



LIUNA!

February 27, 2013

TERRY O'SULLIVAN
General President

The Honorable John F. Kerry
Secretary
U.S. Department of State
2201 C Street, N.W.
Washington, DC 20520

ARMAND E. SABITONI
General Secretary-Treasurer

Vice Presidents:

Dear Secretary Kerry:

VERE O. HAYNES
MIKE QUEVEDO, JR.
TERRENCE M. HEALY
RAYMOND M. POCINO

On behalf of the 500,000 members of the Laborers' International Union of North America (LIUNA), I would like to congratulate you on your confirmation as the United States Secretary of State. You take over the Department at a crucial time and the men and women of LIUNA wish you the very best in your new position in service to the Nation.

JOSEPH S. MANCINELLI

ROCCO DAVIS
*Special Assistant to the
General President*

As you are well aware, one issue in urgent need of resolution is the decision on whether to grant a Presidential Permit for the Keystone XL Pipeline. Our organization strongly supports the granting of a Presidential Permit to TransCanada to construct the Keystone XL Pipeline, which will move oil from deposits in Canada to existing refineries in Texas and Oklahoma. This project will create thousands of jobs for members of our unions, who will receive wage and benefit packages that set the standard for the construction sector.

VINCENT R. MASINO

DENNIS L. MARTIRE

MANO FREY

ROBERT E. RICHARDSON

RALPH E. COLE

JOHN F. PENN

OSCAR DE LA TORRE

JOHN F. HEGARTY

The construction sector has been particularly hard-hit by the economic recession. The unemployment rate in the construction industry reached over 27% in 2010, and joblessness in construction remains far higher than any industry sector, with nearly 1 million construction workers currently unemployed in the United States. Too many hard-working Americans are out of work, and the Keystone XL Pipeline will change that dire situation for thousands of them. TransCanada has executed a Project Labor Agreement (PLA) with the four construction crafts that are signatories to the National Pipeline Agreement that will cover nearly all of the remaining pipeline construction. The construction industry desperately needs the massive infusion of private capital generated by the Keystone XL Pipeline.

MICHAEL S. BEARSE
General Counsel

Construction of this pipeline will also produce needed government revenue at the federal, state, and local levels. These new resources can help our state and local governments protect their communities from harmful budget cuts that have led to layoffs and the elimination of much needed services.

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Many opponents of the Pipeline do not understand the importance of the economic and jobs impact that the Keystone XL Pipeline will have. They hide behind unfounded and unrealistic expectations that if the project is not built, the

Feel the Power



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development of oil shale deposits will cease. With or without the Keystone XL Pipeline, there will likely be no effect on the production of oil sands from Western Canada. According to the US State Department's first Final Environmental Impact Statement (FEIS), "[t]he proposed Project is not likely to impact the amount of crude oil produced from the oil sands."

The fact remains that refineries in the Gulf Coast will continue to seek supplies of heavy crude oil. The failure to secure a long-term energy supply from our Canadian allies will cause these facilities to continue to rely on oil supplied by unstable, foreign regimes where environmental regulations scarcely exist and oil profits are used to oppose the United States economic and security interests.

The Keystone XL Pipeline will be the safest pipeline in the world. The special conditions developed by the Pipeline and Hazardous Materials Safety Administration and the State Department – and voluntarily agreed to by TransCanada – have a degree of safety greater than any typically constructed domestic oil pipeline system under current regulations. These conditions, to which the whole Keystone XL Pipeline will be subjected, are similar to the regulatory requirements for a pipeline in a "high consequence" area.

Additionally, in order to address environmental concerns about the Nebraska Sandhills and the Ogallala Aquifer, TransCanada agreed to a 195-mile rerouting of the Pipeline. Nebraska Governor Dave Heineman, once an opponent of the Pipeline because of environmental concerns, recently sent a letter to President Obama approving TransCanada's new 195-mile re route.

It should also be noted that about 85% of oil that spills from inland pipelines goes to containment areas around breakout tanks or to solid ground. This minimizes the environmental impact of these unfortunate spills as compared to discharges or spills that occur at sea.

If the Keystone XL Pipeline is not built, Canadian producers will seek alternatives to American markets. This oil will not remain in the ground; producers will find ways to move the oil to market. Several projects are in the planning and permitting phases that allow the movement of this valuable energy resource to Canadian ports for shipment to China and other Asian markets. Denial of a Presidential Permit to the Keystone XL Pipeline increases the likelihood that American markets will miss the opportunity to secure long-term commitments for this North American resource, which could be lost forever to China.

If the opponents of American jobs succeed in preventing the Keystone XL Pipeline from being built, the socioeconomic benefits of the project will not be realized. No

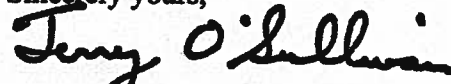
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local, state, and federal revenue will be generated by the construction and operation of the Pipeline. There will be no additional income to property owners and businesses along the Pipeline route. Lastly, the jobs that will be created by the massive private investment will be lost, which is critically important to our unions. Our organizations believe that the Keystone XL Pipeline must be built.

Thank you for your consideration.

With kind regards, I am

Sincerely yours,

A handwritten signature in black ink that reads "Terry O'Sullivan". The signature is written in a cursive, flowing style.

TERRY O'SULLIVAN
General President

cc