

# 1.0 Introduction

## 1.1 Background and Overview

TransCanada Keystone Pipeline, LP (Keystone) is proposing to construct and operate a crude oil pipeline and related facilities from Hardisty, Alberta, Canada, to the Port Arthur and east Houston areas of Texas in the United States (US). The project, known as the Keystone XL Project (Project), will have a nominal capacity to deliver up to 900,000 barrels per day (bpd) of crude oil from an oil supply hub near Hardisty to existing terminals in Nederland near Port Arthur and Moore Junction in Harris County, Texas. The project will consist of three new pipeline segments plus additional pumping capacity on the Cushing Extension Segment of the Keystone Pipeline Project (Keystone Cushing Extension). The Steele City Segment of the Project extends from Hardisty, Alberta southeast to Steele City, Nebraska. The Gulf Coast Segment extends from Cushing, Oklahoma south to Nederland, Texas. The Houston Lateral extends from the Gulf Coast Segment, in Liberty County, Texas southwest to Moore Junction, Harris County, near the Houston Ship Channel, Texas (please refer to **Figure 1.1-1**). In total, the Project will consist of approximately 1,707 miles of new, 36-inch-diameter pipeline, consisting of about 327 miles in Canada and 1,380 miles within the US. It will interconnect with the northern and southern termini of the previously approved 298-mile-long, 36-inch-diameter Keystone Cushing Extension. The Project is planned to be placed into service in phases. The Gulf Coast Segment is planned to be in-service in 2011. The Steele City Segment and the Houston Lateral are planned to be in-service in 2012.

A total of 30 new pump stations, each located on an approximate 5- to 10-acre site, will be constructed in the US; 18 on the Steele City Segment, 10 on the Gulf Coast Segment, and 2 along the Keystone Cushing Extension in Kansas.

A tank farm will be located on an approximate 50-acre site near the junction of the Project with the Keystone Cushing Extension in Steele City, Nebraska. Three tanks, each with a design capacity of 350,000 barrels, will be constructed for the purpose of managing oil movements during operations.

Currently, approximately 74 intermediate valve sites (sites for valves not located at pump stations) are expected to be installed and located as dictated by the hydraulic profile of the pipeline, as required by federal regulations, and with the intent to enhance public safety and protect the environment as part of Keystone's integrity management practices. These valve sites will be located aboveground. For operational purposes, the spatial extent of each valve site will be contained within the permanent right-of-way (ROW) and other aboveground facility sites along the Project route. Permanent access to each of the intermediate sites will require the construction of approximately 50 permanent roads. Densitometers for detection of crude oil batch interfaces will be co-located at the last valve upstream of each delivery location as well as at each delivery location.

Delivery metering and proving facilities at Nederland and Moore Junction will measure the amount of product transported and delivered to terminals.

Approximately 400 temporary use access roads to the construction ROW, 28 temporary use contractor yards, 39 pipe stockpile sites, and 21 railroad sidings will be required during construction of the Project. Construction in remote areas in Montana and South Dakota will require construction and operation of four temporary construction camps for construction worker housing.



**Figure 1.1-1 Proposed Keystone XL Project Route**

The Project will require the issuance of a Presidential Permit by the US Department of State (DOS) to cross the US/Canada border. The DOS is the lead agency for the environmental review process pursuant to the National Environmental Policy Act (NEPA) (42 United States Code [USC] 4321 et seq.). This Supplemental Environmental Report is intended to provide the DOS, as well as the Bureau of Land Management (BLM) and other cooperating agencies with adequate information to facilitate review of the Project under NEPA. This Supplemental Environmental Report includes an objective disclosure of environmental impacts, beneficial and adverse, resulting from the Project, as well as a set of reasonable alternatives. Keystone incorporated field survey information from efforts undertaken in 2008 and 2009 into this Supplemental Environmental Report.

In Montana, the Project requires a certificate under the Montana Major Facilities Siting Act (MFSA), which includes environmental review under the Montana Environmental Policy Act (MEPA). The Montana Department of Environmental Quality (MDEQ) is a cooperating agency in the DOS-led federal NEPA review process to satisfy its own environmental review requirement under MEPA.

Power line and associated facility upgrades will be required in multiple locations along the route to provide power for the new pump stations and to power remotely operated valves and densitometers located along the pipeline route. Keystone will not construct nor be responsible for the permitting of new power lines and related facility construction. Local power providers will be responsible for obtaining any necessary approvals or authorizations from federal, state, and local governments for such facilities (except as outlined below). Although the permitting processes for the electrical facilities are independent processes, construction and

operation of these facilities are considered connected actions under NEPA and an appropriate level of assessment is provided in this Supplemental Environmental Report. A separate ROW Grant will be required from the BLM for power lines that cross BLM lands along the Steele City Segment. This is required by the BLM in order to ensure those ROW Grant Applications are processed in parallel with the Environmental Impact Statement (EIS). However, Keystone will transfer those ROW grants to the appropriate power providers once those power providers have been selected and have started their permitting processes.

## **1.2 Purpose and Need for the Project**

The purpose of the Project is to transport crude oil production from the Western Canadian Sedimentary Basin (WCSB) to meet growing demand by refineries and markets in the US. The Project will transport crude oil from the oil supply hub near Hardisty, Alberta, Canada and deliver it to existing oil storage terminal facilities near Nederland and Houston, Texas. Construction of the Project will provide US refineries and markets with access to a substantial and reliable supply of Canadian crude oil to meet increasing US demand for petroleum products.

The need for the Project is dictated by a number of factors including:

- Increasing crude oil demand in the US;
- Decreasing domestic crude supply in the US;
- Increasing WCSB crude oil supply;
- An opportunity to reduce US dependence on foreign offshore crude oil supply through further supply diversification to stable, secure Canadian crude oil supplies; and
- Binding shipper interest in the Project.

### **1.2.1 Increasing WCSB Crude Oil Supply**

Established crude oil reserves in the WCSB are estimated at 179 billion barrels (Canadian Association of Petroleum Producers (CAPP), (January 2008). The primary source of WCSB crude oil supply -- over 97 percent -- is comprised of Canada's vast oil sands reserves located in northern Alberta. The Alberta Energy and Utilities Board (AEUB) estimates there are 175 billion barrels of established reserves out of 315 billion barrels of bitumen ultimately recoverable in Canada's oil sands. Alberta has the second largest crude oil reserves in the world, second only to Saudi Arabia.

As a result of growing production from the oil sands, crude oil supplies from the WCSB are expected to increase by about 1.6 million bpd by 2017, from current production of about 2.4 million bpd (CAPP, June 2008).

### **1.2.2 Increasing Crude Oil Demand in the United States**

According to the Energy Information Administration (EIA), US demand for petroleum products has increased by over 11 percent or 2 million bpd over the past 10 years and is expected to increase further (EIA, Annual Energy Review 2007). The EIA estimates that total US petroleum consumption is projected to increase by approximately 1.0 million bpd over the next 10 years (EIA, Annual Energy Outlook 2008), representing average demand growth of about 100,000 bpd per year.

