**MSCI President Bob Weidner “Deeply Disappointed” by Obama Administration Rejection of Keystone XL Pipeline**.

In a press conference last Friday, President Barack Obama announced that his administration had rejected TransCanada’s application to build the Keystone XL Pipeline. (Earlier in the week, TransCanada (<http://www.omaha.com/news/nebraska/foes-of-keystone-xl-pipeline-call-transcanada-slatest-move/article_a6313cd2-81ba-11e5-8ea5-ef3d1c3df5ae.html>) had asked the administration to pause its review of the project; the administration denied that request.) Despite the fact the U.S. State Department had found the pipeline provided the route with the lowest greenhouse gas emissions for Canadian crude oil to enter the United States, President Obama said, ([https://www.washingtonpost.com/news/postpolitics/wp/2015/11/06/obama-set-to-reject-keystone-xl-project-citing-climate-concerns/)](https://www.washingtonpost.com/news/postpolitics/wp/2015/11/06/obama-set-to-reject-keystone-xl-project-citing-climate-concerns/%29%20) “America’s now a global leader when it comes to taking serious action to fight climate change. And frankly, approving this project would have undercut that global leadership.” According to The Washington Post, the president and his Secretary of State John Kerry had decided to reject the project two years ago, before the State Department’s assessment of the project was released, but decided to wait for a “politically opportune time” to make the announcement.

MSCI President and CEO Bob Weidner issued a statement after the president’s announcement. Weidner said, “MSCI is deeply disappointed with the Obama administration’s decision to reject TransCanada’s application for the Keystone XL Pipeline project. This project was supported by a majority of the American people and was found by the State Department to have a negligible effect on the environment. It also would have created tens of thousands of well-paying jobs.” Weidner also argued, “Insufficient pipeline capacity – caused, in part, by delays in permitting for new pipeline construction – contributes to increased energy prices and market volatility.

The White House’s rejection is a huge missed opportunity to help secure the United States’ energy future.” The project (<http://www.friendsoftheuschamber.com/email/plain-email-responsive.php?ID=3651>) would have created 42,000 new jobs for American workers during construction, put $2.2 billion in workers’ pockets, and contributed $3.4 billion to U.S. gross domestic product. Canadian Prime Minister Justin Trudeau (<http://news.yahoo.com/ap-sources-obamaadministration-nixes-keystone-xl-pipeline-160930718--finance.html>) said he was disappointed with this decision, as did TransCanada. (On Thursday, the day before the Obama administration’s announcement, Trudeau’s foreign minister (<http://www.inforum.com/news/3876684-new-canada-government-supports-keystonepipeline-foreign-minister-says>) reiterated the Canadian government’s support for the project.) In a statement, ([http://thehill.com/policy/energy-environment/259400- keystone-developer-says-it-may-try-again](http://thehill.com/policy/energy-environment/259400-%20keystone-developer-says-it-may-try-again)) TransCanada said it would consider all of its options for how to move forward. The company could resubmit its application once President Obama leaves office in January 2017.

**Obama Administration Releases Text Of Trans-Pacific Partnership, But Currency Manipulation Remains Significant Point Of Concern**

 Last week President Barack Obama notified Congress that he plans to sign the ***Trans-Pacific Partnership (TPP)*** trade deal and submitted the text (<https://medium.com/the-trans-pacific-partnership>) of the agreement to Congress. (Meanwhile, Canadian Prime Minister Justin Trudeau (<http://www.canadianmanufacturing.com/manufacturing/trans-pacific-partnership-textreleased-157200/>) has said he will review the deal before agreeing to it. Trudeau’s predecessor Stephen Harper negotiated the deal for the Canadian government.)

President Obama now must wait 90 days for lawmakers to review the deal before he can formally sign it. The U.S. International Trade Commission also has up to 105 days to issue a report on the economic benefits of the agreement and, under rules established by Trade Promotion Authority, Congress cannot even consider ratification of the deal until at least March 2, 2016.

MSCI is currently reviewing the TPP text and a joint declaration on currency also announced by TPP participant countries last week. (As a reminder, the TPP agreement itself does not address currency manipulation.) According to The Wall Street Journal, (<http://www.wsj.com/articles/pacific-trade-dealincludes-pact-to-deter-currency-abuse-1446740833>) the joint declaration “‘reaffirms countries’ commitments through the International Monetary Fund not to cheapen currencies for competitive advantages … requires the publication of data on reserves and foreign-exchange interventions … and sets up annual consultations to discuss the issue.

Treasury Secretary Jack Lew said, “These are mechanisms that we think will actually work to hold parties accountable. We have more tools with this joint declaration than we have under the pre-existing set of understandings.” The pact does not provide for punishment of nations that manipulate their currency, however, which is why members of the president’s own party criticized it. Rep. Xavier Becerra (D-CA) told Politico’s “Morning Trade,” ([http://www.politico.com/tipsheets/morning- trade/2015/11/the-many-exclusions-of-the-tpp-the-tpp-enforcement-debate-obama-putssouth-africa-in-time-out-211133](http://www.politico.com/tipsheets/morning-%20trade/2015/11/the-many-exclusions-of-the-tpp-the-tpp-enforcement-debate-obama-putssouth-africa-in-time-out-211133)) “As I've said to the administration from the very beginning, they'd have me at hello if they could tell me they were really going to deal with currency manipulation ... That's what makes trade deals not work right is the cheating.” Rep. Rosa DeLauro (D-CT) also criticized the joint declaration on currency manipulation. She argued, “Nothing is enforceable in this document. It is not even a side agreement. It is a forum. It is outside the purview of the Trans-Pacific Partnership agreement. So it carries, once again, no teeth.”

As a reminder, there is currently legislation moving in Congress that would compel the U.S. Department of Congress to crack down on currency manipulators. As ***Connecting The Dots*** (<http://www.msci.org/connectingthedots/artmid/2686/articleid/1697/tell-congress-tokeep-currency-language-in-customs-reauthorization-bill->) reported last week, lawmakers and staff on the House Ways and Means and Senate Finance committees are nearing completion of their informal work negotiating the differences between the House and Senate versions of H.R. 644, the customs reauthorization bill that passed both chambers earlier this year. While it is still unclear when the formal conference committee will meet, or when this legislation will come to the House and Senate floors for a final vote, MSCI continues to urge its members to contact their lawmakers (<http://www.msci.org/advocacy/find-your-elected-official>) about this bill, particularly if they are members of the House Ways and Means Committee or the Senate Finance Committee. (Members of the Finance Committee can be found here (<http://www.finance.senate.gov/about/membership/>) while members of the Ways and Means Committee are listed here. ([http://waysandmeans.house.gov/subcommittee/full- committee/](http://waysandmeans.house.gov/subcommittee/full-%20committee/)))

The Senate version of the customs bill includes language that would require the Commerce Department to investigate allegations of currency manipulation and consider countervailing duties to address it. The House version of the bill does not include this provision so it is unclear whether they will survive and make it into a final bill. MSCI members are asked to tell their representatives and senators that failure to enact the Senate’s currency language would put the United States at a competitive disadvantage and erode the benefits of passing the Trade Promotion Authority bill Congress passed earlier this summer.