

Trump administration grants permit for Keystone XL pipeline

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TransCanada Corp., the company responsible for the Keystone XL oil pipeline, said Friday morning that the Trump administration has signed off on the project. The 1,179-mile cross-border pipeline would transport oil from the Canadian province of Alberta to the US state of Nebraska.

The Keystone XL, originally planned to open in 2012, would transport up to 830,000 barrels a day of Canadian and North Dakota crude to Steel City, Nebraska, where it would link up to existing pipelines to deliver the oil to the Gulf Coast states of Texas and Louisiana for processing. Most of the refined product would probably be exported.

Donald Trump repeatedly pledged during his presidential campaign to expedite the project. The US State Department, having jurisdiction because the pipeline would cross the US-Canadian border, issued the permit after a brief, 60-day study. This reverses the position of the Obama administration, which rejected the project in late 2015, saying it would undermine US efforts to curb reliance on carbon fuels.

“It’s a great day for American jobs,” Trump said from the White House on Friday after the permit was granted. “Today, we take one more step towards putting the jobs, wages and economic security of American citizens first.” In fact, the few thousand jobs created for construction of the project would be temporary, and only a few dozen permanent positions would remain after completion.

The pipeline permit was signed by the undersecretary of state for political affairs, Thomas Shannon, Jr. The new secretary of state, Rex Tillerson, the former chief executive of ExxonMobil, had recused himself from the decision. The oil industry has lobbied for the pipeline in opposition to environmentalists, who say it would contribute to climate change and endanger water

sources.

In a statement, Sierra Club Executive Director Michael Brune said, “The dirty and dangerous Keystone XL pipeline is one of the worst deals imaginable for the American people, so of course Donald Trump supports it.” After the violent clearing of the Dakota Access Pipeline protests in late February, it is bound to provoke protests.

Trump signed executive orders reviving the Dakota Access and Keystone XL pipelines in January. On March 10, thousands of Native Americans and others, led by the Standing Rock Sioux Nation, gathered in Washington D.C. to protest the president’s approval of the pipelines.

The exploitation of the land-locked Alberta oil sands has been associated with environmental destruction, much of this at the expense of Alberta’s impoverished aboriginal population. The route chosen by TransCanada also goes through environmentally sensitive areas.

Trump’s support for the pipeline is in line with his opposition to regulatory restraints on big business. His pick to head the Environmental Protection Agency, Scott Pruitt, as Oklahoma attorney general filed more than a dozen lawsuits challenging the authority of the EPA to regulate industry.

The Canadian oil flowing through the pipeline is considered one of the dirtiest types of crude. A 2015 study funded by the US Department of Energy found that the Canadian oil sands emit 18 percent more greenhouse gases when processed into gasoline than that released from traditional US crude; diesel fuel derived from oil sands emits 21 percent more of these gases. Mining the sands also requires large amounts of energy for extraction and processing.

The Keystone XL still faces some hurdles. Before the

pipeline can be built it must receive approval from the Nebraska Public Service Commission as well as local landowners who have concerns about their water and land rights. International interest in the Canadian oil sands among many oil companies has been waning due to sluggish oil prices. Also, extraction from oil sands, located in the sub-Arctic boreal forest, is expensive.

European energy giants Total and Statoil have abandoned their projects in the oil sands. ExxonMobil wrote down 3.5 billion barrels of reserves, saying they were not economically attractive to develop, at least over the next few years.

Canadian oil production, however, continues to grow, and the Keystone project is central to the future of TransCanada.

TransCanada had begun legal proceedings in January 2016 that involved filing a NAFTA claim seeking to recoup more than \$15 billion in costs and damages following the pipeline's earlier rejection. Canadian Prime Minister Justin Trudeau, who has postured as an environmentalist, publicly supports the Keystone XL project.

In November 2015, when the Obama administration rejected TransCanada's application to construct the Keystone XL, Obama said the pipeline was not in the US "national interest" and would not provide a significant boost to the US economy, as was claimed by the project's Republican and corporate supporters.

Obama also said that the import of "dirtier crude oil" wouldn't have led to lower US gasoline prices and would have gone against his administration's efforts to lower oil imports by boosting domestic shale-oil production and transitioning America to a "clean energy" economy.

There was a large amount of posturing in Obama's announcement rejecting the Keystone XL in 2015, coming as it did just weeks before the UN Climate Change Conference, where the United States would commit to nothing but nonbinding goals. Like other major powers, the US under Obama formulated "climate change" policies and "green energy solutions" that pushed the burden of responsibility onto its rivals.

In the end, Obama sought to promote his "green" credentials to curry favor with environmentalists in the Democratic Party's orbit, while postponing the ultimate decision on the Keystone XL to be taken up by his successor's administration.



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