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**From:** Cheryl Mills [REDACTED]  
**Sent:** Sunday, October 23, 2011 12:58 PM  
**To:** H  
**Subject:** Fwd: Fw: TransCanada responds in Lincoln Journal

B6

Good editorial

----- Forwarded message -----

**From:** "Mills, Cheryl D" <MillsCD@state.gov>  
**Date:** Sun, 23 Oct 2011 12:56:46 -0400  
**Subject:** Fw: TransCanada responds in Lincoln Journal  
**To:** cheryl.mills@gmail.com

----- Original Message -----

**From:** Hammer, Michael A  
**Sent:** Sunday, October 23, 2011 11:13 AM  
**To:** Mills, Cheryl D; Jones, Kerri-Ann; Benes, Keith J; Clune, Daniel A; Klevorick, Caitlin B; Rodriguez, Miguel E  
**Subject:** TransCanada responds in Lincoln Journal

Lincoln Journal Star Guest View: Keystone XL review thorough, independent

BY ROBERT JONES JournalStar.com | Posted:

Saturday, October 22, 2011 11:57 pm  
Robert Jones is vice president of the Keystone Pipeline System.

The Lincoln Journal Star editorial "Pipeline process not trustworthy," published Oct. 13, warrants a response to highlight the facts.

TransCanada began the process for the proposed Keystone XL pipeline in September 2008, filing a several-hundred-page application. This was followed by a 19-volume Environmental Report in November of that year that compiled thousands of pages of analysis. From there, the formal environmental review process under the U.S. National Environmental Policy Act (NEPA) began.

Over the next three years, more than 100 open houses and public meetings in six states took place, thousands of pages of supplemental information and responses to questions were submitted to state and federal agencies, and the Department of State received more than 300,000 comments on the project. A draft, supplemental draft and Final Environmental Impact Statement all were issued for Keystone XL — totaling more than 10,000 pages. This was by far the most exhaustive and detailed review ever conducted of a crude oil pipeline in the United States.

A key element of the process included the selection of an independent third party contractor that would be responsible for preparing the NEPA documentation with respect to the Keystone XL Presidential Permit review process.

As dictated by Department of State and consistent with Federal Energy Regulatory Commission third-party contractor practice, upon which the Department of State practice is modeled, TransCanada issued a request for proposal in late

2008 for the Department of State that would lead to the hiring of a third party to prepare the Environmental Impact Statement for Keystone XL.

This is the same third-party selection process that has been used on a regular basis for many years by FERC, which processes certificate applications for interstate natural gas pipelines.

TransCanada screened the contractors who responded to the request for proposal for technical ability, experience and appropriate personnel, and recommended a number of qualified candidates to Department of State. This is standard practice in selecting a third-party NEPA contractor.

There are a limited number of firms who specialize in this type of work, and Cardno ENTRIX has the capabilities to work on this type of review. As the permit applicant, TransCanada is handed the bill for the work that the Department of State directs Cardno ENTRIX to carry out for this part of their review. The work is done at the sole direction of the Department of State — TransCanada has no say in directing that work.

The Journal Star quotes a Tulane law professor as saying "Their (Cardno ENTRIX) primary loyalty is getting this project through in the way the client wants." Surely the Journal Star does not support the professor's point of view without any facts to back up the statement.

Companies and regulatory agencies would simply say no to hiring a consultant that has a reputation for falsifying or distorting data simply to make money. Ethics, morals and common sense aside, the risks, huge fines and possible criminal charges are too high to warrant such behavior.

Moreover, Cardno ENTRIX would not do business if it did not produce credible and scientifically justifiable work. As reputable consultants, they recognize their most valuable asset is their integrity. A dishonest interpretation of the facts does not do any favours for the company or the agency they are doing the work for or position themselves for future employment.

As with all contracts put out to tender, companies and regulatory agencies would not hire a consultant who has little to no experience in the area of work that is needed to accurately and intelligently write a report, particularly on a project of such scope and importance. It seems that the Journal Star believes the only truly 'independent' consultant is one that has no previous knowledge of the subject matter and has no relationships with anyone.

The review of Keystone XL has been thorough, exhaustive and independent. To suggest otherwise without any facts is nothing more than speculative gossip which does not serve any purpose to readers who are clamoring for an honest review of Keystone XL.

Robert Jones is vice president of the Keystone Pipeline System.

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Original editorial in Lincoln Journal:

Editorial, 10/14: Pipeline process not trustworthyPosted:

Thursday, October 13, 2011 11:50 pm

No wonder the environmental impact statement for the Keystone XL pipeline was so superficial and unduly dismissive of the unique characteristics of Nebraska's Sandhills.

The firm that authored the report has financial ties to the TransCanada, the firm seeking approval for the pipeline, according to the New York Times.

It's outrageous that the State Department would have hired a company for the environmental study that has such a clear interest in seeing that the project wins approval.

We noted in an earlier editorial that the supplemental impact statement digressed from environmental issues at one point to dwell on the economic benefits of running the pipeline through the Sandhills.

The shorter route "would typically translate to lower overall construction capital costs and lifetime operating costs of the system," the report said.

Now we know why the authors of the environmental impact statement were so concerned with TransCanada's profit margin.

Cardno Entrix, the company that prepared the statement, has financial ties to TransCanada, according to an Oct. 7 New York Times story. The environmental contractor based in Houston even lists TransCanada as a "major client" in its marketing material.

Oliver A. Houck, a law professor at Tulane and an expert on the National Environmental Policy Act, told the newspaper that the company never should have been selected because of its ties with TransCanada and the potential that it could get more work involving the pipeline.

"Their primary loyalty is getting this project through in the way the client wants," Houck said of Cardno Entrix.

TransCanada recommended the firm to the State Department. Houck and other experts quoted in the story said that was not unusual. "What's normal is deplorable and it's NEPA's dirty little secret," said John D. Echeverria of the Vermont Law School.

Cardno Entrix also assists in handling oil spills. For example, it helped to assess the damage to natural resources from an oil spill in Michigan from a pipeline owned by Enbridge Energy that dumped 843,000 gallons of oil into a tributary of the Kalamazoo River.

Cleanup of the river has proved to be more difficult than anticipated.

A 35-mile section of the Kalamazoo and a park have been closed to the public for more than a year.

Assurances that the Keystone XL pipeline only would have a minimal environmental impact on Nebraska's fragile and beautiful Sandhills were implausible under any circumstances.

But no one should be expected to trust in promises from a company with such a clear conflict of interest. The State Department's permitting process for the Keystone XL pipeline is fundamentally flawed.

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