



United States Department of State

*Washington, D.C. 20520*

**AUG 25 2011**

Case No. 201101495  
Segments: S001 and S002

Mr. Alex Moore  
Friends of the Earth  
1100 15<sup>th</sup> Street, NW  
11<sup>th</sup> Floor  
Washington, DC 20005

Dear Mr. Moore:

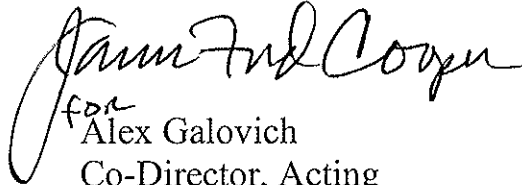
In response to your request dated December 13, 2010 under the Freedom of Information Act (Title 5 USC Section 552), we have initiated searches of the following Department of State record systems: the Bureau of Western Hemisphere Affairs, the Bureau of Oceans and International Environmental Scientific Affairs, the Bureau of Economic, Energy, and Business Affairs, the Office of the Legal Adviser, the Office of the Secretary, the Office of the Deputy Secretary, the Office of the Counselor, the Office of the Executive Secretariat, the Office of the Under Secretary for Energy and Agricultural Affairs, the U.S. Embassy in Ottawa, and the U.S. Consulate in Alberta.

The search of the files of the Office of the Secretary has been completed and has resulted in the retrieval of 34 documents that are responsive to your request. After reviewing these documents, we have determined that all 34 may be released in full. Please find them enclosed.

The searches of the remaining office files are underway, and we will keep you informed as your case progresses.

If you have any questions, you may contact the Trial Attorney Patrick Nemeroff at 202- 305-8727.

Sincerely,

A handwritten signature in black ink, appearing to read "James F. Cooper". The signature is written in a cursive style with a large initial "J".

for  
Alex Galovich

Co-Director, Acting

Office of Information Programs and Services

Enclosures:

As stated.

**Temple, Lorraine B**

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**From:** Fogarty, Daniel J  
**Sent:** Wednesday, November 03, 2010 4:02 PM  
**To:** SES-CR  
**Cc:** Toiv, Nora F; S\_SpecialAssistants  
**Subject:** FW: TransCanada Response to Nebraska Senator Mike Johanns  
**Attachments:** KXL letter to Clinton in response to Senator Johanns 03Nov10.pdf; Pipeline Safety Ogallala Aquifer 2010 HR.pdf

CR colleagues:

In response to the attached items, please task EEB with preparing a direct reply on behalf of S.

Thanks,

Dan

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**From:** Toiv, Nora F  
**Sent:** Wednesday, November 03, 2010 3:40 PM  
**To:** S\_SpecialAssistants  
**Subject:** FW: TransCanada Response to Nebraska Senator Mike Johanns

These never stop coming! Please task out. Thanks.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, November 03, 2010 2:14 PM  
**To:** Byla, Robert K; McManus, Matthew T; Goldwyn, David L; Toiv, Nora F; Fernandez, Jose W; Clune, Daniel A; Brakel, Willem H; Schnitker, John P; Sullivan, David J; Benes, Keith J  
**Subject:** TransCanada Response to Nebraska Senator Mike Johanns

Please find attached a letter and supporting information from TransCanada CEO Russ Girling in response to Senator Johanns' November 1 letter.

Below is the text of the attached signed letter.

November 03, 2010

Honorable Hillary Rodham Clinton  
 Secretary of State  
 U.S. Department of State  
 2201 C Street, N.W.  
 Washington, D.C. 20520

Re: Keystone XL Pipeline Project

Dear Secretary Clinton:

I am writing in response to Senator Mike Johanns' letter to you, dated November 1, 2010, with respect to the State Department's review of the proposed Keystone XL Pipeline Project. Senator Johanns requests

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 21 JUL 2011 201101495

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that the State Department prepare a Supplemental Draft Environmental Impact Statement for the Project, based on his assertion that the Draft Environmental Impact Statement (DEIS) does not sufficiently analyze alternative pipeline routes and certain soils impacts. As discussed below, the routing alternatives analysis in the DEIS fully takes into account all reasonable alternatives and satisfies the Department's obligations and the public's interests in that regard.

Under the National Environmental Policy Act (NEPA), the environmental impact statement must consider a reasonable range of alternatives to the proposed action. 42 U.S.C. § 4332(2) (C) (iii); 40 C.F.R. 1502.14(a). The range of alternatives that must be examined is bounded by the "purpose and need" for the proposed agency action. See 40 C.F.R. §§ 1502.13, 1508.9 (b). It is also "bounded by some notion of feasibility." Vermont Yankee Nuclear Power Corp. v. Natural Res. Def. Council, 435 U.S. 519, 551 (1978) ("detailed statement of alternatives cannot be found wanting simply because the agency failed to include every alternative device and thought conceivable by the mind of man."). An agency need only consider alternatives that are reasonable in light of its stated objectives. See Laguna Greenbelt, Inc. v. Dep't of Transp., 42 F.3d 517, 524 (9th Cir. 1994) (the "range of alternatives that must be considered in the EIS need not extend beyond those reasonably related to the purposes of the project."). An agency satisfies its obligation to consider reasonable alternatives when its analysis is focused by the primary objectives of the project.

Chapter 4 of the State Department's DEIS for the Keystone XL Project includes an analysis of a range of reasonable alternatives to the Project, based on the defined purpose and need of the Project. The alternatives reviewed by the Department were derived based on information provided by Keystone in its application, as well as information and suggestions provided during public and agency scoping, and through research and analysis conducted by DOS and its environmental contractor. A reasonable range of alternatives was defined and each alternative was analyzed to determine whether it would meet a number of objectives:

- Meet the Project's purpose and need;
- Provide a feasible alternative to the proposed action;
- Provide at least an equivalent level of Project benefit given the potential environmental consequences.

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To be considered in the DEIS, alternative pipeline routes generally were required to connect several Project control points. These fixed control points place constraints on potential geographical alternatives to achieve the Project's purpose and need. With respect to the portion of the route that impacts Nebraska (the Steele City segment), those control points are the international border crossing between Saskatchewan and Montana near the town of Morgan, Montana and the northern end of the Cushing Extension portion of the previously approved Keystone Pipeline Project. The border crossing location is a control point because it is directly south of the source of the oil to be transported by the Project at Hardisty, Alberta, Canada. The northern end of the Cushing Extension is a control point because, with only the addition of new pumping capacity, it allows the Project to take advantage of the approved (and now constructed) Cushing Extension portion of the Keystone pipeline system, thus avoiding some 298 miles of new construction in order to deliver the oil to the Gulf Coast.

The proposed route and the alternative routes considered in the DEIS take a generally diagonal path from the border crossing point to the Steele City, Nebraska commencement point of the Cushing Extension. This is the most environmentally sound approach because a diagonal route is the shortest path between the two control points. The DEIS explicitly recognizes that the shortest length for a pipeline route is environmentally preferable:

Development of alternatives also considered the desire to reduce the line miles of pipeline that would be required to reach the Project terminus. As a general rule, each mile of the proposed Project would impact approximately 13.3 acres during construction and 6.0 acres during operation .... As a result, there are generally environmental advantages to keeping the length of pipe required to reach the Project destination as low as possible while considering other issues of concern. (DEIS page 4-10).

In his letter, Senator Johanns suggests that the Department should consider a route that would run parallel to the existing Keystone Pipeline route. Such a route would be fundamentally inconsistent with the environmental advantages inherent in a direct diagonal route and would significantly increase environmental impacts. To parallel the Keystone Pipeline, the route would have to diverge from the proposed route in Alberta and run to the east through Saskatchewan, and Manitoba for 600 miles to a point where the route would turn south and run through North Dakota, South Dakota and Nebraska. To reach Steele City, Nebraska via this route would require a total of 1,241 miles of new pipeline construction. This compares to the 1,028-mile length of the proposed Steele City segment of the Keystone XL Pipeline. As recognized above, the additional 213 miles of pipeline construction required by Senator Johanns' recommended route represents an increase in length of 21 percent and would affect nearly 3,000 more acres of land, significantly increasing the impact to the environment, as well as causing impacts to many more landowners.

The suggestion in Senator Johanns' letter fundamentally fails to recognize or acknowledge that the route of the original Keystone Pipeline minimized the environmental impact of that project because Keystone was able to convert an underutilized portion of an existing natural gas pipeline and avoid 537 miles of new construction. This also resulted in a direct north-south route in the United States, further reducing impacts. There is no similar opportunity to convert an existing facility for Keystone XL. Accordingly, utilizing the Keystone Pipeline pathway would result in significantly greater environmental impact than the proposed diagonal route. Thus, any perceived environmental advantage from paralleling the Keystone Pipeline route would be heavily outweighed by the hundreds of miles of additional new construction that such a route would require.

Within the parameters set out in the DEIS, including recognition of the control points, the Department considered a reasonable range of potential route alternatives. Based on its assessment of these alternatives, the Department determined that none of the identified alternatives offered an environmental advantage over the proposed route. Keystone submits that this conclusion is well founded and fully justified.

Keystone understands the importance of Nebraska's special resources, including the Sandhills and the vast Ogallala Aquifer. We take very seriously our responsibility to ensure the integrity of our pipeline system and our readiness to respond through every inch of the State of Nebraska and all other states and provinces we traverse.

## UNCLASSIFIED

It is important to recognize that pipelines currently crossing over the top of the Ogallala Aquifer transport a variety of products, including crude oil similar to that to be transported by Keystone; refined petroleum products such as gasoline, diesel fuel and jet fuel; natural gas; and other products. As referenced in the attached fact sheet, *Pipeline Safety and the Ogallala Aquifer*, more than 21,000 miles of pipelines cross Nebraska. In addition, 6,000 barrels of crude oil are produced daily in Nebraska and tens of thousands of barrels are produced in adjacent states through the Ogallala Aquifer. In Nebraska, 17 of the 18 oil-producing counties sit atop the Ogallala Aquifer.

