

**Testimony of General James L. Jones, USMC (Ret.)**  
**U.S. Senate Committee on Foreign Relations**  
**Keystone XL and the National Interest Determination**  
**March 13, 2014**

Thank you Chairman Menendez, Ranking Member Corker, and Members of the Committee. I am honored to be here and to share my views with you about the national interests at stake in the Keystone XL pipeline determination.

You requested that I testify today on the U.S. geostrategic and national security interests associated with the approval of the pipeline—interests that are intrinsic to America’s energy security and leadership in the 21<sup>st</sup> century. I hope my input will be of service to the committee’s deliberations on both issues,

as they will largely determine the quality of our nation’s future—a cause to which I have dedicated my professional life, both in and out of uniform.

It is both significant and commendable that the Senate Foreign Relations Committee is holding a hearing focused on an oil pipeline. I think it speaks volumes about energy’s role in modern international affairs; a message that resonates especially powerfully today in light of the events playing out in Ukraine.

The fact that energy security is vital to a nation’s domestic economy is well-established; the Crimean crisis, however, is proving once again that energy security is a central pillar of global stability. This crisis serves as one more example of how tension and rivalry over access to energy plays out in conflicts across the international landscape.

In a world where global energy demand is expected to increase by 70 percent by mid-century, I suspect that the US Congress, and in particular this committee, will host many more hearings on the future-defining challenges of food, water, and energy insecurity, as well as on the related international environmental issues we must tackle.

Mr. Chairman, I’m passionate about energy because there’s no doubt in my mind that it is a frontline 21<sup>st</sup> century national security issue – a reality I came to appreciate in my service as NATO commander and National Security Advisor.

First, without energy security America will not prosper. If we are not prosperous, we cannot lead in a world that still fervently desires and needs American leadership. We are blessed with abundant and diverse energy resources that are unmatched anywhere else in the world; what we do with this abundance and diversity will have geo-strategic consequences that we are just now beginning to comprehend.

Second, energy is a flywheel of the international trading system and serves as a catalyst for human development abroad. Exclusion, extreme poverty, and want present the most prevalent threats to international peace and global order that we face today. The United States has an important role to play in the international community, where developing countries grapple with their own energy futures.

Third, energy disparities create dangerous friction between the energy haves and have-nots. Throughout history – both in war and in peace -- poverty and prosperity have been inextricably connected to energy through the enormous power it confers on those who have it and the vulnerability it spells for those who don't, as well as the tension created by the breach between them. Here again, American leadership on energy development and climate can be an effective means by which we affect world outcomes on a critically important question.

The members of this committee understand clearly that Mr. Putin's incursion in the Crimea is, among other things, about exercising political power through the control of energy, and about brandishing the threat of energy scarcity to intimidate and manipulate vulnerable populations. For the very same purposes, the Iranian regime habitually threatens the flow of energy from the straits of Hormuz, and in Venezuela, Hugo Chavez used energy abundance to keep his population in check for decades. It's also the same reason that Saddam Hussein invaded Kuwait, sparking 20 years of international tension and conflict; and why one of Osama bin Laden's last decrees to his forces was to attack global energy infrastructure. Energy scarcity is a potent strategic weapon. The greater the gap between global supply and demand, the more destructive the weapons will become.

The difference between Mr. Putin and us, however, is that he wields energy as a weapon to achieve his geo-strategic goals, while we look to energy flow in free markets as a means of promoting international peace, prosperity, and economic stability.

While Russian troops occupy a sovereign country, including a major port, to stop Ukraine from receiving energy imports, Mr. Putin's rubles are being spent on campaigns to stop natural gas development in central Europe—all with a mind towards creating scarcity, dependence, and vulnerability among countries who are U.S. friends, allies, and trading partners.

Less than a week ago, four NATO allies from the eastern part of Europe -- Hungary, Poland, Slovakia and the Czech Republic -- appealed to the Congress of the United States to protect them from Russian domination, not by requesting troops or arms, but by sending energy. This is the future we are entering.

The good news is that the United States has never been better situated to counter these dynamics – to achieve unprecedented levels of energy security -- not just by virtue of the vast reserves of unconventional oil and gas we are able to unlock thanks to advanced technology, but due to innovation across the energy spectrum--including in renewable energy and energy efficiency.

How many Americans are aware that next year the United States will surpass Russia as the world's largest producer of oil and gas combined? We can be sure that Mr. Putin is well aware of that fact. What a stunning change of fortune for our country, whose energy narrative over the past forty years has been dominated by terms such as “dependence, vulnerability, and peak oil”. Energy is now at the forefront of our national and international strategic security agenda.

The story, however, does not end at our borders. Our neighbors to the north and south are also blessed with energy abundance. Together with the proper resolve and strategy, North America can become a global energy hub, providing not only for our own prosperity and security but also serving as a reliable energy source to our allies and global energy markets. Energy supply to Europe can serve as a lynchpin in the revitalization of the trans-Atlantic dialogue and with NATO, and as a consequence to Mr. Putin's aggression in the Crimea.

