The American Legion is disappointed over President Obama’s recent rejection of the Keystone XL pipeline permit. Commander Fang A. Wong said, “This project would not only have provided thousands of shovel-ready jobs at a time when our economy desperately needs them, it would have reduced America’s dependence on oil exports from the Middle East.” Last summer, delegates to The American Legion’s 93rd National Convention in Minneapolis passed Resolution 107 in which they urged the United States government to pursue and grant all required permits for the proposed pipeline “without further delay.”

The Keystone XL pipeline is the TransCanada proposed 1,661 mile expansion of the existing Keystone pipeline system running from Canada to the Midwestern and Southern United States. While the current pipeline has terminus points in Patoka, Illinois, and Cushing, Oklahoma, the proposed extension would lay new pipe from Hardisty, Canada, to Steele City, Kansas, and from Cushing to Port Arthur and Houston, Texas. The oil transported by the pipeline will originate from Alberta’s oil sands deposits and from the Bakken formation in North Dakota and Montana.

Since the Keystone XL pipeline crosses an international border, TransCanada is required to obtain a Presidential Permit to build the pipeline. The State Department is the lead agency and was charged with determining whether or not the pipeline is in the national interest. TransCanada submitted its Application to the State Department in September 2008. Due to this delayed approval process Congress passed the Temporary Payroll Tax Cut Continuation Act of 2011 and included a provision directing the President to approve the Keystone XL pipeline within 60 days unless the President determined that it was not in the national interest. On January 18, 2012, the State Department issued a recommendation to the President that the Keystone XL pipeline did not
serve the national interest. President Obama agreed and rejected Keystone XL’s application that same day.

Members of Congress are now unsure of how to proceed on this issue. There are ‘stand alone’ bills to approve the project and proposals for amending ‘must pass’ bills to include a provision for approval. However, it is doubtful any bill or provision will pass due to the fact that the President will veto any such legislation that is passed prior to Election Day in November.

However, it must be noted the President did not deny the permit on the merits of building the pipeline and he stated TransCanada may continue to request a permit. Consequently, it is now widely believed that after Election Day the Keystone XL pipeline project will ultimately be approved, as it is too important to the United States economy and its national economic and security interests.

The United States consumes 15 million barrels of oil every day and imports 10 to 11 million barrels per day. Consequently, a secure supply of crude oil from our ally in Canada rather than reliance on imported oil from other parts of the world is critical to our national energy security now and in our future. More importantly, Canada has indicated that if it cannot build a pipeline to sell its crude oil to the United States it would build a pipeline west to export that oil to China. Thus, construction of this pipeline is important to our national economic security.

And in addition to our national security interests, The American Legion is concerned about the thousands of American veterans from prior conflicts as well as Iraq and Afghanistan who are currently unemployed. These heroes need jobs now. The Keystone XL pipeline is ‘shovel-ready.’ TransCanada estimates (once the United States regulatory review process is concluded) it can put 13,000 Americans to work to construct the pipeline - pipefitters, welders, mechanics, electricians, heavy equipment operators, and other types of jobs – plus create 7,000 more manufacturing jobs across the country. Additionally, local businesses along the pipeline route will benefit from approximately 118,000 jobs the pipeline will create through increased business for local goods and service providers.

The Keystone pipeline system will play an important role in linking a secure supply of Canadian crude oil to refining markets in the United States, significantly improving North American energy security supply. It will provide thousands of jobs here in the United States. This pipeline project must be approved now. Congress must insist that approval should not be held up due to presidential politics.