

FACT SHEET

Final Environmental Impact Statement

On August 26, 2011, the U.S. Department of State (the Department) issued the final Environmental Impact Statement for the proposed Keystone XL oil pipeline, which, if approved, would run from Alberta, Canada to Texas. Under Executive Order 13337, the Department is responsible for receiving all applications for presidential permits for the construction of a pipeline crossing a United States international border. After consultation with eight federal agencies and the public, the Department is charged with making a determination as to whether a permit for the Keystone XL oil pipeline is in the U.S. national interest.

About the Proposed Project

TransCanada Keystone Pipeline, LP (Keystone) filed an application in 2008 for a Presidential Permit with the Department of State to build and operate the Keystone XL Project. As shown on the map at right, the proposed Keystone XL Project consists of a 1700-mile crude oil pipeline and related facilities that would primarily be used to transport Western Canadian Sedimentary Basin crude oil from an oil supply hub in Alberta, Canada to delivery points in Oklahoma and Texas. The proposed Project would also be capable of transporting U.S. crude oil to those delivery points. The proposed project could transport up to 830,000 barrels per day and is estimated to cost \$7 billion. If permitted, it would begin operation in 2013, with the actual date dependent on the necessary permits, approvals, and authorizations.

About the Process

In September 2008, TransCanada Keystone Pipeline, LP filed an application for a Presidential Permit with the Department of State to build and operate the Keystone XL Project. Executive Order 13337 directs the State Department to review applications for Presidential permits when the proposed project would cross an international border with the United States. It also directs the Secretary of State, or her designee, to consult with at least eight other federal agencies, and then issue a decision as to whether granting a permit is in the national interest.

