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**DEPARTMENT OF STATE**

Notice of Availability of the Draft Environmental Impact Statement  
for the Proposed TransCanada Keystone Pipeline Project

August 10, 2007

AGENCY: Department of State.

ACTION: Notice of Availability of the Draft Environmental Impact Statement  
(EIS) for the Proposed TransCanada Keystone Pipeline Project.

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SUMMARY: The staff of the Department of State has prepared a draft  
Environmental Impact Statement (EIS) for the Proposed TransCanada Keystone  
Pipeline Project. On April 19, 2006, TransCanada Keystone Pipeline, LLC  
("Keystone") filed an application for a Presidential permit for the construction,  
operation, and maintenance of pipeline facilities at the border of the U.S. and  
Canada for the transport of crude oil across the U.S.-Canada international  
boundary. According to the application, Keystone has requested authorization  
to construct and operate the border crossing facilities at the U.S. – Canadian

border at Cavalier County, North Dakota, in connection with its proposed international pipeline project (the “Keystone Pipeline Project”), which is designed to transport incremental Canadian crude oil production from the Western Canadian Sedimentary Basin (“WCSB”) to existing terminals in Missouri, Illinois, and potentially Oklahoma.

The Secretary of State is designated and empowered to receive all applications for Presidential permits, as referred to in Executive Order 13337, as amended, for the construction, connection, operation, or maintenance, at the borders of the United States, of facilities for the exportation or importation of petroleum, petroleum products, coal, or other fuels to or from a foreign country. Any person wishing to comment on the draft EIS may do so. To ensure consideration prior to a Department of State decision on the Keystone proposal, it is important that we receive your comments by no later than September 24, 2007.

#### SUPPLEMENTAL INFORMATION:

The draft EIS was prepared to satisfy the requirements of the National Environmental Policy Act (NEPA) and to evaluate the potential environmental impacts of the proposed pipeline project. The document also evaluates

alternatives to the proposal, including system alternatives and pipeline route alternatives.

The federal cooperating agencies for the development of this EIS are: U.S. Department of Energy; U.S. Army Corp. of Engineers; U.S. Fish and Wildlife Service; U.S. Department of Agriculture-- Farm Service Agency, Natural Resources Conservation Service, and Rural Utility Service; U.S. Environmental Protection Agency; and the Advisory Council of Historic Preservation.

Cooperating agencies either have jurisdiction by law or special expertise with respect to the environmental impacts assessed in connection with the proposal and are involved in the Department's analysis of those environmental impacts.

The draft EIS addresses the potential environmental effects of the construction and operation of the United States portion of the Keystone Pipeline Project.

The Keystone Project initially would have nominal transport capacity of 435,000 barrels per day (bpd) of crude oil from the oil supply hub near Hardisty, Alberta to an existing terminal and refinery at Wood River, Illinois, and on to an existing terminal at Patoka, Illinois. According to Keystone, additional pumping capacity could be added to increase the average throughput to 591,000 bpd, if warranted by future shipper demand and market conditions.

Two pipeline extensions are proposed by Keystone and would be built, if deemed feasible by Keystone, based on shipper demand. The extensions would provide for transporting crude oil from terminals in Ft. Saskatchewan, Alberta to existing facilities in Cushing, Oklahoma. With these extensions, the pipeline would interconnect with existing crude oil pipelines that supply U.S. Gulf Coast refinery markets. TransCanada announced on July 3, 2007, that the proposed Keystone Oil Pipeline project had secured 155,000 bpd of additional firm shipper contracts from Hardisty, Alberta, to Cushing, Oklahoma, with a contract duration averaging 16 years. These commitments were obtained through the successful completion of a binding Open Season held to support an expansion of the proposed pipeline to 590,000 bpd and an extension of the proposed pipeline to Cushing, Oklahoma. According to TransCanada, it has now secured long term contracts for the Keystone project for a total of 495,000 bpd with average contract duration of 18 years.

In total, the Keystone Project would consist of the Mainline Project (approximately 1,845 miles of pipeline, including about 767 miles in Canada and 1,078 miles in the United States) and the Cushing Extension (293.5 miles of pipeline in the United States). Including the Cushing Extension, the total length of pipeline in the United States would be 1,371.5 miles.

