



**Opening Statement of Chairman Scott Tipton
Small Business Subcommittee on Agriculture, Energy and Trade
If You Build It: The Keystone XL Pipeline and Small Business Job Growth
May 16, 2013**

Thank you all for being here as we examine the potential economic benefits of constructing the Keystone XL pipeline and what it would mean for small business job growth. We have an excellent panel with us today to discuss this very important issue and I look forward to hearing your thoughts.

We hear a lot about “shovel ready” projects, those that can be started immediately, putting Americans to work with good paying jobs while building the infrastructure necessary to help fuel the economy. We also hear a lot about the need to adopt an “all-of-the-above” energy strategy that utilizes all of the resources and technologies available in North America to supply us with the affordable energy that we need to grow our economy. Both issues are vitally important to our economic future.

The Keystone pipeline can help us reach our goals. It is good for job creation, good for energy security, and as I think we will see here today, good for small business.

The potential economic benefits of this pipeline to the American economy are tremendous. TransCanada, the company petitioning the Administration to build the pipeline, estimates that it would spend approximately \$7 billion to construct the full project. The draft supplemental environmental impact study issued by the State Department earlier this year estimated the pipeline would create approximately 42,100 direct and indirect jobs. Those are not only construction jobs; those are jobs in lodging, food services, transportation, warehousing and several other segments of our economy.

While individual study findings are not broken down by the impact on large vs. small business, 99.7 percent of all businesses in the United States are classified as small. TransCanada states it has contracts with more than 50 suppliers across the United States. Therefore, it is not unfounded to presume construction of the pipeline will create thousands of jobs for small businesses.

A study by the Energy Policy Research Foundation concluded that the Keystone expansion would provide net economic benefits of \$100 million to \$600 million annually, in addition to the immediate boost in construction employment. Similarly, a 2009 report from the Canadian Energy Research Institute commissioned by the American Petroleum Institute predicts that Keystone XL will add \$172 billion to America’s gross domestic product by 2035 and will create an additional 1.8 million person-years of employment in the United States over the next 22 years.

Constructing the Keystone XL pipeline will help ensure an abundant, nearby, and stable supply of oil which will not only enhance our national security and make us less reliant on oil imports from unfriendly nations and regions. It could have the added economic benefit of keeping domestic fuel prices in check which would help to ease the financial burden on hard-working American families and small businesses. This Committee has held several hearings on the importance of affordable energy to the viability of small businesses. Just as important, according to the project's environmental impact statement, construction of the Keystone XL pipeline can accomplish these goals with minimal adverse environmental effects.

At a time when we should be focusing on economic growth and energy security, moving forward with this project is simply commonsense. We have a rare opportunity to create thousands of jobs immediately, many through small businesses, and do so in a responsible way. Let's build it.