

KEYSTONE COP: PIPELINE PERMIT IS KERRYS CALL

By Peter Nicholas

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WASHINGTON—Secretary of State [John Kerry](#) had one of the most reliably pro-environment records in nearly three decades as a U.S. senator: He frequently has warned about fossil fuels in writings and speeches, and environmental activists describe him as a "champion" of legislation to curb the greenhouse gases that contribute to global warming.

"If we put an end to the era of dirty fossil fuels, we can begin an era of sustainability...for our nation and our world," concludes a book written by Mr. Kerry and his wife, Teresa Heinz Kerry in 2007 (The couple met at an Earth Day rally in 1990).

Those principles are being sorely tested by Mr. Kerry's pending decision on whether to green-light the Keystone XL pipeline project, which has become a vivid symbol in the debate over oil's place in the American economy. The State Department is overseeing a permit review because the pipeline crosses Canadian border, and Mr. Kerry told senior staffers in a private meeting this week that he hasn't yet made up his mind.

[TransCanada](#) Corp. wants to send oil through a pipeline from Canadian oil sands to Gulf Coast refineries in the U.S. Environmentalists warn this could lead to oil spills and exacerbate global warming, while business interests contend it will create jobs and offer a safer alternative than transporting the oil by rail.

Mr. Kerry's record on environmental issues is drawing scrutiny from proponents and critics alike, adding another complication to one of the most divisive issues the [Obama](#) administration faces. Pro-Keystone forces question whether he can be a neutral referee. "There is wide berth not only for Secretary Kerry but ultimately the president to have it whichever way they want," said Karen Harbert, who heads the U.S. Chamber of Commerce's energy institute.

State Department officials, including one who was in the staff meeting this week, said Mr. Kerry is keeping an open mind. "Of course he has a big environmental record, but there's a process and you have to weigh all the components," another State Department official said.

Under rules governing the permit process, Mr. Kerry plays an important role. He makes the determination of whether Keystone should get the permit, though people involved in the process expect that in the end, President Barack Obama's views on the matter will carry the day.

Mr. Kerry has begun a broad analysis to determine whether the pipeline is in the nation's interests. So, tucked into his binder filled with memos on various foreign hot spots are reports on Keystone.

Mr. Kerry will weigh a range of criteria—cultural, economic, and environmental—before passing his findings to the president. In the past, some White House aides have wanted to distance Mr. Obama from such a contentious decision, preferring that Mr. Kerry be the one on the hook, according to one person familiar with the matter. Other White House aides have argued that Mr. Obama must own the decision, this person said.

The White House declined to comment on the pipeline Friday.

One point Mr. Kerry will consider is the importance of the U.S. taking a lead role in addressing climate issues. "The U.S. role in the global climate-change debate is going to be a factor here," the State official who attended the staff meeting said.

That is a theme Mr. Kerry has emphasized in the past. In a 2009 Senate hearing, he said one benefit of adopting a system to "cap-and-trade" carbon credits to cut greenhouse-gas emissions is gaining "leverage to influence other countries' behavior."

As a senator, Mr. Kerry voted in 2012 against an amendment that would have approved the pipeline. Environmentalists cite that as a hopeful sign he will come out against it now, though State Department officials say Mr. Kerry merely aimed to ensure that Congress didn't strip the Obama administration of its power to decide the matter.

Nonetheless, pro-Keystone lawmakers see Mr. Kerry's vote as a strong signal that he opposes the project.

Sen. John Hoeven (R., N.D.), who put forward that amendment and wants the pipeline built, said: "I don't think he favors the project; I think he opposes it....When he had the chance to vote on legislation to approve the project, he voted against it."