

Inquiring Minds topic – 1 March 2013

Betty Bainbridge, Moderator

What is the Keystone XL Pipeline?

Background – from <http://stateimpact.npr.org>

What is the Pipeline exactly?

The Keystone Pipeline already exists. What doesn't is its proposed expansion, the Keystone *XL* Pipeline. The existing one runs from oil sand fields in Alberta, Canada into the U.S., ending in Cushing, Oklahoma.

The 1,700 new miles of pipeline would offer two sections of expansion. First, it would connect Cushing, Oklahoma, where there is a current bottleneck of oil, with the Gulf Coast of Texas, where oil refineries abound. Second, it would include a new section from Alberta to Kansas. It would pass through Bakken Shale region of eastern Montana and western North Dakota. Here, it will pass through a region where oil extraction is currently booming and take on some of this crude for transport.

The specific states the line would travel through are Montana, South Dakota, Nebraska, Kansas, Oklahoma, and Texas. The line would cross through **16 counties** in North and East Texas. (A map below lays out the existing and proposed routes.)

Besides revising the pipeline's course, Keystone XL would also increase capacity by enlarging the size of the pipes' diameter from its current 30 inches to 36 inches.

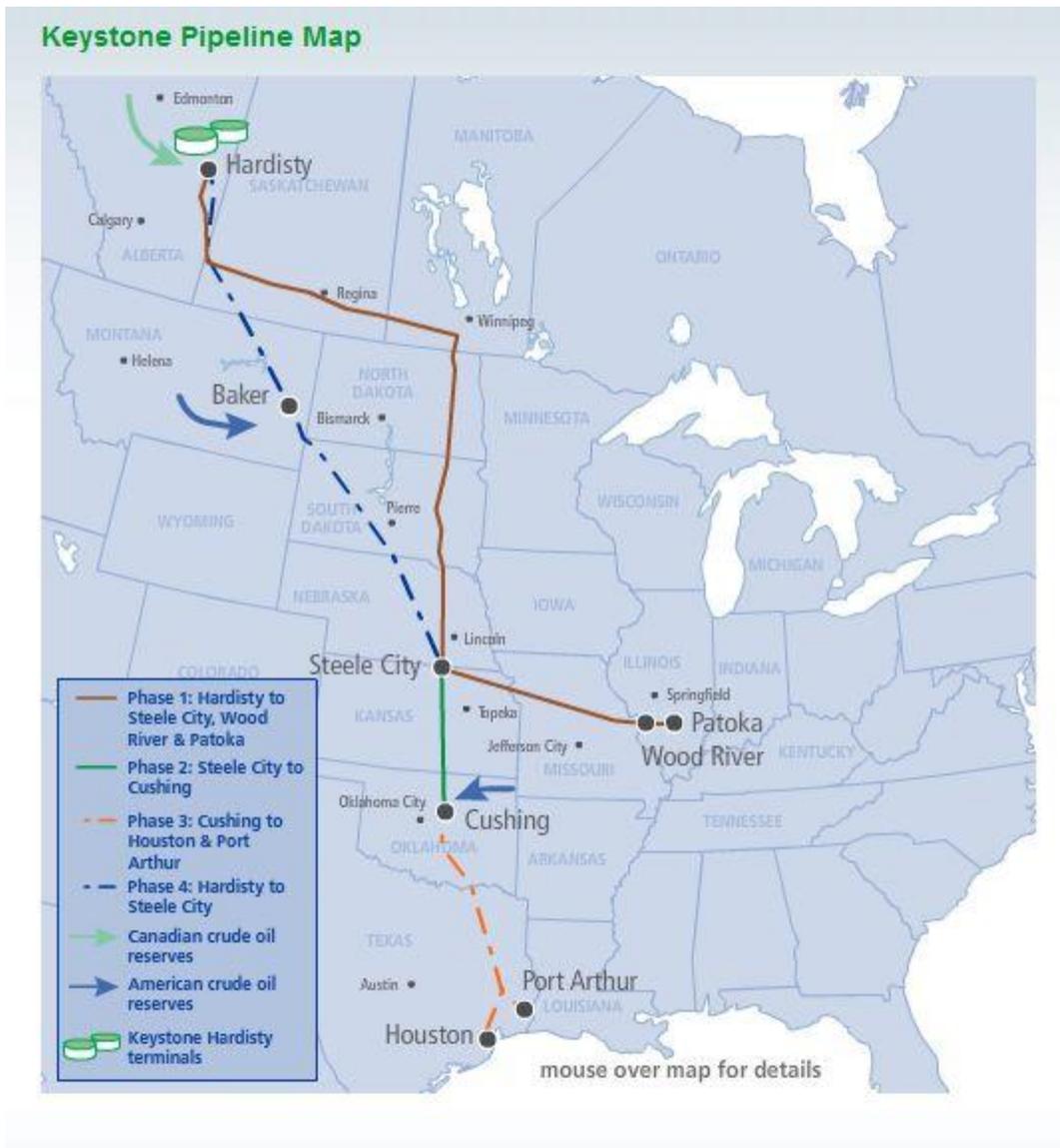
The multi-billion dollar project is being proposed by **TransCanada**, a Canadian energy company. TransCanada has been attempting to get a permit for the new pipeline for over three years. Since the pipeline crosses international borders, TransCanada needs to obtain a Presidential Permit through the State Department for construction of the portion of the pipeline that goes from Canada to the U.S. "Quite frankly we need a presidential permit for about 50 feet of pipe. If we weren't crossing that border then we wouldn't be having this conversation," TransCanada Public Relations representative Jim Prescott told StateImpact Texas earlier this year.

Ever since the Obama administration rejected TransCanada's original request for a presidential permit to pipe tar sands crude from Alberta to Texas, TransCanada officials have been planning to build the project incrementally.