The Project's key delivery area, Petroleum Administration for Defense Districts, District III (PADDIII) or the US Gulf Coast, represents the largest and most complex refining district in the US with 56 refineries comprising approximately 8.4 million bpd of total refining capacity. The ultimate delivery location (terminals, pipelines, or docks) is not contracted by Keystone. Whether the crude oil will be processed within the existing refineries, and whether any potential construction or expansion to those refineries will occur based on crude oil received as a result of the Project is not verifiable, but such expansions would only occur based on market demand, and

are not anticipated as a direct result of the Project. Keystone is not involved in the refinery business and therefore has no expertise on location, design and construction procedures for new refineries and refinery upgrades. Shippers' contractual commitments are for crude oil pipeline capacity between the Project's receipt and delivery stations, and shippers are responsible for taking delivery downstream of the delivery station. The Project will deliver into existing terminals in Nederland near Port Arthur and Moore Junction in Houston, Texas, which in turn provide access to a number of other pipeline systems, terminals, and docks.

### **1.2.3 Decreasing Domestic Crude Oil Supply**

At the same time, domestic US crude supplies continue to decline. For example, over the past 10 years, domestic crude production in the US has declined at an average rate of about 135,000 bpd per year or 2 percent per year (EIA, Annual Energy Review 2007).

### **1.2.4 Further Supply Diversification to Canadian Crude Oil**

The US historically has compensated for decreases in domestic production through increased imports from Canada and foreign offshore sources. Canada is currently the largest supplier of imported crude oil and refined products to the US, supplying over 2.4 million bpd in 2007 and representing over 11 percent of total US petroleum product consumption (EIA, Annual Energy Review 2007).

US imports of foreign crude and refined products continue to increase as a result of decreasing domestic production and increasing demand. Crude and refined petroleum product imports into the US have increased by over 3.3 million bpd over the past 10 years. In 2007, the US imported over 13.4 million bpd of crude oil and petroleum products or over 60 percent of total US petroleum product consumption (EIA, Annual Energy Review 2007).

The US Gulf Coast (USGC) represents the largest and most complex refining district in the US with approximately 8.4 million bpd of total refining capacity. However, PADD III currently accesses very little Canadian crude oil. Pipeline access to Canadian crude oil is currently limited to ExxonMobil's Pegasus Pipeline, which currently has only 65,000 bpd of heavy crude transportation capacity.

The Project will provide an opportunity for US refiners in PADD III to diversify supply away from traditional offshore foreign crude supply and to obtain direct access to secure and growing Canadian crude supplies. Access to incremental Canadian crude supply also will provide an opportunity for the US to supplement annual declines in domestic crude production and more significantly, decrease its dependence on offshore foreign crude supplies, namely from Mexico and Venezuela, the top two heavy crude oil importers into the US Gulf Coast.

### **1.2.5 Binding Shipper Interest**

Shippers – producers, marketers or refiners, evaluate the merits of various pipeline proposals and ultimately decide which projects to support. Potential projects are discussed in depth in Section 2.3 of this Supplemental Environmental Report. Shippers have expressed material interest in the Project and in securing additional crude oil pipeline capacity. Keystone has secured 380,000 bpd of binding commitments for pipeline capacity which greatly exceeds the current or future capacity of the Pegasus Pipeline. The 380,000 bpd of contractual commitments have an average duration of 18 years.

These contractual commitments have enabled Keystone to proceed with regulatory applications and, upon receipt of the necessary regulatory and environmental approvals, with construction of the pipeline. These long-term binding commitments demonstrate a material endorsement of support for the Project, its economics, proposed route, target market, and in-service dates, as well as the need for incremental pipeline capacity and access to Canadian crude supplies.

Potential customers for the Project include producers of crude oil from the WCSB and refiners in the US PADD III. Keystone is bound by confidentiality provisions with its shippers, as the term and volume of contracts are considered by shippers to be commercially sensitive and confidential information. However, Canadian Natural Resources Limited (120,000 bpd for 20 years) and Valero Energy Corporation (amount and term undisclosed), have publicly identified themselves as shippers on the Project. To the best of Keystone's knowledge, no other party has publicly identified themselves as a shipper.

Based on the level of crude oil reserves in the WCSB and increasing production from the oil sands, Keystone anticipates that the contracts referenced above will be renewed, additional long-term contracts will be entered into, or some combination of the two will occur, which will extend the use of the pipeline beyond the current average contract term of 18 years.

### **1.3 Federal Approval Process and Authorizing Actions**

A number of federal agencies have permitting, environmental review, and regulatory roles with respect to the Project. The roles of the applicable federal agencies with respect to the Project are summarized below.

#### **1.3.1 US Department of State**

Executive Order 11423 (33 Federal Register [FR] 11741), as amended by Executive Order 12847 (58 FR 29511) and Executive Order 13337 (69 FR 25299), governs the DOS's issuance of Presidential Permits authorizing the construction, operation, and maintenance of pipelines carrying petroleum, petroleum products, and other liquids across US international borders. Within the DOS, the Bureau of Economic and Business Affairs, Office of International Energy and Commodity Policy, receives and processes Presidential Permit applications. Upon receipt of a Presidential Permit application for a cross-border pipeline, the DOS is required to request the views of the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Commerce, the Secretary of Transportation, the Secretary of Energy, the Secretary of Homeland Security, the Administrator of the US Environmental Protection Agency (USEPA), and such other government department and agency heads as the Secretary of State deems appropriate.

In evaluating Presidential Permit applications, the DOS conducts an environmental review pursuant to NEPA. After consideration of the views of affected agencies and interested parties, the DOS makes a determination whether the proposed pipeline will serve the national interest. If it is determined that issuance of a Presidential Permit will serve the national interest, the DOS prepares a permit including such terms and conditions as the national interest may, in the DOS's judgment, require. The DOS is further required to notify those agencies required to be consulted of its proposed determination. If, within 15 days of notification, any of those agencies disagrees with the determination, it may ask the DOS to refer the matter to the President for his consideration and a final decision. If no agency disagrees within the 15-day period, the DOS shall issue or deny the permit in accordance with the proposed national interest determination.

#### **1.3.2 Bureau of Land Management**

The BLM has authority to issue ROW grants for all affected federal lands under the Mineral Leasing Act (MLA) of 1920, as amended (30 USC 181 et seq.). This action would be in accordance with 43 Code of Federal Regulations (CFR) 2800 and 2880, subsequent 2800 and 2880 Manuals, and Handbook 2801-1. For the Project, the BLM will consider the issuance of a new ROW grant and issuance of associated temporary use permits that would apply to BLM-managed lands crossed by the Project, as well as all other federal lands affected. Conformance with land use plans and impacts on resources and programs will be considered in determining whether to issue a ROW grant. A preliminary SF 299 form (serial number MTM 98191) and accompanying material was submitted to the Billings state office of the BLM in March 2008 to initiate the cost recovery agreement process so that BLM staff could participate in agency meetings and assist Keystone with routing across BLM lands. A final SF 299 is anticipated to be filed in late 2009. A draft Plan of Development (POD) was filed in January 2009. The BLM also will process ROW applications for all federal lands under the

Federal Land Policy and Management Act (FLPMA) of 1976 for power lines to supply power to the proposed pump stations.