Senator Johanns' letter also suggests that a supplemental DEIS should consider avoidance of the Sandhills region and any environmental significance of soils composition. As discussed above, avoidance of the Sandhills region by a route that departs from a diagonal approach between the control points would dramatically increase environmental impacts. Moreover, the DEIS addresses construction in the Sandhills, including many special considerations and measures that would be undertaken in that region. The DEIS also contains an extensive analysis of soil compositions in the Project area (DEIS Section 3.2). Finally, based on comments that have been received on the DEIS, the Department can further address these issues in the Final EIS.

To conclude, there is no justification for conducting a supplemental Draft Environmental Impact Statement in this case. The Department's environmental review of the Keystone XL Project under NEPA has been ongoing for two years and continues at this time. It has been open and transparent and has provided ample opportunity for public involvement. To engage in a supplemental review of alternative routes, such as the route suggested in Senator Johanns' letter, which is obviously environmentally inferior on its face, or for the purpose of re-starting the on-going consideration of soils issues, would elevate process over rational decision making, with no benefit to the public, while unduly delaying the important pending national interest determination.

Sincerely,

Russell K. Girling  
President & CEO  
TransCanada Corporation

cc:

David L. Goldwyn, State Department, Coordinator, International Energy Affairs  
Kerri-Ann Jones, State Department, Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs  
Daniel A. Clune, State Department, Principal Deputy Assistant Secretary, Bureau of Ocean and International Environmental and Scientific Affairs  
Keith J. Benes, State Department Office of Legal Adviser  
Matthew T. McManus, State Department Division Chief, Energy Producer Country Affairs  
Michael Stewart, State Department, Energy Officer  
Willem H. Brakel, Ph. D., State Department, Office of Environmental Policy  
John P. Schnitker, State Department, Attorney - Adviser, Office of the Legal Adviser  
David J. Sullivan, State Department, Assistant Legal Adviser, Ocean, International Environmental & Scientific Affairs

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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you have received this message in error, please notify the sender immediately and delete the original message.  
Thank you.

**TransCanada***In business to deliver*TransCanada Corporation  
450 - 1st Street S.W.  
Calgary, Alberta, Canada T2P 5H1**tel** 403.920.7889**fax** 403 920 2412**email** russ\_gilling@transcanada.com**web** www.transcanada.com

November 03, 2010

Honorable Hillary Rodham Clinton  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington, D.C. 20520Re: Keystone XL Pipeline Project

Dear Secretary Clinton:

I am writing in response to Senator Mike Johanns' letter to you, dated November 1, 2010, with respect to the State Department's review of the proposed Keystone XL Pipeline Project. Senator Johanns requests that the State Department prepare a Supplemental Draft Environmental Impact Statement for the Project, based on his assertion that the Draft Environmental Impact Statement (DEIS) does not sufficiently analyze alternative pipeline routes and certain soils impacts. As discussed below, the routing alternatives analysis in the DEIS fully takes into account all reasonable alternatives and satisfies the Department's obligations and the public's interests in that regard.

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Sincerely,



Russell K. Girling  
President & CEO  
TransCanada Corporation

cc:

David L. Goldwyn  
State Department, Coordinator, International Energy Affairs

Kerri-Ann Jones  
State Department, Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs

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Daniel A. Clune  
State Department, Principal Deputy Assistant Secretary, Bureau of Ocean and International Environmental and Scientific Affairs

Keith J. Benes  
State Department Office of Legal Adviser

Matthew T. McManus  
State Department Division Chief, Energy Producer Country Affairs

Michael Stewart  
State Department, Energy Officer

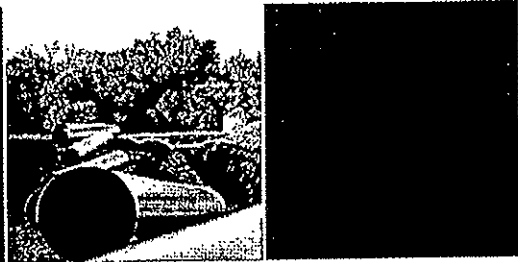
Willem H. Brakel, Ph. D.  
State Department, Office of Environmental Policy

John P. Schnitker  
State Department, Attorney – Adviser, Office of the Legal Adviser

David J. Sullivan  
State Department, Assistant Legal Adviser, Ocean, International Environmental & Scientific Affairs

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# Pipeline Safety and the Ogallala Aquifer



As discussed below, it is not possible for a crude oil spill to threaten the viability of the Ogallala Aquifer. Rather, the impact of a potential oil spill on the aquifer would be limited to a very small area. TransCanada would be responsible for clean-up. Remediation would be required to meet state and federal standards and would ensure the protection of human health and the environment. In the highly unlikely event that groundwater wells were adversely impacted, TransCanada would be responsible for providing an alternative water supply.

## Pipelines are safe and the chance of a significant spill is remote, yet TransCanada is ready to respond to limit volume and impacts

Pipelines are the safest, most reliable, economical and environmentally favorable way to transport oil and petroleum products, as well as other energy liquids, throughout the U.S. Nearly every gallon of gasoline or diesel fuel used in Nebraska is transported via pipeline. In addition to demands for petroleum for transportation, petroleum hydrocarbons are used by many other industries to produce valuable materials, including, drugs and pharmaceuticals, plastics, chemicals, and construction materials. Pipelines are a vital part of our country's infrastructure and have been quietly serving the nation for decades.

Leaks from pipelines are rare<sup>1</sup> and tend to be small<sup>2</sup>. In addition, Keystone incorporates proven design features and construction methods, as well as a state of art integrity management program. Overall, the approach helps ensure Keystone operates safely in the area of the Ogallala Aquifer. However, TransCanada also is prepared to respond to limit any release from the Keystone System and to clean-up if a leak were to occur<sup>3</sup>.

Upon detection of a leak, pumps would be immediately secured from the Operations Control Center and valves would be closed to isolate the affected section of pipe and to limit spill volumes. TransCanada personnel would be mobilized to the spill site immediately to begin emergency containment and begin clean-up. Additional actions would include the notification to landowners and appropriate public agencies of potential groundwater impacts. Even for a spill in the area of a shallow aquifer, prompt clean-up would limit the ability of crude-oil contaminants to dissolve in water.

Clean-up of any release from the Keystone Pipeline System is required by state<sup>4</sup> and federal law. In addition to complying with state and federal law, prompt clean-up of a spill avoids jeopardizing TransCanada's ability to continue to operate the Keystone Pipeline System.

## Keystone does not threaten the viability of the Ogallala Aquifer

The Keystone XL pipeline would cross the Ogallala Aquifer for some 250 miles. To help put this number in perspective, there are currently almost 21,000 miles of pipelines crossing Nebraska, including almost 3,000 miles of hazardous liquid pipelines. Many miles of these pipelines co-exist with the Ogallala Aquifer. In addition, oil wells have been drilled and are in production within areas overlying the Ogallala Aquifer, including in western Nebraska<sup>5</sup>.

Not all portions of the aquifer are equally vulnerable to contamination. From a technical standpoint, the vulnerability of groundwater is a function of soil type and surficial geology overlying the aquifer; depth to groundwater; presence or absence of overlying confining layers; and the proximity and number of water wells. Some portions of the Ogallala Aquifer are confined, meaning there are protective materials such as clays and glacial till which protect the aquifer from surface contamination. In other areas these protective confining layers do not exist.

Assuming a spill from Keystone were to occur in an area where the Ogallala Aquifer is vulnerable, properties of crude oil and its behavior in soils and aquifers limits the area impacted by a spill. Crude oil has a high affinity for soils and, after the initial dispersal that occurs during the spill event, crude oils do not tend to migrate substantially through soils. If the oil came in contact with groundwater, constituents within crude oil may dissolve and mobilize but that process takes time and, even then, the ability of these contaminants to move through groundwater is limited. Groundwater contains naturally occurring subsurface microbes that break down hydrocarbons, limiting dispersal of petroleum products. Studies have shown

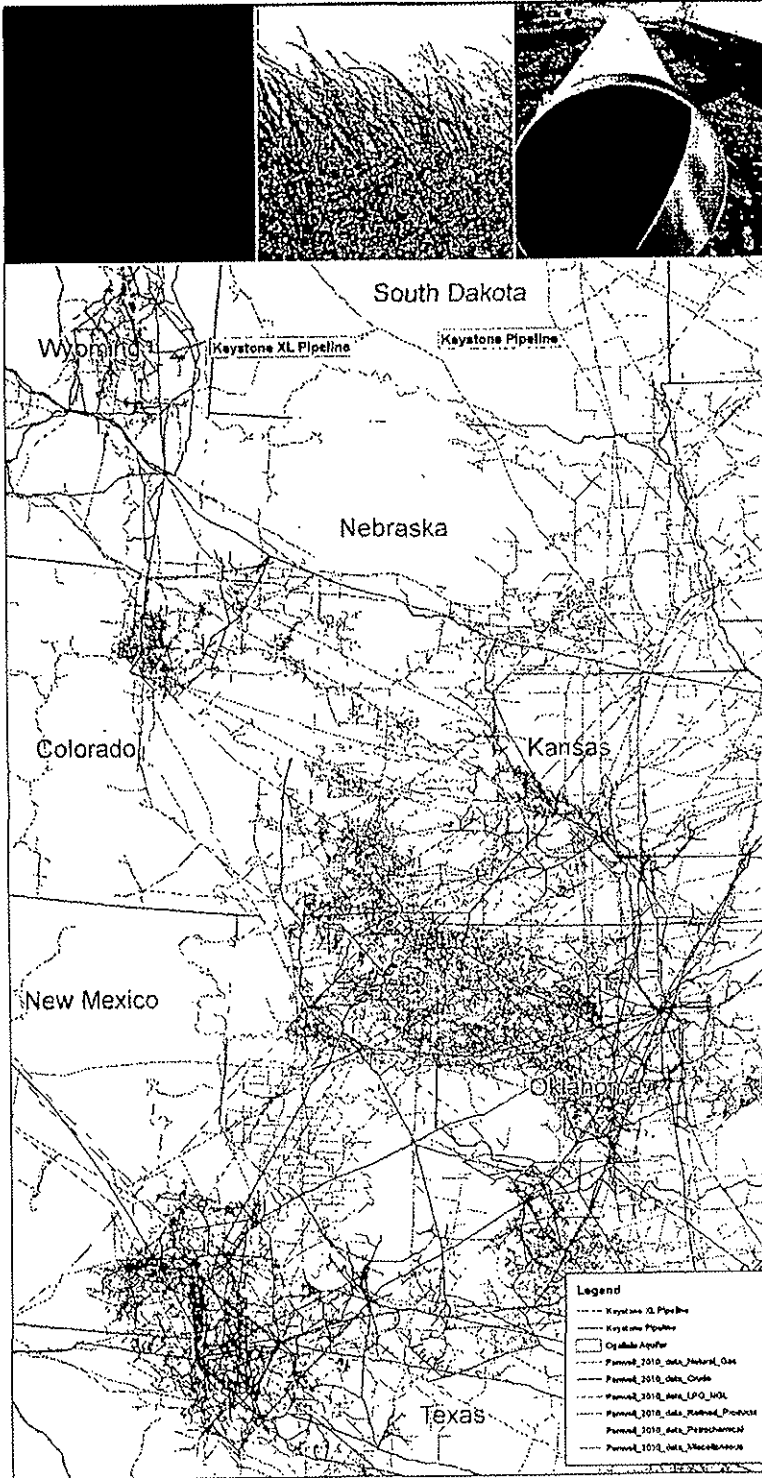
Pipeline Safety and the Ogallala Aquifer - September 2010