In February 2012, TransCanada announced it intended **go ahead with** the southern section, which wouldn't need a Presidential permit. TransCanada said on July 27, 2012 that they have all the permits they need for the southern section, which they call the "Gulf Coast Project." Construction of the pipeline began in the fall of 2012.

The northern segment, from Alberta to Texas, has been re-submitted for approval at the federal level.

Here is a map of the existing and proposed pipeline. The already existing pipeline is represented by the solid lines and the proposed pipeline by the dashed lines:



Map by TransCanada of the existing and proposed Keystone XL pipelines

How Many Jobs Will the Pipeline Create?

The amount of jobs the pipeline will create is a contested issue and differs from source to source. Some estimates have gone as high as 500,000, which is highly unlikely. TransCanada's own evaluation estimates the pipeline would bring 20,000 new jobs to the US. (Factors such as direct vs. indirect employment and short-term versus long-term job creation fuel the discrepancies.) The State Department estimates that the pipeline would only create 5,000 to 6,000 jobs in construction.

What Kind of Environmental Impact Will the Pipeline Have?

Many critics of Keystone XL worry it will have harmful environmental impacts. The **Sierra Club** has **said** it opposes the specific use of tar sand, which is found in the deposits in Canada. The scientific

name for tar sand is **bitumen**, a mixture of clay, sand, water, and oil that with modern technology can be refined into usable oil. Critics say that it is more corrosive than conventional oil. A report by a coalition of critics that include the Sierra Club and the Natural Resources Defense Council claimed that “bitumen blends are more acidic, thick and sulfuric than conventional crude” and “contain significantly higher quantities of abrasive quartz sand particles.”

It is this corrosiveness that has certain parties concerned about leaks in the pipeline. A U.S. Department of State investigation shows that there have been 14 spills from TransCanada pipelines, though most relatively small. However, none of them were caused by corrosion of the pipeline but by faulty “fittings and seals at pump or valve stations,” the investigation reports.

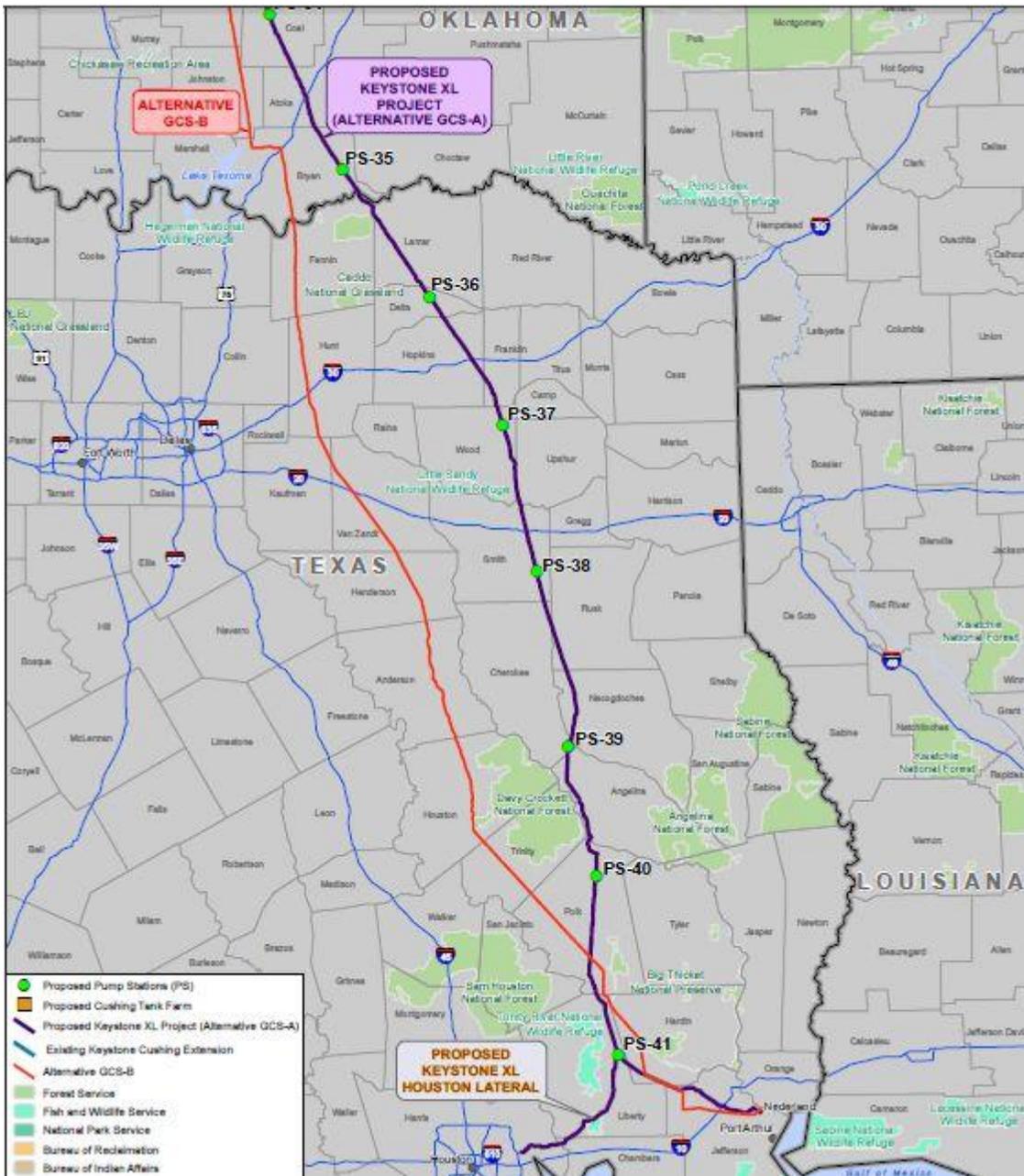
For evidence against the transport of tar sands crude, environmentalists **point to an event** in May 2011, when 21,000 gallons of oil leaked in North Dakota. This was also due to a faulty valve. The **State Department says** the maximum amount of spillage in a worst-case-scenario of a Keystone Pipeline leak is 2.8 million gallons spread throughout a 1.7 mile area. TransCanada points out that this is significantly smaller than the amount that escaped during the Deepwater Horizon disaster.

