

Country's debate over Keystone XL pipeline is far from over

Dennis Sadowski Catholic News Service | Jan. 27, 2012



The Keystone XL pipeline is pictured under construction in North Dakota. (CNS photo/TransCanada Corporation handout photo via Reuters)

WASHINGTON -- President Barack Obama's decision to deny a permit for the 1,700-mile Keystone XL pipeline to carry Canadian crude oil to Gulf Coast refineries should have surprised no one, not even the project's staunchest supporters.

The president promised he would nix the permit after Congress inserted a deadline for his decision in the bill extending the middle class tax cut passed just before Christmas. In denying the permit, Obama said it was not because the project wasn't needed but rather that the 60 days he was given to make up his mind was far too short to complete a second environmental review of the pipeline route, including a 92-mile stretch through the ecologically sensitive Nebraska Sandhills.

The first review by the State Department was called into question when the Environmental Protection Agency cited several shortcomings in the findings and critics of the process complained that officials rammed approval through with little consideration for environmental concerns.

Obama's Jan. 18 decision for all intents and purposes pushes the issue into 2013, after the Nov. 6 election. The deadline from Congress came in response to Obama's pre-Thanksgiving announcement that he was delaying a decision for a year to allow for further study.

Environmentalists, religious activists, grass-roots community groups and indigenous communities cheered Obama's denial, while construction trade unions joined the oil and gas industry and key business associations in flaying the action.

A group of Democrats in Congress also believe Obama was wrong, citing the country's need for jobs and the need to reduce oil imports from less dependable foreign sources.

And Jack Gerard, president of the American Petroleum Institute, the country's largest oil and gas lobbying group, said Obama will face serious political consequences because of his decision as the presidential campaign unfolds.

Obama's denial set the project back but isn't expected to derail it altogether. TransCanada Corp., the Canadian company contracted to build the project, has promised that it will submit a new plan bypassing the Sandhills and its important wetlands.

"By agreeing to move the route out of the Nebraska Sandhills, we have been able to address many of their (local) concerns," TransCanada spokesman Shawn Howard told Catholic News Service in an email. "As we go forward with a new route, we will need to engage with new landowners and we will continue to listen to their concerns."

Both sides are mobilizing for a long fight. Representatives of faith-based groups joined environmental organizations outside of the Capitol Jan. 24 to call upon congressional representatives to stop efforts to change how the permit on the pipeline is issued and end their ties with the oil industry by turning down its campaign contributions.

"The battle is not over yet," said Kathy McNeely, interim director of the Maryknoll Office of Global Concerns, explained to CNS shortly after the White House announced Obama's decision. "It just feels like this really important decision about the heartland of America is a political game right now, especially since the consequences are so high and it's such a huge threat to the earth as we know it in the Midwest."

McNeely and her counterparts have two fears:

-- A possible oil spill polluting underground aquifers used by farmers and residents should the pipe fail anywhere along its route through the country's heartland.

-- The process of recovering the oil from the soil in Alberta's arboreal forests spews high amounts of greenhouse gases into the atmosphere, hastening climate change.

Even so, construction labor unions representing pipefitters, truck drivers, laborers and equipment operators are planning their own strategy to build wider support for the pipeline. Their focus is on the need for jobs in an industry where unemployment stood at 16 percent in December, almost double the national average of 8.5 percent.

TransCanada has said the \$7 billion pipeline project would generate up to 20,000 U.S. jobs over the two years of construction. The total includes 13,000 in construction and 7,000 in manufacturing. TransCanada's Howard said the estimates are based on the company's 60-year history of pipeline construction.

Such projections indicate that the sooner the pipeline can be built, the better, said Tom Owens Jr., director of marketing and communications for the Building and Construction Trades Department of the AFL-CIO. He downplayed environmental concerns in favor of jobs.

"Whether it's 20,000 or 2,000 or 3,000 or whatever, we're looking at 16 percent unemployment in the construction industry. Any little bit helps," he said. "The opportunity to get a job like this is a godsend for this industry. That's the prism through which we're looking at it."

"We're concerned because the president said we can't wait for jobs. He put forth a pretty strong jobs package to Congress. Here's the one thing sitting on his desk, shovel ready project and it's not approved," Owens said.

Despite labor's concerns, it's unlikely that union members will withhold their support of Obama's re-election bid. The same cannot be said for the grass-roots coalition opposing the project. The activists are more likely to throw their support behind third-party candidates or not vote at all to voice their disapproval if the pipeline

permit had been granted. And Obama will need every vote he can get if he wants to win a second term.

Meanwhile, a report by Cornell University's Global Labor Institute released in September asserted that TransCanada's job claims are overblown and that the estimated cost of the project includes both its Canadian and U.S. sections.

Lara Skinner, the institute's associate director for research, said TransCanada's data provided to the State Department -- which was charged with reviewing the permit application because the pipeline crosses an international boundary -- indicates that the project will create between 2,500 and 4,650 temporary construction jobs for two years.

"They're not substantiating where they're getting the 20,000 jobs, so when we look at the data they provided we come up with 2,500 to 4,650 direct construction jobs. That's not going to substantially lower the current unemployment rate," Skinner said.

"Of course, we've said right along for the people getting those jobs, they're very significant," she added. "What we're pointing to is that TransCanada is misinforming the public in the whole debate by vastly over estimating them. That's not fair because we're facing a real unemployment problem in the country."

Let the debate continue.

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