



## President Obama's Lose-Lose Keystone Dilemma

### Description

Whenever a politician has to make an unpopular decision, and wants it to be ignored as much as possible, the announcement will usually come on a Friday night. People tend to pay a lot less attention to the news at that time, as well as on the weekend, allowing lawmakers to sneak press releases under the radar.

So when President Obama makes his decision regarding **TransCanada Corporation's** ([TSX: TRP](#))([NYSE: TRP](#)) Keystone XL pipeline, expect him to do the same. But it won't be enough. Both supporters and opponents of the pipeline are passionately fighting for their cause; whichever side loses will be very upset, and will not go quietly.

### The supporters

Overall, the pipeline enjoys broad support; it's not just right wingers who support its construction. According to a recent *Washington Post*-ABC News poll, Americans support the idea by a 3:1 margin. The pipeline has even gotten support from former President Bill Clinton and Democratic supporters like CNN's Fareed Zakaria.

Perhaps more importantly, the pipeline has strong support from Democratic Senators in conservative states, many of whom could lose their seats in the midterm elections later this year. Eleven of them, including six who are up for re-election in 2014, recently wrote a letter to the president urging him to approve the pipeline.

### The opponents

While still in the minority, Keystone's opponents are certainly passionate. Protests from environmentalists have garnered lots of attention, and these are people who hold a lot of sway in the Democratic Party. Hedge fund billionaire Tom Steyer has also led a PR campaign against the pipeline. They have all made one thing clear: Stopping climate change is part of President Obama's legacy, and if he approves the pipeline, he will be breaking one of his key promises.

And just in the last couple of days, the anti-Keystone movement added another big name: former

President Jimmy Carter. This is a little ironic, because President Carter presided over the worst energy shortage in America's history in 1979. Canadian Prime Minister Stephen Harper even commented on this recently.

But President Carter and Keystone's other opponents have put President Obama in a very difficult position. This is a decision he likely would rather not make at all.

### **Foolish bottom line**

Overall, it appears that the pipeline's supporters carry more weight than its opponents. But one cannot discount the passion coming from Keystone's detractors, who have already succeeded in delaying the pipeline's approval for years. And with Jimmy Carter joining the anti-Keystone movement, its heft increases that much more.

So clearly President Obama is caught between a rock and a hard place. Which makes his decision all the more difficult to predict.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:TRP (Tc Energy)
2. TSX:TRP (TC Energy Corporation)

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