

# Threats to the Environment and the XL Keystone Project: "It's Not About Oil Pipelines, It's About Tar Sands"

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The same day that U.S. Secretary of State John <u>Kerry</u> was promising a "fair and transparent" review of the Keystone XL oil pipeline from <u>Alberta</u>, Canada, to the Texas Gulf Coast, the CEO of the company building that pipeline, TransCanada's Russ <u>Girling</u>, was reported as saying that his company's "Plan A" was finishing a different pipeline that would take the same <u>tar sands</u> oil to Canada's east coast.

TransCanada's plan to establish a pipeline to the Atlantic coast has received little attention since CEO Girling's February 6 <u>interview</u> on Bloomberg Television and Bloomberg's later <u>report</u>:

"Canada's <u>second-largest</u> pipeline company proposes to ship oil 3,000 miles (4,825 kilometers) to the Atlantic Coast, allowing producers to send it by tanker to the Gulf, Girling said yesterday in an interview at Bloomberg's New York headquarters.

"While he expects U.S. passage of Keystone 'very soon,' the East Coast route makes sense in any event because of rising production from Alberta, Girling said."

TransCanada presently has about \$22 billion worth of pipeline <u>projects underway</u>, of which Keystone XL represents about a third of the total. Asked if an east coast pipeline was a fallback plan in case Keystone is blocked, Girling said: "It's not a Plan B, it's a Plan A, and it will go if the market supports it, along with Keystone.... Once you get on tidewater, you can get anywhere, and you don't need a presidential permit to bring oil into the Gulf Coast."

That the head of a pipeline company is more interested in getting tar sands oil to market than he is in what it may cause after that is perhaps not surprising. Girling isn't a climate change denier, he just sees change taking decades during which TransCanada will try to make the transition to non-fossil fuels, which is why the company built three large wind farms in 2011.

### **Keystone Needs Presidential Permission to Proceed**

But there may not be decades, there may be no time at all, according to a long *National Journal* story on February 7, with the headline: "The Scary Truth About How Much Climate Change Is Costing You" – costing you now, the sub-head emphasizes: "While policymakers

fiddle, the threat of economic harm posed by rising sea levels, devastating storms, and drought is growing every day."

On January 22, <u>Greenpeace</u> released a 60-page report called "Point of No Return," dealing with "massive climate threats we must avoid," while giving little reason to think we will avoid them:

"The world is quickly reaching a Point of No Return for preventing the worst impacts of climate change.

"With total disregard for this unfolding global disaster, the fossil fuel industry is planning 14 massive coal, oil and gas projects that would produce as much new carbon dioxide (CO2) emissions in 2020 as the entire US, and delay action on climate change for more than a decade.

"Continuing on the current course will make it difficult – if not impossible – to prevent the widespread and catastrophic impacts of climate change...."

In the United States, <u>pressure</u> is building for the President (or the Secretary of State) to deny a permit to Keystone. That demand is at the heart of <u>plans</u> for "the largest climate rally in history" on the Mall in Washington February 17. Sponsored by the <u>Sierra Club</u>, <u>350.org</u>, and the Hip-Hop Caucus, the promoters of the event assert that

"The first step to putting our country on the path to addressing the climate crisis is for President <u>Obama</u> to reject the Keystone XL <u>tar sands</u> pipeline. His legacy as president will rest squarely on his response, resolve, and leadership in solving the climate crisis."

Making much the same <u>argument</u> with much greater detail on February 10 on <u>TomDispatch.com</u>, Hampshire College professor Michael Klare analyzes three possible pipeline routes that would enable Alberta tar sands oil to reach world markets. The first is <u>Keystone</u>, first proposed in 2008, which is still at least two years from being operational. The other two go in opposite directions — <u>west</u>, where resistance is already high, and <u>east</u>, where a substantial amount of pipeline is already in place. Klare analyzes each alternative in detail, arguing that:

"... the only pipeline now under development that would significantly expand Albertan tar-sands exports is Keystone XL. It is vitally important to the tar-sands producers because it offers the sole short-term – or possibly even long-term – option for the export and sale of the crude output now coming on line at dozens of projects being developed across northern Alberta.

"Without it, these projects will languish and Albertan production will have to be sold at a deep discount – at, that is, a per-barrel price that could fall below production costs, making further investment in tar sands unattractive. In January, Canadian tar-sands oil was already selling for \$30-\$40 less than West Texas Intermediate (WTI), the standard U.S. blend."

But Klare does not consider the different route to the Atlantic proposed by Girling, a route that could be entirely within Canada, ending at St. John, New Brunswick.

The shadow play aspects of the public posturing around the Keystone pipeline make it difficult to focus on the underlying reality that matters most: whether exploiting tar sands, not only in Canada, but in the U.S. and other countries, really will mean "game over for the climate," as <u>NASA</u> scientist James <u>Hansen</u> has said. The heart of his argument, as it appeared in the New York <u>Times</u>, was simple:

"GLOBAL warming isn't a prediction. It is happening. That is why I was so troubled to read a recent <u>interview with President Obama</u> in Rolling Stone in which he said that <u>Canada</u> would exploit the <u>oil</u> in its vast tar sands reserves 'regardless of what we do.'

" If Canada proceeds, and we do nothing, it will be game over for the climate."