### **1.3.3 US Army Corps of Engineers Section 404 (Clean Water Act) Nationwide Permits and Section 10 (Rivers and Harbors Act) Permits**

Section 404 of the Clean Water Act (CWA) establishes a permit program administered by the US Army Corps of Engineers (USACE) to regulate the discharge of dredge and fill materials into the Waters of the US, including their adjacent wetlands. The Project will be under the jurisdiction of multiple USACE districts. Keystone began field surveys in the spring of 2008 along all areas of the proposed route where survey permission was obtained. These field surveys identified USACE jurisdictional waters of the US and wetlands crossed by the Project. Keystone will file this information with the USACE and will apply for Section 404 permits. Certain nationwide permits (NWP) will be applicable, including NWP 33 for access and dewatering and NWP 12 for utility crossings for most of the USACE districts. Keystone will require approvals under Section 10 (Rivers and Harbors Act). Keystone intends to submit its Section 404 and Section 10 permit applications to the appropriate USACE District offices in 2009 and 2010.

### **1.3.4 Section 106 National Historic Preservation Act (NHPA)**

Section 106 of the National Historic Preservation Act (NHPA), as amended, requires the lead federal agency to take into account the effects of its undertakings on historic properties or historic resources listed in, or eligible for listing in, the National Register of Historic Places (NRHP) and to afford the Advisory Council on Historic Preservation (ACHP) an opportunity to comment if there will be adverse effects to NRHP-eligible properties. Historic properties are prehistoric or historic districts, sites, buildings, structures, objects, or properties of traditional religious or cultural importance, which are listed or eligible for listing in the NRHP, including artifacts, records, and material remains related to such a property or resource.

The DOS, as lead federal agency, is responsible for NHPA Section 106 compliance for all lands, both public and private, affected by the Project. Keystone, as the applicant, is preparing information, analyses, and recommendations necessary for DOS to comply with Section 106, in accordance with ACHP's regulations at 36 CFR Section 800.2.

To date, Keystone has completed files and records reviews for the Project area. Protocols for field surveys were prepared by Keystone and reviewed and approved by most State Historic Preservation Officers (SHPOs). Field surveys started in the spring of 2008. As a result of the field surveys, Keystone is recommending 58 sites as potentially eligible, 39 sites as eligible, and 206 sites as ineligible for listing in the NRHP. Three-hundred and four sites currently have a NRHP determination of unknown, undetermined, or unevaluated; of these, the vast majority are listed as potential Traditional Cultural Properties (TCPs) and may require further analysis. If this analysis is required, it will be addressed in consultation with appropriate tribal entities under the direction of the DOS, and falls directly within the guidelines established under Section 106 of the NHPA, as amended. These sites were determined to be located within or adjacent to the Project area of potential effects (APE). Avoidance or evaluation to definitively determine NRHP eligibility was recommended for these sites. Re-routes, boring, or construction ROW width reduction are currently being evaluated for all of the eligible and potentially eligible sites. Reports associated with completed surveys and summaries of surveys are located in Confidential **Appendix G**. Remaining locations will be surveyed during 2009. Generally, remaining locations will be surveyed in 2009; however, isolated surveys will continue throughout Project development.

Information from the files and records searches and field surveys has been documented in reports and submitted to the DOS as Appendices to the November 2008 Environmental Report and to this Supplemental Environmental Report. The DOS will consult with each SHPO to confirm site eligibility for the NRHP and the Project's effects on NRHP-eligible sites within the APE. If the Project will adversely affect NRHP-eligible sites,

the DOS will require the preparation and implementation of treatment plans to mitigate adverse effects. No construction will begin at any given location until all required consultations and approvals are received.

As the lead agency, the DOS also is responsible for complying with the tribal consultation requirements of Section 106 of the NHPA, as amended, the Native American Graves Protection and Repatriation Act (NAGPRA), and American Indian Religious Freedom Act (AIRFA). Compliance involves contacting Native American groups with traditional or historical ties to the lands crossed by the proposed Project and ensuring that the requirements of the NHPA, NAGPRA, and AIRFA are met. Keystone also initiated a tribal engagement process which is described in Section 3.9. Official government-to-government consultation was initiated on May 12, 2009.

### **1.3.5 US Fish and Wildlife Service**

Section 7 of the Endangered Species Act (ESA), as amended, states that any Project authorized, funded, or conducted by any federal agencies should not "...jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined to be critical" [16 USC 1536(a)(2)(1988)]. The US Fish and Wildlife Service (USFWS) is responsible for ensuring compliance with the ESA. The DOS, as the lead federal agency, is responsible for initiating informal consultation with the USFWS to determine the likelihood of effects on listed species. The DOS or the applicant as a non-federal party is required to consult with the USFWS to determine whether any federally-listed or proposed endangered or threatened species or their designated critical habitat occur in the vicinity of the proposed Project. If, upon review of existing data, the DOS determines that these species or habitats may be affected by the proposed Project, the DOS is required to prepare a Biological Assessment to identify the nature and extent of adverse impact and to recommend mitigation measures that will avoid the habitat and/or species or that will reduce potential impact to acceptable levels. If, however, the DOS determines that no federally-listed or proposed endangered or threatened species or their designated critical habitat will be affected by the proposed Project, no further action is necessary.

Keystone consulted with the USFWS regarding potential occurrence of special status species along the pipeline route. Based on USFWS input, Keystone developed a list of special status species that would require surveys and identified appropriate survey protocols. Once the survey protocols were approved by the USFWS, surveys were initiated in the summer and fall of 2008 and will continue during 2009.

Keystone continues to consult with the USFWS regarding potential impacts of the Project to special status species and possible mitigation measures to reduce impacts. Based on the results of field surveys and potential impacts to sensitive species, Keystone has prepared a draft Biological Assessment, which is included in **Appendix F (Reports)** of this document. It is anticipated that the DOS will review the draft Biological Assessment, revise as necessary, and submit the document to the USFWS for its concurrence.

### **1.3.6 Office of Pipeline Safety**

The Office of Pipeline Safety (OPS), Pipeline and Hazardous Materials Safety Administration (PHMSA), within the US Department of Transportation (USDOT) is the primary enforcement agency that regulates the safety of interstate transportation of hazardous liquids by pipelines, including crude oil. Federal regulations governing the construction and safe operation of pipelines are enforced by the OPS. To comply with federal regulations (49 CFR Parts 194 and 195), Keystone will be required to develop a comprehensive Emergency Response Plan (ERP) for the Project. The OPS will review and approve Keystone's ERP prior to operation. Keystone prepared a comprehensive ERP for the Keystone Pipeline Project and submitted it to PHMSA for review. PHMSA approved the Keystone Pipeline Project ERP in 2009. Keystone will use this approved ERP as the basis for preparation of an ERP specific to the Keystone XL Project, incorporating adjustments to reflect Project-specific factors. At that time, Keystone will submit the Keystone XL ERP to PHMSA for approval.

Additionally, the OPS will conduct regular inspections of pipeline facilities in the future to enforce continual compliance with federal regulations. The OPS also will review and approve Keystone's Integrity Management Plan (IMP) for High Consequence Areas (HCAs).

