

Evidence of State Department Bias in Keystone XL Review

Evidence that the State Department is leading a corrupt federal review of the proposed Keystone XL tar sands oil pipeline is adding up.¹ The State Department cannot be trusted to provide an impartial assessment of the project's environmental impact, and the department's authority to grant pipeline permits should be revoked immediately.² President Obama should consult independent experts to conduct a balanced review. If he does so, he will have no choice but to reject the pipeline.

- **Clinton prejudices review** — On October 15, 2010, Secretary of State Clinton said she was “inclined” to approve the Keystone XL pipeline,³ even though her department was only just beginning to conduct a multi-staged Environmental Impact Statement based on the recognition that the proposed pipeline might have a “significant impact on the environment.”⁴ The Secretary's statement revealed clear bias and jeopardized the ability of her staff to conduct the very review upon which the permit decision was to rest.⁵
- **Clinton aide turned TransCanada lobbyist's cozy relationships** — The company behind the project, TransCanada, has some powerful and well-connected lobbyists, including Paul Elliott, who was one of Secretary Clinton's top campaign aides.⁶ Documents received by Friends of the Earth via a Freedom of Information Act request provide evidence of complicity between State and TransCanada executives.⁷ A State employee literally cheered for Elliott when he announced new congressional support for the pipeline.⁸ Elliott used his relationships to land multiple high-level meetings with State officials,⁹ both before and after he registered as a lobbyist (which is in fact a violation of the Foreign Agents Registration Act).¹⁰
- **Coaching TransCanada** — Other documents received by Friends of the Earth via the FOIA request show that State Department officials, including David Goldwyn, the Agency's Special Envoy and Coordinator for Energy Affairs, coached TransCanada about what to say during the environmental review process.¹¹ A cable from 2009 obtained via WikiLeaks describes Goldwyn as having provided the Canadian government with “oil sands messaging” advice.¹² There was also complicit understanding between State and TransCanada that the firm would drop a request to pipe oil at potentially dangerous high pressures only to reapply once the Keystone XL pipeline had been approved at a lower pressure.¹³
- **“Alleviating” Canadian government concerns** — The same cable from 2009 reported that Goldwyn “alleviated” Canadian officials' concerns about pipeline approval, at a time when the State Department was supposed to be impartial.

1 http://www.huffingtonpost.com/2011/10/03/keystone-pipeline-lobbying-state-department_n_991867.html

2 <http://www.foe.org/groups-call-obama-remove-state-department-pipeline-decision>

3 <http://www.politico.com/news/stories/1210/46377.html>

4 http://www.keystonepipeline-xl.state.gov/clientsite/keystonexl.nsf/03_KXL_FEIS_Executive_Summary.pdf

5 http://www.dailykos.com/story/2011/09/22/1019318/-State-Departments-pro-Keystone-XL-pipeline-bias-and-ties-to-lobbyist-exposed-in-internal-emails?via=blog_546185

6 <http://www.foe.org/internal-state-department-documents-raise-concerns-new-questions>

7 http://www.huffingtonpost.com/2011/10/03/keystone-pipeline-lobbying-state-department_n_991867.html

8 <http://www.foe.org/new-foia-docs-reveal-smoking-gun-regarding-state-department-bias>

9 http://www.washingtonpost.com/national/health-science/transcanada-pipeline-lobbyist-works-all-the-angles-with-former-colleagues/2011/09/16/g1QAYa3BnK_story.html

10 <http://www.fara.gov/>

11 <http://www.foe.org/internal-state-department-documents-raise-concerns-new-questions>

12 <http://articles.latimes.com/2011/jul/13/nation/la-na-pipeline-keystone-20110713>

13 <http://www.foe.org/sites/default/files/072610-pipeline-pressure.pdf>; <http://www.nytimes.com/2011/10/04/science/earth/04pipeline.html>



- **State gives TransCanada inside information** — State officials gave TransCanada inside information about the timeline for the permit approval process and encouraged the company to tell State that a longer Environmental Impact Statement process would endanger TransCanada's bottom line.¹⁴
- **State hands environmental review to firm that takes TransCanada cash** — Cardno Entrix, the company hired by State to conduct the environmental review of the project, as well as the public hearings to determine whether the pipeline is in the national interest,¹⁵ also works for TransCanada. In fact, in June 2010, Entrix listed TransCanada as one of its "major clients".¹⁶

Current as of October 4, 2011



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¹⁴ <http://www.foe.org/internal-state-department-documents-raise-concerns-new-questions>

¹⁵ <http://thinkprogress.org/green/2011/09/28/330047/state-department-keystone-xl-hearings-run-by-transcanada-contractor/>

¹⁶ http://www.cardno.com/pdfs/Media%20Release_EntrixERI%20Merger_10June10%20FINAL.pdf