**TransCanada**  
In business to deliver

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JAMES F COOPER  
DATE/CASE ID: 21 JUL 2011 201101495

Pipeline Safety and the Ogallala Aquifer



that within groundwater, movement of dissolved constituents typically is confined to approximately 300 feet from the source, due to this natural attenuation<sup>6,7</sup>.

Consequently, even if a spill occurred in an area with shallow groundwater, and even if the oil remained in contact with the water for long enough that contaminants would dissolve into the water, impacts would be limited to a very localized area. It is not possible to contaminate the entire Ogallala Aquifer.

If, despite Keystone's comprehensive operations protection measures; integrity management and emergency response programs, a groundwater aquifer were affected, TransCanada would work cooperatively with state and federal agencies to identify the appropriate, site-specific methods for clean-up, groundwater monitoring, and remediation methods. The selection of clean-up and remediation methodologies are based on site-specific conditions, including weather conditions, presence of sensitive receptors, soil permeability, hydrogeology and aquifer characteristics. Clean-up would be conducted to ensure the protection of human health and the environment and to meet state and federal standards. In the highly unlikely event that groundwater wells were adversely impacted, TransCanada would be responsible for providing an alternative water supply.

1. According to the Association of Oil Pipelines, spills along hazardous liquid pipeline rights-of-way have fallen from two incidents per thousand miles in 1999-2001 to 0.8 incidents per thousand miles in 2005-2007, a decline of 60 percent.
2. Based on historical data available from the Pipeline Hazardous Materials Safety Administration, when pipeline leaks do occur, they are small. Most pipeline leaks are three barrels or less; 80% of spills involve less than 50 barrels; and less than 0.5 percent of spills total more than 10,000 barrels.
3. Requirements for response are detailed in 49CFR194.
4. Nebraska Environmental Protection Act, §81-1501 et seq.
5. According to the Nebraska Energy Office, crude oil has been produced in Nebraska since 1939. In 2009, Nebraska produced more than 6,000 barrels of crude oil per day from 18 different counties. Seventeen of these counties are located in western Nebraska and are underlain by the Ogallala Aquifer.
6. Newell, C.I. and J.A. Connor. 1998. Characteristics of Dissolved Petroleum Hydrocarbon Plumes. Vers. 1.1. Prepared by Groundwater Service, Inc. for the American Petroleum Institute Soil and Groundwater Technical Task Force, December 1998. 8 pp.
7. In addition to natural limitations on the spread of petroleum contaminants in groundwater as described above, the movement through groundwater, to the limited extent it does occur, tends to occur slowly. Movement of contaminants is always slower than the flow of groundwater itself. According to Gutentag et al. (1984), average groundwater flow in the Ogallala Aquifer is approximately one foot per day.

SS

Toiv, Nora F

RELEASED IN FULL

From: Fogarty, Daniel J  
 Sent: Tuesday, June 23, 2009 3:47 PM  
 To: Toiv, Nora F  
 Subject: RE: State Department Protest Planned

Good catch. Please share with Julia Hill – our DS person for the S bureau.

From: Toiv, Nora F  
 Sent: Tuesday, June 23, 2009 3:45 PM  
 To: Fogarty, Daniel J  
 Subject: FW: State Department Protest Planned

Do you think somebody in security would care to know about this?

From: Nora Toiv [<mailto:nora.toiv@gmail.com>]  
 Sent: Tuesday, June 23, 2009 3:26 PM  
 To: Toiv, Nora F  
 Subject: Fwd: State Department Protest Planned

----- Forwarded message -----  
 From: paul elliott <[paul.pjelliott@gmail.com](mailto:paul.pjelliott@gmail.com)>  
 Date: Tue, Jun 23, 2009 at 3:23 PM  
 Subject: State Department Protest Planned  
 To: [Nora.Toiv@gmail.com](mailto:Nora.Toiv@gmail.com), [pena.laura@gmail.com](mailto:pena.laura@gmail.com)

FYI – ForestEthics, the same environmental group that held a (very small) protest in Washington last week, will sponsoring an ad in tomorrow's Roll Call opposing oil sands pipelines into the United States. ForestEthics will also be protesting tomorrow outside of the State Department. Please see below.

**FOR IMMEDIATE RELEASE**

June 23, 2009  
 11:37 AM

**CONTACT: ForestEthics [1]**  
 William Craven 415-407-3426, [will@forestethics.org](mailto:will@forestethics.org) [2]  
 Ryan Fletcher 202-641-0277, [ryan@mintwood.com](mailto:ryan@mintwood.com) [3]

**Action at State Department on Tar Sands - World's Dirtiest Oil**  
**Secretary of State Clinton Is The Focus of New Effort to Stop the Dirtiest Oil in the World - Canadian Tar Sand Oil - from Reaching the U.S.**  
 WASHINGTON - June 23 - Secretary of State Clinton Is The Focus of New Effort to Stop the Dirtiest Oil in the World - Canadian Tar Sand Oil - from Reaching the U.S.  
 Ad in Roll Call – the preeminent DC political paper - will highlight Clinton's ability to stop new oil pipelines;  
 Clean energy 'Smell Test' offered at State Department  
 UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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**WHAT:** On Wednesday, Secretary Clinton will be the focus of an advertisement in Roll Call.\* (Available at [www.forestethics.org](http://www.forestethics.org) on Wednesday at 6 am). In addition, ForestEthics will be offering a 'clean energy smell test' in front of the State Department, and reporting back on its delivery of Tar Sands sludge to key officials. The smell test will be playful, well-choreographed, and an excellent photo/video opportunity. Passer-byes will be offered the chance to smell three different vials to determine which smells like our clean energy future.  
\* Great Visuals: high resolution images of people taking the 'clean energy smell test' will be available after the event. Copies of the ad, as well as images of the Tar Sands, will also be available.

**WHY:** The Canadian Tar Sands are located a day's drive from Glacier National Park and are one of the most destructive projects on Earth. Already visible from space, the Tar Sands, - a lunar landscape of 'sacrifice zone' - are scheduled to grow to the size of Michigan. Tar Sands oil production generates 3-5 times the greenhouse gas emissions of conventional oil. Production of Tar Sands oil destroys fresh drinking water, pollutes the air, and razes some of the world's last remaining endangered forests. Dirty Tar Sands oil cannot be made clean by technological solutions.

Sec. Clinton is fast becoming the center of an escalating controversy over oil from Canada's Tar Sands because the Secretary of State possesses the authority to approve or disapprove permits for all pipelines crossing into the United States. Right now, she faces critical decisions on several pipelines that would carry oil from Canada's controversial Tar Sands. The Alberta Clipper pipeline to Wisconsin is up for approval by the U.S. State Department in just two weeks. And only one person has the power to stop the dirtiest oil project on earth: Secretary of State Hillary Clinton. On Tuesday, thousands of US citizens began asking Sec. Clinton to protect future generations from Canada's dirty oil.

**WHO:** Environmental activists from ForestEthics will be at the State Department. ForestEthics and the Sierra Club are running the Roll Call ad jointly.

**WHEN:** Wednesday, June 24th at 11:00am EST.

**WHERE:** In front of the US Department of State: 2201 C St NW, 20520-0099

\* Information about Roll Call can be viewed at [www.rollcall.com/about/](http://www.rollcall.com/about/) {4}

###

Founded in 2000, ForestEthics is a nonprofit environmental organization with staff in Canada, the United States and Chile. Our mission is to protect Endangered Forests and wild places, wildlife, and human wellbeing-- one of our focus areas is climate change, which compromises all of our efforts if left unchecked. We catalyze environmental leadership among industry, governments and communities by running hard-hitting and highly effective campaigns that leverage public dialogue and pressure to achieve our goals.

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SS2

**Toiv, Nora F**

---

**From:** Johnson, Ardelia  
**Sent:** Tuesday, September 15, 2009 1:53 PM  
**To:** Toiv, Nora F; Abdulmalik, April (EEB)  
**Subject:** RE: April, for your action: FW: Request

Great, thank you.

