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## Canada Shops Oil After Pipeline Halt

By CHIP CUMMINS

Just a few days after the U.S. said it would delay approval of an oil pipeline that would boost Canadian exports to the U.S., Canadian Prime Minister Stephen Harper said Sunday the country would push to sell its crude to Asian markets instead.

Last week, the U.S. State Department delayed approval of TransCanada Corp.'s Keystone XL pipeline, which is proposed to run from the western Canadian province of Alberta to the U.S. Gulf coast. The agency has final approval because the line would cross the U.S. border.

### Earlier

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[U.S. Delays Pipeline Decision](#)

A decision had been expected by the end of the year, but the approval turned into a political hot potato for President Barack Obama. Proponents in the U.S. called the line crucial for energy security and job creation, while opponents criticized the project for a host of

environmental reasons. The State Department ultimately said it would delay a decision on the line until early 2013, to allow it to assess new routes that would bypass an environmentally sensitive stretch of Nebraska.

Mr. Harper, attending the Asian-Pacific Economic Cooperation summit in Honolulu on Sunday, repeated Canadian officials' disappointment at the decision, and he told reporters he remained optimistic the project "will eventually go ahead, because it makes eminent sense."

Canadian officials have said in the past that they would seek out other markets, particularly Asian ones, if the U.S. didn't approve the Keystone project. A separate line that would send crude westward to the Canadian Pacific coast, where it could be shipped to Asia by sea, is currently going through Canadian regulatory approval.

But Mr. Harper's language in Hawaii was particularly blunt.

"This does underscore the necessity of Canada making sure that we are able to access Asia markets for our energy products," Mr. Harper told reporters in Honolulu, according to a transcript provided by his office. "And that will be an important priority of our government going forward." Mr. Harper said he made that point in a meeting the day before with Chinese president Hu Jintao.

The Keystone decision comes as the latest in a string of irritants that have sparked friction between the U.S. and Canada, its largest trading partner.

Earlier this year, the White House reintroduced controversial "Buy America" provisions in proposed job-creating legislation that potentially shuts out Canadian firms from participating in government-funded infrastructure projects. Canada fought for the better part of a year to get similar provisions removed from an earlier Washington stimulus plan.

The White House then signed into law a U.S.-Colombia free-trade pact. That pact, which Canada wasn't a party to, included an unusual surcharge in its fine print on U.S.-bound Canadian and Mexican travelers. The charge was designed to recoup revenue lost from the elimination of tariffs on Colombian goods, and it angered some Canadian politicians.

Despite the recent trade tensions, Messrs. Obama and Harper appeared amicably together at two photo ops in Hawaii, at one point laughing with each other and at another point strolling together with their jackets slung over their shoulders, according to the Associated Press.

At the meeting, Mr. Harper "expressed his disappointment with the (Keystone) delay, and reiterated his hope that the project will be decided on its merits and eventually approved," according to a statement by his office.

—Paul Vieira in Ottawa contributed to this article.

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