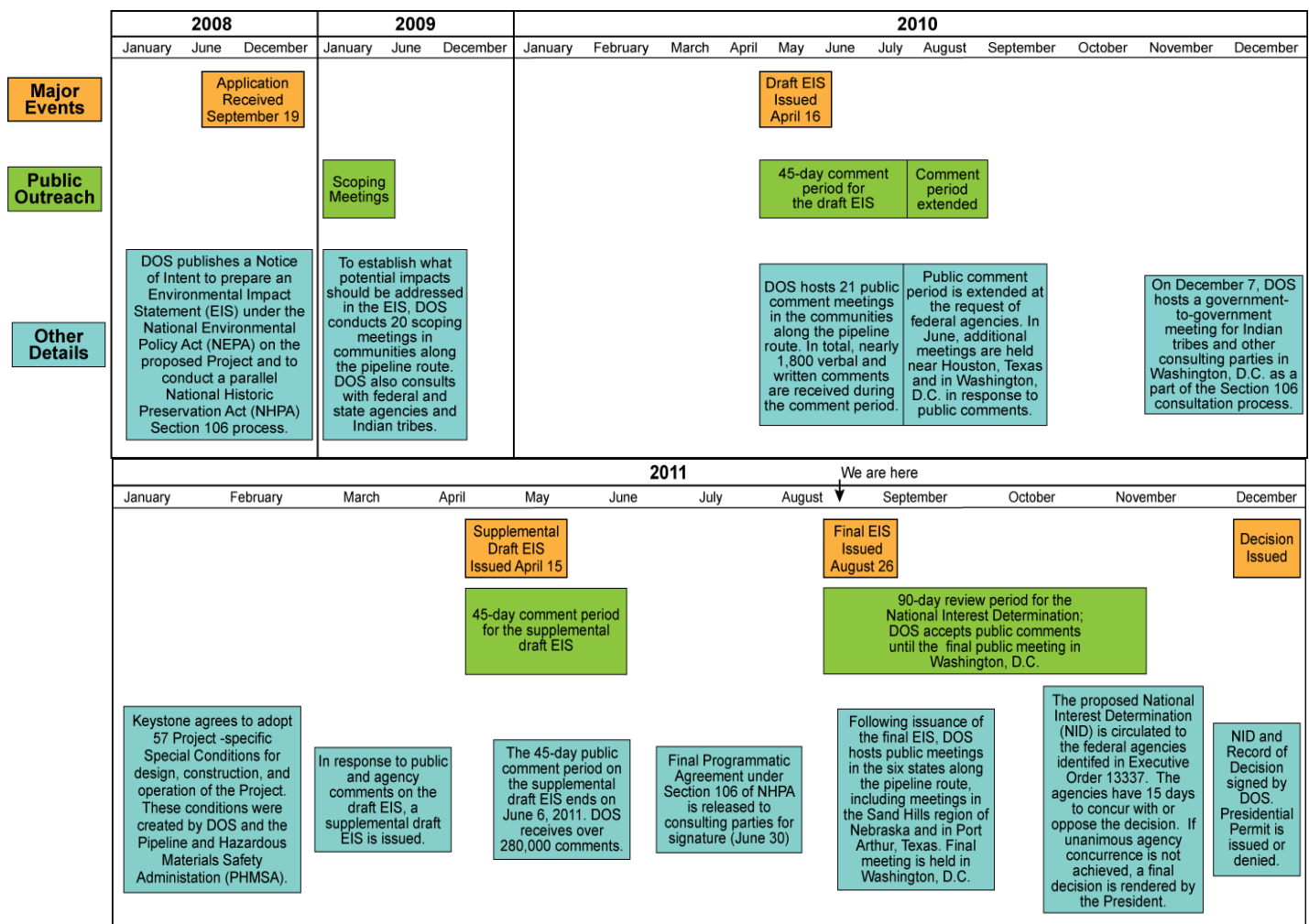


As part of the Presidential Permit review process, the Department has prepared an Environmental Impact Statement (EIS) consistent with the National Environment Policy Act (NEPA). The issuance of a Final EIS is one step in the review process and does not represent a final decision on the permit application.

Following the release of the Final EIS, a review period begins to determine if the proposed project is in the national interest. This broader evaluation of the application extends beyond environmental impact, taking into account economic, energy security, foreign policy, and other relevant issues. During this time the Department will consult with, at least, the eight agencies identified in the Executive Order to obtain their views. The Department will also solicit public comments, both online and in public meetings in the six states the proposed project would traverse and in Washington, DC.

We are on track for the Department of State to make a determination by the end of this year. Above all else, the Department is committed to maintaining the integrity of a transparent, impartial, and rigorous process.

Timeline of U.S. Department of State Environmental and National Interest Determination Review Processes



The Final Environmental Impact Statement

The environmental and safety review of the proposed project has taken place over the period of more than 2.5 years. To assist in preparing the EIS, the Department issued a competitive contract to an environmental consulting firm, Cardno ENTRIX. Consistent with the Council for Environmental Quality (CEQ) Guidance the final EIS includes information and analysis developed by Department staff working with its environmental

contractor. Other federal agencies, independent scientists and engineers, subject matter experts, as well as tens of thousands of comments from the public helped inform the Final EIS. The resulting report is consistent with NEPA and provides information on the following: purpose and need; project design and safety; spill potential and response; potential environmental impacts of oil spills; alternatives considered; and a thorough environmental analysis.

The Department worked especially closely with the Environmental Protection Agency (EPA), the Department of Energy, and the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), which oversees pipeline safety. During the process, the Department consulted frequently with EPA to address the questions and requests for further information from EPA's public comment letters. A list of EPA's comments and the Department's response can be found, along with the Department's responses to all of the public comments it received, in Appendix A of the final EIS.

The Department also consulted extensively with PHMSA, who is responsible for oversight of pipeline safety. Building on past experiences and taking into account input from experts inside and outside the government, the Department and PHMSA established 57 project-specific Special Conditions. PHMSA would have the authority to inspect and enforce the Special Conditions, which include requirements that exceed existing regulations, such as: the pipeline would be pressure tested to a higher pressure before it is placed in service, mainline valves on the pipeline would be spaced closer together, the pipeline would need to be inspected and cleaned more frequently, any internal corrosion in the pipeline would need to be repaired sooner, and the pipeline would be buried deeper. More detail on the Special Conditions is in the Executive Summary and discussed in depth in Section 3.13 and in Appendix U.

Further Information

For updates and further information please visit: <http://www.keystonepipeline-xl.state.gov/>

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