

Response to pipeline decision: From shrill to responsible

Posted on [January 26, 2012](#) by [admin](#) | Comments Off

By Don Morrison

When President Barack Obama denied TransCanada Corporation's permit to build the Keystone XL Pipeline, the reaction ranged from inflammatory accusations to statements on how North Dakota can take responsibility for what happens here.

[President Obama](#) made his decision because of the "rushed and arbitrary deadline" Congressional Republicans inserted into a payroll tax bill in December. That politically inspired deadline "prevented a full assessment of the pipeline's impact, especially the health and safety of the American people," Obama said.

One of the Republican candidates for U.S. House, [Brian Kalk](#), who's also a current Public Service Commissioner, accused the Obama Administration of choosing "ideology over jobs and energy security." He said the decision was an example of Obama's "unwavering war on fossil fuels" and that the President sided "with the radicals who want to destroy the fossil fuel industry, rather than with the hard working men and women who need the jobs."

But, a supporter of the pipeline, [Montana Governor Brian Schweitzer](#) (D), said the President had no choice but to deny the permit because Nebraska's rejection of the pipeline's route through Nebraska made the application incomplete, with no time for an alternative route. If the new deadline had not been imposed, the administration would have had time to review and approve the project.

After the decision, TransCanada Corporation said it will reapply for a permit with a complete route though the US.

[Rep. Rick Berg](#), who is also a Republican candidate for US Senate, claimed the President "put politics over getting Americans back to work." According to Berg, the President is "a road block to expanding domestic energy production" while North Dakota has "seen the benefits of a long-term energy plan that encourages investment in our natural resources."

People who are dealing with the results of a lack of state planning for oil development in western North Dakota likely would take issue with Berg on the benefits of his state "energy plan." Meanwhile, Berg has received [more campaign funds](#) from oil, gas and coal-mining than from any other industry. And, the head of the American Petroleum Institute [publicly threatened](#) the President several weeks ago with "huge political consequences" if he denied the Keystone XL's permit.

[Ryan Taylor](#), North Dakota Senate Minority Leader and Democratic-NPL candidate for governor, said that "as it is now, transporting oil out of western North Dakota is taking a massive toll on the infrastructure and way of life for those living in that area of our state." Taylor acknowledged the pipeline could have "reduced congestion and improved public safety."

Taylor then offered a concrete way to take local responsibility for the situation. He said, "We lumbered into this oil boom without proper state planning. In North Dakota, we should be innovating ways we can do better for ourselves rather than waiting on the federal government. We should be incentivizing and building additional refinery capacity in North Dakota to add value to our Bakken crude right here at home."

The [North Dakota Chamber of Commerce](#) proclaims on its website that the “politically charged job-killing decision” showed that “jobs and energy security are not a priority” for the President. The website exhorted people to tell their “outrage” to the President.

However, since Obama became president energy production in the US has increased and imports of oil have gone down. The President said his decision “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.” He said the administration is committed “to American-made energy that creates jobs” and that “in the months ahead, we will continue to look for new ways to partner with the oil and gas industry to increase our energy security.”

[Tom Potter](#), a Democratic-NPL candidate for US Senate, said, “People are making up all sorts of things about the President. That kind of thing happens. But, let’s remember this was a pipeline with a hole in it. The President couldn’t approve that. It is time for us to stop living in a fantasy world and ask what these decisions will actually mean for us. We should be guided by reality. We haven’t addressed what is happening in North Dakota because of all the high powered rhetoric. In reality, the Keystone XL oil is destined for China, so I don’t expect the US to see any of that oil.”

Potter, who is from Grand Forks, also questioned the claims about thousands of jobs. From his experience, there are few local jobs with pipeline construction because workers travel with the pipeline construction. In addition, Potter said, “We need to slow down the drilling so roads and infrastructure can catch up. No one seriously considered the impacts of the pipeline, except Nebraska,” Potter said.

[Rep. Berg](#) claimed the project will create “more than 100,000 American jobs, many of which could be seen in North Dakota, with Bakken Field crude oil expected to account for approximately 25 percent of the pipeline’s expanded capacity.”

Not so, according to a [Cornell University report](#) which says “the project will create no more than 2,500 to 4,650 temporary direct construction jobs for two years, according to TransCanada’s own data supplied to the State Department.” The report states the pipeline “will not be a major source of US jobs, nor will it play any substantial role at all in putting Americans back to work.”

As for the claim that North Dakota oil would be carried by the pipeline, Mark Trechock, Executive Director of the Dakota Resource Council, discovered that “there are no pending permit applications that would link the Bakken to the Keystone XL pipeline. Supporters of the pipeline are way out ahead of themselves.”

The oil in the proposed Keystone XL pipeline is dirty oil from the tar sands of Alberta. Many people who live there have serious concerns that are not being addressed. Dene National Chief Bill Erasmus issued a statement that the Dene Nation was pleased that the pipeline permit had been rejected “because it defers the expansion of the Alberta tar sands which impact us.” He called for the Canadian and Alberta governments, industry, and people who are impacted to come “together to agree on how to address the actual environmental impacts.” He cited the need to find “new methods to utilize less water for oil sands production and cleaning up the extensive toxic tailings ponds.”

Closer to home, Paul Mathews with the [Dakota Resource Council](#) said the President made the right decision to deny the pipeline application because of “legitimate concerns about the route” and “the company’s poor safety record.” The original Keystone pipeline is within 2,000 feet of Mathews’ house. He said the pipeline sprung more than a dozen leaks in the US during its first year of operation. Mathews said, “The worst was a 500 barrel spill that shot a geyser of oil some 60 feet in the air and resulted in 20,000 gallons in less than an hour on the ground in this North Dakota county.”

“Before approving any more tar sands pipelines, the administration must make sure they won’t leak like the original one where leaks can potentially contaminate the land and water we need to sustain life,” Mathews said.

[John Boehner](#) (R-Ohio), US House Majority Leader said, “President Obama is destroying tens of thousands of American jobs and shipping American energy security to the Chinese. There’s really no other way to put it: the President is selling out American jobs for politics.”

Chad Nodland of the [NorthDecoder.com](#) blog countered many of the panacea claims from pipeline supporters. For example, the firms involved in the pipeline told Canadian government officials that the project could add at least \$4 billion to the US fuel bill. Another source calculated that Americans could spend 10 to 20 cents more per gallon for gasoline and diesel fuel. And, the purpose of the pipeline is to move the tar sands oil to export, not US consumption.

Earlier this year [Nodland’s blog](#) provided information about why Canada wants to send oil to Gulf Coast refineries rather than refineries in the Midwest. The Canadian oil going to Midwest refineries stays in the US. However, oil going to the Gulf Coast through a new pipeline “would be available for the first time to buyers on the world market.” Those refineries are “located in foreign trade zones, where they can export Canadian oil to the world market without paying US taxes.”

Opposition to President Obama’s decision was widely covered by the North Dakota media, which mostly carried comments from [Sen. John Hoeven](#) (R-ND) and [Heidi Heitkamp](#), a candidate for North Dakota’s other US Senate seat.