

RELEASE IN FULL

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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Thursday, January 19, 2012 12:16 AM  
**To:** H  
**Subject:** Fw: Keystone XL Public Reaction - Summary of coverage

----- Original Message -----

**From:** Hammer, Michael A  
**Sent:** Wednesday, January 18, 2012 11:16 PM  
**To:** Mills, Cheryl D; Zeya, Uzra S; Adams, David S; Jones, Kerri-Ann; Benes, Keith J; Klevorick, Caitlin B; Koh, Harold Hongju; Mull, Stephen D; Rooney, Matthew M  
**Subject:** Keystone XL Public Reaction - Summary of coverage

As of 8:00 p.m. January 18, 2012

#### SUMMARY OF COVERAGE

A few dominant themes can be seen throughout this afternoon and late evening's media coverage. The majority of the coverage reported in a straightforward way that the State Department recommended and the President agreed that the permit for the pipeline be denied. Most of the stories quoted the President's statement, many focusing on the fact that the permit was not denied on its merit, but rather because there was not enough time to gather the requisite information to make the best decision for the American people. Many of these same stories also reported that TransCanada will reapply for the permit, and that the President's statement implied that there is still room for an approval.

Stories filed later in the evening are quoting Assistant Secretary Jones stating that there will not be an expedited review if TransCanada reapplies, but that existing information (including the FEIS) can be used in any application review.

As expected, much of the reporting focused on the political implications of the decisions, and almost all coverage included not only the Administration's statements, but also those of prominent Republicans on the Hill, along with some industry voices as well as the Canadian Government. Republicans charged that the Administration's decision equates to a lack of concern for American jobs. Prominent Democratic Party members and environmentalists have applauded the State Department's recommendation and the President's approval.

As of this writing, while most major news outlets offered straight reporting, Andrew Rosenthal of the New York Times, editorialized that, in this instance, the President adhered to the principle in the face of a "relentless Republican campaign to deny him anything he wants, even if the nation badly needs it."

Tonight's national news segments featured the Keystone Pipeline decision throughout their broadcasts.

The PBS News Hour led its newscast with the story and featured an interview with Washington Post reporter Juliet Eilperin, who explained the decision.

ABC News White House correspondent Jake Tapper reported on the decision from the White House during ABC Nightly News with Diane Sawyer who described the decision as a "lightning bolt from the White House."

CBS Nightly News ran this story as the fifth piece. The story is summed up by this line featured at the beginning: "Today, President Obama rejected the controversial pipeline plan but the battle, which involves jobs, the economy and election-

year politics are far from over.” It highlighted the President’s statement saying that he felt rushed after the arbitrary deadline passed by Congress in December and the counter argument of Republicans lamenting the lack of job creation. Of note, the journalist mentioned the job estimates from the Republicans (10-20,000) versus the State Department (5-6,000). Overall, a balanced piece.

NBC Nightly News opened the broadcast with a piece on the decision by Andrea Mitchell. The network had a relatively balanced piece with a focus on the political implications. As with the CBS broadcast, this piece featured a soundbite from Gingrich saying the decision made by the President was a “stunningly stupid thing to do” and opinions from Democrats who objected. The piece quoted the White House statement about a “rushed and arbitrary deadline,” compared jobs numbers, and concluded by noting that the President called Canada’s PM today, who said he will send the oil to China.

#### KEY QUOTES AND EXCERPTS

##### WHAT THE CANADIAN GOVERNMENT IS SAYING:

###### Statement by Prime Minister, Stephen Harper

“Earlier this afternoon, Prime Minister Stephen Harper received a phone call from Barack Obama, President of the United States. President Obama informed the Prime Minister of his Administration’s decision to turn down TransCanada’s application to build and operate the Keystone XL pipeline.

The President explained that the decision was not a decision on the merits of the project and that it was without prejudice, meaning that TransCanada is free to re-apply. Prime Minister Harper expressed his profound disappointment with the news. He indicated to President Obama that he hoped that this project would continue given the significant contribution it would make to jobs and economic growth both in Canada and the United States of America.

The Prime Minister reiterated to the President that Canada will continue to work to diversify its energy exports.”

###### Statement by the Canadian Minister of Natural Resources, John Oliver

“We are obviously disappointed with today’s announcement regarding the Keystone XL pipeline.

This project would create thousands upon thousands of jobs both in the US and Canada and would contribute to energy security in the US. We continue to believe this project is in the best interests of both countries. Our Government respects the right of the United States to make its own decisions.

