



U.S. Chamber and Business Groups Push for Keystone Pipeline

The Chamber's plea arrived a day after Obama held a White House meeting with U.S. business leaders to announce a new plan designed to boost job "insourcing." "In the next few weeks, I will put forward new tax proposals that reward companies that choose to bring jobs home and invest in America — and eliminate tax breaks for companies that move jobs overseas," the President declared. "Because there is opportunity to be had, right here."

At a press conference Thursday, Bruce Josten, the Chamber's executive vice president for government affairs, referenced Obama's job-creation rally cry. However, Josten affirmed, "The president missed the biggest in-sourcing opportunity yesterday and it's called the Keystone Pipeline."



"The smart thing to do would be to approve it," Josten contended, noting that despite clearing a three-year environmental review — which concluded that the pipeline would have minimal impact on the environment — a political tug-of-war has continued to stonewall the project. "I think we've already publicly stated this was a political decision.... This is obviously not an environmental or economic discussion," he declared.

Chamber president and CEO Tom Donohue added in his keynote <u>State of American Business 2012</u> <u>address</u> that "there is no legitimate reason" to further delay the pipeline, which would import millions of barrels of oil every month while reducing U.S. dependence on Middle Eastern oil. "Labor unions and the business community alike are urging President Obama to act in the best interests of our national security and our workers and approve the pipeline."

"We don't as a nation have an energy strategy," echoed John Engler, CEO of Business Roundtable, which includes business executives at some of the nation's largest companies. "This is a weakness. I think if you had a strategy, the Keystone pipeline would have to be part of it. I can't imagine that it wouldn't be."

Engler, a former Michigan Governor, hopes the 2012 presidential election will usher in debates over the nation's energy strategy, with candidates' views on Keystone a key element of the discussions. "I would think [President Obama] could turn this into a [political advantage]," said Engler.

The Chamber's call for Obama to promptly approve Keystone arrived a day after the American Petroleum Institute (API) pitched a letter to the President with the same request from itself and 105 other associations, only a fourth of which were part of the domestic oil and gas industry.

"With the current situation in the Middle East, and tensions in the Strait of Hormuz continuing to rise,



Written by **Brian Koenig** on January 16, 2012



approving this pipeline is the right energy and national security policy for America," the letter <u>read</u>. "Canada is already our largest supplier of imported oil — almost 2.4 million b/d, or one fourth of our imports. With this proposed pipeline, our crude imports from Canada could reach 4 million b/d, twice what we currently import from the Persian Gulf."

The letter, which included signatures from groups such as the National Association of Manufacturers, the Business Roundtable, and the Chamber of Commerce, argued that the Keystone project must be approved quickly, as it will generate thousands of jobs across a myriad of industries.

"With your approval, this shovel-ready project will provide 20,000 jobs in construction and manufacturing in the next two years, and add tens of thousands of additional jobs throughout the economy in other sectors including service, retail and distribution," the letter <u>continued</u>. "With our nation's stubbornly high unemployment, it would be irresponsible to let such good-paying jobs slip away."

Under a provision in December's payroll-tax-cut deal, Obama has 60 days to make a final decision on the Keystone project, which has spawned a lobbying hailstorm that underscores the politically toxic decision now facing the President. While Obama had delayed a final decision until after the 2012 election by ordering a more comprehensive review of the pipeline's route, the payroll tax package mandates a final verdict by February 21.

"The State Department's announcement that it was delaying a decision on Keystone XL cited a need to study an alternative route in Nebraska around the Sandhills region. The federal payroll tax legislation recently passed with strong bipartisan support and signed into law allows the State Department and Nebraska as much time as necessary to identify and review a new route, while allowing construction to begin elsewhere along the pipeline route," the letter further stated.

The project has spurred controversy for the President because it splits two pivotal Democratic interest groups — labor unions, whose members would benefit from thousands of new jobs, and environmentalists, who protest higher oil imports and fear environmental damage.

But considering persistently high unemployment, combined with an uptick in energy prices, one would think that Obama would err on the side of job growth — not to mention preventing a potential U.S. project from translating into a Chinese project. As House Speaker John Boehner (R-Ohio) recently stated:

President Obama says "we can't wait" for action on jobs.... Well, Canada isn't waiting. One way or another, a new energy pipeline will be built. The question the president and Democrats in Washington need to answer is: Would Democrats rather American workers get these Keystone jobs? Or China?





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