



Written by [Brian Koenig](#) on November 11, 2011

Obama Administration Delays Keystone XL Pipeline — Again

In a worst-case scenario, one source warned that the move could ultimately derail the seven-billion-dollar expansion, which would transport Canadian crude oil from the Athabasca Oil Sands in Alberta, Canada, southeast through the U.S. Midwest, and then on to the Gulf Coast. The decision would "effectively kill" the project, [said](#) Michael Brune, executive director for the Sierra Club. "The carrying costs are too high, and there's no certainty that at the end of 18 months the pipeline would be approved at all."



As [reported](#) in an earlier story by *The New American*, the Keystone pipeline was originally proposed in February 2005. It has suffered from intermittent delays throughout each phase of its development. Keystone XL, the extension which would expand the pipeline's reach to the southern region of the United States, is now awaiting final approval from the Obama administration; however, the State Department's rerouting verdict has shattered federal officials' pledge that a decision would be made by the end of the year.

Liberal politicians and environmental activists are jubilant, as it is a major setback for TransCanada. A source familiar with the project estimated that research for the new route could take 12 to 18 months, or even longer. The department's decision to explore an alternative route, is "a huge victory, and it would probably be the biggest environmental gift that President Barack Obama has given us," [asserted](#) Tony Lallouardo, a spokesman for the National Wildlife Federation.

The Obama administration is contriving a significant reroute of the Keystone XL's plotted course. The last-minute deliberations evaluated whether to order the State Department to administer a new environmental impact study, which will conveniently postpone a final decision well beyond the 2012 presidential election — if not terminate the project altogether. Fox News [reported](#):

Under pressure from environmental groups to nix the pipeline from crossing the U.S., the State Department said Wednesday it is weighing all factors before approving the project, which environmentalists say would destroy ecologically sensitive areas.

A spokesman with the State Department, which has authority for approving the program because it crosses national boundaries, said that the process is being driven by an effort to get the best information, and the collective impact on the environment, jobs and national security.

Keystone XL is a controversial venture that has aroused considerable attention over the past few months, with fervent criticism stemming from both sides of the debate. Democratic lawmakers and environmental groups adamantly oppose the project as they claim oil spills will devastate the environment, while Republican lawmakers and business leaders argue that the pipeline will create thousands of jobs and increase U.S. energy independence.



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The quandary has positioned President Obama in a political trap, as constituents on both sides of the issue hold considerable influence in the political arena. In fact, some prominent liberal donors have threatened to slash contributions to Obama's reelection campaign if he approves the pipeline.

Hollywood celebrities, scientists, and high-profile environmental activists have been arrested in protests, as the pipeline's approval deadline drew closer. Nebraska lawmakers were also largely instrumental in the administration's decision, as they warned of "potential damage" to the environment, particularly to aquifers that supply drinking water in the Nebraska region — even though extensive research concluded that an oil spill would inflict minimal, if any, damage.

Conversely, supporters of the project tout the importance of curbing U.S. dependence on Middle Eastern oil, as the Keystone pipeline would transport 700,000 barrels of oil per day to the United States. The U.S. Chamber of Commerce calculated that the State Department's decision would "immediately cost more than 20,000 Americans an opportunity to get a job." Further, environmentalists warn of the "environmental calamity" of extracting tar sands oil, but neglect to note that regardless of the U.S. government's decision, the oil will be produced. If the United States denies TransCanada's proposal, the oil will simply be shipped to China and other parts of the world.

Agreeing to reroute Keystone XL's path is a decision in itself, critics note, as the controversial program is no longer a political liability for the President — one that was sure to stoke a political firestorm over his campaign, regardless of his verdict. House Speaker John Boehner (R-Ohio) swiftly criticized the announcement as an attempt to suppress the campaign turmoil that such a decision would stir. "By punting on this project," Boehner asserted, "the president has made clear that campaign politics are driving U.S. policy decisions at the expense of American jobs."

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