In Canada, the Keystone Project would involve the purchase of an existing 537-mile, 34-inch-diameter pipeline currently owned by TransCanada Limited, a related TransCanada entity, and conversion of that pipeline to crude oil service; construction of a new 230-mile pipeline extension from Hardisty to the existing 537-mile pipeline, and construction of a pipeline extension from the existing pipeline to the U.S./Canada border. On February 12, 2007, the Canadian National Energy Board (NEB) approved the transfer at net book value of a portion of TransCanada's Canadian Mainline natural gas transmission facilities to TransCanada Keystone Pipeline GP Ltd. Appropriate regulatory authorities in Canada are conducting an independent environmental review process for the proposed Canadian facilities. The Canadian NEB began public hearings addressing the Canadian portion of the Keystone Pipeline in June 2007.

In the United States, the Mainline Project would comprise a 1,023-mile segment of 30-inch-diameter pipe from the Canadian border to Wood River, Illinois and an approximately 56-mile segment of 24-inch-diameter pipe between Wood River and Patoka, Illinois. The Cushing Extension would consist of 293.5 miles of 36-inch-diameter pipe extending from Steele City, Nebraska, to Cushing, Oklahoma. Keystone has advised the Department of State that construction of

the Cushing Extension could occur, if warranted by future shipper demand and market conditions. The draft EIS prepared by the Department of State describes and evaluates the U.S. portion of the proposed Keystone Project, including both the Mainline Project and Cushing Extension, and the additional facilities required to increase throughput capacity to 591,000 bpd.

Keystone intends to construct the 30- and 36-inch-diameter pipelines within a 110-foot-wide corridor, consisting of a temporary 60-foot-wide construction right-of-way (ROW) and a 50-foot-wide permanent ROW. In Illinois, the 24-inch-diameter pipeline segment would be constructed within a 95-foot-wide corridor, consisting of a temporary 45-foot-wide construction ROW and a 50-foot-wide permanent ROW.

The Keystone Project would require construction of pump stations, pigging (cleaning) facilities, delivery facilities, and densitometer sites (for detection of crude oil batch interfaces). Mainline valves (MLVs) would be placed along the pipeline at locations necessary to maintain adequate flow through the pipeline. Keystone has advised the State Department that valves would be installed and located as dictated by the hydraulic characteristics of the pipeline and as required by federal regulations, with the intent to provide for public safety and environmental protection as part of pipeline integrity management practices.

Densitometer sites for detection of crude oil batch interfaces would be located at Steele City (at the junction of the Mainline Project and the Cushing Extension), as well as at Wood River and Patoka, Illinois, and Ponca City and Cushing, Oklahoma, where delivery metering and power facilities also would be located. According to Keystone, electrical transmission lines and associated substation upgrades required for the Keystone Project would be constructed by local providers, who would be responsible for obtaining any necessary federal, state, and local approvals or authorizations. Construction and operation of these facilities are considered connected actions under NEPA and therefore are evaluated within this draft EIS.

U.S. States and counties that could possibly be affected by construction of the proposed pipeline, including the proposed Cushing extension, are:

- North Dakota: Pembina, Cavalier, Walsh, Nelson, Steele, Barnes, Ransom, Dickey, and Sargent;
- South Dakota: Marshall, Brown, Day, Clark, Beadle, Kingsbury, Miner, Hanson, McCook, Hutchinson, and Yankton;
- Nebraska: Cedar, Wayne, Stanton, Platte, Colfax, Butler, Seward, Saline, Jefferson, and Gage;
- Kansas: Marshall, Nemaha, Brown, Washington, Clay, Dickinson, Marion, Butler, Cowley, and Doniphan;

- Missouri: Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Audrain, Montgomery, Lincoln, and St. Charles;
- Illinois: Madison, Bond, Fayette, Marion, and Clinton; and
- Oklahoma (under a possible future extension): Kay, Noble, and Payne.

COMMENT PROCEDURES AND PUBLIC MEETINGS: Any person wishing to comment on the draft EIS may do so. To ensure consideration prior to a Department of State decision on the proposal, it is important that we receive your comments by no later than September 24, 2007.

