

SENATE RESOLUTION No. 113

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 22, 2021

Sponsored by:

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Opposes President Biden's revocation of Presidential Permit for Keystone XL pipeline.

CURRENT VERSION OF TEXT

As introduced.



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1 **A SENATE RESOLUTION** opposing the decision by President Biden
2 to revoke the March 2019 Presidential Permit allowing for the
3 construction of the Keystone XL Pipeline.
4
5 **WHEREAS**, The Keystone XL pipeline is a proposed project by
6 Canadian company TC Energy that would connect the United States
7 oil supply to oil fields in the Western Canadian Sedimentary Basin
8 in Alberta, providing oil at a rate of up to 830,000 barrels per day;
9 and
10 **WHEREAS**, TC Energy was previously granted a Presidential Permit to
11 begin construction on the cross-border segment of the Keystone XL
12 Pipeline by President Trump on March 29, 2019, but this permit
13 was revoked by President Biden; and
14 **WHEREAS**, The U.S. Energy Information Administration forecasts
15 that, although the COVID-19 pandemic has curtailed demand for
16 petroleum over the past year, demand for petroleum will steadily
17 rise over the next two years; and
18 **WHEREAS**, Once the demand for petroleum recovers, the residents
19 of New Jersey will require a safe and reliable source of fuel to
20 resume commuting to work, engaging in commerce, and
21 enjoying the many recreational activities this State has to offer;
22 and
23 **WHEREAS**, The United States has achieved significant levels of energy
24 independence in recent years, with domestic production of
25 petroleum accounting for 94 percent of domestic consumption in
26 2019 and net imports reaching their lowest level since 1954; and
27 **WHEREAS**, The United States currently maintains the tenth largest
28 proven oil reserves worldwide, but an uptick in domestic
29 production and net exports of oil in the United States has been
30 depleting the country's reserves at a higher rate; and
31 **WHEREAS**, As oil reserves are dwindling in several major oil
32 producing countries, Canada currently maintains the third largest
33 proven oil reserves according to the U.S. Energy Information
34 Administration; and
35 **WHEREAS**, The United States increased its share of total petroleum
36 imports originating from Canada to 49 percent in 2019; and
37 **WHEREAS**, Ninety eight percent of the oil exported by Canada in 2019
38 was sent to the United States; and
39 **WHEREAS**, Securing and fostering a mutually beneficial trade
40 relationship with one of this country's strongest allies and
41 neighbors would provide the United States with higher levels of
42 energy and geopolitical security, and cancelling the pipeline may
43 damage American-Canadian relations; and
44 **WHEREAS**, The United States will require Canadian oil to help meet
45 higher demand after the conclusion of the COVID-19 pandemic,
46 and therefore should ensure that this oil is transported to the United
47 States in the safest, most economical, and most environmentally-
48 sound manner; and

1 **WHEREAS**, In 2019, the U.S. Department of Transportation concluded
 2 that, based on the percentage of oil spilled, transportation by
 3 pipeline is the second safest way to transport oil – second only to
 4 transportation by boat; and

5 **WHEREAS**, A study conducted by the Fraser Institute, a nonpartisan
 6 Canadian think tank, concluded that rail transport is four times
 7 more likely to result in an oil spill than pipeline transport; and

8 **WHEREAS**, In light of the remote, landlocked location of the tar sands,
 9 the only methods available to transport oil out of the Western
 10 Canadian Sedimentary Basin are by rail, truck, or pipeline; and

11 **WHEREAS**, Hesitancy regarding the Keystone XL pipeline project and
 12 other proposed pipelines has caused Canada to expand rail
 13 operations in the Western Canadian Sedimentary Basin, which,
 14 historically, has been a more expensive and much more dangerous
 15 way to transport petroleum; and

16 **WHEREAS**, At a range of \$2-4 per barrel, transporting oil via
 17 pipeline is by far the least expensive way of transporting the
 18 resource; and

19 **WHEREAS**, On January 17, 2021, TC Energy committed to operating
 20 the Keystone XL pipeline as a carbon neutral project by pledging to
 21 invest \$1.7 billion in renewable energy sources to power the
 22 operation of the pipeline; and

23 **WHEREAS**, The construction and operation of the Keystone XL
 24 pipeline would have resulted in the creation of up to 11,000 high-
 25 paying jobs in the United States, and the Biden Administration has
 26 not presented a plan for how these jobs will be replaced with “green
 27 jobs” if the pipeline is not constructed; and

28 **WHEREAS**, Based on the geopolitical, energy security, environmental,
 29 and economic benefits to be realized through the importation of
 30 Canadian oil via pipeline, it is in the United States’, and by
 31 extension the State of New Jersey’s, best interest to support the
 32 completion of the Keystone XL pipeline; now, therefore,

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34 **BE IT RESOLVED** *by the Senate of the State of New Jersey:*

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36 1. This House opposes President Biden’s decision to revoke the
 37 Presidential Permit granted to TC Energy that would have allowed
 38 the company to construct the Keystone XL pipeline.

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40 2. This House requests that President Biden reconsider his
 41 decision to revoke TC Energy’s Presidential Permit, and to reverse
 42 course in the best interest of American energy security, economic
 43 interests, and environmental impacts.

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45 3. If President Biden fails to reinstate the Presidential Permit
 46 granted to TC Energy for the Keystone XL pipeline, this House
 47 calls on the United States Congress to overturn the president’s
 48 decision through legislation.

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4

4. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Secretary of the Senate to the President and Vice President of the United States, the Majority and Minority Leaders of the United States Senate, the Speaker and Minority Leader of the United States House of Representatives, and every member of Congress elected from this State.

STATEMENT

11 This resolution expresses the Assembly's opposition to the
12 revocation of the Presidential Permit granted to TC Energy for
13 construction of the Keystone XL pipeline. The Keystone XL
14 Pipeline is a proposed project that would have added up to 830,000
15 barrels of oil per day to the United States oil supply. The resolution
16 asks President Biden to reconsider his decision and to reverse
17 course in the best interest of American energy security, economic
18 interests, and environmental impacts. If President Biden fails to
19 reinstate the Presidential Permit, this resolution then calls on the
20 United States Congress to overturn President Biden's decision to
21 revoke the permit.

Based on analyses performed by the U.S. Department of Transportation and the Fraser Institute, a nonpartisan think tank, the Keystone XL pipeline would likely reduce the transportation costs, incidence of oil spills, and frequency of safety incidents that are involved with the transportation of oil from the remote Western Canadian Sedimentary Basin. Canada currently holds the third largest proven oil reserves worldwide. Promoting a mutually beneficial trade relationship between the U.S. and Canada by constructing the Keystone XL Pipeline is in America's best interest with respect to energy security and economic, safety, and environmental concerns.