---

**From:** Toiv, Nora F  
**Sent:** Tuesday, September 15, 2009 1:53 PM  
**To:** Johnson, Ardelia; Abdulmalik, April (EEB)  
**Subject:** Re: April, for your action: FW: Request

We're all set. Thanks ardelia.

---

**From:** Johnson, Ardelia  
**To:** Abdulmalik, April (EEB)  
**Cc:** Toiv, Nora F  
**Sent:** Tue Sep 15 13:48:35 2009  
**Subject:** April, for your action: FW: Request

---

**From:** Toiv, Nora F  
**Sent:** Tuesday, September 15, 2009 1:06 PM  
**To:** Johnson, Ardelia  
**Subject:** Fw: Request

Hi ardelia. Can you address? Thx

---

**From:** Toiv, Nora F  
**To:** Abdulmalik, April (EEB)  
**Sent:** Tue Sep 15 13:03:53 2009  
**Subject:** Fw: Request

Hi april. Does dave have time to meet with this individual or have a recommendation for him to see someone else?

---

**From:** Paul Elliott <paul\_elliott@transcanada.com>  
**To:** Toiv, Nora F; Mills, Cheryl D  
**Sent:** Tue Sep 15 12:45:36 2009  
**Subject:** Re: Request

I totally understand and yes, we would welcome any recommendations you might have. Thank you for the consideration.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JAMES F COOPER  
DATE/CASE ID: 09 AUG 2011 201101495

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**From:** Toiv, Nora F  
**To:** Paul Elliott; Mills, Cheryl D  
**Sent:** Tue Sep 15 10:41:35 2009  
**Subject:** Re: Request

Hi Paul. Unfortunately Cheryl's calendar for tomorrow is packed tight. May I refer you to someone in our economic, business and energy bureau? They would be the most helpful.

Thanks.

---

**From:** Paul Elliott <paul\_elliott@transcanada.com>  
**To:** Mills, Cheryl D  
**Cc:** Toiv, Nora F  
**Sent:** Tue Sep 15 11:14:54 2009  
**Subject:** Request

Dear Cheryl,

Would you have 10 to 15 minutes tomorrow Wednesday, September 16 for me to introduce TransCanada Corporation's President and CEO Hal Kvisle to you and may be one of the State Department's energy and environment principal policy makers?

Mr. Kvisle would like to hear from you the collaborative and proactive ways TransCanada can work with you to make good on Secretary Clinton's and President Obama's energy and environment agenda.

TransCanada is a leading energy infrastructure company in North America that is focused on gas transmission, pipeline and power generation.

#### **TransCanada - Natural Gas Business**

Operating one of the most sophisticated pipeline systems in the world, TransCanada moves 15 billion cubic feet of natural gas per day (20 per cent of North American production), delivering to markets throughout Canada and the U.S. TransCanada's network of wholly owned pipelines extends to more than 59,000-kilometres (36,500 miles) and taps into virtually all major gas supply basins in North America.

TransCanada is one of the continent's largest providers of gas storage and related services with approximately 355 billion cubic feet of storage capacity. We're focused on optimizing our pipeline network by connecting new supply, providing better access to markets and introducing competitive and innovative approaches to meeting customer needs.

#### **TransCanada - Pipelines**

TransCanada is a significant participant of the oil pipeline business. We've identified an opportunity to provide industry with incremental pipeline capacity for oil transmission to link a growing and reliable supply of Canadian oil with a rising North American demand for energy - a logical fit with our existing business competencies and an innovative way to maximize the use and value of our current pipeline assets.

The Keystone Pipeline System, a partnership with ConocoPhillips is currently under construction. This 3,456-kilometre (2,148-mile) pipeline is expected to transport oil from Alberta to U.S. Midwest markets. The pipeline has a planned initial capacity of 435,000 barrels per day in late 2009 and will be expanded to a nominal capacity of 590,000 barrels per day in 2010. The Keystone expansion currently in development is an approximate 3,200-kilometre (1,980-mile) pipeline, complimentary to the Keystone Pipeline and would serve existing refineries on the U.S. Gulf Coast with a capacity of 500,000 barrels per day. Upon completion Keystone will operate as one integrated pipeline system with an expected capacity of 1.1 million barrels per day. With the addition of incremental pumping facilities, the Keystone Pipeline system could further expand to 1.5 million barrels per day.

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## **TransCanada – Energy**

TransCanada's Energy business concentrates on power generation and marketing, and gas storage. A growing independent power producer, TransCanada owns, or has interests in, approximately 7,700 megawatts of power generation in Canada and the United States. Our diversified power portfolio includes nuclear, natural gas, coal, hydro and wind generation. We are also actively pursuing two greenfield LNG terminals, in Quebec and New York.

## **TransCanada – Alaska Pipeline**

Wholly owned subsidiaries of TransCanada Corporation are developing the Alaska Pipeline Project, which will move natural gas from Alaska to North American markets. The project will stretch approximately 1,715 miles (2,760 kms) from Prudhoe Bay, Alaska through the Yukon Territory and north-eastern British Columbia to the BC/Alberta border near Boundary Lake, and will include new build and certain existing infrastructure within Alberta. TransCanada Alaska Company, LLC is responsible for designing and constructing the portion located in Alaska, while Foothills Pipe Lines Ltd. is responsible for the project from the Alaska/Yukon border to market connections in Alberta.

## *TransCanada - North American workforce*

- U.S. West Coast – 145 people
- U.S. Mid West – 602 people
- U.S. Northeast – 365 people
- U.S. Southeast/Gulf Coast – 125 people
- Houston – 326 people

Thank you, in advance, for your consideration.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS3

**Toiv, Nora F**

**From:** Toiv, Nora F  
**Sent:** Tuesday, September 15, 2009 6:02 PM  
**To:** 'Paul Elliott'; Mills, Cheryl D  
**Subject:** RE: Request

Sounds perfect. No problem!

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Tuesday, September 15, 2009 5:16 PM  
**To:** Toiv, Nora F; Mills, Cheryl D  
**Subject:** Re: Request

Nora, Cheryl

Mr. Brian Duggan phoned me this afternoon about arranging a meeting between David Goldwyn and TransCanada's President and CEO Hal Kvisle. The meeting is set for tomorrow at 11:00 am.

Thank you for your time and consideration.

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Toiv, Nora F  
**To:** Paul Elliott; Mills, Cheryl D  
**Sent:** Tue Sep 15 10:41:35 2009  
**Subject:** Re: Request  
 Hi Paul. Unfortunately Cheryl's calendar for tomorrow is packed tight. May I refer you to someone in our economic, business and energy bureau? They would be the most helpful.

Thanks.

---

**From:** Paul Elliott <paul\_elliott@transcanada.com>  
**To:** Mills, Cheryl D  
**Cc:** Toiv, Nora F  
**Sent:** Tue Sep 15 11:14:54 2009  
**Subject:** Request

Dear Cheryl,

Would you have 10 to 15 minutes tomorrow Wednesday, September 16 for me to introduce TransCanada Corporation's President and CEO Hal Kvisle to you and may be one of the State Department's energy and environment principal policy makers?

Mr. Kvisle would like to hear from you the collaborative and proactive ways TransCanada can work with you to make good on Secretary Clinton's and President Obama's energy and environment agenda.

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
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- U.S. Northeast - 365 people
- U.S. Southeast/Gulf Coast - 125 people
- Houston - 326 people

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Thank you, in advance, for your consideration.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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Toiv, Nora F

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**From:** Paul Elliott [paul\_elliott@transcanada.com]  
**Sent:** Sunday, December 06, 2009 1:50 PM  
**To:** Toiv, Nora F  
**Subject:** Climate Change Conference

Hi Nora,

I hope this message finds you well.

TransCanada's senior executive leadership team would welcome any guidance you might share on background – U.S. government messaging and expectation – specific to developments at the United Nations Climate Change Conference in Copenhagen. I'm reaching out to you on this matter because TransCanada executives spend a great deal of time with Ottawa government officials and we've established strong working relationships that might be an asset for the U.S. during the U.N. Conference in Copenhagen. If there is a message and or topics that the State Department would welcome us to encourage with Canadian government officials, I am happy to pass on that direction to the senior executive leadership team of TransCanada. TransCanada can be an asset for the state department and I hope you might see us as such.

Please let me know if you have any questions and we welcome any and all guidance you might share with us.

Thank you.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

SS1

**Toiv, Nora F**

---

**From:** Toiv, Nora F  
**Sent:** Monday, May 17, 2010 9:06 AM  
**To:** 'Paul Elliott'  
**Subject:** RE: Introductions

Hi Paul. I'm sorry for the delay in getting back to you. Unfortunately, Cheryl has conflicts at both of those times. Please let me know next time you're here.

---

**From:** Paul Elliott [[mailto:paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)]  
**Sent:** Friday, May 14, 2010 11:48 AM  
**To:** Paul Elliott; Toiv, Nora F  
**Subject:** RE: Introductions

Hi Nora,

I'm just checking back to see if there might any chance we could arrange the brief meeting described below.

Please let me know your thoughts when your schedule permits.  
Thank you.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

**From:** Paul Elliott  
**Sent:** Friday, May 07, 2010 5:31 PM  
**To:** [toivnf@state.gov](mailto:toivnf@state.gov)  
**Subject:** Introductions

Hi Nora,

Hal Kvisle, President and CEO of TransCanada Corporation, is scheduled to meet with David Goldwyn and Matthew McManus on Monday, May 17 at the State Department on the topic of TransCanada's Keystone KXL pipeline. Mr. Kvisle has asked me to see if he might be briefly introduced to Cheryl Mills. We are scheduled to be at the State Department at 11:00 a.m. on Monday, May 17. Mr. Kvisle could be available for a quick stop by to see Cheryl at 9:30 a.m. or at 12:30 p.m. He could also make himself available on Tuesday, May 18, if that day works better for Cheryl's schedule. Mr. Kvisle isn't looking for anything from Cheryl other than the chance to meet her.

