Obama to Fast-Track Oil Pipeline, Other Projects

DINA CAPPIELLO & KEN THOMAS, Associated Press

BOULDER CITY, Nev. (AP) — President Barack Obama will direct federal agencies to fast-track an oil pipeline from Oklahoma to Texas, backing a segment of the larger Keystone XL project that he rejected earlier this year.

The 485-mile line from Cushing, Okla., to refineries on Texas' Gulf coast would remove a critical bottleneck in the country's oil transportation system, as rising oil production has outgrown pipelines' capacity to deliver oil to refineries.

Obama's directive, to be announced Thursday, also would apply to other pipelines that alleviate choke points. It will be issued along with an executive order requiring agencies to make faster decisions on other infrastructure projects.

For Obama, the announcement provides an answer to Republicans who say his energy policies, including the rejection of the larger Canada-Texas pipeline, have contributed to high gas prices and destroyed jobs.

The longer 1,700-mile pipeline became a political flashpoint late last year when congressional Republicans wrote a provision forcing Obama to make a decision, and environmental groups waged a campaign to kill the project. In January, Obama delayed it, saying the deadline didn't leave enough time for review.

The issue has become a central focus in the heated political fight over energy development in the 2012 election.

Calgary-based TransCanada Corp. hopes to complete the $2.3 billion Oklahoma-to-Texas section next year after receiving the last approvals it needs to start construction. Many of the permits and environmental reviews already have been completed as part of the larger Keystone project, company officials said.

Cappiello reported from Washington.

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