Options for submitting comments on the Draft EIS are as follows:

- By mail to: Elizabeth Orlando, Keystone Project Manager, US Department of State, OES/ENV Room 2657, Washington, DC 20520. Please note that Department of State mail can be delayed due to security screening.
- Fax to: (202) 647-5947, attention Betsy Orlando
- Email to: [keystoneEIS@state.gov](mailto:keystoneEIS@state.gov)
- Comment over the internet via the Keystone EIS website:  
<mailto:www.keystonepipeline.state.gov>

Comments received will be included in the public docket without change and may be made available on-line at [www.keystonepipeline.state.gov](http://www.keystonepipeline.state.gov), including any personal information provided, unless the commenter indicates that the comment includes information claimed to be Confidential Business

Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI, or otherwise protected, through e-mail. If you send a comment by e-mail, your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, we recommend that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If we cannot read your comment because of technical difficulties and cannot contact you for clarification, we may not be able to consider your comment. Electronic comments should avoid the use of any special characters, any form of encryption, and be free of any defects or viruses.

In addition to or in lieu of sending written comments, the Department of State invites you to attend the public meetings in the project area to receive comments on the draft EIS. The public meetings will be conducted in a workshop style. A court reporter will be present and will accept comments for the record. Dates and locations for the public meetings are:

- Tuesday, September 4, 2007, 7 to 9 p.m., Carrolton, Missouri, Rupe Community Building (Behind Fire Station, park on north side of building, do not block fire station), 710 Harvest Hills Road, Carrollton.

- Wednesday, September 5, 2007, 7 to 9 p.m., St. Charles, Missouri, Days Inn Meeting Room, 2781 Veterans Memorial Parkway (off I-70 South Service Road), St. Charles.

Thursday, September 6, 2007, 7 to 9 p.m., Collinsville, Illinois, Gateway Center Marquette Room, One Gateway Drive (Highway 157 & Eastport Plaza Drive), Collinsville.

- Tuesday, September 11, 2007, 7 to 9 p.m., Yankton, South Dakota, Minerva Convention Centre at the Best Western Kelly Inn, 1607 East Highway 50, Yankton.

- Tuesday, September 11, 2007, 7 to 9 p.m., Michigan, North Dakota, Michigan Civic Center, 113 Broadway N., Michigan.

- Wednesday, September 12, 2007, 7 to 9 p.m., Stanton, Nebraska, VFW Meeting Hall, 1106 Veteran's Avenue, Stanton.

- Wednesday, September 12, 2007, 7 to 9 p.m. Lisbon, North Dakota, Commons Room, Lisbon High School, 502 Ash Street, Lisbon.

- Thursday, September 13, 7 to 9 p.m., Seward, Nebraska, Seward Civic Center Auditorium, 616 Bradford Street, Seward.

- Thursday, September 13, 2007, 7 to 9 p.m., Clark, South Dakota, Clark

- Community Center, 120 N. Commercial Street, Clark.
- Monday, September 17, 2007, 7 to 9 p.m., Seneca, Kansas, Nemaha
- Community Center, 1500 Community Drive, Seneca.
- Tuesday, September 18, 2007, 7 to 9 p.m. Senior Citizens Center, Abilene, Kansas, 100 N. Elm, Abilene.
- Wednesday, September 19, 2007, 7 to 9 p.m. El Dorado, Kansas, El Dorado Civic Center Main Meeting Room, 201 E. Central, El Dorado.
- Thursday, September 20, 2007, 7 to 9 p.m., Ponca City, Oklahoma, Econo Lodge Meeting Room, 212 S. 14th Street, Ponca City.

After comments are reviewed, any significant new issues are investigated, and modifications are made to the draft EIS, a final EIS will be published and distributed by the Department of State. The final EIS will contain the Department's response to timely comments received on the draft EIS.

Copies of the draft EIS have been mailed to interested federal, state and local agencies; public interest groups; individuals and affected landowners who requested a copy of the draft EIS or who provided comments during the scoping process; libraries; newspapers; and other stakeholders.

FOR FURTHER INFORMATION CONTACT: The TransCanada Keystone Pipeline application for a Presidential Permit, including associated maps and drawings; the draft EIS; a list of libraries where the draft EIS may be viewed; and other project information is available for viewing and download at the project web site: <http://www.keystonepipeline.state.gov>

For information on the proposed project or the draft EIS contact Elizabeth Orlando, OES/ENV Room 2657, U.S. Department of State, Washington, DC 20520, or by telephone (202) 647-4284, or by fax at (202) 647-5947.

Issued in Washington, DC on August 10, 2007.

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David Brown

Director, Bureau of Oceans and International Environmental and Scientific Affairs/Office of Environmental Policy

U.S. Department of State