


## Commissioners

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**Subject:** Keystone XL Pipeline Clears Major Hurdle

# Keystone XL Pipeline Clears Major Hurdle After State Department Report Raises No Major Objections

By MATTHEW DALY 01/31/14 04:00 PM ET EST 

WASHINGTON (AP) — The long-delayed Keystone XL oil pipeline cleared a major hurdle Friday as the State Department raised no major environmental objections to the controversial pipeline from Canada through the heart of the U.S. Republicans and some oil- and gas-producing states cheered, but the report further rankled environmentalists already at odds with President Barack Obama.

The department report stops short of recommending approval of the \$7 billion pipeline, which has become a major symbol of the political debate over climate change. But the review gives Obama new cover if he chooses to endorse the pipeline in spite of opposition from many Democrats and environmental groups. Foes say the pipeline would carry "dirty oil" that contributes to global warming. They also worry about a spill.

Republicans and business and labor groups have urged Obama to approve the pipeline to create thousands of jobs and move toward North American energy independence. The pipeline is also strongly supported by Democrats in oil and gas-producing states, including Sens. Mary Landrieu of Louisiana, Mark Begich of Alaska and Mark Pryor of Arkansas. All face re-election this year and could be politically damaged by rejection of the pipeline. Republican Mitt Romney carried all three states in the 2012 presidential election.

The 1,179-mile pipeline would travel through the heart of the United States, carrying oil derived from tar sands in western Canada to a hub in Nebraska, where it would connect with existing pipelines to carry more than 800,000 barrels of crude oil a day to refineries in Texas.

Canadian tar sands are likely to be developed regardless of U.S. action on the pipeline, the report said, and other options to get the oil from Canada to Gulf Coast refineries — including rail, trucks and barges — would be worse for climate change.

"Approval or denial of any one crude oil transport project ... is unlikely to significantly impact the rate of extraction in the oil sands or the continued demand for heavy crude oil at refineries in the United States," the report states.

State Department approval is needed because the pipeline crosses a U.S. border. The Environmental Protection Agency and other departments will have 90 days to comment before State makes a

recommendation to Obama on whether the project is in the national interest. A final decision by the government is not expected before summer.

Senate Minority Leader Mitch McConnell, R-Ky., said the report "once again confirms that there is no reason for the White House to continue stalling construction of the Keystone XL pipeline." Addressing Obama, McConnell said: "Mr. President, no more stalling, no more excuses. Please pick up that pen you've been talking so much about and make this happen. Americans need these jobs. "

However, a top official at the Natural Resources Defense Council, an environmental group, said the report gives Obama all the information he needs to reject the pipeline.

"Piping the dirtiest oil on the planet through the heart of America would endanger our farms, our communities, our fresh water and our climate. That is absolutely not in our national interest," said Susan Casey-Lefkowitz, the NRDC's international program director.

The new report comes only days after Obama's State of the Union address, in which he reiterated his support for an "all-of-the-above" energy strategy that embraces a wide range of sources, from oil and natural gas to renewables such as wind and solar power. The remarks were a rebuff to some of his environmental allies who argued that Obama's support of expanded oil and gas production doesn't make sense for a president who wants to reduce pollution linked to global warming.

Obama blocked the Keystone XL pipeline in January 2012, saying he did not have enough time for a fair review before a looming deadline forced on him by congressional Republicans. That delayed the choice for him until after his re-election.

Obama's initial rejection of the pipeline went over badly in Canada, which relies on the U.S. for 97 percent of its energy exports. The pipeline is critical to Canada, which needs infrastructure in place to export its growing oil sands production. The northern Alberta region has the world's third largest oil reserves, with 170 billion barrels of proven reserves.

In a bid to smooth over relations with Canada and other pipeline supporters, Obama quickly suggested development of an Oklahoma-to-Texas line to alleviate an oil bottleneck at a Cushing, Okla., storage hub. Oil began moving on that segment of the pipeline last week. The 485-mile southern section of the pipeline operated by Calgary-based TransCanada did not require presidential approval because it does not cross a U.S. border.

The latest environmental review, the fifth released on the project since 2010 — acknowledges that development of tar sands in Alberta would create greenhouse gases, a State Department official said. But the report makes clear that other methods of transporting the oil — including rail, trucks and barges — would release more greenhouse gases that contribute to global warming than the pipeline.

U.S. and Canadian accident investigators warned last week about the dangers of oil trains that transport crude oil from North Dakota and other states to refineries in the U.S. and Canada. The officials urged new safety rules, cautioning that a major loss of life could result from an accident involving the increasing use of trains to transport large amounts of crude oil.

Several accidents involving crude oil shipments — including a fiery explosion in North Dakota and an explosion that killed 47 people in Canada last year — have raised alarms.

Keystone XL would travel through Montana and South Dakota before reaching Nebraska. An existing spur runs through Kansas and Oklahoma to Texas.