Please let me know your thoughts at your earliest convenience and I appreciate your time and consideration of this request.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SSS

**Toiv, Nora F**

**From:** Toiv, Nora F  
**Sent:** Wednesday, May 19, 2010 3:05 PM  
**To:** 'Paul Elliott'  
**Subject:** RE: Introductions

Thanks for the read out. Cheryl will be in the DR that week.

---

**From:** Paul Elliott [[mailto:paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)]  
**Sent:** Wednesday, May 19, 2010 12:16 PM  
**To:** Toiv, Nora F  
**Subject:** RE: Introductions

Nora,

Our meeting with David Goldwyn and Michael Sullivan was very productive. David provide us with insight on what he'd like to see by way of on the record comment during this public comment period of this Keystone KXL draft environmental impact statement. We are working with our stakeholders, shippers and vendors to deliver on the insight David shared with us and to do so by the June 15 deadline.

We also spent the day on the Hill meeting with Senator's Inhofe, Thune, Tester, Nelson and Murkowski. We met with the staffs of Representatives Herseth Sandlin and Peter Welsh.

Mr. Kvisle told me last night, before departing for Calgary, that he'd like to return to Washington during the time period of June 2,3,4 and he'd welcome the chance to meet briefly with Cheryl, should her schedule permit. Again, this would be a quick meet and greet. Mr. Kvisle will return for meetings with members of Congress whose states and districts are impacted by the Keystone KXL pipeline.

If you'd like me to submit a more formal request to you for a meet and greet between Cheryl and Hal Kvisle, please let me know.

Thank you.

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Toiv, Nora F [<mailto:ToivNF@state.gov>]  
**Sent:** Wednesday, May 19, 2010 12:02 PM  
**To:** Paul Elliott  
**Subject:** RE: Introductions

Hi Paul. How was your meeting?

---

**From:** Paul Elliott [[mailto:paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)]  
**Sent:** Sunday, May 16, 2010 3:04 PM  
**To:** Mills, Cheryl D  
**Subject:** Introductions

Hello Cheryl,

Hal Kvisle, President and CEO of TransCanada Corporation, is scheduled to meet with David Goldwyn and Matthew McManus on Monday, May 17 at the State Department on the topic of TransCanada's Keystone KXL pipeline. Mr. Kvisle has asked me to see if he might be briefly introduced to you. We are scheduled

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to be at the State Department at 11:00 a.m. on Monday, May 17. Mr. Kvisle could be available for a quick stop by to see you at 9:30 a.m. or at 12:30 p.m. Mr. Kvisle isn't looking for anything from you other than the chance to meet you.

Please let me know your thoughts at your earliest convenience and I appreciate your time and consideration of this request.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SSIO

**Toiv, Nora F**

**From:** Paul Elliott [paul\_elliott@transcanada.com]  
**Sent:** Thursday, May 20, 2010 4:46 PM  
**To:** Goldwyn, David L  
**Cc:** McManus, Matthew T; Duggan, J. Brian; Orlando, Elizabeth A; Toiv, Nora F  
**Subject:** Governor Brian Schweitzer Goes on the Record in Support of Keystone KXL  
**Attachments:** Schweitzer to Clinton re Keystone May 2010.pdf; Governor Schweitzer letter re Keystone XL May 2010.pdf

David,

It was good to see you this past Tuesday. We appreciate the chance to talk to you about the progress of Keystone KXL.

Please find below the text of one of two letters Montana Governor Brian Schweitzer has written to the State Department in support of Keystone KXL. Please find attached the PDF version of both letter. The second letter goes into great detail to address the economic benefits, energy security and domestic oil production benefits generated as a result of Keystone KXL.

May 10, 2010  
The Honorable Hillary Clinton  
Secretary of State  
U.S. Department of State  
2201 C Street N.W.  
Washington, DC 20520

Dear Secretary Clinton:

Recently a number of advocacy groups sent your office a letter asking you to suspend the permitting of the Keystone XL (KXL) pipeline. I do not believe a suspension is warranted in this case. I wholeheartedly support and stand behind the rigorous permitting process already in place that is being administered jointly by the State Department and the Montana Department of Environmental Quality.

KXL has the potential to be an economic boon for Montana's economy by increasing jobs and tax revenues and opening up potential new markets for oil from our Bakken and Williston formations.

The pipeline could also potentially enhance U.S. energy security by helping displace oil from unfriendly or unstable nations overseas. However the project will only have my support to proceed if it is done in an environmentally safe and responsible way. I trust in the permitting processes already in place and I believe they are thoroughly sufficient to gauge whether or not the project will meet environmental standards.

Therefore, I urge you to let the permitting process proceed as designed and reject the recent request to suspend it.

Sincerely,

BRIAN SCHWEITZER

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JAMES F COOPER  
DATE/CASE ID: 09 AUG 2011 201101495

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SS11

**Toiv, Nora F**

**From:** Paul Elliott [paul\_elliott@transcanada.com]  
**Sent:** Friday, June 04, 2010 11:44 AM  
**To:** Toiv, Nora F  
**Subject:** RE: Request for Meeting: June 7 or June 8

I appreciate the consideration.  
 Thank you.

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Toiv, Nora F [mailto:ToivNF@state.gov]  
**Sent:** Friday, June 04, 2010 11:42 AM  
**To:** Paul Elliott  
**Subject:** RE: Request for Meeting: June 7 or June 8

Hi Paul. Cheryl will not be able to do this meeting. Sorry—her schedule is very tight.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, May 26, 2010 2:36 PM  
**To:** Toiv, Nora F  
**Subject:** Request for Meeting: June 7 or June 8

May 26, 2010

Attention: Nora Toiv

Cheryl D. Mills  
 Counselor & Chief of Staff to the U.S. Secretary of State  
 Office of the Secretary  
 U.S. Department of State  
 2201 C Street NW  
 Washington, DC 20520

Dear Ms. Mills,

Russ Girling, Chief Operating Officer and incoming Chief Executive of TransCanada Corporation, request the chance to meet with you and your staff during the days of **Monday, June 7 or Tuesday, June 8** in Washington D.C. We propose this to be a brief introductory meeting between you and Mr. Girling. On Monday, June 7, Mr. Girling's schedule is open from 9:00 a.m. until 12:30 p.m. and he is available again at 4:30 p.m. On Tuesday, June 8, Mr. Girling is available at 9:00 a.m., 11:00 a.m. up to 1:00 p.m. and again at 4:30 p.m.

As you know, TransCanada is constructing the Keystone Pipeline. The Keystone Pipeline originates in Hardisty, Alberta, and transports crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois.

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
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In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in late 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

Please let me know if you have any questions and to confirm times that might be convenient for you and your colleagues to meet with TransCanada's Chief Operating Officer and incoming Chief Executive Russ Girling.

Thank you, in advance, for your consideration.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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SS12

Toiv, Nora F

From: Toiv, Nora F  
 Sent: Monday, June 14, 2010 5:45 PM  
 To: S\_SpecialAssistants  
 Subject: FW: Organized Labor Supports Keystone KXL Pipeline  
 Attachments: UA June 11 2010 Letter to WH Supporting KXL.pdf

For tasking. Thanks.

From: Paul Elliott [mailto:paul\_elliott@transcanada.com]  
 Sent: Monday, June 14, 2010 4:36 PM  
 To: Paul Elliott  
 Subject: Organized Labor Supports Keystone KXL Pipeline

Attached and below is the text of a letter in support of Keystone KXL transmitted Friday, June 11, from William Hite the General President of United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO to the White House, the State Department and the Department of Energy.

The union represents the largest number of workers on the Keystone Pipeline and more than 300,000 members across North America in the plumbing and pipefitting industry. General President Hite's attached letter includes a detailed briefing for the White House, the State Department and the Department of Energy of the critical issues specific to the Keystone KXL permit including greenhouse gas emissions, the pipeline's economic impact to states and localities and energy security.

June 11, 2010

The Honorable Barack Obama  
 The White House  
 1600 Pennsylvania Avenue NW  
 Washington, DC 20500

Re: Keystone KXL Pipeline Project

Dear President Obama:

On behalf of the 350,000 members of the United Association, I am writing to request your strong support for the Keystone KXL Pipeline project being developed by TransCanada, Inc. As discussed below, there are specific regulatory actions pending before your Administration which we request **expeditious review and approval**.

Here's why. Keystone KXL is a major \$12 billion economic stimulus and investment project that will substantially expand U.S. underground pipeline infrastructure and capacity by constructing a safe and reliable transmission facility for transporting crude oil from Canada through the U.S. Midwest and to our Gulf Coast refineries. This initiative not only fulfills sound U.S. energy policy goals, but will spur robust employment opportunities for American workers in the construction industry, as well as related industries.

Your vision for a modern U.S. energy policy calls for greater energy independence, both for the sake of developing self-reliant energy production and enhancing our national security. Working with our Canadian partners, this project helps promote these critically important goals and allows us to take a giant step forward in building North American energy independence.

Of equal importance, the Keystone KXL project will serve as a major engine for future job growth and help put Americans back to work. Mr. President, as you know, the alarming fact is that unemployment in the

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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U.S. construction industry is now over 20 percent. Our industry has literally millions of people looking for work and far too many losing their homes and facing other severe hardships.

Keystone KXL alone will create some *10,000 critically-needed jobs for building trades workers*. It is also estimated this project will generate *over 340,000 additional U.S. jobs between 2011 and 2015* in other affected industries, including manufacturing and service industries. Significantly, *all of this job-creation will occur without a single dollar of federal stimulus funds*. Moreover, many state and local governments stand to benefit since they will collect substantial tax revenues generated by this initiative (over \$100 million in property tax alone, plus sales, fuel and other taxes). Local communities will benefit as well from new business and employment opportunities that emerge as this nearly 2,000-mile pipeline unfolds across the country. Keystone KXL is also a well-planned project. TransCanada currently manages more than 35,000 miles of oil and natural gas pipeline in the U.S. and it has done an exemplary job of planning and organizing this project. Long-term transportation contracts are already in place, as are numerous supply contracts with U.S. equipment manufacturers. A great deal of the regulatory work has already been completed as key approvals have been issued from the Canadian government; other approvals have been secured or are expected shortly from state governments in South Dakota and Montana. Additional points regarding the status and positive impact of the Keystone Project are set forth in the attached briefing document.

