



Written by [Brian Koenig](#) on January 19, 2012

Obama Administration Denies Permit for Keystone XL Pipeline

President Obama rejected a permit to expand the controversial Keystone pipeline Wednesday, blaming Republicans for ordering a hurried deadline that, he claimed, did not provide sufficient time for officials to review the plan. "The rushed and arbitrary deadline insisted on by congressional Republicans prevented a full assessment of the pipeline's impact, especially the health and safety of the American people, as well as our environment," the President said in a statement.



The White House disputed that the pipeline provision that Republicans attached to the short-term payroll tax cut extensions last year — which forced the Obama administration to make a decision in two months — is what dismantled the project. "This announcement is not a judgment on the merits of the pipeline, but the arbitrary nature of a deadline that prevented the State Department from gathering the information necessary to approve the project and protect the American people," Obama [charged](#) in his written remarks. "I'm disappointed that Republicans in Congress forced this decision, but it does not change my administration's commitment to American-made energy that creates jobs and reduces our dependence on oil."

TransCanada's Keystone XL, which would transport Canadian crude oil from Alberta, Canada, to southern parts of the United States, has been battling an ongoing review from the State Department, and despite receiving several other federal, state, and local approvals, the State Department retracted from signing off on the project last year after environmental groups and Nebraska lawmakers protested the measure.

Naturally, environmentalists and other opponents of the project hailed the President's decision. "President Obama put the health and safety of the American people and our air, lands and water — our national interest — above the interests of the oil industry," [asserted](#) Frances Beinecke (pictured above), president of the Natural Resources Defense Council. "His decision represents a triumph of truth over Big Oil's bullying tactics and its disinformation campaign with wildly exaggerated jobs claims."



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Such groups have launched a series of protests against the Keystone expansion, asserting that the pipeline will add to greenhouse-gas emissions and pollute drinking water supplies in Nebraska. They were so dedicated that they had staged demonstrations outside the White House and threatened to cease all funding to Obama's reelection campaign, if he decided to endorse the project.

"The entire purpose of the pipeline is to move Canadian oil to the crude refineries in the Gulf so that it can be shipped overseas," said Jeremy Symons, Vice President of the National Wildlife Federation. "If the pipeline is built, Canada gets the jobs, China gets the oil and American families get the oil spills."

Conversely, business groups and Republican lawmakers railed against the move, censuring Obama for his "politics-as-usual" convictions. "This political decision offers hard evidence that creating jobs is not a high priority for this administration," said U.S. Chamber of Commerce President Thomas Donohue, who [led a charge](#) last week pushing Obama for the approval. "The President's decision sends a strong message to the business community and to investors: keep your money on the sidelines; America is not open for business."

A spokesman for House Speaker John Boehner (R-Ohio) decried the announcement. "President Obama is about to destroy tens of thousands of American jobs and sell American energy security to the Chinese," the spokesman affirmed. "The president won't stand up to his political base even to create American jobs. This is not the end of this fight."

GOP presidential candidate Mitt Romney also joined the fray. "President Obama's decision to reject the Keystone XL crude oil pipeline is as shocking as it is revealing," he said in a statement. "He seems to have confused the national interest with his own interest in pleasing the environmentalists in his political base."

Likewise, presidential contender Newt Gingrich called Obama's decision "stunningly stupid," as it kills thousands of construction jobs and weakens energy security. Gingrich added that the decision will force Canada to sell its oil to China instead. "What Obama will have done is kills jobs, weaken American energy security, and driven Canada into the hands of China out of sheer, utter stupidity," he stated.

On Tuesday, the President's own Jobs Council released a year-end report calling for an "all-in approach" to energy policy that involves expanding oil-and-gas drilling as well as building energy projects such as oil pipelines. While not specifically mentioning the Keystone expansion, the report encouraged moving forward quickly with projects that "deliver electricity and fuel." Further, the report [indicated](#):

The Council recognizes the important safety and environmental concerns surrounding these types of projects, but now more than ever, the jobs and economic and energy security benefits of these energy projects require us to tackle the issues head-on and to expeditiously, though cautiously, move forward on projects that can support hundreds of thousands of jobs.

While the administration's decision imposes a major setback, it does not terminate the project, as the State Department said the rejection "does not preclude any subsequent permit application."

TransCanada said in a [news release](#) Wednesday that they had been anticipating the President's decision, and that they remain "fully committed" to the construction of the pipeline. Company officials also made it a point to explain why Keystone XL is so critical for the United States, in terms of both job growth and energy security.

"Until this pipeline is constructed, the U.S. will continue to import millions of barrels of conflict oil from the Middle East and Venezuela and other foreign countries who do not share democratic values



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Canadians and Americans are privileged to have," said TransCanada CEO Russ Girling. "Thousands of jobs continue to hang in the balance if this project does not go forward. This project is too important to the U.S. economy, the Canadian economy and the national interest of the United States for it not to proceed."



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