



## Why Is TransCanada's CEO So Confident?

### Description

A Reuters report on Tuesday quotes **TransCanada Corp** ([TSX:TRP](#))([NYSE:TRP](#)) CEO Russ Girling confidently predicting that Keystone XL will be approved. As he put it, "It is the next pipeline that is going to be built" in the United States, adding that "it's the right thing to do."

Why is he so confident? The project has become a political lightning rod, and [President Obama's \(lack of\) actions](#) suggest that this is a decision he does not want to make at all. Opposition from environmentalists is still very passionate – this past week saw hundreds of anti-Keystone protesters arrested after strapping themselves to the White House fence.

But there has also been some good news for Keystone supporters. A report from the U.S. State Department issued in January largely downplayed environmental impacts of the pipeline, arguing that the oil sands would be developed either way. Another report later cleared the State Department of any conflicts of interest. *The Wall Street Journal* reported that President Obama will make his final decision on the pipeline by early summer (even if he doesn't want to).

### Not as critical?

With the growth of crude by rail, many are arguing that the Keystone pipeline isn't as necessary as it once was. And that trend looks set to continue. Mr. Girling said that TransCanada is open to building railcar loading hubs, based on what his customers are asking for. As he put it, "If we need to bridge the gap between growing production and the time we bring pipelines online, we'll definitely do that."

### Foolish bottom line

[A previous article](#) made the case that oil producers such as **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), **MEG Energy** ([TSX:MEG](#)), and **Blackpearl Resources** (TSX:PXX) will actually benefit more from Keystone's approval than TransCanada. So perhaps Mr. Girling himself should consider owning these companies' shares, as should anyone else who thinks the pipeline will be approved. And even if the pipeline is rejected, the prospects for transporting oil still look brighter than they did a year ago.

But investing based on political predictions is still a dangerous game to play. No matter how confident

Mr. Girling is.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. NYSE:CNQ (Canadian Natural Resources)
2. NYSE:TRP (Tc Energy)
3. TSX:CNQ (Canadian Natural Resources Limited)
4. TSX:TRP (TC Energy Corporation)

**Category**

1. Investing

**Date**

2025/07/27

**Date Created**

2014/03/05

**Author**

bensinclair

default watermark

default watermark