



BRYNE PURCHASE

## For Obama, Keystone decision is a study in symbolism

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The Keystone XL pipeline taking more of Canada's oil sands oil to refineries with the required capacity on the U.S. Gulf Coast seems in serious jeopardy. Oil sands are atop the "kill list" of some prominent climate activists. The New York Times is now urging President Barack Obama to deny Keystone's entry into the United States. And Tom Steyer, a California billionaire, is reportedly willing to use his wealth to punish pro-pipeline politicians. They expect a presidential veto to be an important symbolic victory in the larger fight against global climate change.

Virtually the only justification for a presidential veto would be because of the pipeline's assist to the expansion of Canada's oil sands production and related carbon emissions. In fact, however, the future of the oil sands calls for a complex political-economic choice. It's a gargantuan source of energy similar to Saudi Arabia but with no geopolitical risk, virtually no technological risk and no risk of accident anywhere near comparable with a deep-water oil-well blowout in the Gulf of Mexico. With current technology, oil sands do have 17 per cent more greenhouse-gas emissions on a "wells to wheels basis" than the average of U.S. oil, but not compared with the most likely alternative import of Venezuelan heavy oil.

It would be best if the future of the oil sands evolved in the context of a North American, or preferably global, carbon-pricing regime. That seems unlikely at present, so political symbolism is substituted.

But would a presidential veto provide only one symbol? No, it would communicate many things. The President delayed a decision before his re-election, presumably to avoid displeasing either side of the pipeline debate. He then largely avoided discussing climate change in his campaign. Now in his final term, he might decide to gain credit with climate-change activists who have drawn their line in the oil sands. But what would that say about elections and democracy?

And would a U.S. president willing to hinder the growth of a foreign energy source be taken as a symbol of America's determination to lead the world on climate change? Or would it be seen as deeply hypocritical, given America's own fossil fuel dependence, as well as deeply cynical, given the failure to engage American voters in a decision?

Would the Asians be impressed? Both the U.S. and China must co-lead on climate change. They're roughly 40 per cent of carbon emissions, with China charging ahead because of its dependence on coal. A global problem requires a global solution. There can be no material "free riders," including Canada with 2 per cent of global emissions. But to proceed on the basis of political symbolism will do nothing to promote fact-based environmental policy.

Moreover, the symbolism of a presidential veto would not be limited to environmental politics. It would starkly remind Canadians that we could be on our own in North America. Canada-U.S. free trade and NAFTA that gave up an east-west vision of Canadian national development for a north-south continental vision will be seen to carry potentially capricious political risks. And it would be possible to construct a Canadian national energy strategy that created income and employment across the country, while meeting strict total emissions standards. Is that a better future than one that acknowledges we're all North Americans?

Mr. Obama is an intelligent man. I'm certain he will decide in full knowledge of the multiple symbols that any decision will inevitably represent.

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