Oil Industry Group Pushes Obama to OK Pipeline

JOSH FUNK,AP Business Writer

OMAHA, Neb. (AP) — The fight over a proposed pipeline to transport crude oil from Canada to Gulf Coast refineries has picked up again with groups on both sides putting pressure on President Barack Obama to either approve or reject the pipeline.

The attention given to TransCanada's Keystone XL pipeline project has increased now that the election is over because it's clear who will decide the project's fate and because Nebraska is close to deciding whether to approve a revised route through the state.

Pipeline supporters held a conference call with reporters Thursday to stress what they say are the project's economic and security benefits. Opponents worried about possible environmental damage plan a series of protests that start at the White House this weekend.

The American Petroleum Institute, which is the oil and gas industry's main lobbying group, held Thursday's conference call to stress the projected economic benefits of Keystone XL.

"The president says again and again that the priority is the economy and jobs. We think there is a great opportunity here," said Marty Durbin, API executive vice president.

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.

Meanwhile, environmental groups have planned a protest outside the White House on Sunday. They want Obama to reject the pipeline because a leak could contaminate underground and surface water supplies and they worry about increases in air pollution around refineries and harm to wildlife.

"All of those concerns still exist," said Jane Kleeb, who has helped organize opposition to the pipeline with the Bold Nebraska group.

Pipeline opponents and backers have been making similar arguments since TransCanada proposed the project in 2008.

The Keystone XL pipeline is designed to carry oil from Canada across Montana, South Dakota, Nebraska, Kansas, Oklahoma and Texas. TransCanada also has proposed connecting it to the Bakken oil field in Montana and North Dakota.

President Barack Obama rejected TransCanada's original application for a federal

permit to build the pipeline in January after congressional Republicans imposed a deadline for approval that he said didn't allow enough time to address questions about the route through Nebraska.

Since then, TransCanada has split the project into two pieces. The company began construction in August on the southern section of the pipeline between Oklahoma and the Gulf Coast. The southern section of the pipeline didn't need presidential approval because it won't cross an international border.

Nebraska environmental officials are close to completing their review of a new proposed route for the pipeline in that state. TransCanada altered the pipeline's path through Nebraska to avoid the environmentally sensitive Sandhills region and a couple towns' drinking water wells.

State regulators issued a 600-page report on the oil pipeline last month, and they plan to hold a public hearing in Albion on Dec. 4. Then regulators will make a recommendation to Gov. Dave Heineman, who will decide whether to approve the new route.

Heineman has supported the pipeline project in the past, but he opposed TransCanada's original proposed route that crossed the Sandhills. He has not commented on the new route.

After Nebraska officials finish their process, the U.S. State Department will review the project again before Obama has the final say.

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Online:

Nebraska Department of Environmental Quality: http://www.deq.state.ne.us *[1]*

TransCanada: http://transcanada.com/keystone.html *[2]*

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