

Koch Brothers Positioned To Be Big Winners If Keystone XL Pipeline Is Approved

By David Sassoon

The Keystone XL pipeline, awaiting a thumbs up or down on a presidential permit, would increase the import of heavy oil from Canada's oil sands to the U.S. by as much as 510,000 barrels a day, if it gets built.

Proponents tout it as a boon to national security that would reduce America's dependence on oil from unfriendly regimes. Opponents say it would magnify an environmental nightmare at great cost and provide only the illusion of national benefit.

What's been left out of the ferocious debate over the pipeline, however, is the prospect that if president Obama allows a permit for the Keystone XL to be granted, he would be handing a big victory and great financial opportunity to Charles and David Koch, his bitterest political enemies and among the most powerful opponents of his clean economy agenda.

The two brothers together own virtually all of Koch Industries Inc. — a giant oil conglomerate headquartered in Wichita, Kan., with annual revenues estimated to be \$100 billion.

A SolveClimate News analysis, based on publicly available records, shows that Koch Industries is already responsible for close to 25 percent of the oil sands crude that is imported into the United States, and is well-positioned to benefit from increasing Canadian oil imports.

A Koch Industries operation in Calgary, Alberta, called Flint Hills Resources Canada LP, supplies about 250,000 barrels of tar sands oil a day to a heavy oil refinery in Minnesota, also owned by the Koch brothers.

Flint Hills Resources Canada also operates a crude oil terminal in Hardisty, Alberta, the starting point of the proposed Keystone XL pipeline.

The company's website says it is "among Canada's largest crude oil purchasers, shippers and exporters." Koch Industries also owns Koch Exploration Canada, L.P., an oil sands-focused exploration company also based in Calgary that acquires, develops and trades petroleum properties.

Waging War on Obama

The Koch brothers are not run-of-the-mill political opponents. An investigative report last year by the New Yorker magazine on the secretive and deep-pocketed pair have shown them to be "waging a war against Obama." They have bankrolled the Tea Party movement, climate change skepticism and right-wing think tanks, such as the Cato Institute, the Heritage Foundation, the Competitive Enterprise Institute and the National Center for Policy Analysis.

Through Flint Hills Resources LP based in Wichita, Kan., the Koch brothers provided \$1 million in 2010 to the failed effort to suspend California's groundbreaking 2006 global warming law.

After the 2010 [midterm elections](#), they have become established at the center of GOP power, according to The Los Angeles Times. The paper reported this week that Koch Industries and its employees formed the largest single oil and gas donor to members of the House Energy and Commerce Committee.

That includes the campaign coffers of the new committee chairman, Fred Upton (R-Mich.), who though once a moderate is now leading the anti-regulatory charge in the Republican-dominated House.

Hearings in his committee began yesterday on a bill to roll back EPA's regulatory power over carbon dioxide, a power which has been affirmed by the both the Supreme Court under Chief Justice Roberts, as well as Bush's EPA.