However, it is clear that the process is not yet over and we are hopeful that this project will be approved in the future based on its merits. We believe that decisions about major resource projects should be based on Scientific, Technical and Environmental considerations. Canada and the United States continue to enjoy the single most important energy relationship in the world. We will continue to work with the US to further strengthen energy security for both our nations.

Meanwhile, our Government continues to move ahead on creating jobs and economic prosperity for all Canadians. The responsible development of the enormous resources provided by our oil sands is expected to create hundreds of thousands of jobs spread across the country, generating significant economic benefits. We cannot understate the fact that these benefits fund critical services for Canadians, including health care and education. 99% of our oil exports currently flow to the United States.

Today’s decision by the Obama Administration underlines the importance of diversifying and expanding our markets, especially including the growing Asian market, to help ensure the financial security of Canadians and families for decades to come.”

#### WHAT TRANSCANADA IS SAYING:

"This outcome is one of the scenarios we anticipated. While we are disappointed, TransCanada remains fully committed to the construction of Keystone XL. Plans are already underway on a number of fronts to largely maintain the construction schedule of the project," said Russ Girling, TransCanada's president and chief executive officer. "We will re-apply for a Presidential Permit and expect a new application would be processed in an expedited manner to allow for an in-service date of late 2014."

TransCanada expects that consideration of a renewed application will make use of the exhaustive record compiled over the past three plus years.

"Until this pipeline is constructed, the U.S. will continue to import millions of barrels of conflict oil from the Middle East and Venezuela and other foreign countries who do not share democratic values Canadians and Americans are privileged to have," added Girling. "Thousands of jobs continue to hang in the balance if this project does not go forward. This project is too important to the U.S. economy, the Canadian economy and the national interest of the United States for it not to proceed."

TransCanada will continue to work collaboratively with Nebraska's Department of Environmental Quality on determining the safest route for Keystone XL that avoids the Sandhills. This process is expected to be complete in September or October of this year.

TransCanada has committed to a project labour agreement with the Laborers International Union of North America, the International Brotherhood of Teamsters, the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO, the International Union of Operating Engineers and the Pipeline Contractors Association. Any delay in approval of construction prevents this work from going to thousands of hard-working trades people.

TransCanada's investment of billions of private dollars would create thousands more jobs in the U.S. manufacturing sector. The company has contracts with over 50 suppliers across the U.S..

Manufacturing locations for Keystone XL equipment include: Texas, Missouri, Pennsylvania, Michigan, Oklahoma, South Carolina, Indiana, Georgia, Maryland, New York, Louisiana, Minnesota, Ohio, Arkansas, Kansas, California and Pennsylvania. The benefits these companies and the people of their states continue to be delayed and the negative impacts will be felt.

Girling adds TransCanada continues to believe in Keystone XL due to the overwhelming support the project has received from American and Canadian producers and U.S. refiners who signed 17 to 18 year contracts to ship over 800,000 barrels of oil per day to meet the needs of American consumers.

#### WHAT CONGRESS IS SAYING:

House Speaker John Boehner

"President Obama is about to destroy tens of thousands of American jobs and sell American energy security to the Chinese," Mr. Boehner said. "The president won't stand up to his political base even to create American jobs. This is not the end of this fight." (NYT, 1/18/2012)

US Senator Richard G. Lugar (R-Ind.), the primary sponsor of legislation that set a deadline for a decision

The administration misled the American people on the pipeline. "In the face of Iranian threats against oil affordability, [it] once again is trying to blame Congress and the State of Nebraska instead of taking responsibility for American jobs and security," he said during an appearance at a Greenwood, Ind., instruments and gauges manufacturer who potentially would be doing work for the project. (Oil & Gas Journal, 1/18/2012)

Sen. Bernie Sanders (I-Vt.), a member of the Senate energy and environment committees

"The president made the correct decision today in rejecting the Keystone XL pipeline, and I will fight to ensure Congress does not overturn the decision.

"The United States must help lead the world in combating global warming and reducing greenhouse gas emissions. It would be incomprehensible to give approval to a tar sands oil project when producing tar sands oil creates 82 percent more carbon emissions than conventional oil, and when it poses the risk of extremely damaging oil spills. I agree with NASA scientist James Hansen who has stated that fully exploiting the tar sands would mean 'game over' for our efforts to reverse global warming.

"If we are serious about protecting the planet and improving our economy, America's energy future must focus on energy efficiency and renewable energy. We know that by improving the fuel efficiency of our cars and trucks to 54.5 miles per gallon, an easily achievable accomplishment, we can save up to three times more oil per day than Keystone XL would carry.

