



## TransCanada Asks State Department to Hold Its Keystone Pipeline Application

In what it hopes will prove to be a shrewd political ploy, TransCanada Corporation [sent a letter](#) to Secretary of State John Kerry on Monday requesting that his agency put its application to build Phase 4 of the Keystone Pipeline project on hold. It claimed that, based under previous State Department precedent, that its legal difficulties in Nebraska should be settled first before the State Department accepts or rejects its application.



Wrote TransCanada:

In order to allow time for certainty regarding the Nebraska route, TransCanada requests that the State Department pause in its review of the presidential permit application for Keystone XL. This will allow a decision on the permit to be made later based on certainty with respect to the route of the pipeline.

There is precedent for such a request, said Russ Girling, TransCanada's CEO: "The State Department found it appropriate to suspend its review [when Nebraska residents] challenged the approval process in Nebraska's courts. We feel under the current circumstances a similar suspension would be appropriate."

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After being frustrated with lawsuits brought by unhappy Nebraska landowners, supported by environmentalists, over TransCanada's plans to build Phase 4 of its pipeline over allegedly environmentally sensitive sandy areas, the company changed tactics: It went directly to the Nebraska Public Service Commission for approval. That process is estimated to take no less than seven months, and more likely a year, which would put final presidential approval in the hands of a new U.S. president who might look more kindly on the project.

The letter was also galvanized by recognition that the current president is more than likely going to reject the company's present application, perhaps in the next couple of weeks. Persons familiar with the issue have told the *Washington Post* that the president is "preparing to reject" the permit and time was running out.

Environmentalists saw through TransCanada's ploy immediately. Jane Kleeb, executive director of Bold Nebraska, a group opposing the completion of the pipeline, said: "The route in Nebraska has been uncertain for years. The only difference now is that TransCanada knows they are about to have their permit rejected, so they are scrambling."

Tiernan Sittenfeld with the League of Conservation Voters added:

Suspending the Keystone XL permit application at this point would be absurd. This is nothing more than another desperate and cynical attempt by TransCanada to build their dirty pipeline someday if



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they get a climate denier in the White House in 2017.

President Obama and Secretary Kerry have all the information they need to reject this dangerous pipeline, and we are counting on them to do just that.

It's been seven years since TransCanada started the permitting process. In January 2012, President Obama rejected the company's initial application citing concerns over the pipeline's potentially negative impact on Nebraska's Sand Hills region. TransCanada changed the route, which was approved by Nebraska Governor Dave Heineman in January 2013.

In April 2014, the Obama administration announced that the State Department's review of the company's revised application for a permit would be extended "indefinitely." In January of this year, the Nebraska Supreme Court ruled in favor of building the pipeline on the same day that the House of Representatives voted in favor of the project, 270-152. Later that month the Senate approved it as well, 62-36. On March 4 President Obama vetoed the bill, sending it back to the Congress, which was unable to override his veto.

Putting the matter into perspective, it may be a tempest in a teapot. The first three phases of the Keystone pipeline have been operational for years, carrying about 600,000 barrels of crude oil from Canada's oil sands to Gulf Coast refineries every day. That's less than seven percent of total production by U.S. energy companies. Phase 4, if it is ever completed, will only shorten the present pipeline but not increase its capacity significantly.

If the project is finally and permanently rejected, regardless of who inhabits the White House in 2017, Canada will remain highly motivated to get its crude to refineries somewhere. TransCanada Pipelines filed an application in October 2014 with the Canadian National Energy Board to convert some 2,600 miles of existing natural gas pipelines feeding refineries in Ontario and Quebec to carry crude instead. The new Canadian government, despite concerns that it will be inclined to be very supportive of environmentalists' concerns, also recognizes the simple fact that Canada relies on the United States for 97 percent of its energy exports. Its own self-interest will rule in favor of getting that crude to refineries somewhere. In fact, Irving Oil has already announced plans to build a new \$300 million terminal at its Canaport facility in Saint John to export the oil expected to be delivered from the converted natural gas pipelines.

Of course, if a Republican president who is favorable to the project (at present, every candidate for the party's nomination is) moves into 1600 Pennsylvania Avenue in 2017, then concerns expressed about the present administration's dawdling and delaying will be soon forgotten. Concerns expressed by Nicolas Loris of the *Daily Signal*, while valid today, will likely be history tomorrow:

The Obama administration's handling of Keystone XL is much more damaging than a decision on a single pipeline. It signals that environmental activists and government bureaucrats are controlling outcomes for what should be normal, everyday business decisions. The policy debates [have been] hijacked by special interests and are devoid of sound logic and reasoning.

In any event, crude oil from Canada's oil sands will find its way to refineries somewhere: either to Gulf Coast refineries, as Keystone is currently carrying it, or to East Coast Canadian refineries, enjoying the Energy East "workaround," free from the politicizing of the issue by environmentalists and politicians in the United States who are working to keep all crude in the ground "[where it belongs](#)."

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