Debate about the environmental impact of the pipeline often uses Enbridge, another Canadian energy company that transports tar sands crude into the U.S, as a comparison. This competitor of TransCanada “has actually been transporting these types of products [tar sands crude] since 1999 in our pipelines,” said Denise Hamsher, Enbridge’s head of planning. Despite her claim, Enbridge is not without heavy public scrutiny. In July 2010, one of Enbridge’s pipelines ruptured in southern Michigan. Thousands of gallons of oil sands crude flowed into Talmadge Creek, a tributary of the Kalamazoo River. Investigation into the cause of the spill is still ongoing.

Industry expert Oliver Moghissi of DNV, a risk management company, acknowledges corrosion’s ability to cause a pipeline rupture. “Corrosion tends to be [the] number two” cause of pipeline failure, he told StateImpact Texas. (Number one being “outside force damage, usually by an excavator.”) But he contends there’s nothing in Canadian crude that makes it any more risky than conventional crude to the long-term reliability of a pipeline. “I don’t agree that it presents a unique kind of corrosion threat,” he said.

Environmentalists also point to the process of refining tar sand saying it will create large amounts of greenhouse gas emissions, though the exact percentage increase is debated.

Here is a map from the Department of State showing where the Keystone XL pipeline would go through Texas:



Map by the Department of State

The Keystone XL pipeline would take oil from Canada to refineries in Texas

Opposition from Landowners

Some Texans oppose the pipeline. One of them is farmer Julia Trigg Crawford. After Crawford declined to sign an agreement with the company, they **used eminent domain to gain access to her land**. She responded by **filing a temporary restraining order**.

Since then, Crawford’s restraining order has gone through a rollercoaster of ups and downs. Here’s the timeline: Her first restraining order was dissolved by the courts on Feb. 24, and shortly after TransCanada announced it intended to go ahead and **start construction on the southern leg of the**

pipeline from Cushing, Oklahoma to refineries on the Gulf Coast of Texas. Then on March 2, an appeals court **reinstated the restraining order after an appeal by Crawford**, preventing construction from taking place. But on March 9 it was dissolved yet again for a final time.

Crawford lost her court case against the pipeline in August, but has vowed to appeal.

Why Was the Pipeline Delayed?

In the run-up to the Department of State's decision on the pipeline, environmentalists and private homeowners in Nebraska joined forces to oppose Keystone's route through their state. They argued that the intended route would run through the Sandhills area of Nebraska. This part of the state lies on top of the Ogallala Aquifer, where the majority of the water resources serving the Mid-West are located.

The Sandhills are home to a giant freshwater aquifer that is used for water supply. The ground is so thin in some parts of the area that groundwater on occasion rises to the surface. Water there is used primarily for irrigation, but some 2 million people also use it for drinking water.

In October 2011, the Obama Administration **attempted to delay a decision** on granting the pipeline a permit until 2013 at the earliest. **In its statement**, the White House said the reason for the delay was environmental concerns.

The **Department of State issued their own statement**, saying they will conduct an in-depth review to consider alternate routes in Nebraska. The Nebraska legislature called for **a special session** to discuss rerouting the pipeline to avoid the Ogallala Aquifer. They have also allotted up to \$2 million to conduct an environmental impact study on the new route that will circumnavigate the state's vulnerable Sandhills region.

There has been criticism from some members of Congress regarding the State Department's handling of the initial environmental impact inquiry. An environmental group **obtained emails** sent between TransCanada lobbyists and State Department officials, purporting to **show an over-eagerness** on the government's part to grant TransCanada a permit. Others have alleged that TransCanada was **allowed to choose** which company would evaluate the pipeline's proposed environmental impact.

What Happens Next?

The Obama Administration was required to make a decision on the pipeline permit by Feb. 21 because Congress **rolled the pipeline proposal** into payroll tax extension legislation. On January 18, 2012, the Obama administration formally rejected the permit for the pipeline. The administration said at the time that TransCanada could reapply after finding an alternate route through Nebraska.

Some believe such a delay could be the end of the project, suggesting that TransCanada will look to **ship the oil to China** via Pacific pipelines.

Industry leaders believe the pipeline will be built **even if Obama rejects it**. TransCanada would have to change the pipeline's course through Nebraska, resubmit an application and go through the entire

evaluation process again. In late February, TransCanada announced it intended to build the Oklahoma-to-Texas portion of the pipeline, breaking ground this summer and completed by mid-2013.

One possible outcome is that TransCanada's inability to continue construction until 2013 will pave the way for their main competitor, Enbridge, Inc. to **create their own pipeline**. Enbridge is in the process of developing a Northern Gateway Pipeline, which would connect Alberta's tar sands with Kitimat, British Columbia on the Pacific Ocean. This pipeline would allow Canada to ship oil to Chinese refineries. Canadian Prime **Minister Stephen Harper is in favor** of the project if the Obama Administration rejects the Keystone XL pipeline.

President Obama is not opposed altogether to the construction of the pipeline. On March 22 he endorsed the building of its southern half that begins in Cushing, Okla. – an important hub for petroleum processing and transportation – and ends at the refineries on the Texas Gulf Coast. Noting that there's a **bottleneck in Cushing of oil**, coming in from places like the oil sands of Alberta and the Bakken Shale in North Dakota, the President said that he's "directing my administration to cut through the red tape, break through the bureaucratic hurdles, and make this project a priority, to go ahead and get it done."

