



Yet Another Delay for Keystone

Description

We recently highlighted [Obama's no-win decision](#) on **TransCanada Corporation's** ([TSX: TRP](#))([NYSE: TRP](#)) Keystone pipeline. On one hand, a majority of Americans support its construction, as do a few Democratic Senators up for re-election in conservative states. On the other side is a passionate opposition from environmentalists and other notable figures, including former President Jimmy Carter.

It seems no matter what decision he makes, he will face serious political consequences, not something he wants leading up to the general election. In fact the article argued he should make the decision on a Friday night, when political announcements garner less attention. So last weekend's announcement should come as no surprise.

Yet another delay

On Friday, the State Department said that it will delay the review process for Keystone. The official reason was "on-going litigation in the Nebraska Supreme Court." But everyone knows the real reason. President Obama is putting off the decision until after the November mid-term elections. And the announcement wasn't just made on any Friday. It was made on Good Friday, during a holiday weekend, when the public was even less likely to notice.

The reaction from pro-Keystone Democrats was swift and predictable. Senator Mary Landrieu of Louisiana called the delay "irresponsible, unnecessary and unacceptable." Senator Mark Pryor of Arkansas said, "there's no excuse for another delay."

So will it ever be built?

Even though the president will be making his decision after the election, he still faces the same conundrum. There will be a lot of opposition to whatever decision he comes up with. The good news for him will be that the political consequences are less severe. But that doesn't make his decision any easier, or more predictable.

Alternative routes

The energy industry is already doing its best [to move on](#) from Keystone. Whether it's [other pipeline routes](#) or crude-by-rail, new ways of getting Alberta's energy to market are constantly being pursued.

On that note, ironically President Obama's decision on Keystone could provide political cover for Stephen Harper on **Enbridge's** ([TSX:ENB](#))([NYSE:ENB](#)) Northern Gateway project. Mr. Harper has repeatedly advocated for opening up new markets for Alberta's energy – President Obama's delays on Keystone only help to reinforce that point.

Foolish bottom line

It is clearer than ever that President Obama's decision on Keystone is one he wishes he didn't have to make. Which makes his decision all the more unpredictable. Alberta's energy sector is taking the right approach by not standing still. And it will need to keep exploring more alternatives, because the President's decision will not be made any time soon.

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