robert Mueller predicted that ''in the not too distant future, we anticipate that the cyber threat will pose the number one threat to our country.''

He was right.

In 2013 and 2014 the intelligence community's Worldwide Threat Assessment lists cyber as the top threat to our Nation. Terrorism, nuclear proliferation, and unauthorized leaks of classified information remain grave threats to our country, but cyber is now our No. 1 threat.

Yet it is hard to believe no major cyber security legislation has been enacted since 2002, when Congress passed the Federal Information Security Management Act—or FISMA—and the Cybersecurity Research and Development Act. Of course, there have been provisions relevant to cyber security enacted in subsequent laws but nothing as significant or comprehensive as the laws passed 12 years ago.

As we begin a new Congress, let me articulate a few guiding principles that should be included in any cyber security legislation.

First, we must acknowledge the need for the government and the private sector to cooperate in order to fend off cyber attacks, but today businesses are reluctant to share critical information out of fear of legal repercussions. Congress must provide proper incentives, such as liability protection, to encourage the private sector to share cyber threat information with our government.

Next, any cyber security legislation must strike the right balance between protecting our Nation's computer infrastructure and protecting individual privacy rights.

Thus, information sharing between businesses and the government must be tailored to the recipient's actual security responsibilities. Moreover, any legislation should avoid overly broad language that could clash with privacy protections.

Furthermore, a voluntary, nonregulatory approach is most likely to yield consensus legislation. The role of DHS and other government agencies should be to provide advice and resources to improve our Nation's cyber security posture, not to pile on additional burdensome regulations.

Finally, and perhaps most important, we must build a strong cyber security workforce in the public and the private sectors. Enacting cyber security legislation will mean very little if there are no trained professionals prepared to tackle our Nation's cyber security challenges.

In order to build the enduring capabilities capable of protecting our cyber infrastructure, we must encourage young people to pursue high-tech careers and attract highly skilled workers from around the world.

Beyond the civilian realm, the cyber threats we face present critical new challenges to our national security. Arguably, we have not yet faced a similarly novel catalyst for policy formulation and change since the development of our nuclear deterrence strategy more than 60 years ago.

As we face this new world of cyber threats, the fundamental question remains the same: What is the most efficient and effective means to defend our country, the United States, while remaining true to the Constitution at the same time. Answering that question should be the cornerstone of the President's cyber security strategy.

I was encouraged to hear the President say during his visit to the National Cybersecurity Communications Integration Center earlier this week that ''cyber threats are an urgent and growing danger.'' I certainly share that assessment of the dire nature of this very real threat to our national security.

While I applaud the White House for its plans to host a conference on cyber security and consumer protection next month, the nature of the cyber security threat demands a comprehensive strategy to protect our Nation.

Much work remains to be done on this front, especially from the standpoint of the Department of Defense and the Department of Homeland Security. The urgency of this task was amplified when the Congressional Research Service concluded just this month that ''the overarching defense strategy for securing cyberspace is vague and evolving.''

As we face these threats, we must act decisively to ensure that bureaucratic barriers do not hinder the development of an effective strategy to counter threats from cyber space. As it stands, there is not a single agency primarily responsible for cyber defense.

The Department of Homeland Security is charged with protecting civilian networks and working with the private sector. The FBI and Secret Service are responsible for investigating cyber crime, and the Department of Defense is responsible for defending its own systems and partnering to protect the defense industrial base.

Critically, the Defense Department is only tasked with supporting DHS when the cyber attack is directed at our homeland. Yet these differences of responsibility can operate as artificial barriers to the efficient and effective cyber defense system.

Indeed, the lack of a single organization with direct responsibility runs counter to the basic leadership principle of unity of command. It bears remembering that these boundaries only exist for our agencies, not the hackers which seek to exploit the limitless terrain of cyber space. In a world in which the lines between cyber crime and cyber warfare are increasingly blurred, we need to ensure that all of our defensive cyber capabilities are brought to bear against the wide variety of threats facing our infrastructure, private and public, civilian and military.