Under Section 60118 of the Pipeline Safety Act, the PHMSA may grant a Special Permit in relation to any regulatory requirement if granting the waiver is "not inconsistent with pipeline safety" 49 USC § 60118. Keystone has filed an application with PHMSA for a special permit authorizing Keystone to design, construct, and operate certain segments of the Project at up to 80 percent of the steel pipe's specified minimum yield strength (SMYS) in lieu of the otherwise applicable 72 percent of SMYS requirement. In addressing this standard, Keystone described the principle features of the proposed design and construction of the Project, including: (1) utilizing X-70 and X-80 grade steel from technically pre-qualified pipe mills, with specifications that will exceed the requirements of 49 CFR Part 195; (2) fracture control specifications and testing; (3) fusion bond epoxy (FBE) pipe coating and cathodic protection to prevent corrosion; (4) qualified welding procedures and 100 percent non-destructive (ultrasonic or radiographic) testing of welds; (5) 4-foot depth of cover, which exceeds the 30-inch requirement at 49 CFR Part 195; (6) hydrostatic testing to not less than 100 percent of SMYS at the high point in the test section, held for a minimum of 8 hours, prior to placing the pipeline into service; (7) internal inspection of the pipeline using a calliper tool to detect reductions in diameter which may have occurred during the lowering and backfill process; (8) a detailed quality assurance plan; (9) operational control systems, including a sophisticated Supervisory Control and Data Acquisition (SCADA) system and multiple overlapping, complementary leak detection systems; and (10) a multifaceted pipeline integrity program.

Keystone also provided PHMSA with a separate detailed document and appendix demonstrating that the standards it will use to design and construct the Project will meet or exceed the requirements of USDOT regulations and will result in a higher degree of pipeline safety than the minimum safety standards provided in the regulations. In addition, Keystone's application contains more than 50 conditions it agrees to meet, that relate to the design and operation of the pipeline. PHMSA included those conditions in its approval of a similar permit in connection with the Keystone Pipeline Project, and the recently issued Standards for Increasing the Maximum Operating Pressure for Gas Transmission Pipelines (FR 73 No. 202, Oct. 17, 2008) finding that those measures "provide a level of safety equal to, or greater than, that which would be provided if the pipelines were operated under existing regulations."

Keystone has prepared a Pipeline Risk Assessment and Environmental Consequence Analysis which evaluates the risk of pipeline disruption and its potential environmental consequences. This document is being submitted as **Appendix H** to this Supplemental Environmental Report. Because the document contains locations of HCAs, Keystone requests that **Appendix H** be treated as privileged and confidential information.

### 1.3.7 Texas General Land Office

The Coastal Zone Management Act (CZMA) of 1972 gives states with federally approved coastal management programs the responsibility of reviewing federal agency actions and activities to ensure that they are consistent with the state program's goals and policies. Any project that is in or may affect land and water resources in the Texas coastal zone and that requires a federal license or permit, is a direct activity of a federal agency, or is federally funded (grants to states and local governments) must be reviewed for consistency with the Texas Coastal Management Program. Applicants for federal permits in coastal areas must provide the federal agency with a "consistency certification" stating that the proposed project is consistent with the state's coastal management program. This activity will only apply to a portion of the Gulf Coast Segment and Houston Lateral for the proposed Project. CZMA concurrence will be addressed during the USACE permitting, which in turn, will be processed concurrent with the EIS process.

## 1.4 Permits and Relationship to Non-federal Policies, Plans, and Programs

An updated list of federal, state, and local permits and approvals is provided in **Table 1.4-1** (updated since the Presidential Permit application). Individual road crossing and road use permits are not included in this table, since such permits will be a standard requirement in all counties crossed.

**Table 1.4-1 Permits, Licenses, Approval, and Consultation Requirements**

Agency	Permit or Consultation/Authority	Agency Action
<b>Federal</b>		
US Department of State (DOS)	Presidential Permit, Executive Order 11423 of August 16, 1968 (33 Fed. Reg. 11741, et seq.)	Consider approval of cross-border facilities; lead federal agency under NEPA
Bureau of Land Management (BLM)	ROW Grant and Temporary Use Permit under Section 28 (MLA)	Consider approval of ROW grant and temporary use permits for the portions of the Project that would encroach on federal lands
	Archeological Resources Protection Act (ARPA) permit	Consider issuance of cultural resource use permit to excavate or remove cultural resources on federal lands
	Notice to Proceed	Following issuance of a ROW grant and approval of the Project's POD, consider the issuance of a Notice to Proceed with Project development and mitigation activities for federal lands
US Corps of Engineers (USACE) – Omaha, Tulsa, Fort Worth, and Galveston Districts	Section 404, CWA	Consider issuance of Section 404 permits for the placement of dredge or fill material in Waters of the US, including wetlands
	Section 10 Permit (Rivers and Harbors Act of 1899)	Consider issuance of Section 10 permits for pipeline crossings of navigable waters
US Fish and Wildlife Service (USFWS)	ESA Section 7 Consultation, Biological Opinion	Consider lead agency findings of an impact of federally-listed or proposed species; provide Biological Opinion if the Project is likely to adversely affect federally-listed or proposed species or their habitats
US Bureau of Reclamation (USBR)	ROW Grant and Temporary Use Permit under Section 28 of the MLA	Determine if ROW grant issued under MLA by BLM is in compliance with USBR standards
Federal Highway Administration (FHA)	Crossing Permit	Consider issuance of permits for the crossing of federally funded highways
Office of Pipeline Safety (OPS)	49 CFR Part 195	Review and approve IMP for HCAs
	49 CFR Part 194	Review and approve ERP
	Special Permit	Authorization to use 0.80 design factor in specified areas

**Table 1.4-1 Permits, Licenses, Approval, and Consultation Requirements**

Agency	Permit or Consultation/Authority	Agency Action
US Environmental Protection Agency (USEPA), Regions VI, VII, VIII	Section 401, CWA, Water Quality Certification	Consider approval of water use and crossing permits for non-jurisdictional waters (implemented through each state's Water Quality Certification Program)
	Section 402, CWA, National Pollutant Discharge Elimination System (NPDES)	Review and issue NPDES permit for the discharge of hydrostatic test water (implemented through each state's Water Quality Certification Program, where required)
US Department of Treasury – Bureau of Alcohol, Tobacco, and Firearms	Treasury Department Order No. 120-1 (former No. 221), effective 1 July 1972	Consider issuance of permit to purchase, store, and use explosives should blasting be required
<b>Montana*</b>		
Montana State Historic Preservation Office (SHPO)– Montana Historical Society	Section 106 consultation regarding NRHP eligibility of cultural resources and potential project effects on historic properties, Compliance with Montana State Antiquities Act	Review and comment on activities potentially affecting cultural resources
MDEQ – Director's Office MEPA Office	Certificate of Compliance with MFSA	Consider issuance of a certificate of compliance under MFSA for construction and operation of the proposed facility.  Review and comment on environmental activities and alternative siting study; review and use federal EIS to meet MEPA requirements
MDEQ – Permitting and Compliance Division – Water Protection Bureau	Montana Ground Water Pollution Control System (MGWPCS) and Nondegradation Review (three levels of water protection based on water classification, i.e. outstanding resource waters etc.), Standard 318 (Permitting conditions for Pipeline Crossings at Watercourses – short term turbidity), 310 Joint Application	Consider issuance of permit for stream and wetland crossings; consult for Section 404 process
	Montana Pollutant Discharge Elimination System (MPDES)	Consider issuance of permit for hydrostatic test water discharge, trench dewatering, and stormwater discharge