TransCanada naturally provided a positive response to the President's endorsement. "We appreciate his support for the Gulf Coast project," TransCanada representative James Prescott told StateImpact Texas. "Our plan is to continue our efforts to secure the permits that are necessary, so we've already begun that process. So we appreciate his support for expediting that." On July 27, 2012, TransCanada announced that they had all the permits they needed for the southern leg of the pipeline, and that construction could begin within weeks.

Investigating the Keystone XL Pipeline

In April, StateImpact reporters in Texas and Oklahoma launched a five-part collaborative series on the Keystone XL pipeline. StateImpact's multimedia narrative includes the following reports by Mose Buchele, Dave Fehling, Terrence Henry, Logan Layden and Joe Wertz.

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Six reasons Keystone XL was a bad deal all along - By Sally Kohn - Published January 18, 2012 - FoxNews.com

In announcing his decision to not grant permission for the Keystone pipeline extension, opponents of President Obama argue the president gave in to pressure from environmental activists.

In reality, the president was resisting an artificial deadline from Republicans trying to force his hand.

But the fact is, for the good of our country and our economy, rejecting the Keystone XL deal was the best decision possible.

Here are six facts about the proposed Keystone XL deal that make clear why the pipeline was a bad deal for America and why it deserved to be rejected:

1. Keystone XL Would Not Reduce Foreign Oil Dependency

The oil to be sent through Keystone XL pipeline was never destined for US markets. In its own presentation to investors about the proposed pipeline extension, TransCanada (the company behind Keystone XL) boasted that most if not all of the extracted and refined oil would be exported --- sold in overseas markets where oil fetches a higher price (and thus turns a higher profit for the company).

2. Keystone XL Would Have Increased Domestic Oil Prices

Currently, Canadian oil reserves stored in the Midwest help suppress gas prices in the United States, particularly for farmers in our nation's heartland.

In its permit application for the pipeline, TransCanada noted that the Keystone XL pipeline would allow the company to drain these reserves and export that fuel as well. According to TransCanada's own statements, this would raise gas prices in the United States, especially in the Midwest.

3. Keystone XL Overstated Number of Jobs to be Created

In 2008, TransCanada's original permit application to the State Department said the Keystone XL pipeline would create "a peak workforce of approximately 3,500 to 4,200 construction personnel" in temporary jobs building the pipeline.

By 2011, now facing growing opposition to the pipeline, TransCanada had inflated these numbers (using undisclosed formulas) to 20,000. Supporters of the proposal, backed by big oil, have since trumpeted these trumped up numbers.

4. Current Keystone Pipeline Leaked 12 Times in Last Year

The pipeline that the Obama administration has rejected the permit for would be an extension of a pipeline that has already leaked -- not just once, but 12 times in the last year.

While TransCanada tried to dismiss these leaks as "minor" averaging "just five to 10 gallons of oil" each, the leak on May 7, 2011 near Millner, N.D., spilled about 21,000 gallons of oil in total.

5. The Environmental Concerns About Oil Leaks Are Justified

Nebraska's Republican Governor Dave Heineman strongly opposed the Keystone XL project because the pipeline would run through a massive and vital aquifer in his state that supplies clean drinking water to over 2 million Americans plus water that fuels the region's agriculture industry.

Building the pipeline might have created a few thousand temporary jobs but even a minor oil spill in or near the aquifer would have jeopardized hundreds of thousands of jobs, not to mention the health and safety of millions.

Meanwhile, in Michigan where a similar tar sands pipeline spilled over 840,000 gallons of crude oil into the Kalamazoo River in 2010, residents are still complaining of headaches, dizziness and nausea while studies continue to look at the long-term effects of just being near such an oil spill when it happens.

6. Mining Tar Sands Would Worsen Global Warming

Assuming you believe, like the vast majority of the world's scientists, that climate change is both real and of concern, the Canadian tar sands are the second largest carbon reserve in the world.

Mining these reserves would release all of that carbon into the atmosphere, to detrimental effect on our environment. Sure, Canada might go ahead and mine the tar sands anyway, but the United States doesn't have to help pollute the planet and our own states in the process.

No matter how you look at it, the Keystone XL proposal was a slimy, scam of a deal. America is better than that.

We can create good-paying jobs that build our families and our economy for the future without hurting our environment today.

We can invest in innovative energy technology that not only reduces our dependence on dirty fuel but also puts us in the lead in critical, emerging markets.

We can prioritize good jobs and a competitive economy of the future, with all the upsides of American energy production and innovation and far, far fewer of the downsides that Keystone carried.

Let's focus on more of those deals going forward.

Sally Kohn is a Fox News Contributor and grassroots strategist. You can find her online at <http://sallykohn.com>.

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Forbes - 1/19/2012 @ 8:08AM

Peter Cohan, Contributor (I write from near Boston about startups and political economy)

Keystone Pipeline: Winners and Losers

President Barack H. Obama rejected Wednesday a request to give TransCanada (TRP) a permit to build a pipeline that would transport its oil sands from Calgary to the Gulf of Mexico. That decision will create winners and losers.

It's hard to get the facts on the Keystone XL Pipeline project. According to Bloomberg, TransCanada claims that the 1,661-mile project would "carry 700,000 barrels of crude a day from Alberta's oil sands to refineries on the U.S. Gulf of Mexico coast, crossing six states and creating an estimated 20,000 jobs."

Other sources suggest far fewer jobs. For example, the State Department's report to Congress used labor expenses from TransCanada's application to estimate that the Keystone Pipeline would create

between 5,000 and 6,000 construction jobs for two years. And a Cornell University study estimated that the project will create “only 2,500 to 4,650 temporary construction jobs,” according to CNBC.

