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Keystone Pipeline's Fate Now in Hands of Nebraska Supreme Court.

The focus of the Keystone XL debate has shifted from a fierce lobbying war in Washington to Lincoln, Nebraska, where the state Supreme Court has been asked to weigh a legal challenge to the pipeline.

The U.S. State Department, which is responsible for reviewing whether the project is in the nation's interest, said April 18 that it would delay making a recommendation until questions about the way the route was approved through the prairie state are resolved. That could spare President Barack Obama from having to decide on a project that splits supporters of his in the environmental and labor movements before an important congressional election in November.

"Once again, the administration is making a political calculation instead of doing what is right for the country," Terry O'Sullivan, general president of the Laborers' International Union of North America, said in an e-mail. "It's clear the administration needs to grow a set of antlers, or perhaps take a lesson from Popeye and eat some spinach."

If the seven-member state Supreme Court upholds a lower court decision, TransCanada Corp. (TRP), the Calgary-based company that wants to build Keystone, will need to apply to the Nebraska Public Service Commission. The commission by law has seven months for its pipeline reviews.

The State Department said the possibility of a new route coming out of that process justified hitting the pause button. The announcement drew a strong reaction from all sides — including pledges from congressional leaders to force a decision sooner by legislation.

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