**Table 1.4-1 Permits, Licenses, Approval, and Consultation Requirements**

Agency	Permit or Consultation/Authority	Agency Action
Montana Department of Natural Resources and Conservation (DNRC) – Water Resources Division (General)	Water Appropriation Permit (Beneficial Water Use Permit) and/or Water Wells Drilling/ Alteration	Consider issuance of permit for water use for hydrostatic testing or waters for dust control
Montana DNRC – Water Resources Division (General)	Navigable Rivers/Land Use License/Easement	Consult on and consider issuance of permit for projects in, on, over, and under navigable waters
Montana DNRC Trust Land Management Division	Permit to obtain easement to cross state lands for permanent right-of-way, land use license for construction corridor, MEPA compliance on state land	Consider issuance of permit for crossing of state-owned land; review construction corridor
Fish Wildlife and Parks Department – Wildlife Division	SPA 124 Permit, Comment on project and effects on natural resources, threatened and endangered species	Consider issuance of permit for working within streams in the state (if necessary); consult regarding natural resources
Department of Transportation – Billings District	State and Highway Crossing Permit for pipeline and access roads that encroach state highway ROW, with traffic control based on the Manual on Uniform Traffic Control Devices	Consider issuance of permits for crossings of state highways
County Road Departments	Crossing Permits	Consider issuance of permits for crossing of state highways
County Floodplain Departments	County Floodplain permitting	Consider issuance of permits and review of work in floodplains
County and Local Authorities	Pump Station Zoning Approvals, where required	Review under county approval process
	Special or Conditional Use Permits, where required	Review under county approval process
<b>South Dakota*</b>		
South Dakota Historical Society	Consultation under Section 106, NHPA	Review and comment on activities potentially affecting cultural resources
South Dakota Public Utilities Commission (SDPUC)	Energy Conversion and Transmission Facilities Act	Consider issuance of permit for a pipeline and appurtenant facilities
Department of Environment and Natural Resources, Surface Water Quality Program	Section 401, CWA, Water Quality Certification	Consider issuance of permit for stream and wetland crossings; consult for Section 404 process

**Table 1.4-1 Permits, Licenses, Approval, and Consultation Requirements**

Agency	Permit or Consultation/Authority	Agency Action
	Hydrostatic Testing/Dewatering & Temporary Water Use Permit (SDG070000)	Consider issuance of General Permit regulating hydrostatic test water discharge, construction dewatering to waters of the state ,and Temporary Water Use Permit
Department of Game, Fish, and Parks	Consultation	Consult regarding natural resources
Department of Transportation	Crossing Permits	Consider issuance of permits for crossing of state highways
County Road Departments	Crossing Permits	Consider issuance of permits for crossing of county roads
County and Local Authorities	Pump Station Zoning Approvals, where required	Review under county approval process
	Special or Conditional Use Permits, where required	Review under county approval process
<b>Nebraska</b>		
DEQ, Division of Water Resources	Section 401, CWA, Water Quality Certification	Consider issuance of permit for stream and wetland crossings; consult for Section 404 process
	Excavation Dewatering and Hydrostatic Testing Permit Form NEG6720000 Dewatering Form NEG6721000 Relocation	Consider issuance of permit regulating hydrostatic test water discharge and construction dewatering to waters of the state
Department of Environmental Quality (DEQ), Division of Air Quality	Nebraska Administrative Code Title 129, Construction Permit.	Consider issuance of permit for construction of proposed tank farm at Steele City
Department of Natural Resources	Water Appropriations – Groundwater and Surface Water	Consider issuance of permit to Use Public Waters (for hydrostatic test water or dust control)
Game and Parks Commission	Consultation	Consult regarding natural resources
Department of Transportation	Crossing Permits	Consider issuance of permits for crossing of state highways
County Road Departments	Crossing Permits	Consider issuance of permits for crossing of county roads
County and Local Authorities	Pump Station Zoning Approvals, where required	Review under county approval process
	Special or Conditional Use Permits, where required	Review under county approval process

**Table 1.4-1 Permits, Licenses, Approval, and Consultation Requirements**

Agency	Permit or Consultation/Authority	Agency Action
<b>Kansas</b>		
Department of Health and Environment, Bureau of Water	Hydrostatic Testing Permit (if applicable)	For pump station piping, may be below permitting thresholds
	Water Withdrawal Permit (if applicable)	For pump station piping, may be below permitting thresholds
Department of Wildlife and Parks	Non-game and Endangered Species Action Permit (if applicable)	Review of new pump station locations
SHPO	Historical Resources Review (if applicable)	Review of new pump station locations
County and Local Authorities	Pump Station Zoning Approvals, where required	Review under county approval process
<b>Oklahoma</b>		
Oklahoma State Historical Society	Consultation under Section 106, NHPA	Review and comment on activities potentially affecting cultural resources
DEQ, Division of Water Resources	Section 401, CWA, Water Quality Certification.	Consider issuance of permit for stream and wetland crossings; consult for Section 404 process; Critical Water Resources.
	Excavation Dewatering and Hydrostatic Testing Permit (OKG270000)	Consider issuance of permit regulating hydrostatic test water discharge and construction dewatering to waters of the state
Department of Wildlife Conservation	Consultation	Consult regarding natural resources
Department of Transportation	Crossing Permits	Consider issuance of permits for crossing of state highways
County Road Departments	Crossing Permits	Consider issuance of permits for crossing of county roads
County and Local Authorities	Pump Station Zoning Approvals, where required	Review under county approval process
	Special or Conditional Use Permits, where required	Review under county approval process
<b>Texas</b>		
SHPO	Consultation under Section 106, NHPA	Review and comment on activities potentially affecting cultural resources
Texas Commission on Environmental Quality (TCEQ)	Section 401, CWA, Water Quality Certification.	Consult for Section 404 process; permit regulating hydrostatic test water discharge, and construction dewatering to waters of the state

**Table 1.4-1 Permits, Licenses, Approval, and Consultation Requirements**

Agency	Permit or Consultation/Authority	Agency Action
	General Conformity Determination	Determine conformity of the federal action to the State Implementation Plan (SIP)
Parks and Wildlife Department	Consultation 31 TAC 69 - Marl, Sand, and Gravel Permits	Consult regarding natural resources Consider issuance of stream crossing permits
Texas General Land Office	Coastal Zone Management Program	Consider issuance of Coastal Zone Consistency Determination
	State owned lands	Consider approval of easement grants for ROW cover state-owned lands
Railroad Commission of Texas	State lead on oil and gas projects; Excavation Dewatering and Hydrostatic Testing Permit	Consider issuance of permit to operate the pipeline; consider issuance of permit regulating hydrostatic test water discharge and construction dewatering to waters of the state
Department of Transportation	Crossing Permits	Consider issuance of permits for crossing of state highways
County Road Departments	Crossing Permits	Consider issuance of permits for crossing of county roads
County and Local Authorities	Pump Station Zoning Approvals, where required	Review under county approval process
	Special or Conditional Use Permits, where required	Review under county approval process
Jefferson County Drainage District	Crossing Permits	Consider issuance of permits for crossing of drainage canals
Lower Neches Valley Authority	Crossing Permits	Consider issuance of permits for crossing of drainage canals

Note: All permits are considered attainable and consistent with existing land use plans based on consultation with the above agencies.

