'Serious' Questions on GOP Pipeline Bill

MATTHEW DALY, Associated Press

WASHINGTON (AP) — A Republican bill that would strip President Barack Obama of his authority to decide on a Canada-to-Texas oil pipeline raises "serious" legal questions, the State Department said Wednesday in objecting to the bill.

Assistant Secretary of State Kerri-Ann Jones told Congress that the bill "imposes narrow time constraints and creates automatic mandates that prevent an informed decision" on the $7 billion Keystone XL pipeline.

The bill, sponsored by Rep. Lee Terry, R-Neb., would transfer authority over the 1,700-mile pipeline to the Federal Energy Regulatory Commission.

Obama blocked the $7 billion pipeline last week, saying officials did not have enough time to review an alternate route that avoided environmentally sensitive areas of Nebraska.

The plan by Calgary-based TransCanada Corp. would carry tar sands oil from western Canada across Montana, South Dakota, Nebraska, Kansas and Oklahoma en route to refineries on the Texas Gulf Coast.

Jones said Obama's Jan. 18 decision to reject the pipeline was not based on the merits of the project, but on the fact that officials did not have enough time to review the project before a deadline imposed by Congress.

"We fought in World War II in less time than it has taken to decide on this project," shot back Rep. Joe Barton, R-Texas. "In all due respect, it is an insult to the American people to say you need more time."

TransCanada first applied to build the pipeline in 2008, under the Bush

administration.

Obama had delayed a decision on the pipeline in November, saying his administration needed time to review an alternate route that avoided environmentally sensitive areas of Nebraska — a route that still has not been proposed. But in an unrelated tax deal he cut with congressional Republicans, Obama had been boxed into making a decision by Feb. 21.

The deal required that the project would go forward unless Obama declared by that date that it was not in the national interest. The president did just that last week.

Project supporters say U.S. rejection of the pipeline will not stop one from being built. Canadian Prime Minister Stephen Harper has said Canada is serious about building a pipeline to its West Coast, where oil could be shipped to China and other Asian markets.

TransCanada has said it will submit a new application once an alternative route for the pipeline is established. Company chief Russ Girling said a proposed route could be made public in a few weeks.

TransCanada says the pipeline could create as many as 20,000 jobs, a figure opponents say is inflated. A State Department report last summer said the pipeline would create up to 6,000 jobs during construction

The pipeline is a dicey proposition for Obama, who enjoyed strong support from both organized labor and environmentalists in his 2008 campaign for the White House.

Environmental advocates have made it clear that approval of the pipeline would dampen their enthusiasm for Obama in November. Some liberal donors even threatened to cut off funds to Obama's re-election campaign to protest the project, which opponents say would transport "dirty oil" that requires huge amounts of energy to extract and contributes to greenhouse gas emissions blamed for global warming.

By rejecting the pipeline, Obama also risks losing support from organized labor, a key part of the Democratic base, for thwarting thousands of jobs.

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