

RELEASE IN FULL

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Thursday, November 10, 2011 3:32 PM
To: H; Sullivan, Jacob J
Subject: Fw: MEDIA NOTE - Keystone XL Pipeline Project Review Process: Decision to Seek Additional Information

Fyi

From: Hammer, Michael A
Sent: Thursday, November 10, 2011 03:20 PM
To: Mills, Cheryl D; Reines, Philippe I; Sullivan, Jacob J; Nuland, Victoria J
Cc: Toner, Mark C; Klevorick, Caitlin B; Benes, Keith J
Subject: FW: MEDIA NOTE - Keystone XL Pipeline Project Review Process: Decision to Seek Additional Information

It's out

From: State Department Press Office [mailto:Press@state.gov]
Sent: Thursday, November 10, 2011 3:17 PM
To: State Department Press Office
Subject: MEDIA NOTE - Keystone XL Pipeline Project Review Process: Decision to Seek Additional Information

For Immediate Release and Posting

U.S. DEPARTMENT OF STATE
Office of the Spokesperson

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MEDIA NOTE

Keystone XL Pipeline Project Review Process: Decision to Seek Additional Information

Executive Order 13337 authorizes the Department of State to lead the review of Presidential Permit applications for transborder pipelines, granting the Department discretion in determining what factors to examine to inform a determination of whether the proposed project is in the national interest. Since 2008, the Department has been conducting a transparent, thorough and rigorous review of TransCanada's application for the proposed Keystone XL Pipeline project. As a result of this process, particularly given the concentration of concerns regarding the environmental sensitivities of the current proposed route through the Sand Hills area of Nebraska, the Department has determined it needs to undertake an in-depth assessment of potential alternative routes in Nebraska.

As part of the National Interest Determination process, the State Department held a public comment period, including public meetings in the six potentially affected states and Washington, D.C., to increase the opportunity for public comments. During this time, the Department also received input from state, local, and tribal officials. We received comments on a wide range of issues including the proposed project's impact on jobs, pipeline safety, health concerns, the societal impact of the project, the oil extraction in Canada, and the

proposed route through the Sand Hills area of Nebraska, which was one of the most common issues raised. The comments were consistent with the information in the final Environmental Impact Statement (EIS) about the unique combination of characteristics in the Sand Hills (which includes a high concentration of wetlands of special concern, a sensitive ecosystem, and extensive areas of very shallow groundwater) and provided additional context and information about those characteristics. The concern about the proposed route's impact on the Sand Hills of Nebraska has increased significantly over time, and has resulted in the Nebraska legislature convening a special session to consider the issue.

State law primarily governs routes for interstate petroleum pipelines; however, Nebraska currently has no such law or regulatory framework authorizing state or local authorities to determine where a pipeline goes. Taken together with the national concern about the pipeline's route, the Department has determined it is necessary to examine in-depth alternative routes that would avoid the Sand Hills in Nebraska in order to move forward with a National Interest Determination for the Presidential Permit.

Based on the Department's experience with pipeline project reviews and the time typically required for environmental reviews of similar scope by other agencies, it is reasonable to expect that this process including a public comment period on a supplement to the final EIS consistent with NEPA could be completed as early as the first quarter of 2013. After obtaining the additional information, the Department would determine, in consultation with the eight other agencies identified in the Executive Order, whether the proposed pipeline was in the national interest, considering all of the relevant issues together. Among the relevant issues that would be considered are environmental concerns (including climate change), energy security, economic impacts, and foreign policy.

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