\*Permits associated with construction camps are discussed in Section 2.1.8.

## 1.5 Right-of-Way Acquisition Process

Keystone will seek to acquire the necessary ROW for the Project by negotiating easements with landowners along the pipeline route. Keystone will negotiate permanent easements that will grant the company the right to construct, operate, and maintain the pipeline in the permanent ROW. Keystone also will negotiate temporary easements for additional workspace needed to construct the pipeline. In return for granting easements, landowners will receive monetary compensation, including compensation for loss of use during construction, crop loss, loss of nonrenewable or other resources, use of private roads, as well as a commitment to restore or compensate for any unavoidable damage to property during construction. If an easement cannot be negotiated with the landowner, Keystone may acquire easements needed for pipeline construction under state eminent domain laws. State statutes define the prerequisites to utilizing eminent domain and set forth the

eminent domain process in each state. Keystone also will acquire a limited number of sites in fee for certain above ground facilities. Keystone began the land acquisition process in late 2008.

## **1.6 Public Participation and Issues**

### **1.6.1 Stakeholder Relations and Open Houses**

Keystone has been engaged in public consultation since the Project was formally announced in July 2008.

To date, Keystone's public participation program included meetings with community leaders and open houses. Keystone met with leaders from more than 85 communities during the spring and summer of 2008. These meetings were designed to:

- Introduce the Project, listen to and capture initial thoughts and concerns, and describe ways for interested parties to get additional information from Keystone and the Project team;
- Discuss plans for more detailed public participation and consultation with local landowners and stakeholders ensuring community leaders were comfortable with Keystone's approach;
- Assist in planning effective open houses by asking community leaders to identify potentially interested constituencies and potential local issues and concerns; and
- Begin to establish a business relationship between Keystone and the local units of government and communities neighboring the pipeline.

Keystone conducted open houses to inform communities and other interested stakeholders about the proposed Project and to initiate the public input and feedback process.

In June and July 2008, 27 open houses were held along the initial proposed route in the following locations:

#### **Montana**

Glasgow (Valley County)  
Circle (McCone County)  
Glendive (Dawson County)  
Baker (Fallon County)

#### **South Dakota**

Buffalo (Harding County)  
Faith (Meade County)  
Phillip (Haakon County)  
Murdo (Jones County)  
Winner (Tripp County)

#### **Nebraska**

Atkinson (Holt County)  
Burwell (Garfield County)  
Fullerton (Nance County)  
York (York County)  
Fairbury (Jefferson County)

#### **Kansas**

El Dorado (Butler County)  
Clay Center (Clay County)

#### **Oklahoma**

Durant (Bryan County)  
Stroud (Lincoln County)  
Ada (Pontotoc County)

#### **Texas**

Beaumont (Jefferson County)  
Livingston (Polk County)  
Liberty (Liberty County)  
Lufkin (Angelina County)  
Nacogdoches (Nacogdoches County)  
Paris (Lamar County)  
Tyler (Smith County)  
Winnsboro (Wood County)

## Issues

A summary of issues and comments from open houses is provided below under six main topic areas.

- Economic impact: Many of the rural communities along the proposed route are seeking jobs and potential economic activity. Participants had a positive view of the Project's potential to create local jobs and generate opportunities for local businesses to provide goods and services.
- Tax revenue: The possibility of significant tax revenue was attractive to local and state governments.
- Route location and selection: Stakeholders raised a wide range of issues related to route location and the route refinement process.
- Safety and environment: Many attendees asked general questions related to pipeline safety, including environmental impact of leaks, and impact on water sources (existing water lines, aquifers, and irrigation systems), noxious weeds, protection of sandhills and wetlands, and the impact on soil productivity and tree cover.
- Easement agreements: Several issues related to easements were discussed, including liability issues and cleanup responsibility, as well as compensation to affected landowners.
- Construction: There was interest in such issues as depth of cover, impact on roads, construction methods, and time of year when construction will occur.

Additional meetings were held with local and state regulators in each state, as shown below.

### **Montana**

- Valley County Commissioners, City of Glasgow; Mayor, Two Rivers Economic Development for Valley County Phillip County Commissioners; City of Malta; Malta Chamber of Commerce (business memberships); Big Flat Electric membership; Phillips County Economic Organization.
- McCone County Commissioners; City of Circle (2008 and 2009) meeting with members of Circle Chamber of Commerce, i.e., Circle Banner.
- Prairie County, City of Terry (2008 meetings completed and 2009 are scheduled for July).
- Dawson County, City of Glendive, public meeting held in City of Glendive for Department of State and Montana DEQ.
- Fallon County, City of Baker; met with some businesses of Baker plus public meeting forum of Montana DEQ and DOS.
- Montana Association of County Officials – annual meetings – KXL maintained a booth at this organizational convention. Several Montana County officials in attendance at booth.
- Participation and presentation at the Montana Association of Oil, Gas, and Coal Producing Counties annual meeting.

### **South Dakota**

- SDPUC public input hearings held at Winner, Philip, and Buffalo.
- Harding County Commissioners (on several occasions throughout 2008 and 2009); City of Buffalo – Mayor and Council members, Chamber of Commerce, Grand Electric Management and employees.
- Perkins County, City of Faith; CEO of School District and President of Board of District; DOS scoping meeting; SDPUC public meetings, ranchers, and business owners.

- Meade County Commissioners (on several occasions); City of Sturgis, Economic Development; City of Sturgis, KBHB Radio – one hour call-in talk show, CEO and President of Meade School and business development, Meade County Planning and Zoning Open House with public in attendance, Meade County elected officials – Auditor, Treasurer, etc.
- Butte County Commissioners, City of Belle Fourche – Mayor, Belle Fourche, Chamber of Commerce Director.
- Pennington County Commissioners briefing through Commissioner Representative; interviews with Rapid City Journal; meetings with Pennington County Auditor.
- Haakon County Commissioners (several meetings throughout 2008 and 2009; City of Phillip Mayor and Haakon County Planning and Zoning Director; SDPUC Public Hearing with public in attendance.
- Jones County Commissioners (several meetings throughout 2008 and 2009); City of Murdo.
- Tripp County Commissioners (several meetings throughout 2008 and 2009); meeting with entire Tripp County Employee Organization; Winner, South Dakota Chamber of Commerce meetings; City of Winner – Mayor and Council members – on different occasions throughout 2008 and 2009.
- Sponsorship of South Dakota County Commissioner's spring meeting reception (exclusively by KXL) 2009. Attendance by all of South Dakota Commissioners. Answering Commissioner's constituent's questions.
- Sponsorship of South Dakota County Officials Association – Booth – in 2008 and scheduled for 2009.
- Several meetings with Senators and Representatives for questions presented to them by constituents.