Nevertheless, the need for a primary agency of responsibility does not necessarily mean the Department of Defense should be that agency, even despite its remarkable capabilities. Such a course would raise both legal and practical concerns.

Beginning with the legal issue, as the Supreme Court has stated, there is a ''traditional and strong resistance of Americans to any military intrusion into civilian affairs.''

The use of the military to enforce the law, with respect to domestic hackers or to virtually patrol on private networks is problematic because of the provisions of 18 U.S.C. section 1835.

In addition, the Defense Department's organization to defend against cyber attacks might not be the most efficient. Currently, U.S. Cyber Command, which is responsible for the training and equipping of our cyber warriors, is also entrusted with the Department's operational activities in cyber space. Such a construct makes sense. Yet unlike a unified combatant command, Cyber Command is a subunified command under U.S. Strategic Command. Though this configuration has been considered and agreed to by the Senate Armed Services Committee, I am still not convinced of its value. Therefore, I also hope the President addresses how our military forces can best be aligned to facilitate the most efficient and effective cyber defense possible.

But returning to the larger question, if concentrating our efforts entirely in the hands of the Defense Department is not advisable, what are we to do?

One possible solution has been presented by Richard Clarke, the noted former member of the National Security Council, in his book, ''Cyber War.''

To be clear, I am not endorsing Mr. Clarke's proposal. We surely do not need another government bureaucracy, but I do believe it is an important concept to be discussed during future debates on cyber security. Specifically, Mr. Clarke argues for a civilian cyber defense administration which would be responsible for protecting ''the dot-gov domain and critical infrastructure during an attack.'' As well as assigning those Federal law enforcement agencies personnel responsible for cyber crime to this centralized cyber defense administration, it would only be logical to ask if such an agency could provide other cyber defense functions.

Accordingly, addressing proposals such as this as part of answering the

question as to what is the most effective organization we can employ for cyber security should be a focal point of the President's address.

But we should not just place these questions at the President's door. The Senate itself must consider modifying the way it considers cyber security legislation and issues.

Currently, there are at least five separate Senate committees which are responsible for various aspects of cyber security. Therefore, we, too, have a unity-of-effort issue, and the Senate should consider means to concentrate this body's expertise on this critical matter.

In conclusion, there are a myriad of questions which our government must address before we are able to state we have the most effective, efficient, and constitutional cyber security defense possible.

I hope the President fully utilizes the opportunity presented to him in his State of the Union Address to answer these important questions—and if he doesn't, we have to. So we better solve these problems. I presume the President will speak intelligently on these issues and hopefully in a way that will unify the country, unify the Congress, and get us all working in the same way.

We can't afford to let this drag any longer. This is one of the most important sets of issues we have in our country. It may be one of the most important issues or sets of issues in the world at large.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAUDI ARABIA

Mr. LEAHY. Mr. President, on January 12 in Saudi Arabia a prominent human rights lawyer, Mr. Waleed Abu al-Khair, was handed a 5-year extension to his 10-year prison sentence. Mr. Abu al-Khair, who is the founder and director of the watchdog group Monitor of Human Rights in Saudi Arabia, was also fined, banned from travel outside the county for 15 years after his release, and his websites will be shut down. What were the crimes that brought about this sentence? He was charged with harming the kingdom's reputation and insulting judicial authority, among other violations related to his non-violent activism.

This case and others like it certainly have harmed the kingdom's reputation, and insulted its judicial system, but the fault is not Mr. Abu al-Khair's.

After years of defending human rights activists as a legal advocate in Saudi courts, he was called in front of a terrorism tribunal at the end of 2013 for a trial that from its earliest days was declared a farce by human rights organizations. This was not the first time Mr. Abu al-Khair was made a target of the justice system, having first faced trial in 2011 for signing a petition that called for government reform.