At this stage, there are two major regulatory actions needed from the federal government to move Keystone KXL forward and that are crucial to its success:

- (a) A Presidential Permit from the State Department which requires completion of an Environmental Impact Statement and a finding that the project serves the national interest and;
- (b) TransCanada has petitioned the Pipeline Hazardous Materials Safety Administration (PHMSA) to use an updated design standard for the Keystone XL pipeline, similar to that currently in use for gas pipelines. The updated standard reflects significant advances in the manufacturing, metallurgy, testing and assessment of pipelines, resulting in higher quality steel, and pipe and pipeline systems. These advances have significantly reduced the risk of failure in pipelines.

The sooner these actions are completed, the more the project's success will be guaranteed. Conversely, the more they are delayed, the more the project will be put at risk.

We understand that substantial progress has been made with respect to each of these actions already and respectfully request the continued support and assistance of your administration to finalize these matters and, if at all possible, expedite them for the reasons set forth above. In sum, please know that the United Association stands firmly behind TransCanada and the Keystone KXL project. We believe this project exemplifies the commitments we share with your Administration of promoting energy independence, putting people back to work, and helping our country get on the road to economic recovery.

Thank you again for your strong commitment to the United Association and your continuing efforts on behalf of all working men and women across America.

Sincerely,

William P. Hite  
General President

cc: The Honorable Hillary Rodham Clinton, Secretary of State  
The Honorable Carol Browner., Director, White House Energy and Climate Change  
The Honorable Dr. Steven Chu, U.S. Secretary of Energy  
Rick Terven, Sr., Director, UA Political and Legislative Affairs

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Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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SS13

Toiv, Nora F

**From:** Toiv, Nora F  
**Sent:** Monday, June 14, 2010 5:50 PM  
**To:** 'Paul Elliott'  
**Subject:** RE: Organized Labor Supports Keystone KXL Pipeline.

Thanks.

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Monday, June 14, 2010 4:36 PM  
**To:** Paul Elliott  
**Subject:** Organized Labor Supports Keystone KXL Pipeline

Attached and below is the text of a letter in support of Keystone KXL transmitted Friday, June 11, from William Hite the General President of United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada, AFL-CIO to the White House, the State Department and the Department of Energy.

The union represents the largest number of workers on the Keystone Pipeline and more than 300,000 members across North America in the plumbing and pipefitting industry. General President Hite's attached letter includes a detailed briefing for the White House, the State Department and the Department of Energy of the critical issues specific to the Keystone KXL permit including greenhouse gas emissions, the pipeline's economic impact to states and localities and energy security.

June 11, 2010

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 The White House  
 1600 Pennsylvania Avenue NW  
 Washington, DC 20500

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Your vision for a modern U.S. energy policy calls for greater energy independence, both for the sake of developing self-reliant energy production and enhancing our national security. Working with our Canadian partners, this project helps promote these critically important goals and allows us to take a giant step forward in building North American energy independence.

Of equal importance, the Keystone KXL project will serve as a major engine for future job growth and help put Americans back to work. Mr. President, as you know, the alarming fact is that unemployment in the U.S. construction industry is now over 20 percent. Our industry has literally millions of people looking for work and far too many losing their homes and facing other severe hardships.

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Sincerely,

William P. Hite  
General President

cc: The Honorable Hillary Rodham Clinton, Secretary of State  
The Honorable Carol Browner., Director, White House Energy and Climate Change  
The Honorable Dr. Steven Chu, U.S. Secretary of Energy  
Rick Terven, Sr., Director, UA Political and Legislative Affairs

Paul Elliott

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Thank you.

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SS14

Toiv, Nora F

**From:** Goldwyn, David L  
**Sent:** Monday, June 28, 2010 9:44 PM  
**To:** Toiv, Nora F  
**Subject:** Re: Renewing

Nora:

Let me get you in the am.

Not sure who he spoke to. Not my personal staff.

My instinct is that until the public comment period closes July 2, all views on the permit application should be sent by letter to the department to be part of the public record.

If Cheryl has seen some of the NGOs already, she might see Paul and be balanced in that way.

The issue is whether they would still produce the oil if we did not permit the pipeline. If so the emissions would be produced anyway. If not then denying the permit forestalls those emissions. That is what they need to address on the record, so it can be responded to in the EIS and national interest decision.

---

**From:** Toiv, Nora F  
**To:** Goldwyn, David L  
**Sent:** Mon Jun 28 18:50:36 2010  
**Subject:** Fw: Renewing

Hi David. Paul worked with Cheryl and I on the campaign. Can you provide me with some background on the below message? Also do you think Cheryl should take this meeting? Thanks!

---

**From:** Paul Elliott <[paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)>  
**To:** Toiv, Nora F  
**Sent:** Mon Jun 28 18:15:14 2010  
**Subject:** Renewing

Nora,

I hope you are well and holding up in this D.C. heat.

I request that you not circulate widely what I am going to share with you in this message.

My company's regulatory lawyer just informed me that this afternoon directed by professionals who work for David Goldwyn to try to provide an assessment of the impact to my organization if the State Department were to withhold approving a presidential permit for a period of up to two (2) years.

In light of this new information, TransCanada is renewing its request for our CEO Russ Girling to meet and discuss with Cheryl Mills the range of issues specific to the Keystone KXL Pipeline project and the State Department's consideration of a presidential permit.

Mr. Girling will make himself available in D.C. when it's most convenient for Cheryl; I just need enough lead time for him to travel from wherever he might be.

In day and hour in July, Cheryl Mill's schedule allows for a meeting, Mr. Girling will make himself available.

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 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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TransCanada hopes we have a chance to have our views heard and considered at the highest levels of your organization.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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S815

**Toiv, Nora F**

**From:** Sullivan, Jacob J  
**Sent:** Wednesday, June 30, 2010 12:50 PM  
**To:** Toiv, Nora F  
**Subject:** Re: Renewing

Will discuss w cdm

---

**From:** Toiv, Nora F  
**To:** Sullivan, Jacob J  
**Sent:** Wed Jun 30 12:15:47 2010  
**Subject:** FW: Renewing

See below. Paul has been asking since we've been here for the CEO of TransCanada to meet w/CDM. I just talked to David G about it. TransCanada is applying for permits to lay pipeline. Have you heard of this? I'll talk to CDM about it and see if she's willing to do it, but just want any background you might have.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [[mailto:paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)]  
**Sent:** Monday, June 28, 2010 6:15 PM  
**To:** Toiv, Nora F  
**Subject:** Renewing

Nora,

I hope you are well and holding up in this D.C. heat.

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Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

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SS16

Toiv, Nora F

From: Paul Elliott [paul\_elliott@transcanada.com]  
 Sent: Wednesday, June 30, 2010 2:38 PM  
 To: Paul Elliott  
 Subject: Keystone Pipeline Starts Deliveries to U.S. Midwest

### Keystone Pipeline Starts Deliveries to U.S. Midwest

CALGARY, Alberta - **June 30, 2010** - TransCanada Corporation (TSX, NYSE: TRP) (TransCanada) today announced that line fill of the first phase of the US\$12 billion Keystone Pipeline has been completed and commercial deliveries of crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois will commence on June 30, 2010.

"This represents a significant milestone in the overall development of the Keystone Pipeline project," says Hal Kvisle, TransCanada president and chief executive officer. "Looking forward, Keystone will play an important role in linking a secure and growing supply of Canadian crude oil with the largest refining markets in the United States, significantly improving North American energy security.

"The pipeline will also continue to have a significant impact on the North American economy through the thousands of manufacturing and construction jobs it is creating and the millions of dollars in tax revenues that will be paid annually to state and local authorities," added Mr. Kvisle. "Recently, an independent economic study found that the Keystone Gulf Coast expansion alone would inject more than US\$20 billion into the U.S. economy and create 119,000 person-years of employment.

"We take pride in our long-standing reputation as a safe pipeline operator and socially responsible company," added Mr. Kvisle. "Construction and operation of the Keystone Pipeline system will continue to meet or exceed world-class safety and environmental standards. We are committed to being a reliable and safe operator that treats all stakeholders with honesty and respect."

Pipelines are the safest method of moving oil. TransCanada has been in the pipeline business for over 50 years and is a leader with one of the best pipeline safety and operating records in the industry. To ensure the safety and integrity of Keystone, TransCanada will monitor and control the pipeline system from a computerized control centre that is staffed 24 hours a day, 365 days a year. If a drop in pressure or flow is detected, the affected portion of the pipeline could be isolated and removed from service by remotely closing the valves.

In Canada, the first phase of Keystone involved the conversion of approximately 864 kilometres (537 miles) of existing natural gas pipeline in Saskatchewan and Manitoba to crude oil pipeline service. It also included approximately 373 kilometres (232 miles) of new 30-inch diameter pipeline, 16 pump stations and the Keystone Hardisty Terminal. The U.S. portion of the Keystone Pipeline included 1,744 kilometres (1,084 miles) of new, 30-inch diameter pipeline in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois. It also involved construction of 23 pump stations and delivery facilities at Wood River and Patoka, Illinois. TransCanada has commenced construction of the second phase of Keystone. It includes a 480 kilometre (298 mile) extension from Steele City, Nebraska to Cushing, Oklahoma and 11 new pump stations which will increase the capacity of the pipeline from 435,000 barrels per day to 591,000 barrels per day. The second phase of Keystone is expected to be in-service in the first quarter of 2011.