## **Nebraska**

- Keya Paha County Commissioners, City of Springview.
- Rock County Commissioners, City of Bassett.
- Holt County Supervisors, City of O'Neill; O'Neill Chamber of Commerce (42 member businesses present).
- Garfield County Commissioners, City of Burwell.
- Wheeler County Commissioners, City of Bartlett.
- Boone County Commissioners, City of Albion.
- Greeley County Commissioners, City of Greeley.
- Nance County Supervisors, City of Fullerton.
- Merrick County Supervisors, City of Fullerton.
- Hamilton County Commissions, City of Aurora.
- York County Commissioners, City of York.
- Fillmore County Supervisors, City of Geneva.
- Saline County Commissioners, City of Wilber.
- Jefferson County Commissioners, City of Fairbury.
- Nebraska Association of County Officials – annual convention – KXL sponsored a booth and hospitality room for the Nebraska County officials.
- Meetings with several Senators in Nebraska for answering questions to constituents. Town Hall meetings held in Spalding, Nebraska, and Atkinson, Nebraska in 2009. Attended by Project Director for presentation and also Vice-President of TransCanada Keystone for presentation.

## **Kansas**

- Washington County Commissioners Allison Mueller, Gene Helms, Roger Otott; County Clerk Lou Kern.
- Clay Center Public Utilities General Manager Bill Callaway.
- Dickinson County Director of Administration and Emergency Services Brad Homann.
- Butler County Commissioner Jeff Masterson, County Clerk Ron Roberts.

## **Oklahoma**

- Atoka County Commission Gilbert Wilson, District 8.
- Atoka Chamber of Commerce presentation (Atoka City Manager Phil Scoggin and Joe Hill, local representative of US Congressman Dan Boren were present).
- Bryan County Commissioners Ivan Kelly, District 3; Tony Simmons, District 2; and Monty Montgomery, District 1.
- Durant Industrial Authority Executive Director Tommy Kramer.
- Coal County Commissioners Alvin Pebworth, District 1; Johnny D. Ward, District 2; and Mike Hensley, District 3.
- Hughes County Commissioners Clyde Collie, Gary Gray and Jim Searcy.
- Lincoln County Commissioner Ricky Taylor.
- Creek County Commissioners Johnny Burke, Janelle Diehl, Roger Boomer, County Clerk Janelle Diehl.
- Okfuskee County Commissioner Max Henry, County Clerk Diana Flanders, Assessor Peggy Williams.
- Seminole County Commissioner John Kirby, County Clerk Tim Anderson, Assessor Billy Parks.
- Attended DOS scoping meeting in Durant.

## **Texas**

- Texas Lt. Governor David Dewhurst, provided project update.
- Railroad Commission Chairman Michael Williams, provided project update.
- Railroad Commissioners Elizabeth Ames-Jones and Victor Carrillo, provided project update.
- Texas Speaker of the House Tom Craddick's office, provided project update.
- Texas Senator Kip Averitt, provided project update.
- Texas Representative Rick Hardcastle, project update.
- US Congressman Kevin Brady (District 8) District 8 office representative Todd Stephens, provided project overview, provided map of proposed KXL route through district, and discussed Piney Woods Mitigation Bank and Big Thicket.
- Nacogdoches Chamber of Commerce, provided project presentation. Bruce Partain, president and CEO of Nacogdoches Chamber was present along with Nacogdoches County Judge Joe English.
- Nacogdoches Rotary Club, provided project presentation. County Judge Joe English, Nacogdoches Economic Development Corporation President/CEO Bill King and Nacogdoches School Board President/Texas Department of Public Safety employee Tom Davis were present.

- Nacogdoches County Judge Joe English and Nacogdoches County Commissioner Tom Strickland (on several occasions) to discuss project, provide map of KXL route through county and TRO activity within the county.
- Nacogdoches Economic Development Corporation President/CEO Bill King (on several occasions) provided project update.
- Angelina County Judge Wes Suiter (on several occasions) provided project updates, map of route through county and information regarding the TRO process in the county.
- Polk County Judge John Thompson (on several occasions) and Polk County Emergency Management Homeland Security Coordinator Larry Shine, provided project updates, map of route through county, discussed TRO activity in the county and Hwy. 146 TX DOT ROW and Menard Creek Crossing).
- Polk County Precinct 3 Commissioner Milt Purvis discussed county TRO activity.
- Liberty City Council provided project overview presentation.
- Liberty County Judge Phil Fitzgerald (on several occasions) provided project updates, map of KXL route through county, discussed TRO activity in the county and provided information regarding the Hwy. 146 TX DOT ROW and Menard Creek crossing.
- Tyler City Manager Bob Turner (on several occasions) provided project updates and sought information regarding local groups for project presentations.
- Tyler Sunrise Rotary and Tyler Rotary clubs, project presentation scheduled for July 30.
- Smith County Judge Joel Baker (on several occasions) project update.
- Newly-appointed Tyler City Manager Mark McDaniel and Tyler City Council Member Charles Alworth provided project update.
- Upshur County Judge Dean Fowler and Assistant to Upshur County Judge Kristine Culberson (on several occasions) provided project updates.
- Winnsboro Mayor Carolyn Jones and City Administrator Nina Browning provided project update.
- Hardin County Judge Billy Caraway, provided project update and route of map through county.
- Jefferson County Judge Ron Walker (on several occasions), Assistant to the County Judge Jeff Branick, and Attorney to the County Judge Fred Jackson provided project updates, route of map through county, information regarding TRO activity in the county and county permits.
- Beaumont Mayor Becky Ames provided project update.
- Henderson Economic Development Corporation (Rusk County) President Sue Henderson to provide project update.
- Cherokee County Judge Chris Davis to provide project update.
- Fannin County Judge Butch Henderson (on several occasions) to provide project updates.
- Delta County Judge Ted Carrington to provide project updates.
- Franklin County Judge Jerry Hubble to provide project updates.
- Lamar County Judge M.C. Superville, Jr. (on several occasions) to provide project updates.
- Hopkins County Judge Cletis Milsap (on several occasions) to provide project updates.
- Wood County Judge Brian Jeanes left phone messages regarding project activity.
- Ark-TX Council of Governments attended meeting.
- Attended DOS scoping meetings in Beaumont, Liberty, Livingston, and Tyler.

Keystone is committed to ongoing and regular correspondence, communication, and consultation with all stakeholders and continues to meet with small and large groups. Keystone shares information about the Project and provides opportunities for identification and resolution of questions, issues, and concerns through a number of channels, including press releases, the Project web site ([www.transcanada.com/KXL](http://www.transcanada.com/KXL)), e-mail ([KXL@transcanada.com](mailto:KXL@transcanada.com)), toll-free telephone numbers for general inquiries (1-866-717-7473) and for landowner issues (1-877-860-4881), one-on-one discussions between landowners and land agents, and direct mailings. Public participation and consultation activities will continue throughout the life of the Project. Additionally, stakeholders are advised how to access Project information and to provide feedback by other means.

#### **1.6.1.1 Consultation on Route Variations**

In response to feedback, agency input, survey results, and ongoing engineering, portions of the route shared publicly at the previously held open houses have been modified. Consultation with landowners affected by these reroutes is being accomplished through one-on-one interactions by land agents and field personnel. Keystone will continue to solicit input from stakeholders.