The game, in other words, is not about pipelines, it's about tar sands oil. And even though cancellation of the Keystone pipeline would not be a game-changer, such cancellation would be a powerful symbol that leaves open the possibility of changing the game. And it would be a signal that there is at least some political will to change the game.

The Canadian government under Stephen Harper has been <u>pushing hard</u> for the Keystone pipeline, lobbying the Obama administration and responding to unsympathetic media reports in the U.S. At the same time, Canadian resistance to pipelines in both the <u>east</u> and <u>west</u> has grown increasingly intense, especially among the more than 630 <u>First Nations</u> governments of Canada's native people whose land would be directly affected.

### Media Coverage Omits More Than It Says

When Sec. Kerry promises a "fair and transparent" review of Keystone and media from <u>ABC News</u> to the Washington <u>Post</u> to Huffington <u>Post</u> report the story with the same wire service account from AP, there's not a lot of reporting going on. Sec. Kerry's comments are value free and allow for a possible approval, especially in the context of Kerry's "great respect" for the needs of Canada's energy industry.

What AP and those who carried the report left out included Sec. Kerry's significant oil industry holdings which create an obvious conflict of interest, although as someone who was the <u>richest</u> U.S. Senator till recently (net worth about \$240 million, compared to Jay Rockefeller's \$98 million), his oil holdings may not represent that great a conflict. And Sec. Kerry was "a steadfast <u>proponent</u> of taking action on climate during his tenure as a <u>senator</u>," according to <u>Reuters</u>.

The widely distributed AP report all but dismisses "climate change," using the phrase only in the context of suggesting that the pipeline would be "a source of much-needed jobs," which it's not, and "a step toward North American energy independence," which it's not.

Sec. Kerry's remarks fit a context in which the State Dept. carries out its evaluation and approves the pipeline, giving cover for Pres. Obama to approve it, too, since the evaluation was "fair and transparent," or will be reliably reported that way. But Sec. Kerry also mentioned "accountability" in passing, without saying (or being asked) just what that could possibly mean. If James Hansen is right, and the climate is destroyed by tar sands oil, how will anyone in the future be able to hold a long-dead multi-millionaire accountable for his lost seriousness?

<u>Alternatively</u>, with the boom of "light sweet oil" coming out of Texas and North Dakota, oil that is much preferable to the "heavy sour crude" from Alberta, the president may have a practical way of sidestepping Keystone approval as no longer very useful to the United States (if it ever really was).

### **Disruptions Continue Along Keystone Southern Leg**

The active <u>protest</u> and <u>political theatre</u> front in recent months has been along the TransCanada Keystone Gulf Coat section in Texas and Oklahoma, where early in the morning of February 11 in Schoolton, OK, an Oklahoman youth pastor, Stefan Warner, who chained himself to construction machinery high above a local waterway, the North Canadian River.

"I grew up in a town where the North Canadian River runs right through, and we can't let the North Canadian become another Kalamazoo," Warner said, referring to the Kalamazoo River in Michigan. Another giant pipeline company, Enbridge Energy, had one of its pipelines rupture there in July 2010, dumping about 900,000 gallons of toxic tar sands crude oil into the river, where the clean-up is now in its third year.

Warner acted with other members of the <u>Great Plains</u> Tar Sands Resistance, a new group that recently organized to resist the Keystone pipeline. The Great Plains website reported the end of the action this way:

8:00AM: Direct Support for Stefan has been arrested without warning and placed in police car. Six other people on site being detained currently.

9:00AM: All Six people detained now arrested. Seven police vehicles on scene. Workers have lowered side-boom in disregard of Stefan's safety and OSHA regulations, Stefan still locked to machinery but lying painfully face-down on the lowered arm. Police obscuring Stefan from view and not allowing anyone within photographing distance.

9:15AM: Another individual arrested. This person was not initially detained but was prevented from accessing her vehicle since 8am. Stefan still holding strong....

1:00PM Earlier today, Stefan was extracted. To our knowledge, Stefan sustained no serious injuries and seems to be alright.

This action is similar to protests mounted over the past five months by the <u>Tar Sands</u> Blockade, who started their <u>resistance</u> in September 2012 when they set up a tree house blockade across the right of way along which TransCanada was constructing its pipeline. TranCanada skipped a section of construction to avoid the tree houses and also took members of the group to court. That action that was <u>settled</u> January 25, when 19 people, also acting on behalf of 6 Jan and John Does and three organizations, agreed to a permanent injunction against interfering with Keystone people, property, or progress.

### **Defeating Keystone - A Victory With No Winners?**

It would certainly look like a victory for environmentalists if the President denied Keystone a permit, and a low political cost would allow the political class to bask in undeserved credit – a symbolic triumph. And, at worst, an opportunity to enjoy the <u>illusion</u> that something meaningful was accomplished.

But the problem of tar sands oil would be fundamentally unchanged. It would remain an underexploited asset that Canadians are eager to tap. The demand from Asian markets would continue to grow. Canada would continue to face the irrationality of importing half the oil it uses while exporting two thirds of the oil it produces. The pipeline struggle would become an all-Canada affair.

A lively and slightly hysterical imagination might envision an American war with Canada, not so much to keep tar sands oil in the ground to save the climate, but to keep the Canadians from selling it to the Chinese. More likely, the United States reverts to its traditionally torpid contemplation of planetary threat, the climate continues to warm, and soon Alberta can have a pipeline to the north, since the Arctic Ocean is open year-round.

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