In July 2008, TransCanada announced plans to expand the Keystone crude oil pipeline system and provide additional capacity of 500,000 barrels per day from Western Canada directly to the U.S. Gulf Coast. An innovative and cost-competitive solution to a growing North American demand for energy, TransCanada received approval in March 2010 from both the National Energy Board in Canada and the South Dakota Public Utility Commission for the proposed Gulf Coast Expansion project. TransCanada expects to commence construction of the Gulf Coast expansion in the first quarter of 2011, pending the receipt of all regulatory approvals.

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The Keystone Gulf Coast Expansion project is a 2,673 kilometre (1,661 mile), 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate the portion of the Keystone Pipeline that is currently under construction through Kansas to Cushing, Oklahoma. The pipeline will then continue on through Oklahoma and Texas to a delivery point near existing terminals on the Gulf Coast, to serve the Port Arthur, Texas marketplace. When completed, the expansion project will increase the commercial capacity of the Keystone Pipeline system to approximately 1.1 million barrels per day.

The US\$12 billion Keystone Pipeline system is 83 per cent subscribed with long-term, binding contracts that include commitments of 910,000 barrels per day for an average term of approximately 18 years.

To view a map of the proposed pipeline route and obtain other information about the pipeline, please visit the project web page at [www.transcanada.com/keystone.html](http://www.transcanada.com/keystone.html). Images and video depicting the various stages of the pipelines construction are available at [www.transcanada.com/mediacentre.html](http://www.transcanada.com/mediacentre.html).

With more than 50 years' experience, TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and oil pipelines, power generation and gas storage facilities. TransCanada's network of wholly owned natural gas pipelines extends more than 60,000 kilometres (37,000 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 380 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, or has interests in, over 11,700 megawatts of power generation in Canada and the United States. TransCanada is developing one of North America's largest oil delivery systems. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP. For more information visit: [www.transcanada.com](http://www.transcanada.com)

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS17

**Toiv, Nora F**

---

**From:** Paul Elliott [paul\_elliott@transcanada.com]  
**Sent:** Friday, July 02, 2010 3:28 PM  
**To:** Toiv, Nora F  
**Subject:** Re:

Thank you Nora.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

**From:** Toiv, Nora F <ToivNF@state.gov>  
**To:** Paul Elliott  
**Sent:** Fri Jul 02 11:38:49 2010  
**Subject:**

Hi Paul, I wanted to let you know that I did get your email and I need to speak to Cheryl about your request. She is on vacation all next week, so I will try and get back to you soon.

Nora Toiv  
Office of the Secretary  
202-647-8633

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REVIEW AUTHORITY: JAMES F COOPER  
DATE/CASE ID: 09 AUG 2011 201101495

SSIB

**Toiv, Nora F**

**From:** Sullivan, Jacob J  
**Sent:** Wednesday, July 14, 2010 7:17 PM  
**To:** Toiv, Nora F; Fuchs, Michael H  
**Subject:** RE: Monday, July 19 - Tuesday, July 20

Well, conveniently, she'll be out of town.

---

**From:** Toiv, Nora F  
**Sent:** Wednesday, July 14, 2010 7:05 PM  
**To:** Sullivan, Jacob J; Fuchs, Michael H  
**Subject:** Re: Monday, July 19 - Tuesday, July 20

He already met with him.

---

**From:** Sullivan, Jacob J  
**To:** Toiv, Nora F; Fuchs, Michael H  
**Sent:** Wed Jul 14 18:51:28 2010  
**Subject:** RE: Monday, July 19 - Tuesday, July 20

Should do Goldwyn.

---

**From:** Toiv, Nora F  
**Sent:** Wednesday, July 14, 2010 4:58 PM  
**To:** Sullivan, Jacob J; Fuchs, Michael H  
**Subject:** FW: Monday, July 19 - Tuesday, July 20

What's the latest on this?

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [[mailto:paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)]  
**Sent:** Wednesday, July 14, 2010 3:47 PM  
**To:** Toiv, Nora F  
**Subject:** Monday, July 19 - Tuesday, July 20

Nora,

Just to follow-up on our recent exchange. TransCanada Energy and Oil Pipelines President Alex Pourbaix will be in Washington D.C. on Monday, July 19 and Tuesday, July 20. Mr. Pourbaix is available to meet with Cheryl should her schedule permit. Mr. Pourbaix's schedule is currently flexible and he can meet on Monday, July 19 from 9:00 a.m. until about 10:30 a.m. and again on Monday, July 19 from 12:30 up to 2:00 p.m. Mr. Pourbaix's schedule is currently open on Tuesday, July 20.

The purpose of this proposed meeting is to brief Cheryl on the progress of the Keystone Pipeline and open the line of communications between the senior management of TransCanada and that of the U.S. Department of State.

**Background on Keystone Pipeline**

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 DATE/CASE ID: 09 AUG 2011 201101495

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TransCanada is constructing the Keystone Pipeline system. Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

TransCanada's proposal to extend the Keystone Pipeline will create 13,000 for organized labor in 2011 - 2012.

In addition, the project will generate \$486.36 million in tax revenues for state governments and \$99.1 million for local entities where the pipeline is located.

Please let me know, when your schedule permits, if Cheryl might be available for a brief and important meeting.

Thank you.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS20

**Toiv, Nora F**

**From:** Toiv, Nora F  
**Sent:** Friday, July 16, 2010 10:51 AM  
**To:** 'Paul Elliott'  
**Subject:** RE: Monday, July 19 - Tuesday, July 20

Cheryl will be traveling with the Secretary. Sorry!

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Friday, July 16, 2010 10:48 AM  
**To:** Toiv, Nora F  
**Subject:** FW: Monday, July 19 - Tuesday, July 20

Hi Nora,

I'm just following up to see if Cheryl's schedule might permit for her to meet with TransCanada's Energy and Oil Pipelines President Alex Pourbaix on Monday, July 19 or Tuesday, July 20.

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Paul Elliott  
**Sent:** Wednesday, July 14, 2010 3:47 PM  
**To:** 'ToivNF@state.gov'  
**Subject:** Monday, July 19 - Tuesday, July 20

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The purpose of this proposed meeting is to brief Cheryl on the progress of the Keystone Pipeline and open the line of communications between the senior management of TransCanada and that of the U.S. Department of State.

### **Background on Keystone Pipeline**

TransCanada is constructing the Keystone Pipeline system. Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

TransCanada's proposal to extend the Keystone Pipeline will create 13,000 for organized labor in 2011 - 2012.

In addition, the project will generate \$486.36 million in tax revenues for state governments and \$99.1 million for local entities where the pipeline is located.

Please let me know, when your schedule permits, if Cheryl might be available for a brief and important meeting.

Thank you.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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SS21

Toiv, Nora F

**From:** Toiv, Nora F  
**Sent:** Friday, July 16, 2010 9:35 PM  
**To:** Fuchs, Michael H; Sullivan, Jacob J  
**Subject:** Fw: Request for Meeting on Keystone Pipeline  
**Attachments:** Pourbaix Request for State Department Under Secretary Hormats Meeting July 2010.doc

Should I arrange?

---

**From:** Paul Elliott <paul\_elliott@transcanada.com>  
**To:** Toiv, Nora F  
**Sent:** Fri Jul 16 20:41:51 2010  
**Subject:** FW: Request for Meeting on Keystone Pipeline

Nora,

Would it be possible for your office to ask Under Secretary Hormat's office to meet with Alex Pourbaix on Tuesday, July 20 at 10am? Pourbaix is also available at 2:30 on Tuesday, July 20.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

**From:** Paul Elliott  
**Sent:** Friday, July 16, 2010 11:15 AM  
**To:** nelsony@state.gov  
**Subject:** FW: Request for Meeting on Keystone Pipeline

Hello Ms. Nelson,

I'm just following up to see if Under Secretary Hormats might be available on Monday, July 19 or Tuesday, July 20 to meet with Energy and Oil Pipelines President Alex Pourbaix.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

**From:** Paul Elliott  
**Sent:** Monday, July 12, 2010 4:26 PM  
**To:** nelsony@state.gov  
**Subject:** Request for Meeting on Keystone Pipeline

Attention: Ellen Nelson

July 12, 2010



# UNCLASSIFIED

Under Secretary for Economic, Energy and Agricultural Affairs  
United States Department of State  
2201 C Street, NW  
Washington, D.C. 20520

Dear Under Secretary Hormats,

TransCanada's Energy and Oil Pipelines President Alex Pourbaix request the chance to meet with you on Monday, July 19, Tuesday, July 20 or Wednesday, July 21 in Washington D.C. to brief you on the progress of the Keystone Pipeline project. Keystone is a crude oil pipeline that will transport more than a million barrels of oil a day from Alberta, Canada, through the plains states to refineries near Houston. Should your schedule permit, Mr. Pourbaix can meet in Washington D.C. on Monday, July 19, Tuesday, July 20, and Wednesday, July 21. Mr. Pourbaix's schedule is currently flexible. Joining Mr. Pourbaix for this meeting will be Keystone Pipeline Vice President Robert Jones.

As you well know, Canada supplies more oil to the U.S. than any other country; 12 percent of current U.S. petroleum-consumption needs are supplied by Canada and represents 18 percent of U.S. petroleum imports. At the same time, the total greenhouse gas emissions from the oil sands is less than 0.1 percent of global GHG emissions, and has decreased more than 30 percent per barrel since 1990.

TransCanada is proposing to expand the existing Keystone pipeline which is to cross the Canada and U.S. borders in to Montana, run through South Dakota and central Nebraska before coming together with the original Keystone Pipeline in Steele City, Nebraska.

## *Background on Keystone Pipeline*

Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka. Keystone Phase I will be in service by mid-2010. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. The U.S. portion of the Keystone Pipeline includes 1,084 miles of new, 30-inch pipeline and 23 pump stations.

Keystone Cushing Expansion (Phase II) is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma.

The 36-inch pipeline is scheduled for construction in 2010 and will connect to storage and distribution facilities at Cushing, a major crude oil marketing/refining and pipeline hub. In addition, this phase will include the construction of four new pump stations and an expansion of additional pumping units for 22 of the 23 pump stations built as part of Phase I in the United States.

