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Keystone XL Pipeline: Just the Facts

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AP PHOTO/EVAN VUCCI)

Demonstrators gather at a protest to demand a stop to the Keystone XL tar sands oil pipeline outside the White House on Nov. 6 in Washington.

What is it?

The Keystone XL pipeline is a 1,700-mile, \$7 billion project that would bring 700,000 barrels of carbon-heavy tar-sands oil per day from Alberta, Canada, to refineries on the Gulf Coast. It would be an extension of a pipeline that became operational in June 2010 and already carries crude oil from Alberta to Illinois and Oklahoma.

Whose is it?

TransCanada is the company hoping to build the pipeline. Under federal law, the State Department makes the decision on the permit for TransCanada to begin the project, because the pipeline would cross international borders. However, if another federal agency raises concerns about the permit, the decision is automatically kicked up to the White House. The Obama administration announced in November that it would delay a decision on the pipeline permit until an alternative route in Nebraska is considered.

Why do environmental groups and some Democrats oppose it?

Environmentalists are concerned that the extraction and production of tar-sands oil is much more damaging to the environment and emits more greenhouse gases than the processes for obtaining and processing conventional oil. If the pipeline is built, it would greatly



RICHARD A. BLOOM

A pipeline protester walks in front of the White House.

expand the market for the oil, hastening its extraction and potentially adding to global climate change, they say. Opponents of the project are also concerned with the impartiality of State's pipeline-review process. Cardno Entrix, a consulting firm that counts TransCanada among its major clients, completed the environmental impact review for the project. In addition, e-mails uncovered through the Freedom of Information Act showed what environmentalists said was a too-cozy relationship between a TransCanada lobbyist and a State Department employee.

Why do many Republicans, industry, and labor groups support it?

Proponents of the pipeline argue that it would not only create thousands of jobs in the United States during and after its construction, but that it would also open U.S. access to one of the biggest oil reserves in the world, and slash our dependence on oil from overseas. If built, the pipeline would bring 700,000 barrels of oil a day to the U.S.—about half the amount the country imports from the Middle East. Republicans and industry proponents have questioned President Obama for delaying what they call a “shovel-ready” project.



AP PHOTO/EVAN VUCCI
Rep. Tim Griffin, R-Ark., speaks during a Nov. 15 news conference on Capitol Hill to urge President Obama to approve the Keystone XL pipeline.

What happened?

After the State Department issued a final and mostly complimentary [Environmental Impact Statement](#) in late August, the administration was well on its way toward approving the controversial project. In fact, an overwhelming majority of *National Journal* Energy and Environment Insiders in October [were sure](#) it would happen. But activists had just begun to ramp up opposition and spent much of late summer and fall calling out Obama on the project during campaign rallies and events across the country. The culmination of all this came when [thousands of protesters gathered in Washington](#) in early November, forming a ring around the White House and telling Obama that they would pull their grassroots organizing and donor support in next year's election should the administration green-light the project. In addition, field hearings on the project elevated concerns from Nebraska residents about the pipeline's proximity to the state's Ogallala aquifer, which supplies drinking water to 1.5 million people. Nebraska's government got involved and called for a special legislative session to deal with the pipeline.

The delay

Less than a week after the White House protest in early November, the State Department [said it was ordering a new route](#) for the controversial pipeline, delaying the administration's decision until after the 2012 presidential election. The administration said that the decision was made to avoid the ecologically sensitive Sand Hills region of Nebraska, but Republican lawmakers and pipeline

proponents have argued that it's all politics—that Obama's decision was not in the nation's interest, but in his own political interest.

Senate measure

Senate Republicans, led by Minority Leader **Mitch McConnell** of Kentucky and Foreign Relations Committee ranking member **Richard Lugar** of Indiana, have [introduced](#) legislation that would require the State Department to approve the Keystone XL permit within 60 days or have the president explain why the pipeline is not in the nation's interest. Lugar said earlier this week that he still hasn't been able to get Democrats to sign onto the bill.



House measure

Rep. **Lee Terry**, R-Neb., last week introduced a bill aimed at speeding up the final decision on the project by moving it from the State Department and the White House to the Federal Energy Regulatory Commission, which would then have 30 days to make a decision. If FERC does not take action within that time period, the permit would then be deemed approved, according to the measure. Terry [said](#) last week that House Speaker **John Boehner**, R-Ohio, promised to tie the measure to the broader payroll-tax holiday and unemployment package. Though Obama on Wednesday promised to veto any such efforts, Boehner and Republicans [have pressed on](#).