



## Is the Keystone XL Project Back on the Table?

### Description

Roughly one year ago, the U.S. Administration finally delivered a decision over the controversial Keystone XL pipeline. After seven years of varying approvals, re-works, and deliberations, the pipeline was rejected.

**TransCanada Corporation** ([TSX:TRP](#))([NYSE:TRP](#)) fired a volley back to the administration earlier this year in the form of a \$15 billion lawsuit through NAFTA to overturn the rejection.

That was the state of the controversial pipeline, at least up until November 8. But with a Republican president (who is more amenable to the pipeline) now set to assume control of the administration, anything could change.

Even Congress, which remains in the hands of the Republicans, has voiced approval of the pipeline in the past, and will likely have another attempt to revive the deal in January of next year after the transition to the Trump administration.

TransCanada was quick to act on the election results, stating that it is carefully considering how it will pitch the pipeline project, which will bring oilsands crude to U.S. markets much quicker.

Before being elected, Trump stated on more than one occasion that he would approve the pipeline proposal. Whether that promise will be delivered on now or if it will come with conditions that he has been elected remains to be seen.

The surprise result of the U.S. election left markets jittery, at least initially. While election results trickled into media outlets, some futures were down as much as 800 points during election night.

The jittering appears to have subsided, however, as the potential upsides to a Trump presidency in terms of the market start to leave their mark. The oil and gas industry is just one of several that could stand to benefit from the change in direction.

### Keystone XL could mean thousands of jobs

One of the core campaign promises of the new president-elect was to bring more jobs to the U.S. and introduce a new era of construction to the nation's aging infrastructure.

There are literally thousands of potential construction and other jobs related to the pipeline that could emerge as a result of the Keystone XL pipeline. In terms of revenue, some estimates indicate the pipeline could garner millions in property taxes and boost the GDP of the U.S. by upwards of \$3 billion.

Experts agree that if the Keystone XL application were resubmitted, it would more than likely be approved provided the corresponding legal challenge were dropped.

### **There's more than Keystone**

While the Keystone XL project remains one of the most controversial projects in TransCanada's portfolio, that's not to say that there aren't other just as lucrative opportunities for the company.

The purchase of Columbia Pipeline Group earlier this year for a whopping US\$13 billion comes to mind. That deal, which is still pending regulatory approvals, will result in TransCanada having a pipeline network from New York to the Gulf of Mexico—touching all of the regulated U.S. natural gas markets.

The Energy East pipeline is yet another project with massive potential over the long term. That pipeline remains stuck in a review by the National Energy Board; it will likely not come to a decision until 2018.

The benefit of all of these projects over the long term is that as they are activated, they'll become revenue generators for TransCanada—some fairly significant revenue generators.

In my opinion, TransCanada remains a great opportunity for long-term investors.

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