"In my view, this tar sands pipeline is a bad deal for the country and for our planet, and the president has acted in the best interest of the American people in saying no to Keystone XL."

House Energy and Commerce Committee Chairman Fred Upton (R-Mich.)

House Republicans have invited Secretary of State Hillary Clinton to testify next week on the Obama administration's decision to reject the Keystone XL pipeline. Clinton's testimony would further elevate the Keystone issue, which has been the topic of an already high-profile fight between the Obama administration and Republicans in Congress. Upton said Wednesday that he invited Clinton to testify in front of his panel Wednesday. "We've asked her and the request has gone forward," Upton told reporters, adding that the committee has not yet received a response. (The Hill, 1/18/2012)

#### WHAT INDUSTRY IS SAYING:

##### American Petroleum Institute Statement

American Petroleum Institute President Jack Gerard blasted President Barack Obama's decision to formally reject the Keystone XL pipeline, calling it a "clear lack of leadership."

Gerard said politics impacted Obama's decision on the pipeline's approval, and the API would explore all legislative and legal avenues, including a possible lawsuit, to get the pipeline built. The president has fallen victim to a small group that is anti-oil and gas. Gerard said the API, which represents more than 400 oil and natural gas companies, was waiting to hear Obama's exact reason for rejecting the pipeline before moving forward.

"The president decision says that three years is not enough time," he said. "It is a clear lack of leadership." He added that the group isn't convinced the Obama administration would decide differently with more time. "We have no confidence that he would say yes to this project," he said.

The American Petroleum Institute, the Washington-based group of oil and gas companies, plans to lobby Congress for legislation that would take away Obama's power to make a final decision on the Keystone pipeline. (Business Week, 1/18/2012)

##### U.S. Chamber of Commerce

President of the Chamber, Thomas E. Donahue said: "This political decision offers hard evidence that creating jobs is not a high priority for this administration. The President's decision sends a strong message to the business community and

to investors: keep your money on the sidelines, America is not open for business. By placing politics over policy, the Obama administration is sacrificing tens of thousands of good-paying American jobs in the short term, and many more than that in the long term.

"It is dumbfounding that President Obama's decision to deny the Keystone XL pipeline permit ignores his own Council on Jobs and Competitiveness "Road Map to Renewal" report. Issued yesterday, it recommends that the United States step up its game on energy and construct pipelines to deliver fuel as a key component of our economic recovery.

ClearView Energy Partners:

"This is the last day to own this issue on their terms," said Kevin Book, managing director at ClearView Energy Partners, a Washington-based energy consulting firm. "The administration gets to explain their choice before it gets explained for them." National Journal, 1/18/2012

WHAT ENVIRONMENTAL NGO'S ARE SAYING:

Friends of the Earth

"President Obama has shown bold leadership in standing up to Big Oil and rejecting the Keystone XL pipeline," said Erich Pica, president of Friends of the Earth. "The climate movement took on Goliath and won, demonstrating its growing strength. Sustained grassroots pressure aimed at holding the president accountable to the public interest proved more powerful than all the lobbyists and campaign cash the oil industry could muster."

"Today's announcement is a welcome example of President Obama following through on his promise that corporate polluter lobbyists will no longer set the agenda in Washington," said Pica. "The Keystone XL pipeline would have been dirty at both ends, dangerous in between, and certainly not in our national interest. Big Oil and its bought-and-paid-for confederates in Congress couldn't drown this dirty reality despite all of their threats and bullying."

"This defeat for Big Oil is a huge victory for the health and safety of Americans. It belongs to the indigenous communities who first sounded the alarm on the dangers of tar sands extraction, to the Nebraskan farmers and Texan ranchers who withstood TransCanada's bullying in the name of their land and livelihoods, to the activists from across the country who were arrested on the president's doorstep, and to all of us fighting for a safe climate and justice-fueled future," said Pica.

"Allowing expansion of the destructive tar sands oil industry is not and will never be in our nation's interest. We will remain vigilant to ensure that all of Big Oil's attempts to wring profits from the tar sands at the public's expense are defeated -- and that better, clean alternatives are deployed," said Pica.

Natural Resources Defense Council

"We think the pipeline should be rejected," said Susan Casey-Lefkowitz director of the international program at the Natural Resources Defense Council, an environmental group. "The president has enough information to reject it as not in the national interest." (NYT, 1/18/2012)