

Canadian rep urges Keystone approval

■ Consul general speaks on Canada's energy industry, Texas impact to Rotarians.

BEAUMONT

By Dan Wallace

The Keystone XL pipeline that would send Canadian crude oil developed from tar sands to Texas ultimately will be built, a representative of the Canadian government said Wednesday in Beaumont.

"As a diplomat, I am convinced the XL will be approved," said Paula Caldwell,

Canadian consul general based in Dallas, to members of the Rotary Club of Beaumont.

"Just in case it isn't, you have elections coming up."

The pipeline from Canada needs a U.S. permit because it crosses an international border, even though, as Caldwell pointed out, it's the longest undefended border in the world.

The Obama administration has delayed a decision on the permit since before the 2012 election, pending a recommendation from the U.S. Department of State on its environmental impact.

KEYSTONE, page 8A



Julie Daniels/Beaumont Enterprise
Canadian Consul General Paula Caldwell talks after the Rotary Club meeting Wednesday. Caldwell was the speaker for Wednesday's Rotary Club meeting at the MCM Elegante.



Julie Daniels/BeaumontEnterprise.com

Canadian Consul General Paula Caldwell advances the slides in her presentation for the Rotary Club on Wednesday. Caldwell spoke about the energy industry in Canada and how it relates to the economy of Texas.

KEYSTONE: Oil could begin delivery in 2016 if pipeline approved this year

Continued from page 1A

The Keystone XL pipeline would lead from tar sands deposits in the western Canadian province of Alberta to the Midwestern oil hub in Cushing, Okla., ultimately to the Nederland terminal of Sun Oil. One of its major customers would be the Valero Energy refinery in Port Arthur, Caldwell said.

The Keystone pipeline segment from Cushing to Nederland was completed earlier this year.

That segment has a capacity of 700,000 barrels per day. The XL segment could increase the amount flowing into Southeast Texas by an additional 100,000 barrels per day.

Caldwell said the XL segment is in the U.S.'s national interest, and she said the State Department has called it the best option.

If the Obama administration were to approve it this year, work could begin quickly by the builder, Trans-Canada, and delivery of oil could be possible by 2016.

A segment of the Key-

stone XL pipeline already is delivering crude to Illinois. Keystone XL also could pick up more crude developed from North Dakota's Bakken shale, one of the busiest oil booms in the United States.

Caldwell said Canada is the No. 1 exporter of crude oil to the United States. At about 1.5 million barrels per day, Canada exports more to the U.S. than the three next-largest sources combined, including Saudi Arabia, Venezuela and Mexico.

Caldwell said Canada produces 3.5 million barrels of oil a day and currently is building two pipelines leading to its west coast for export to Asia and one pipeline to the east, mostly for Canada's own use.

Recently, she said a new oilfield offshore from Newfoundland was discovered.

She said she expects Canadian output to increase to 4 million barrels per day.

Caldwell spoke of the value of the trade relationship between Canada and the U.S.

"It is \$1.4 million per minute, 24 hours a day, sev-

en days a week," she said. It amounts to about \$734 billion a year and supports eight million U.S. jobs. For 34 states, Canada is the No. 1 export market.

However, the XL segment is important so Canada can have more access to the U.S. market, she said.

Opponents of the Keystone XL contend tar sands crude is heavier than traditionally sourced crude pumped from drilled wells.

A spill from a ruptured pipeline carrying tar sands crude could cause profound environmental damage, the opponents have said.

The state of Nebraska ordered a shift in the pipeline's proposed route to divert it from a major aquifer's recharge zone, an area where rainfall drips through thousands of feet of sand into a vast underground lake that serves as a fresh water source for most of the plains states, including north Texas.

Supporters of XL contend the pipeline is the safest way to transport the crude.

"We have quite a web already," she said, referring to pipelines and rail. Southeast Texas has two rail terminals capable of receiving crude oil shipments.

"We just need a presidential permit for a 16-inch pipeline," she said.