# Congress of the United States
Washington, DC 20515

October 26, 2011

The Honorable Harold W. Geisel
Office of Inspector General
United States Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Deputy Inspector General Geisel:

We are writing to request that the Office of Inspector General at the U.S. Department of State launch an investigation into the State Department's handling of the Environmental Impact Statement (EIS) and National Interest Determination (NID) for TransCanada Corporation's proposed Keystone XL pipeline. Given the significant economic, environmental, and public health implications of the proposed pipeline, we believe that it is critical that the State Department conduct thorough, unbiased reviews of the project. Further, it is imperative that the State Department process be free of actual or apparent conflicts of interest, and that the process fully meets both the letter and spirit of all federal laws, including but not limited to the National Environmental Policy Act.

We are disturbed by reports, such as those in *The New York Times* on October 7, 2011, that the State Department allowed TransCanada, the pipeline developer, to screen applicants to conduct the EIS mandated by federal law. The reports also allege that TransCanada successfully recommended the State Department select Cardno Entrix to conduct the EIS, despite Cardno Entrix listing TransCanada as a "major client" and Cardno Entrix having a pre-existing financial relationship with TransCanada. On its face alone, this creates an appearance of a conflict of interest and raises several questions:

- Did TransCanada improperly influence the State Department's selection of a contractor for the EIS?
- Did the State Department and all parties fully comply with the letter and spirit of all federal disclosure laws and regulations in regards to the Keystone XL pipeline project?
- Is Cardno Entrix's contract for the EIS and Keystone XL pipeline analysis with the State Department or with TransCanada, and has this contract been publicly disclosed? Does Cardno Entrix have a contract or agreement with TransCanada wherein Cardno Entrix would provide services, such as spill response, for the Keystone XL pipeline if it is approved?
- What is the nature and extent of any other contractual or financial relationship between Cardno Entrix and TransCanada?

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We also ask that your inquiry examine the full scope of the State Department process related to the EIS and NID for the Keystone XL pipeline. The public has a right to answers to the following questions that have been raised about this process:

- Did the State Department's Final EIS fully incorporate the views and concerns of federal agencies with expertise, such as EPA, in relation to central questions of alternatives and mitigation, pipeline safety, and environmental risks from this project, including:
  - fully considering whether the oil from Keystone XL will stay in the United States or be exported,
  - evaluating a tar sands oil spill in the Kalamazoo river with a cleanup cost that has increased from $430 million in 2010 to $700 million today,
  - assessing the exacerbation of climate change due to increased greenhouse gas emissions from increased exploitation of tar sands oil?
- Were there any communications between State Department officials and TransCanada, the Canadian government, or proponents of the pipeline, which were in any way improper or which indicate any deviation from the State Department's obligations under federal law to provide objective analysis of the project and its potential risks?
- Did the State Department or any of its officials or employees, past or current, improperly disclose any materials or information to TransCanada, the Canadian government, or proponents of the pipeline?
- Have all requests for materials related to the Keystone XL pipeline under the Freedom of Information Act been timely fulfilled so that the public has access to all the necessary documents and materials related to this project?
- Did the State Department violate its role as an unbiased oversight agency by advising TransCanada to withdraw their permit request to operate the pipeline at higher pressures with the reassurance that TransCanada could apply for the permit at a later date through a less scrutinized and less transparent process?

We believe that given the importance of this project and the controversy regarding the State Department's process to-date, a thorough investigation covering the questions we have raised, and any other possible violations of federal law or improper conduct related to the State Department EIS and NID process for the Keystone XL pipeline, is warranted. We greatly appreciate your assistance with this important matter, and look forward to your response.

Sincerely,

BERNARD SANDERS
United States Senator

STEVE COHEN
Member of Congress

RON WYDEN
United States Senator

SHELDON WHITEHOUSE
United States Senator

PETER WELCH
Member of Congress

EARL BLUMENAUER
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**Addendum**

BARBARA LEE
Member of Congress