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Sierra Club · Vermont Natural Resources Council ·
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December 18, 2014

President Barack Obama
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President,

We thank you for your leadership in addressing climate change and environmental concerns and urge you to reject the Keystone XL pipeline as soon as possible. Rejection of this pipeline is consistent with and important for your Administration's laudable efforts to reduce carbon pollution, and the recent developments included below make that all the more apparent.

On June 25, 2013, you stated that Keystone XL would not be in the national interest if the project "significantly exacerbate[s] the problem of carbon pollution." It is now clear that construction of Keystone XL would exacerbate carbon pollution and should be denied.

Developments over the past year demonstrate that the Keystone XL will significantly impact carbon pollution primarily because it is necessary for full tar sands expansion to occur. Contrary to previous suppositions that tar sands would inevitably reach market via rail and other pipelines, evidence now shows that in order to realize its massive expansion plans, the tar sands industry needs access to cheaper pipeline transportation, high oil prices, and manageable production cost. Absent the ability of transporting tar sands via the Keystone XL pipeline, fewer tar sands projects will be profitable, and more carbon intensive bitumen will be left in the ground.

Oil Prices Have Fallen, Making Tar Sands Uneconomical

While rejecting Keystone XL would hamper tar sands development at a wide range of oil prices, the dramatic fall in oil prices has made the role of Keystone XL even more central (as even the State Department review acknowledged). Oil prices have fallen while production costs for tar sands projects have increased, making expanded tar sands extraction uneconomical. What we are now seeing is the alternate scenario considered by the State Department (which it considered unlikely). In that scenario, the State Department concluded that Keystone XL would be necessary for increased tar sands production. Many analysts see oil prices staying low for quite some time. Prices are well below the price range of \$92 to \$145 per barrel the State Department projected would support continued tar sands expansion.

Trains and Other Pipelines are not Providing Viable Alternatives to Keystone XL

Additionally, less tar sands oil is traveling by train than the State Department predicted and rail is not proving to be a viable alternative to pipelines. The costs and limitations of rail transportation for tar sands crude have become clear, demonstrating that only pipelines can support the planned expansion of tar sands production. Similarly, pipeline alternatives remain stalled due largely to growing opposition in the U.S. and Canada. Approval and construction of other pipelines remain uncertain, increasing the possibility such pipelines will not provide alternatives for tar sands transport.

Addressing Climate Change Requires Leaving Carbon Polluting Tar Sands in the Ground

Finally, there is a growing urgency to address climate change and turn away from high-carbon fuel sources such as tar sands. A November 2014 report from the Intergovernmental Panel on Climate Change makes it clear that 75-86 percent of existing proven fossil fuel reserves will have to be left in the ground. Allowing for long-term investments that enable tar sands development runs contrary to that reality and undermines other efforts to reduce carbon pollution.

Simply put, the evidence is now conclusive that Keystone XL is a linchpin to more expanded carbon-intensive tar sands production.¹ All of the available information – much of it recent – compels your Administration to a finding that the pipeline would substantially impact and increase tar sands production, thus significantly exacerbating carbon pollution. This evidence, coupled with on-going concerns about spill risks, habitat destruction in the Canadian boreal forest, and threats to resources like the Ogallala aquifer and tribal lands, make it clearer today than ever before that Keystone XL is not in the national interest and should be denied.

We again thank you for your leadership in addressing climate change. Rejection of Keystone XL is another important step in meeting the challenge of delivering a safe climate to future generations.

Sincerely,

May Boeve
Executive Director
350.org

Marian Langan
Executive Director
Audubon Nebraska

¹ A new report entitled, *Now More Than Ever The Proposed Keystone XL Tar Sands Pipeline Fails the "Presidential Climate Test,"* issued by several of the groups signing on to this letter explains the case for rejection of Keystone XL in greater detail. It is available at: <http://priceofoil.org/content/uploads/2014/12/KeystoneFailsClimateTest1217.pdf>.

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