So who are the winners from Obama’s decision? Here are four:

- **President Obama.** Obama made a wise political calculation that the loss of support from environmentalists who opposed the pipeline would be more costly in November than the political vitriol he will face from the Republican side. After all, if he had approved the Keystone Pipeline, his opponents would simply come up with more venom to spew in his direction.
- **Alternative oil sands transport channels.** Andrew Lipow of Lipow Oil Associates in Houston told CNBC that there is another pipeline — run by Enbridge Energy Management (EEQ) — that could be expanded to handle the work without a permit. Moreover, railroads — such as Berkshire Hathaway’s (BRK.A) Burlington Northern, Canadian National (CNI) and Union Pacific (UNP) — can haul the tar sands oil that does not go through pipelines.
- **TransCanada shareholders.** Goldman Sachs (GS) estimates that if TransCanada, which has already invested \$1.9 billion in the project according to Business News Network, canceled the project; its EPS in 2012 and 2013 would rise between 5% and 10% due to a reduction in TransCanada’s capital expenditures and financial costs.
- **Nebraska politicians and environmentalists.** According to the *Washington Post*, Nebraska politicians and environmentalists opposed the project due to their claim that the TransCanada route “might threaten the state’s ecologically sensitive Sand Hills region.” Delaying the pipeline is a win for them — albeit a temporary one if the proposal is approved in 2013.

The losers from the delayed permit are on the other side politically. These include:

- **Republican leaders.** House Speaker John Boehner, R.-Ohio, is naturally outraged by the decision and vowed that his side would keep fighting for the Keystone pipeline since it’s “good for the U.S. economy because it would create thousands of jobs,” according to CNBC. The key error by Republicans was their decision to use the Keystone Pipeline decision as an anti-Obama battering ram mandating that the Department of State make a decision by February 21.
- **Canada.** Most likely, the delay in the approval for the pipeline has caused political angst for politicians in Calgary and nationally. This was expressed by Canadian Prime Minister Stephen Harper who CNBC reports told Obama he was “profoundly disappointed” by the decision.

As for the few thousand construction workers who would not get those temporary jobs, some might be able to find work helping Enbridge expand its pipeline network.

It looks to me like that Keystone Pipeline is a bad financial and political investment. Let’s hope the delay leads to its cancellation.

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Keystone pipeline: Separating reality from rhetoric - By Chris Isidore @CNMoney March 22, 2012

NEW YORK (CNMoney) -- President Obama stopped in Cushing, Okla., on Thursday to announce a fast-track approval process for a portion of the Keystone XL oil pipeline -- although it's not the part for which he's taken political heat for blocking.

The portion likely to start construction soon runs from Cushing, a key repository of U.S. oil, to the Gulf Coast.

The full proposed pipeline, which would cross the U.S. border in Montana, is designed to bring between 500,000 to 700,000 barrels a day from the Canadian oil sands region to refineries on the Gulf Coast. It would shortcut to an existing pipe that goes through much of Canada before cutting into the United States in North Dakota on the way to Cushing.

Republican presidential candidates have used the rejection of the shortcut pipeline as a hammer when attacking the Obama administration over high gas prices. They also say the Keystone will create much needed jobs.

Here are three facts about what the decision will and won't mean.

This is not a flip-flop by Obama: Even when Obama blocked the full Keystone project earlier this year, he said he was in favor of this Cushing-to-Gulf portion. And that is the only portion he is backing now.

Approval of this southern part of the pipeline is not really the Obama administration's call. The northern portion of the pipeline needs administration approval because it would cross the Canadian border.

Rising gas prices aren't as bad as you think

The Cushing-to-Gulf segment is much more of a local issue. So Thursday's announcement is more theater than substance.

"This is pretty routine, but the politics are clear here," said Bob Tippee, editor of *Oil & Gas Journal*, an industry trade publication.

Environmental groups oppose even this portion of the pipeline since they don't like anything that increases production of oil from oil sands.

But compared to the other portion of pipeline, which stirred concerns of Nebraskans worried about underground water supplies, the Cushing-to-Gulf pipeline is relatively non-controversial. More than 99% of property owners where the pipeline will run agree to it.

Gas prices might go up, not down: Right now, a lot of oil being produced in Canada and North Dakota has trouble reaching the refineries and terminals on the Gulf. Since that supply can't be sold abroad, it reduces the competition for it to Midwest refineries that can pay lower prices to get it.

Giving the Canadian oil access to the Gulf means the glut in the Midwest goes away, making it more expensive for the region.

"The price that refineries on the coasts have been paying is around \$120 a barrel for months, while you had \$75 to \$80 a barrel crude available in the Rockies and Midwest," said Tom Kloza, chief oil analyst at the Oil Price Information Service.

Much of the difference in gas prices between states is due to gas taxes, not cost. But Kloza said that the center of the country might have benefited by up to 25 cents a gallon in what they were paying for gas because of the glut of oil around Cushing.

The full pipeline would increase the capacity of oil flowing from Canada's oil sands into the broader global market by up to 700,000 barrels a day, according to advocates. But adding even the 700,000 barrels to more than 90 million barrels worldwide will have limited long-term impact on prices, especially amid worries about what might happen with Iran production.

"In the current market, people are so worried about the loss of 3.5 million barrels from Iran, that 500,000 to 700,000 barrels isn't enough to calm the markets," said Tippee.

The impact on jobs will be minimal: The Republican supporters of the pipeline have argued Keystone will create much needed jobs.

Speculators are driving up gas prices -- opinion

But even though this southern portion of the pipeline is relatively "shovel ready," the impact on unemployment will be minimal. Even TransCanada says it will create about 4,000 jobs, mostly temporary construction work. That comes to less than 2% of the nation's overall monthly job gain in recent months.

If the full pipeline got the green light, it would create 13,000 construction jobs and 7,000 jobs making equipment such as pump houses and the pipe itself, according to the company.

Pipeline critics dispute even those job estimates.

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Are Environmentalists Getting It Wrong on the Keystone XL Pipeline? - By Elana Schor

Focusing on how it would contribute to emissions overshadows the large risk of spills -- and diverts attention from more effective ways to cut down on carbon.

