

LOBBY GROUP VOWS TO DEFEND OILS SANDS PIPELINE AGAINST NEW ATTACK¹

Geoff Dembicki[©]

The debate over a contentious oil sands pipeline from Alberta to Texas could now pit a powerful lobby group against America's lead environmental agency. And the future of U.S. energy policy could be at stake. "We certainly intend to respond formally to what we believe was a mistaken action," Tom Corcoran, executive director of the Centre for North American Energy Security, told the Tyee Friday.

Corcoran's comments came after the Environmental Protection Agency (EPA) questioned plans to build a \$7 billion pipeline – TransCanada's Keystone XL – from Alberta's oil sands to Gulf Coast refineries. Extracting fuel from the oil sands, then combusting it in a vehicle engine, creates 82 percent more carbon emissions than conventional oil, the EPA estimated. Those concerns filled a recent letter to the Department of State, which must decide whether to approve the pipeline. The EPA is calling for a broader environmental impact study.

Former Republican congressman Corcoran, whose lobby group includes some of the world's biggest oil companies as members, is still weighing options. He called the EPA's action "unusual" and questioned whether "political involvement" played a role. "Our general counsel is preparing a reply," he said. Asked what form that reply would take, he replied, "That is a decision which we will make when we find out exactly what was done and what might be the motivation."

The debate over Keystone XL must focus only on direct environmental impacts, Corcoran said. Greenhouse gases released from oil sands operations aren't a relevant issue in the current debate, he said. "What the Secretary of State has to do relates to the specific project itself, the pipeline," he said. "The law does not require a full environmental impact statement for some side aspect related to the production of oil sands fuel."

If approved, TransCanada's \$7 billion Keystone XL could ship 510,000 barrels of oil per day to the United States. Proponents believe American prosperity depends on easy access to Alberta's oil, the world's second largest known reserves. Detractors, which include influential congressman Henry Waxman, argue the project will increase U.S. addiction to high-carbon fossil fuels.

¹ The Tyee.ca, The Hook, Environment, July 23, 2010