This <u>article</u> from the New York Times a couple of days ago describes how President Obama, on a fundraising visit here in the Bay Area, made clear how difficult environmental politics are for a President in the midst of a recession - especially the Great Recession:

Appearing at the home of an outspoken critic of the Keystone XL pipeline, President Obama on Wednesday night told a group of high-dollar donors that the politics of the environment "are tough."

Mr. Obama appears to be leaning toward the approval of the pipeline, although he did not specifically mention it to the donors. But he acknowledged that it is hard to sell aggressive environmental action — like reducing pollution from power plants — to Americans who are still struggling in a difficult economy to pay bills, buy gas and save for retirement.

The article goes on to note that a number of Democratic Senators who are from conservative or swing states have supported the pipeline, and Obama himself made the point that it would be a lot easier for him to push for environmental progress if he had more support in Congress.

I don't have any disagreements with the points that Obama is reported to have made, or the fact that the politics around the Keystone pipeline are difficult for environmentalists.

Instead, this discussion simply highlights again that an important issue in environmental and climate change policy (perhaps the most important issue) is developing policy strategies that will make it easier in the future to enact improvements in environmental policy. That means policy strategies that will build up interest groups that will support future environmental policy improvements, and undermining interest groups that will resist them. As I note in this paper, this appears to be what has happened in California - many years of environmental laws have built up a renewable industry and changed other energy industry actors such that they support (or at least do not oppose) additional measures to protect the environment. And as I explain, this dynamic is one of the likely reasons why Californians in 2010 voted to maintain their regulatory system for greenhouse gas emissions.

What might this mean at the federal level? It might mean that the battle over Keystone is not the most important battle. Instead, what matters is getting long-term, predictable federal subsidies, tax credits, or other forms of support for renewable energy (such as solar and wind) - those will build up the interest groups that can then push for further federal

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action down the road.