

TransCanada to sue US for \$15 bn over Keystone XL pipeline rejection

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Demonstrators celebrating US President Barack Obama's blocking of the Keystone XL oil pipeline rally in front of the White House in Washington, DC on November 6, 2015

TransCanada said Wednesday it will sue the US government for US\$15 billion for blocking its project for an oil pipeline linking Canada with the Gulf of Mexico.

TransCanada Corp. said the denial of a permit to complete the pipeline "was arbitrary and unjustified" under the North American Free Trade Agreement, and that the decision also exceeded the constitutional powers of US President Barack Obama.

The Obama administration decided in October to deny the Canadian company a permit to construct a key section of the pipeline across the US-Canada border, ruling it would harm the fight against climate change.

The pipeline would carry [crude oil](#) from the Alberta tar sands deposits all the way to the US Gulf Coast, and the blocking of the key section effectively undermined the entire project.

TransCanada said in its complaint that the permit denial discriminated against it—noting that three other pipeline companies had been granted permits for similar operations.

It said that the Obama administration had instead bowed to pressure from environmental activists "even though the administration had concluded on six occasions that the [pipeline](#) would not have a significant impact on [climate change](#)."

"The delay and the ultimate decision to deny the permit were politically-driven, directly contrary to the findings of the administration's own studies, and not based on the merits of Keystone's application," the company said in a statement.

TransCanada said it will seek to recover \$15 billion in costs and damages as a result of the permit denial, which it said breached US obligations under the NAFTA treaty to treat investors fairly and equally.

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