#### **1.6.1.2 Public Scoping Meetings**

DOS conducted a public scoping period from January 28, 2009 to April 15, 2009 for interested agencies, organizations, and members of the public to submit written, electronic, and oral comments to assist in identifying significant issues, potential mitigation measures, and determining appropriate scope of the EIS. During February and April 2009, Public Scoping Meetings were held at the following locations:

##### **Montana**

Baker  
Terry  
Circle  
Plentywood

##### **Nebraska**

York  
Atkinson

##### **Oklahoma**

Durant  
Ponca City

##### **South Dakota**

Murdo  
Faith  
Buffalo

##### **Kansas**

Clary Center  
El Dorado

##### **Texas**

Beaumont  
Liberty  
Livingston  
Tyler

DOS has prepared a summary of the issues raised during scoping, which is available at [www.Keystonepipeline-xl.state.gov](http://www.Keystonepipeline-xl.state.gov).

#### **1.6.1.3 Agency Coordination and Consultation**

An initial meeting was held between the DOS and Keystone on June 2, 2008. Introductory meetings were held between Keystone and the BLM, USACE, National Park Service (NPS), and USFWS, both at the federal and regional levels, to discuss the Project, identify any potential issues with these agencies, and initiate the permitting processes. Similar meetings were held with state agencies.

Keystone filed a Presidential Permit application and supporting documents, including a preliminary Environmental Report, with the DOS on September 19, 2008. The purpose of the preliminary Environmental

Report was to assist the DOS in making a determination on the lead agency status for the NEPA process. A comprehensive Environmental Report, submitted in November 2008 included electronic shapefiles for the refined centerline and pump station locations, field survey reports, and documentation of agency consultation regarding wetlands and cultural and biological resources. This Supplemental Environmental Report contains:

- Updated Environmental Report text and figures
- Updated Appendices A-D (tear sheets for map books stating provided under separate cover)
- Updated Appendix E - Waterbody and Wetland crossing tables, table of Waterbodies 10 miles downstream of crossings
- Appendix F
  - Updated Communications
  - Updated Meetings
  - Reports
    - Draft Biological Assessment
    - Piping Plover Survey Report
    - American Burying Beetle Report
    - Texas Prairie-Dawn Flower Report
    - Bald Eagle Winter Roost Survey Report
    - Grouse and Raptor Survey Report
    - Avian Survey Report
  - Updated Tables
    - Survey Protocols
- Updated Appendix G
  - Summary tables for cultural sites along current line
  - Volume 1-1 Montana Cultural Report Addendum 1
  - Volume 1-2 Montana Cultural Report Addendum 1 Maps
  - Volume 2-1 Montana Cultural Report Addendum 2
  - Volume 2-2 Montana Cultural Report Addendum 2 Maps
  - Volume 2-3 Montana Cultural Report Addendum 2 Maps
  - Volume 3-1 South Dakota Cultural Report Addendum 1
  - Volume 3-2 South Dakota Cultural Report Addendum 1 Maps
  - Volume 3-3 South Dakota Cultural Report Addendum 1 Maps
  - Volume 4-1 South Dakota Cultural Report Addendum 2
  - Volume 4-2 South Dakota Cultural Report Addendum 2 Maps
  - Volume 4-3 South Dakota Cultural Report Addendum 2 Maps
  - Volume 5-1 Nebraska Cultural Report Addendum 1
  - Volume 5-2 Nebraska Cultural Report Addendum 1 Maps
  - Volume 5-3 Nebraska Cultural Report Addendum 1 Maps
  - Volume 6 Kansas Cultural Report

- Volume 7 Oklahoma Cultural Report Addendum 1
- Volume 8 Texas Gulf Coast Segment Cultural Report Addendum 1
- Volume 9 Texas Houston Lateral Cultural Report Addendum 1
- Volume 10 Paleological Report Addendum 1
- Appendix H Pipeline Risk Assessment (Confidential)
- Appendix I Construction, Mitigation, and Reclamation Plan
- Updated Appendix J Oil and Gas Wells within 1,320 feet of the Proposed ROW
- Updated Appendix K Soils Tables
- Updated Appendix L Impaired Waterbodies
- Appendix M Project Facilities and Co-locations
- Appendix N Temporary Workspace and Temporary Disturbance Locations
- Appendix O Access Roads
- Appendix P Negative Buoyancy Locations
- Appendix Q Residences in Proximity to the Pipeline ROW
- Appendix R USACE Consultations
- Appendix S Levels 3 and 4 Ecoregions
- Appendix T Forested Lands
- Appendix U Conservation Reserve Program Facilities
- Appendix V General Conformity Analysis (SIP)
- Appendix W Sand Hills Native Rangelands
- Appendix X Pipeline Temperature Effects Study
- Appendix Y Spill Prevention, Control, and Countermeasure and Emergency Response Plan
- Appendix Z Power Line Routing Communications

A list of major documentation that has been filed with state and federal agencies is included in **Table 1.6-1**.

**Table 1.6-1 Documents Filed with State and Federal Agencies**

Agency	Document	Filing Date
<b>Federal</b>		
Department of State	Presidential Permit Application with Preliminary Environmental Report	September 19, 2008
	Environmental Report	November 20, 2008
	Responses to DOS Data Request 1 April 2009	May 1, 2009
Bureau of Land Management	Preliminary SF299 ROW Grant Application	March 17, 2008
	Draft Plan of Development	January 27, 2009

**Table 1.6-1 Documents Filed with State and Federal Agencies**

<b>Agency</b>	<b>Document</b>	<b>Filing Date</b>
Pipeline and Hazardous Materials Safety Administration	Request for a Special Permit authorizing Keystone to design, construct, and operate the Keystone XL Project at hoop stresses up to 80 percent of the specified minimum yield strength (SMYS), in lieu of the otherwise applicable 72 percent of SMYS requirement	October 10, 2008
	Amended Special Permit Request	December, 2008
Natural Resource Conservation Service (NRCS)	GIS shapefiles of the routes	May 4, 2009
<b>State</b>		
Montana Department of Environmental Quality	Montana Major Facilities Siting Act Application	December 22, 2008
	In response to MDEQ Supplemental Filing completeness review and Supplemental Information Requests (SIRs)	February 11, 2009
	In response to MDEQ Supplemental Filing completeness review and SIRs	April 7, 2009
South Dakota Public Utilities Commission	Application to the SDPUC for a Permit for the Keystone XL Project Under the Energy Conservation and Transmission Facility Act	March 12, 2009
	Response to SDPUC Data Request 1	May 1, 2009
	Response to SDPUC Data Request 2	June 17, 2009

Further discussions and consultations with state and federal agencies have occurred throughout the Project. In addition to agencies identified above, Keystone has been in contact with the following offices: federal government offices, including NRCS offices and Bureau of Reclamation; state government offices, including state government officials, wildlife agencies, departments associated with environmental issues (air, water, soils), historical commissions and SHPOs, and the General Land Office-Coastal Management; and County government offices, including commissioners, clerks and recorders, weed districts, conservation districts, sheriff's offices, and water districts.