

RELEASE IN FULL

From: Mills, Cheryl D <MillsCD@state.gov>
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To: H
Subject: FW: KXL -Sanders + Cohen first to put out statements on the Hill

From: Hammer, Michael A
Sent: Thursday, February 09, 2012 12:33 PM
To: Mills, Cheryl D; Klevorick, Caitlin B; Blumenfeld, Joshua R; Adams, David S; Jones, Kerri-Ann; Clune, Daniel A; Benes, Keith J
Subject: KXL -Sanders + Cohen first to put out statements on the Hill

The press stories so far are real solid (will forward a couple more in a sec), but Sen Sanders and Rep Cohen have both issued statements portraying the report as finding "flaws" or "raising serious concerns" about our KXL review. Perhaps to be expected given they called for this investigation.

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State Department IG Finds Flaws in Pipeline Review

WASHINGTON, Feb. 9 – A special internal review by the State Department inspector general faulted aspects of the department's handling of a proposal to build a crude oil pipeline from Canada to the Gulf of Mexico.

Sen. Bernie Sanders (I-Vt.) and Rep. Steve Cohen (D-Tenn.) last Nov. 7 asked Howard W. Geisel, the acting inspector general, to examine apparent conflicts of interest in the department's handling of an environmental impact statement.

"The findings confirm once again why the project should not be rubber stamped for approval, despite efforts by Republicans in Congress to do just that," said Sanders.

"The more we learn, the less merit there is to this project," Sanders added. "For those of us who are concerned about the consequences of global warming and the need to cut greenhouse gas emissions, the idea of producing oil that emits 82 percent more carbon pollution than conventional oil is indefensible. We have better options for the American people that do not jeopardize the future of our country and our planet. These include increasing fuel efficiency standards for our cars and trucks, a step which would cut pollution and save up to three times as much oil as Keystone XL could ever deliver."

The State Department inspector general's inquiry focused on the department's use of Cardno Entrix to perform an environmental impact statement for the department. The same firm had extensive ties to TransCanada, the Keystone XL pipeline developer.

Despite acknowledging that the developer influenced the selection of the firm that studied the environmental impact of the project, the inspector general concluded that the relationship between the two companies was not technically a conflict of interest. The inspector generally recommended and the State Department agreed to change its contractor selection process in the future.

The report criticized the department for failing "to perform any independent inquiry to verify Cardno Entrix's organizational conflict of interest statements," according to the inspector general. Moreover, the report added, the State Department did not, as required, ask TransCanada to view and certify Cardno Entrix's organizational conflict of interest statements.

In another key finding, the inspector general said the State Department's "limited technical resources expertise and experience" limited the government's environmental review process. The officers in charge of the review, according to the report, had "little or no" experience with environmental law "and had to seek training and learn quickly on the job."

In addition, the report said the State Department did not adequately weigh concerns by the Department of Energy and the Environmental Protection Agency about the proposed route of the 1,700 million pipeline project.

The State Department had authority to determine whether the pipeline would be in the national interest because it would have crossed an international border.

Since the in-house State Department review was launched, President Obama on Jan. 18 rejected the 1,700-mile pipeline project, saying it could not be adequately reviewed within a 60-day deadline set by Congress. Republicans in Congress, however, have continued to press for legislation that would authorize the pipeline.

To read the inspector general's report, click [here](#).

Contact: Michael Briggs (202) 224-5141

<http://cohen.house.gov/press-release/cohen-inspector-general-report-keystone-xl-pipeline-raises-serious-concerns-about>

Rep. Cohen's press release:

Cohen: Inspector General Report on Keystone XL Pipeline Raises Serious Concerns About Permit Process

Feb 9, 2012

WASHINGTON, D.C. – Congressman Steve Cohen (D-TN-9) today said the State Department’s Office of Inspector General report on the Keystone XL Pipeline – the “Special Review of the Keystone XL Pipeline Permit Process” – raises serious questions about the real impacts of the controversial \$7-billion pipeline. The objective of the report – which was requested by Congressman Cohen, Sen. Bernie Sanders (I-VT), and 12 other Members of Congress -- was to determine to what extent the Department complied with federal laws and regulations relating to the Keystone XL oil pipeline Presidential permit process.

“For the last two years, I have worked with the State Department to ensure that their review of Keystone XL was thorough and based on sound science,” said Congressman Cohen. **“In his Investigation Deputy Inspector General Giesel finds that the State Department’s limited technical resources, expertise, and experience impacted the quality of State’s years-long review of the project. Nowhere was this failure more apparent than State’s inadequate consideration of alternative routes for the pipeline. This report undermines the integrity of the project’s review and underscores the point that the pipeline should not be approved based on a shoddy, unscientific review.”**

Congressman Cohen was the only member of Congress to attend an anti-Keystone XL Pipeline rally outside the White House last year. He has been leading Congressional advocates in calling upon the State Department to ensure that the Keystone XL Pipeline is safe and will not pose a threat to life, property, and the environment. In June 2011, he spearheaded a letter citing concerns about the controversial Keystone XL Pipeline. The letter was addressed to U.S. Secretary of State Hillary Clinton and U.S. Environmental Protection Agency Administrator Lisa Jackson and was signed by more than 30 members of the U.S House of Representatives. This letter was a follow-up to another Congressional letter that urged the State Department to conduct a Supplemental Environmental Impact Statement – a review of the total safety and environmental impacts of the proposed project.

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