Members of the committee, within our reach is the historic opportunity to harness energy sufficiency to solve some of our country's most significant challenges: insecurity, joblessness, trade imbalance, and a devastating national debt—all of which erode U.S. strength and global leadership. But we can't seize this incredible opportunity if we continue to say “no” to the infrastructure requirements necessary to develop and utilize these resources. This includes the transmission lines needed to transmit electric energy created by new wind and solar facilities every bit as much as it does for pipelines needed to carry new sources of oil and gas to market. In the case of the Keystone XL pipeline, it will serve as a conduit that, once completed, will add a mere one percent to the length of our country's oil pipeline infrastructure.

As the Committee members know, America's Fifth Fleet is headquartered in Bahrain, primarily to secure the continued free passage of oil through the Persian Gulf and Strait of Hormuz to global markets. We do so because we understand how instrumental this flow is to global economic stability and to U.S. national interests.

I would like to pose what I regard to be a pretty fundamental question: why would the United States spend billions of dollars and place our military personnel at risk to ensure the flow of energy half a world away, but neglect an opportunity to enable the flow of energy in our very own back yard—creating jobs, tax revenue, and greater security?

I fully understand that policymakers must weigh many concerns and factors when considering major infrastructure projects, particularly those that cross international boundaries. I will leave it to others more conversant in the details of this process than I to address them as they apply to the Keystone determination, but there is no doubt in my mind that the outcome is of strategic importance to this country.

I both respect and appreciate the fact that climate change concerns weigh heavily on this issue and on the minds of us all, as they should. Please know that I don't count myself a denier of climate science or its importance; on the contrary. Much of the initial, groundbreaking research on greenhouse gas emissions and the effects of climate change was conducted by the Office of Naval Research. There's no doubt that significant shifts in global climate patterns are themselves important international security issues we must take very seriously.

At a later date, I would look forward to testifying on the importance to international security of tackling climate issues in a strategic, comprehensive, and realistic way through a global solution to what is clearly a global challenge.

In the meantime, I would simply raise two considerations:

Cancelling the Keystone XL pipeline does not mean that the oil from Canadian oil sand deposits will go undeveloped, sparing the world some modest increment of carbon emissions. The Prime Minister of Canada – a country with strong carbon management policies— has promised that the country's oil sands will be developed; and Canada is making every arrangement to fulfill that pledge should the Keystone be canceled.

In fact, if the Keystone pipeline is not approved, the perverse result would be that the hydrocarbons will go to countries with very poor environmental records rather than to the United States, where our regulations are comprehensive, strong, and enforced. Moreover, if not moved to market via an east-west pipeline alternative, the Canadian oil will continue being transported by means of trains and trucks that could produce a larger carbon footprint and generate even greater environmental risk. No less than five studies authored by federal agencies, including the Department of State, have concluded that the pipeline will have no net negative impact on the environment. To quote the administration's position directly, "the overall contribution to cumulative GHG impacts from proposed Project construction and operation would not constitute a substantive contribution to the US or global emissions."

Second, is a more overarching but no less significant point, and of this I am convinced -- if America does not remain prosperous and strong – an imperative dependent on energy security -- we will not be in a position to engineer the low carbon energy solutions the world needs, nor will we be able to exercise the global leadership necessary to answer the climate challenge.

The decision on the pipeline is a litmus test of whether America is serious about national, regional, and global energy security, and the world is watching.

America's workers and consumers are watching. Investors and job creators are watching. Our allies who need a strong United States and a reliable energy partner, are watching.

The developing world, which requires global energy abundance to lift hundreds of millions of people out of poverty, is watching.

And the international bullies who wish to use energy scarcity as a weapon against us all are watching intently.

If we want to make Mr. Putin's day and strengthen his hand, we should reject the Keystone. If we want to gain an important measure of national energy security, jobs, tax revenue, and prosperity to advance our work on the spectrum of energy solutions that don't rely on carbon, it should be approved.

What we need more than symbolic, over-politicized debates on particular projects is a more strategic approach to U.S. energy and climate policy—one that promotes energy diversity, sustainability, productivity, and innovation. We can't do that until we organize ourselves better to make and execute a bona-fide national energy security strategy. To that end I would like to submit for the record a copy of a national energy strategy produced by the Bipartisan Policy Center.

Mr. Chairman and distinguished committee members, the logic I would offer in answering the hearing's fundamental question about national interest is simply this: The Keystone XL pipeline is integral to U.S. and North American energy security. Energy security is paramount to our nation's prosperity and leadership. And, America's ability to prosper and lead in a dangerous and uncertain world that needs us is quite clearly a preeminent matter of national interest. I think that is why Congress has voted consistently, and in a bipartisan manner, to move forward on Keystone.

I hear many at home and abroad define the emerging new world order with fear and trepidation. They see in it the imminence and inevitability of "American decline." Frankly, I've heard about the so-called American decline since the 1950s, when the soviet's launch of "Sputnik" shook our national confidence. This forecast has been repeated every decade since then, but has not happened yet. And I submit to you today that it will not happen unless we let it happen. We control our destiny, not China or India or Brazil or Russia; no one does but us!

I'm not entirely sure what defines a nation in decline, but it seems to me that a strong warning is when a country can no longer bring itself to do those things that it knows it must do for its own good. I think we are at such a crossroads. I have every faith and confidence that we will make the right decision that will once again answer any question of "American decline" and more, optimistically, perhaps usher in even a new age of American ascendancy!

Again, thank you for the opportunity to testify today. I look forward to answering any questions you may have.