



GOP will revive Keystone deal Obama killed

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President Obama's decision last week to deny a permit for a Canadian pipeline that would run all the way to Texas helped solidify his support among environmental groups. But it pits the president against congressional Republicans who are all but certain to use the Keystone XL pipeline as a bargaining chip in this week's negotiations over extending a payroll tax cut and unemployment insurance.

"This is a wonderful talking point for Republicans," said Jerry Taylor, a federal energy and environmental policy scholar with the Cato Institute, a libertarian think tank. "They will argue that the high gasoline prices Americans have been paying are something one can blame on the president. And they will argue that high unemployment rates are due to this."

Neither argument is entirely true, Taylor said, but Republicans can still use them to back Obama into a corner over the pipeline project, which would carry oil from the tar sands of Alberta, Canada, through a 36-inch pipe to oil refineries along the Gulf Coast.

In denying the pipeline's permit last week, Obama said he wasn't ruling on the merits of the project. Instead, the president said the 60-day deadline Republicans set for a decision didn't give the administration enough time to adequately study the project.

That rejection didn't just anger Republicans. Democratic lawmakers and labor unions also support the pipeline because it would create badly needed jobs.

"The bipartisan support for the Keystone pipeline is one of the reasons we will continue to fight for this common sense jobs issue," Michael Steel, spokesman for House Speaker John Boehner, R-Ohio, told The Washington Examiner.

Among the Democratic lawmakers backing the Keystone project is Rep. Nick Rahall of West Virginia.

"I want the project to go forward," Rahall told The Examiner. "I think we need it for our energy security and for jobs for America."

The president, Rahall said, "is obviously walking a tightrope here, with the environmental community. Part of it is an anti-fossil fuel attitude."

The pressure on Obama to reverse course on Keystone will be intense, but few believe he will change his mind before the November election, said Democratic strategist Brendan Daly, a former top Democratic House aide.

The GOP's biggest weapon in the fight for Keystone is the upcoming negotiations over extending a 2 percent reduction in the payroll taxes paid by 160 million working Americans. Republicans are likely to attach a pipeline permit measure to the legislation extending that tax cut.

Congressional Republicans in December agreed to extend the payroll tax cut through February, when it will end unless Congress agrees to another extension. They also will consider extending unemployment benefits and Medicare payments to doctors through the rest of the year.

Republicans also haven't ruled out trying to strip Obama of his authority to approve the permit and transfer it instead to the Federal Energy Regulatory Commission.

Sen. John Hoeven, R-N.D., is writing a separate bill that would give Congress the sole authority to grant or deny transcontinental pipeline permits, including Keystone's.

The House is scheduled to hold hearings on their Keystone legislation next week.

"We are absolutely committed ... to keep the Keystone XL pipeline on the front burner," said House Energy and Commerce Committee Chairman Fred Upton, R-Mich.

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