

## Compromise on pipeline a major win for Nebraska

Written by Wauneta Breeze

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By Russ Pankonin

The Imperial Republican

Many people who lived nowhere near the Nebraska Sandhills didn't want to see a proposed oil pipeline cross the region and possibly endanger its unique, fragile eco-system.

Responding to the hue and cry of his citizenry, Gov. Dave Heineman called a Nov. 1 special session of the Legislature to see what could be done.

A major breakthrough occurred late Monday afternoon, Nov. 14. Sen. Mike Flood, speaker of the Legislature, announced he'd reached a compromise with TransCanada, the pipeline developer.

Flood brokered a compromise in which the Calgary-based company would voluntarily move the Keystone XL pipeline route out of the Sandhills.

Speaking at a news conference Monday night at the Nebraska Capitol, TransCanada officials said they would agree to the new route, a move the company previously claimed wasn't possible, as part of an effort to push through the proposed \$7 billion project. They expressed confidence the project would ultimately be approved.

Alex Pourbaix, TransCanada's president for energy and oil pipelines, said rerouting the Keystone XL line would likely require 30 to 40 additional miles of pipe and an additional pumping station. The exact route has not yet been determined, but Pourbaix said Nebraska will play a key role in deciding it.

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As part of the compromise, Flood offered an amendment to LB 4 that would allow the Nebraska Department of Environmental Quality (DEQ) to perform its own supplemental environmental impact study of proposed routes in the future—including TransCanada's forthcoming new route.

Results from that supplemental study would then go to the governor's office for final approval. This was a key element in the original draft of LB 4, offered by Sen. Chris Langemeier.

Flood said the state will conduct the environmental assessment at state expense. DEQ will oversee the process, with collaboration from the U.S. State Department.

The State Department, which is involved in the approval process because of the international border-crossing, announced on Nov. 10 that it wanted further analysis and was delaying its judgment from December of this year to 2013.

Heineman had asked the State Department to consider Nebraska's concerns before issuing a December decision.

The State Department's unexpected announcement helped set the stage for the compromise.

The Keystone XL project was originally scheduled to cross the Nebraska Sandhills and underlying Ogallala Aquifer with a 36-inch pipeline that would pump tar sand oil from Alberta, Canada, to American refineries along the Gulf of Mexico.

About 435 miles of the planned 1,700-mile project would have crossed the state.

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Christensen likes outcome

Sen. Mark Christensen of Imperial, 44th District representative, said Wednesday morning he was pleased with the outcome.

Christensen said comment from constituents were 3-to-1 to leave the pipeline route alone.

Based on that input, Christensen took that stance going into the special session.

Even with that stance and as a member of the Natural Resources Committee, Christensen said he was able to ask tough questions of the Trans-Canada officials during the hearings.

His goal, he said, was to protect crop producers along the pipeline route.

Although the easement is only 110 feet wide, Christensen said he wanted to protect producers from damage outside of the easement area.

He cited an instance where a problem with the pipeline could affect whether a pivot could make a full circle to water crops.

In such a case, TransCanada assured him they would take care of those damages outside the easement area.

“I wanted that on the record,” the senator said.

He expects pipeline legislation to move through to passage, with an adjournment set for this

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Tuesday.

Nebraska lawmakers advance Keystone XL pipeline bill

By Grant Schulte

The Associated Press

Nebraska lawmakers backed a plan last week to have the state's Department of Environmental Quality conduct an independent review of possible routes the contested Keystone XL pipeline could take through the state, after developer TransCanada volunteered to reroute the massive project to avoid the environmentally sensitive Sandhills region.

The single-house Legislature voted 45-0 in favor of Speaker Mike Flood's proposal to task Nebraska's environmental protection agency with examining new possible routes. The Legislature would have to back the measure twice more before it could go to Gov. Dave Heineman.

TransCanada volunteered last week to divert its proposed route for the Keystone XL pipeline so that it wouldn't pass through the Nebraska Sandhills. The offer followed the U.S. State Department's announcement that it would delay its decision on the transnational pipeline until at least 2013.

The proposed \$7 billion pipeline would carry up to 700,000 barrels of crude a day from Alberta's

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tar sands to Texas Gulf Coast refineries. The route would cross six states — Montana, South Dakota, Kansas, Nebraska and Oklahoma and Texas — and had stirred fears about a contamination threat to the Ogallala aquifer, a key water source for eight states.

Last Wednesday, Flood told his fellow lawmakers that he wants to allay Nebraskans' concerns about the State Department review of the project. Critics have questioned an earlier federal review because it was conducted by Cardno ENTRIX, a Houston-based environmental contractor that has identified TransCanada as a major client for other projects. Cardno ENTRIX has denied any conflict of interest.

“You can remove a lot of the concerns of citizens by having the state pay for it, to assure them that this is a straightforward, fair process,” Flood said. “That report only belongs to the taxpayers of Nebraska.”

Environmentalists and some Nebraska landowners said the pipeline would have disrupted the Sandhills' loose soil for decades, harmed wildlife, and contaminated the groundwater.

Business and labor groups who support the project have said the environmental criticism is overblown and based more on opposition to oil than the project itself. They maintain the project would create thousands of construction jobs, although the exact number is disputed. TransCanada has said the pipeline would use new technology that would make it among the safest pipelines in the world.

Any new proposed route would go to Heineman, who would send his response to the U.S. State Department within 30 days. The Republican governor has said he backs the project but not a route through the Sandhills, which sit on top of the aquifer. The State Department still has to approve or deny the entire project, because it crosses an international border.

Some lawmakers asked why the state, and not TransCanada, should pay for the environmental review. Lawmakers said the review could cost \$2 million.

State Sen. Danielle Conrad of Lincoln said most other licensing requirements within the state,

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such as nursing or barber certification, require applicants to pay.

“Those applicants are assessed those fees to work through the process,” she said. “It seems a little inequitable to me that we’re waiving those kinds of existing models that have worked well, and worked free of any conflict or undue influence, for a large company.”

Sen. Bill Avery of Lincoln, who has opposed the initial pipeline route, said he disliked the state expense but called it “absolutely necessary” to rebuild public confidence in the environmental review.

“We need to have a process that is credible, free of conflicts,” he said