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**Pipeline Bill to Hitch Ride on House Payroll Tax Extension**

By Geof Koss, CQ Staff

The sponsor of new legislation that would expedite approval of a contentious oil pipeline project from Canada says House GOP leaders plan to fold the measure into the chamber's extension of unemployment insurance and payroll tax breaks that will be voted on later this month.

Speaker John A. Boehner, R-Ohio, announced the strategy at a GOP Conference meeting Dec. 2, according to Rep. Lee Terry.

The Nebraska Republican's proposal is intended to speed approval of the proposed 1,700-mile Keystone XL pipeline project, which would carry crude oil from Canada's Alberta province to U.S. refineries.

The project appeared headed for approval by the Obama administration until the State Department last month announced it would delay a final decision while an alternative route around Nebraska's ecologically sensitive Sand Hills region is studied. That review is not expected before 2013.

The decision followed an intense campaign by environmentalists to persuade President Obama to reject the plan, which requires his approval because it crosses the U.S.-Canadian border.

Some groups even threatened not to campaign for the president's re-election, prompting Republican complaints that the White House is attempting to delay an issue that has become a political headache.

Terry's draft bill would shift the permitting process from the State Department to the Federal Energy Regulatory Commission, a move the Nebraskan said would serve the dual purpose of depoliticizing the issue and handing it to an agency better equipped to make a determination. "It's the agency with expertise on pipelines," he said of FERC.

The bill would require FERC to rule on the project within 30 days of receiving a completed environmental review by the state of Nebraska, which opposed the initial route. An earlier Terry bill (HR 1938) that would have required the administration to issue a decision on the project by Nov. 1 passed the House in July. The Senate never took it up.

The latest approach is at odds with new legislation, introduced by Senate Republicans Nov. 30, that would require the State Department to issue a permit for the project within 60 days of enactment, unless the president determines it is not in the national interest.

Terry acknowledged the split between Republicans in two chambers on the matter but said he would continue to work with his Senate colleagues to get the pipeline project approved.

Highlighting the political trouble the issue has caused President Obama, two labor officials joined Terry to support his legislation.

"This is going to put many of our members to work," said Brent Booker, the director of the construction department for the Laborers' International Union of North America.

Supporters say the project will immediately create 20,000 jobs, although critics dispute the estimate.

In a reference to the labor-environmentalist split on the project, Terry said his legislation would solve the president's political dilemma.

"They don't have to pick between friends anymore," he said.

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