During the fifth hearing in front of the terrorism tribunal he was jailed mid-trial under the January 2014 anti-terrorism law, which covers verbal acts that harm the reputation of the state. Mr. Abu al-Khair was eventually sentenced to 10 years for his activism amid growing international condemnation of Saudi repression. His decision not to disavow his beliefs led to this week's further sentencing.

Unfortunately, Mr. Abu al-Khair's case is not unique. As more Saudis have begun to speak out against government repression, the monarchy has responded by escalating its crackdown on dissent, including by using the already dubious terrorism tribunal system to punish human rights defenders.

It is ironic that while Saudi officials condemned the brutal killings of journalists at Charlie Hebdo, and their Ambassador attended the rally in Paris, their Justice Ministry was preparing to carry out the first of 1,000 public lashings of Raif Badawi. Like the cartoonists, Mr. Badawi has been accused of insulting Islam, and like them and his former lawyer, Mr. Abu al-Khair, he was simply exercising his nonviolent right of freedom of expression. Needless to say, his persecution has drawn an international outcry, including by many of those who joined the Saudi government in denouncing the attacks in Paris.

The United States and Saudi Arabia have long been strategic allies, and we want that relationship to continue. But the fundamental right of free expression cannot be a casualty of convenience. The injustices I have described must be addressed. Not only do these actions violate the Saudi government's stated policy and its commitment as a member of the UN Human Rights Council to protect human rights, but they are a flawed strategy for discouraging dissent. Ominously, as we have seen in many countries, they may cause critics of the government to resort to violence to achieve their goals.

I urge the Saudi government to release Mr. Abu al-Khair and Mr. Badawi and dismiss the spurious charges against them. This kind of repression and barbarity have no place in the 21st century.

CORN ETHANOL MANDATE ELIMINATION ACT

Mrs. FEINSTEIN. Mr. President, I wish to submit an amendment with my colleagues, Senators TOOMEY and FLAKE to correct a major problem with the current Renewable Fuel Standard: the mandate for corn ethanol. We see two major problems with continuing to mandate the consumption of so much corn ethanol each year. The statute currently mandates more corn ethanol than can be used by the current vehicle fleet and gas stations. Roughly 40 percent of the U.S. corn crop is now used to produce ethanol, artificially pushing up food and feed prices while damaging the environment. This amendment offers a simple fix that addresses both problems: elimination of the corn ethanol mandate.

Also, the amendment leaves in place the requirement that oil companies purchase and use low-carbon advanced biofuels, including cellulosic ethanol and biodiesel. This allows the program to focus on the fuels that best address climate change and do not compete with the food supply.

Let me highlight a few of the unintended consequences of the corn ethanol mandate. The policy has led us to use roughly 40 percent of the U.S. corn crop not for food but for fuel, nearly twice the rate in 2006. Using more and more corn for ethanol—in drought years as well as years with bumper crops—places unnecessary pressure on the price of corn.

The Congressional Budget Office estimated in June 2014 that escalating the volume of corn ethanol as currently required by statute would raise the average price of corn about 6 percent by 2017. That would increase food expenditures by $3.5 billion per year by 2017, the equivalent of about $10 per person, which most directly affects families living on the margin.

Internationally, according to Tufts University researchers, the corn ethanol mandate has cost net corn importing countries $11.6 billion in higher corn prices, with more than half that cost, $6.6 billion, borne by developing countries. Higher corn prices also raise prices throughout the food supply chain by raising the cost of animal feed. For the turkey industry alone, the Renewable Fuel Standard raised feed expenses by $1.9 billion in 2013, according to the President of the National Turkey Federation. For the restaurant industry, a recent PricewaterhouseCoopers study projects that the corn ethanol mandate would increase costs by up to $3.2 billion a year. For the milk industry, the Western United Dairyman reported in 2013 that a combination of high feed costs and low milk prices put 105 dairies out of business in one year alone.

The corn ethanol mandate also has unintended environmental consequences. In 2013, an investigative report from the Associated Press found using government satellite data that 1.2 million acres of virgin land in Nebraska and the Dakotas alone were