Thousands of environmentalists will flock to Washington on Sunday for what's being billed as history's largest rally for climate change action. It will be their third such show of force since mid-2011, an unusually long period of unity in the time since landmark clean air and water laws passed in the 1970s. Climate activists are playing the "outside game" that twice powered President Obama to victory -- and their top target is Keystone XL, the \$5.3 billion plan to pipe heavy fuel from Canada's oil sands to the Gulf Coast.

"If President Obama is serious about tackling climate change in his second term, we're calling on him to reject Keystone XL once and for all," the green group 350.org wrote in announcing the protest.

That demand has moved Democratic donors to warn of closed checkbooks and college students to blockade oil-company offices. Bill McKibben, 350.org's co-founder, led dozens of fellow anti-KXL activists in getting arrested outside the White House on Wednesday. But turning the pipeline into the nation's leading symbol of the greenhouse-gas-emissions threat leads to two significant problems.

First, the campaign diverts public attention from a more immediate, less well-understood hazard: It's not clear that federal regulators can ensure the pipeline will run safely if it is approved. Moreover, environmentalists' spotlight on Keystone XL could undermine their own goals. Within our borders, Obama can guarantee emissions savings bigger than the pipeline's denial would represent -- while still avoiding congressional gridlock -- by setting the strictest possible pollution standards for new and existing power plants.

At the heart of the case against KXL, a project of oil giant TransCanada, is a slippery-slope argument. No one disputes that the fuel it would carry is dirtier than conventional crude, but greens portray the pipeline as a momentous leap toward long-term domination for the fossil-fuel industry, a 36-inch steel glide path to bloated emissions for decades to come. The attack is bearing some fruit, as prices for western Canada's heavy crude have fallen, spooking the government and making oilmen reconsider their plans in the region.

McKibben's team can't guarantee, however, that killing the pipeline will slow the march of oil-sands development for good. Resistance already has prompted oil companies to consider alternative shipment plans, from using railcars and barges to expanding Midwestern pipe networks owned by Enbridge, a TransCanada competitor. You may remember Enbridge from the costliest onshore oil spill in U.S. history, caused by a corroded Michigan pipe that leaked more than 800,000 gallons of Canadian oil in 2010. The National Transportation Safety Board found that 81 percent of that oil gushed after Enbridge employees misread alarms along their purportedly state-of-the-art system and twice tried to restart the pipeline.

Here's where the safety risks surrounding KXL -- the ones that play second fiddle to talk of oil-sands emissions -- come into play. TransCanada's first line of defense is the same technology that failed to stop the Enbridge spill, but even if it works perfectly, as much as 2 percent of the pipeline's daily volume could escape from tiny leaks that are hard to detect. While that number sounds small, a 1-percent leak from KXL would gush as many as 8,300 barrels of oil per day and cause a spill three times the size of the Michigan disaster within a week.

The Obama Administration acknowledged that danger in its thousand-plus-page review of the project, writing that "although the total volume of a release from a pinhole leak could be relatively large" and might continue "for days or a few weeks ... in most cases the oil would likely remain" close to the pipeline.

When anti-pipeline activists discuss spills, it's usually in the context of still-tenuous claims that heavy fuel wears down pipelines more quickly. But even if KXL is no more spill-prone than the average pipeline, leaks are inescapable: The administration projected more than one "significant" spill of at least 50 barrels somewhere along its path every year.

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more than one "significant" spill of at least 50 barrels somewhere along its path every year.

If environmentalists had made safety, not emissions, the centerpiece of their political charge against KXL they might have prodded the White House into promoting meaningful new regulations for all oil and gas pipeline operators. Instead, the handful of voices -- led by conservative Nebraskans who gave Obama cover to twice delay a decision -- crying out for more attention to the danger of a spill is lost amid the clamor over the pipeline's contribution to climate change.

Sizing up that contribution demonstrates the second downside of making KXL the rallying point for global-warming action. Rejecting the pipeline would save a maximum of about 180 million tons of carbon dioxide per year -- under the questionable assumption that Canadian production would be permanent and not replaced by crude from a developing world where oil demand is rising. In America, the pipeline "is unlikely to have any impact on the amount" of imported oil, according to an analysis commissioned by the Department of Energy.

In contrast, strong carbon-emissions rules for existing U.S. power plants alone would pay off with guaranteed cuts that grow every year while encouraging industry to invest in cleaner technology and further efficiency measures. By 2020 the total carbon-dioxide savings would reach 563 million tons and push power-industry omissions 26 percent below their 2005 levels, according to the Natural Resources Defense Council.

The same green groups fighting the pipeline are pressing Obama for stricter power-plant pollution standards, and hoped (in vain) that the president might publicly commit to them during his State of the Union address. Meanwhile, this weekend's protest casts KXL as the leading climate-change litmus test for the next four years of an administration. That's a big gamble, since Obama is known to mete out victories and setbacks to fossil fuels in seemingly equal measure. In 2011, for example, the White House punted on new ozone standards -- score one for oil and gas -- weeks before the EPA released tough new mercury rules. Will environmentalists still celebrate if the White House rejects the pipeline, only to delay or weaken power-plant emissions limits?

Of course, climate activists might run the table in Obama's second term, stopping KXL and championing strong power-plant rules. Even if they only prevail on the pipeline, they appear prepared to embrace a strategy of emulating Republicans' first-term obduracy against Obama -- saying "no" to almost every fossil-fuel infrastructure plan, from oil sands shipments to coal and natural gas exports.

In that event, Sunday's protest will be just the first of many for American greens. Balancing their demands to say "no" to Keystone XL by offering the president a way to say "yes," an affirmative agenda to speed our transition to cleaner energy technology, will be a challenge.

