

Expected Keystone XL permit rejection strongly criticized

By Nick Snow

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An anticipated Obama administration decision on Jan. 18 denying the proposed Keystone XL crude oil pipeline's cross-border permit application drew heavy fire from congressional Republicans and others who support the project. TransCanada Corp. will be allowed to submit a new application with an alternate route, according to reports.

US Sen. Richard G. Lugar (R-Ind.), the primary sponsor of legislation that set a deadline for a decision, said the administration misled the American people on the pipeline. "In the face of Iranian threats against oil affordability, [it] once again is trying to blame Congress and the State of Nebraska instead of taking responsibility for American jobs and security," he said during an appearance at a Greenwood, Ind., instruments and gauges manufacturer who potentially would be doing work for the project.

"This political decision offers hard evidence that creating jobs is not a high priority for this administration," said US Chamber of Commerce Pres. Thomas J. Donohue. "By placing politics over policy, the Obama administration is sacrificing tens of thousands of good-paying American jobs in the short term, and many more than that in the long term."

Under an attachment to a bill extending a payroll tax holiday, Obama had until Feb. 21 to act on the 1,600-mile pipeline, which would carry heavy oil from Alberta to the Texas Gulf Coast. His administration earlier had deferred a decision on the project until 2013, but congressional Republicans hoped to force him to choose between labor union supporters, who back Keystone XL, and environmental groups, which oppose it.

In response to challenges by environmental groups to industry estimates of jobs associated with Keystone XL construction, TransCanada on Jan. 10 had provided its own estimates of 13,000 US jobs in construction and 7,000 in manufacturing.

It said construction would require 17 US pipeline spreads with 500 workers each. The project's 100 pump stations would require 100 workers each. And 600 jobs would be created at six construction camps and in tank construction at Cushing, Okla. Construction, management, and inspection oversight would create a further 1,000 jobs, TransCanada said.

"Blocking the Keystone pipeline would be an enormous mistake by the Obama administration," said National Center for Policy Analysis Senior Fellow H. Sterling Burnett. "We need the oil and we need the jobs it would bring. This is as 'shovel ready' as anything Obama has proposed, yet because his radical environmental constituency objects, he's apparently halting the pipeline."