

RELEASE IN PART
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From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Wednesday, January 25, 2012 11:28 AM
To: H
Subject: FW: The Hill: State Department tells Republicans: Don't mess with us on Keystone

From: Adams, David S
Sent: Wednesday, January 25, 2012 11:18 AM
To: 'Rodriguez, Miguel'; Mills, Cheryl D; Klevorick, Caitlin B
Subject: RE: The Hill: State Department tells Republicans: Don't mess with us on Keystone

Without doubt.

This email is UNCLASSIFIED.

From: Rodriguez, Miguel
Sent: Wednesday, January 25, 2012 11:11 AM
To: Adams, David S; Mills, Cheryl D; Klevorick, Caitlin B
Subject: FW: The Hill: State Department tells Republicans: Don't mess with us on Keystone

Kerri-Ann did great.

<http://thehill.com/blogs/e2-wire/e2-wire/206445-state-department-dont-mess-with-us-on-keystone-xl>

State Department tells Republicans: Don't mess with us on Keystone

By Andrew Restuccia - 01/25/12 10:07 AM ET

The State Department delivered a clear message Wednesday to House Republicans who tried to force a speedy federal decision on the Keystone XL pipeline: Don't mess with us.

Kerri-Ann Jones, the State Department's Keystone point woman, placed the responsibility for President Obama's decision to reject the Alberta-to-Texas pipeline squarely at Republicans' feet.

She argued that the department had no choice but to deny the Keystone permit under a GOP-backed 60-day timeline included in the two-month extension of the payroll tax cut. Under the deadline, the administration was unable to analyze plans for an alternative route around an environmentally sensitive region in Nebraska.

"We recommended the denial because we felt that we did not have the time needed to get information on the alternative routes in Nebraska," Jones said. "It was not based on the merits of the project."

"I think it would have been irresponsible [to approve the project] because we didn't have defined a major portion of a piece of infrastructure that would operate in our country for many years."

Obama's decision last week to reject the pipeline set off a firestorm in Washington, with Republicans arguing

that the project would have created jobs and boosted the economy.

Republican frustration with the decision boiled over into Wednesday's hearing. GOP lawmakers pummeled Jones over the pipeline rejection.

"We fought and won World War II in less time than it has taken to evaluate this project," Rep. Joe Barton (R-Texas) said, noting that the administration has been reviewing the pipeline for more than three years.

Approval of the pipeline is a "no brainer," said Rep. Fred Upton (R-Mich.), the chairman of the committee.

But Democrats — who oppose the project over concerns about greenhouse gas emissions and oil spills — criticized the pipeline.

"The arguments for the project just do not stand up to scrutiny," said Rep. Henry Waxman (D-Calif.), the top Democrat on the panel, adding that the pipeline will not improve energy security or lower oil and gas prices.

"Oil prices are set on the global markets. This pipeline will have no impact on our vulnerability to price spikes or Iranian brinkmanship."

Republicans pledged Wednesday to pass legislation aimed at reversing Obama's Keystone rejection.

The hearing focused on a bill authored by Rep. Lee Terry (R-Neb.) that would put the final verdict on the pipeline into the hands of the independent Federal Energy and Regulatory Commission (FERC), not the State Department. The bill instructs FERC to issue a permit and limits its discretion to reject the project.

House GOP leadership is weighing attaching the bill to upcoming legislation to extend the payroll tax cut for the rest of the year in an effort to overturn Obama's decision last week to reject the pipeline.

Jones criticized Terry's bill, arguing it "imposes narrow time constraints and creates automatic mandates that prevent an informed decision."

Jeffrey Wright, director of the Office of Energy Projects at FERC, said the commission takes no formal position on the bill.

But Wright, who testified at Wednesday's hearing, said the legislation "does not allow sufficient time to build an adequate record to arrive at a defensible decision." He added that the bill likely gives FERC "no discretion in the issuance of the permit."

The 1,700-mile Keystone pipeline would carry oil sands crude from Alberta, Canada, to refineries on the Gulf Coast.