This article available online at: <http://www.theatlantic.com/politics/archive/2013/02/are-environmentalists-getting-it-wrong-on-the-keystone-xl-pipeline/273149/>

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Governor of Nebraska Backs Route for Pipeline

By JOHN M. BRODER - January 22, 2013 – *The New York Times*

WASHINGTON — The governor of Nebraska on Tuesday approved a revised route through the state for the Keystone XL pipeline, setting up a decision for President Obama that pipeline opponents say will be a crucial test of his intentions on climate change.

Gov. Dave Heineman, reversing an earlier position and brushing aside vocal opposition from some citizen groups, said the pipeline could be built and operated safely and would bring thousands of jobs and hundreds of millions of dollars in new revenue to Nebraska.

The decision came a day after Mr. Obama made an assertive pledge in his Inaugural Address to tackle climate change in his second term. Opponents of the pipeline, which would carry heavy crude oil from tar sands formations in Alberta to refineries on the Gulf Coast, say that the extraction and consumption of the oil would significantly worsen global warming and perpetuate the nation's dependence on dirty fossil fuels.

Mr. Heineman, a Republican, said in a letter to Mr. Obama and Secretary of State Hillary Rodham Clinton that his state had found in its review that the new route avoided sensitive lands and aquifers. Mr. Obama rejected the previous route last January on the grounds that construction of the pipeline threatened Nebraska's Sand Hills region and that a spill could contaminate the critical Ogallala Aquifer.

Mr. Heineman said the pipeline's operator, TransCanada, had assured him and state environmental officials that the chances of a spill would be minimized and that the company would assume all responsibility for a cleanup in case of an accident.

The State Department, which must review the 1,700-mile pipeline because it crosses an international border, is in the final stages of preparing a supplemental environmental impact statement on the project. An earlier version found that it would have minimal adverse effects along its route.

TransCanada's chief executive, Russell K. Girling, said Washington should now follow Nebraska's lead.

"Keystone XL is the most studied cross-border pipeline ever proposed," Mr. Girling said in a statement, "and it remains in America's national interests to approve a pipeline that will have a minimal impact on the environment."

Victoria Nuland, the State Department spokeswoman, said Tuesday that the agency would not complete its review of the project before the end of March.

The House speaker, John A. Boehner of Ohio, is a strong advocate of the project. He applauded Nebraska's action, saying it removed a critical hurdle to the completion of the pipeline.

"Nebraska's approval of a new Keystone XL pipeline route means there is no bureaucratic excuse, hurdle or catch President Obama can use to delay this project any further," Mr. Boehner said in a statement. "He and he alone stands in the way of tens of thousands of new jobs and energy security."

Opposition to the project has been fiercer in Nebraska than in any of the other states along the route, in part because of the ecological value of the Sand Hills and in part because residents organized early to oppose the land acquisitions required for the rights of way.

Those groups are challenging the state's review process in court, and on Tuesday they were harshly critical of the governor's decision.

"Heineman turned his back on landowners and citizens who asked for an unbiased review of the risks of this pipeline," said Jane Kleeb, the leader of Bold Nebraska, a group opposed to the project. She said her group was organizing a protest outside the Governor's Mansion in Lincoln next Tuesday. "The fight continues, even though Governor Heineman sided with a foreign corporation today and turned his back on our water and property rights."

A coalition of national environmental groups including the Sierra Club and 350.org have called on Mr. Obama to kill the project, saying it would bring a rapid expansion of tar sands mining and greatly contribute to greenhouse gas emissions.

"The latest pipeline review still ignores the biggest impact of Keystone XL: climate change," said May Boeve, the executive director of 350.org, an environmental advocacy group. "The tar sands oil that would flow through Keystone XL is the dirtiest form of fuel on the planet, and burning it would have a devastating effect on our climate."

She said the group was planning a large rally in front of the White House on Feb. 17 to urge the president to reject the pipeline.

"The decision is now firmly on President Obama's desk," Ms. Boeve said. "Approving Keystone XL would make a mockery of the commitment he made at the inauguration to take action on climate change."

Dan Frosch contributed reporting from Denver.

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CANADA 

Keystone XL Pipeline Project Draws Climate Change Protesters In Washington

CP | By The Canadian Press Posted: 02/17/2013 2:03 pm EST | Updated: 02/19/2013

WASHINGTON - Thousands of people gathered in the U.S. capital on Sunday to urge President Barack Obama to honour his recent climate change vows, with TransCanada's proposed Keystone XL pipeline the protest's most popular whipping boy.

Organizers billed the rally, held at the foot of the Washington Monument on the National Mall, as the biggest climate protest in American history.

But despite claims by organizers that 50,000 people were in attendance, the crowd appeared smaller, with one police officer in attendance unofficially pegging it at about 10,000 as it got underway.

Nonetheless, despite the brisk, blustery day, steady streams of people — from a group of nuns to native activists and local high-school students — made their way from surrounding subway stations to spill onto the mall. Many of them waved anti-Keystone signs.

While the rally, called "Forward on Climate," was meant to demand Obama take action not just on Keystone XL but on fracking and coal as well, the pipeline was by far the biggest target. Hundreds of protesters formed a human pipeline and marched to the White House, chanting anti-Keystone slogans as they made their way north.

Several prominent environmentalists addressed the rally, including Bill McKibben, the 350.org founder who has spearheaded the U.S. environmental movement's opposition to Keystone XL.

"This movement's been building a long time," McKibben, who was arrested along with dozens of other activists last week at a White House protest, told the crowd.

"One of the things that's built it is everybody's desire to give the president the support he needs to block this Keystone pipeline."

He branded the pipeline, which would carry bitumen from Alberta's carbon-intensive oilsands to Gulf Coast refineries, as "one of the largest carbon bombs in history."

Michael Brune, the Sierra Club executive director also arrested last week, also focused on the pipeline.

"President Obama holds in his hand a pen and the power to deliver on his promise of hope for our children," he said. "Today, we are asking him to use that pen to reject the Keystone XL tarsands pipeline, and ensure that this dirty, dangerous, export pipeline will never be built."

Keystone XL has indeed become a flashpoint for McKibben and other high-profile American environmentalists who view it as a symbol of dirty oil, even though the U.S. is already crisscrossed with various pipelines transporting oil through several states.

As the latest protest started in D.C., John Baird, Canada's foreign affairs minister, chided Americans for lecturing Canada on reducing greenhouse gas emissions.

"We adopted the same goals and objectives in terms of climate change ... We worked with the Obama administration and harmonized vehicle emission standards, light truck standards," Baird told The Canadian Press in a telephone interview from Lima, Peru.

"We're also taking concrete direct action with respect to dirty, coal-fired electricity generation. Maybe the United States could join Canada on that file."

Baird was responding to U.S. Ambassador David Jacobson, who said last week that Obama's State of the Union address — calling once again for swift action on climate change — should also be interpreted as a challenge to Ottawa.

The mood, evidently, is tense at the moment between the U.S. and Canada on the Keystone file.

Pro-pipeline stakeholders on both sides of the border are increasingly convinced that Obama will demand something in return for approving Keystone by way of fees on greenhouse gas emissions. Such fees would be levied not just on existing American power plants but at the border, making it potentially much more expensive for Canadian oil producers to ship their product stateside.

But one American with ties to Canada, bundled up on Sunday to take part in the rally, says she doesn't think average Canadians will be angry if the U.S. rejects Keystone XL.

Karen Bradley, an American with a house in Musquodoboit Harbour, N.S., says the people in her home away from home are anti-Keystone.

"None of the people in our village are supportive of the pipeline. Pretty much everyone we know up there is upset with Stephen Harper and his government for setting this up — it's a really bad idea," she said.

Bradley added she had no concerns that the Canada-U.S. relationship would suffer if Obama rejects the pipeline.

"It would be damaged in some quarters, but in other quarters it would be celebrated," she said.

"People in our village have seen the effects of climate change, and the effects of man-made stupidity on the climate — there's no more fish, there are incredible weather events — so they have the big picture, even though it's a small village."

Geraldine Thomas-Flurer, co-ordinator of the Yinka Dene Alliance — a coalition of six First Nations from northern British Columbia — echoed Bradley when she said real people, not oil executives or government officials, are suffering due to the oilsands.

"We're here to support our brothers and sisters against Keystone XL, because any expansion of the tarsands would impact everyone," she said.

"There's people that are dying around the tarsands, people that are getting sick, their water is sick, their animals are sick, and they can't live the life that they choose to live. Our government has taken advantage of the people in our communities we're tired of being their dirty little secret."

Those both for and against the \$7 billion project are anxiously awaiting a decision from the U.S. State Department, which will determine the fate of Keystone XL because it crosses an international border. A decision is expected some time this spring.

Keystone foes have been cheered by the arrival of John Kerry at the State Department. Now Obama's second secretary of state, Kerry was a fierce climate hawk during his 28 years as a Massachusetts senator.

Among those in attendance at Sunday's rally were actresses Rosario Dawson and Evangeline Lilly.

Lilly, a Canadian best known for her role on the TV drama "Lost," apologized to the crowd on behalf of Canada.

"I am ashamed that we are knocking on your door with dirty oil," she said.

"I want to stand up here as a Canadian and I want to say I am sorry to the workers in Canada and the workers in America who have to go home and look their kids in the eye and know that they are damaging their future."

Busloads of protesters arrived from 28 states for Sunday's rally. A group of people from rural Massachusetts even spent the night at a church in northeast Washington, some of them sleeping on pews, so they could make their way to the rally by subway on Sunday morning.

"We had to be here," said Sally Wainwright, a schoolteacher from the Birkshires area of Massachusetts. "How much longer are we going to continue burning things before we understand the terrible toll it's taking?"

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COLUMBUS, Neb. (AP) — A Nebraska utility says the new route for a proposed oil pipeline that would carry Canadian crude oil through the state will delay work on electric transmission lines for the pipeline.

Nebraska Public Power District officials said they won't be able to build the transmission lines by the deadline TransCanada set for the end of 2014.

NPPD Chief Operating Officer Tom Kent said there's no way the transmission lines will be ready by 2015, the Columbus Telegram reported (<http://bit.ly/12WrOrZ>).

"We have a lot of work to do," he said.

TransCanada's proposed Keystone XL pipeline will carry Canadian crude to the Gulf Coast if it can win President Barack Obama's approval. The proposed \$7 billion pipeline would cross Montana, South Dakota, Nebraska, Kansas, Oklahoma and Texas. TransCanada also has proposed connecting it to the Bakken oil field in Montana and North Dakota.

The southern section of the pipeline between Oklahoma and the Gulf Coast is already under construction, but TransCanada needs a presidential permit for the northern section because the pipeline crossed the U.S.-Canadian border.

TransCanada altered the pipeline's proposed path through Nebraska last year to avoid the environmentally sensitive Sandhills region and a couple towns' drinking water wells. Nebraska Gov. Dave Heineman recently signed off on the new route.

That new route forces NPPD to redo design and planning work for all the areas where the pipeline route changed. Officials estimated that could take 12 to 24 months to complete.

NPPD expects to spend \$44 million on the transmission lines, but TransCanada will have to reimburse the utility regardless of whether the pipeline is ultimately built.

Environmentalists oppose the project because they worry the pipeline could contaminate groundwater reserves and threaten ecologically sensitive areas in Nebraska and other states along its 1,700-mile path.

Thousands of people attended a protest in Washington, D.C., on Sunday to urge Obama to reject the pipeline. The crowds marched from the National Mall to the White House.

Pipeline backers say the project will create thousands of jobs both in the construction of the pipeline and at refineries. Opponents say the pipeline won't create nearly as many jobs as TransCanada has projected.

Project supporters also say the project would give the United States a steady source of oil from a friendly neighboring country.

Information from: Columbus Telegram, <http://www.columbustelegram.com>