The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline (Phase II) through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace.

Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. It is anticipated this third phase of Keystone would start construction in the first quarter of 2011 and be complete by the fourth quarter of 2011.

Construction of the fourth phase of Keystone would follow with approximately 327 miles of new pipeline through Canada. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Construction of this phase is anticipated to be completed by the first quarter of 2013.

Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area. Keystone Gulf Coast Expansion includes construction of an additional eight pump stations in Canada and 30 pump stations in the United States.

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Please contact me at paul\_elliott@transcanada.com or at 917.828.3983, with any questions and to confirm times that might be convenient for you to meet with TransCanada's Energy and Oil Pipelines President Alex Pourbaix.

Thank you, in advance, for your consideration.

Sincerely,

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS23

**Toiv, Nora F**

**From:** Toiv, Nora F  
**Sent:** Thursday, August 05, 2010 5:28 PM  
**To:** Fuchs, Michael H; Sullivan, Jacob J  
**Subject:** FW: Special Permit Application Withdrawn for Keystone Gulf Coast Expansion Pipeline

fyi

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Thursday, August 05, 2010 4:30 PM  
**To:** Undisclosed recipients  
**Subject:** Special Permit Application Withdrawn for Keystone Gulf Coast Expansion Pipeline

Special Permit Application Withdrawn for Keystone Gulf Coast Expansion Pipeline

Calgary, Alberta – August 5, 2010 – TransCanada has withdrawn its request to the Pipeline and Hazardous Materials Safety Administration (PHMSA) for a special permit. The permit would have allowed TransCanada to build the proposed Keystone XL pipeline using stronger steel with additional safety conditions and operate the pipeline at a slightly higher pressure than current federal regulations for oil pipelines in the United States.

After listening to concerns from the public and various political leaders, TransCanada made the decision to withdraw the permit application. The company will build Keystone XL using the as-proposed stronger steel and operate it at a lower level of pressure, consistent with current U.S. regulations. The company recognizes it needs to take more steps to assure the public and stakeholders the parameters of the special permit would result in a safer pipeline. The company will continue to establish an operating record which will demonstrate the strength and integrity of the Keystone Pipeline System, which has been granted a special permit.

Keystone XL will implement the additional safety measures that would have been required under the special permit. These measures offer an enhanced level of safety and would allow TransCanada to request a special permit in the future. These safety measures also will be consistent with those that have been implemented on the existing Keystone Pipeline. In issuing the special permit for Keystone, PHMSA concluded the permit would provide a level of safety equal to or greater than that provided if the pipeline were operated under the current standard.

Without the special permit, Keystone XL will meet all of its initial commercial commitments to serve Gulf Coast refineries. Keystone also will continue to work with U.S. producers in the Bakken and broader Williston Basin area to provide needed transport for growing production in Montana and the Dakotas.

The Keystone XL project received approval in March 2010 from both the South Dakota Public Utility Commission and the National Energy Board in Canada. Pending receipt of additional permits, construction is planned to begin in 2011.

When completed, the Keystone XL project will increase the commercial capacity of the overall Keystone Pipeline System from 590,000 barrels per day to approximately 1.1 million barrels per day. The \$12 billion system is 83 percent subscribed with long-term, binding contracts that include commitments of 910,000 barrels per day for an average term of approximately 18 years.

Commercial operations of the first phase of the Keystone system began June 30. Construction of the extension from Steele City Nebraska to Cushing Oklahoma is one-third complete and the pipeline is expected to be operational in 2011.

Keystone XL is a planned 1,959-mile (3,134-kilometre), 36-inch crude oil pipeline stretching from Hardisty, Alberta and moving southeast through Saskatchewan, Montana, South Dakota and Nebraska. It

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will connect with a portion of the Keystone Pipeline that will be built through Kansas to Cushing, Oklahoma and facilitate take away capacity from U.S. hubs located on the pipeline. The pipeline will then continue on through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace.

To view a map of the proposed pipeline route, please visit the project web page at [www.transcanada.com/keystone](http://www.transcanada.com/keystone)

With more than 50 years' experience, TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and oil pipelines, power generation and gas storage facilities. TransCanada's network of wholly owned natural gas pipelines extends more than 60,000 kilometres (37,000 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 380 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, or has interests in, over 11,700 megawatts of power generation in Canada and the United States. TransCanada is developing one of North America's largest oil delivery systems. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP. For more information visit: [www.transcanada.com](http://www.transcanada.com)

- 30 -

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS27

Toiv, Nora F

**From:** Toiv, Nora F  
**Sent:** Wednesday, September 29, 2010 5:11 PM  
**To:** Sullivan, Jacob J  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Great. set him up w/Monica

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Sullivan, Jacob J  
**Sent:** Wednesday, September 29, 2010 1:57 PM  
**To:** Toiv, Nora F; Fuchs, Michael H  
**Subject:** Re: North American Energy Co CEO Request for Meeting

I will take mtg.

---

**From:** Toiv, Nora F  
**To:** Fuchs, Michael H; Sullivan, Jacob J  
**Sent:** Wed Sep 29 13:41:42 2010  
**Subject:** FW: North American Energy Co CEO Request for Meeting

What's the latest on this? This request *never goes away*.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [[mailto:paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com)]  
**Sent:** Wednesday, September 29, 2010 1:10 PM  
**To:** Toiv, Nora F  
**Subject:** North American Energy Co CEO Request for Meeting

September 29, 2010

Attention: Nora Toiv

Cheryl D. Mills  
 Counselor & Chief of Staff to the U.S. Secretary of State  
 Office of the Secretary  
 U.S. Department of State  
 2201 C Street NW  
 Washington, DC 20520

Dear Ms. Mills,

TransCanada Corporation President and CEO Russ Girling is requesting the chance to meet with you on October 14 in Washington D.C. The purpose of this proposed meeting is to brief you on the progress of the Keystone Pipeline. Mr. Girling's schedule currently allows for him to meet with you anytime on Thursday, October 14 from 9:30 a.m. until about 1:30 p.m.

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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TransCanada is constructing the Keystone Pipeline system. Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

TransCanada's proposal to extend the Keystone Pipeline will create 13,000 organized labor construction jobs in 2011 - 2012. In addition, the project will generate \$486.36 million in tax revenues for state governments and \$99.1 million for local entities where the pipeline is located.

Please contact me at [paul\\_elliott@transcanada.com](mailto:paul_elliott@transcanada.com) or at 917.828.3983, with any questions and to confirm times that might be convenient for you to meet with TransCanada's President and CEO Russ Girling.

Thank you, in advance, for your consideration.

Sincerely,

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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SSO

**Toiv, Nora F**

---

**From:** Toiv, Nora F  
**Sent:** Tuesday, October 05, 2010 11:51 AM  
**To:** Hanley, Monica R  
**Subject:** RE: North American Energy Co CEO Request for Meeting

You can just ask for another date.

Sorry I missed this email!

Nora Toiv  
Office of the Secretary  
202-647-8633

---

**From:** Hanley, Monica R  
**Sent:** Friday, October 01, 2010 11:09 AM  
**To:** Toiv, Nora F  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Jake will be on foreign travel on the 14<sup>th</sup>.  
Do you want me to ask paul for another date or is there someone else that cdm wants mr. girling to meet w?

---

**From:** Toiv, Nora F  
**Sent:** Wednesday, September 29, 2010 3:09 PM  
**To:** 'Paul Elliott'  
**Cc:** Hanley, Monica R  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Adding Monica who schedules for Jake, thanks.

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, September 29, 2010 2:35 PM  
**To:** Toiv, Nora F  
**Subject:** Re: North American Energy Co CEO Request for Meeting

Yes  
That would be perfect  
Thank you Nora  
Just let me know what time works for Jake Sullivan and I will schedule Mr. Girling accordingly.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

UNITED STATES DEPARTMENT OF STATE

**From:** Toiv, Nora F [mailto:ToivNF@state.gov] REVIEW AUTHORITY: JAMES F COOPER  
**Sent:** Wednesday, September 29, 2010 12:04 PM DATE/CASE ID: 09 AUG 2011 201101495

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**To:** Paul Elliott  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Paul-

Jake Sullivan, our Deputy Chief of Staff, would like to meet with Mr. Girling. Will that work? Thanks.

Nora Toiv  
Office of the Secretary  
202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, September 29, 2010 1:10 PM  
**To:** Toiv, Nora F  
**Subject:** North American Energy Co CEO Request for Meeting

September 29, 2010

Attention: Nora Toiv

Cheryl D. Mills  
Counselor & Chief of Staff to the U.S. Secretary of State  
Office of the Secretary  
U.S. Department of State  
2201 C Street NW  
Washington, DC 20520

Dear Ms. Mills,

TransCanada Corporation President and CEO Russ Girling is requesting the chance to meet with you on October 14 in Washington D.C. The purpose of this proposed meeting is to brief you on the progress of the Keystone Pipeline. Mr. Girling's schedule currently allows for him to meet with you anytime on Thursday, October 14 from 9:30 a.m. until about 1:30 p.m.

TransCanada is constructing the Keystone Pipeline system. Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

TransCanada's proposal to extend the Keystone Pipeline will create 13,000 organized labor construction jobs in 2011 - 2012. In addition, the project will generate \$486.36 million in tax revenues for state governments and \$99.1 million for local entities where the pipeline is located.

Please contact me at paul\_elliott@transcanada.com or at 917.828.3983, with any questions and to confirm times that might be convenient for you to meet with TransCanada's President and CEO Russ Girling.

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Thank you, in advance, for your consideration.

Sincerely,

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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Thank you.

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SS31

**Toiv, Nora F**

---

**From:** Paul Elliott [paul\_elliott@transcanada.com]  
**Sent:** Wednesday, October 06, 2010 3:27 PM  
**To:** Toiv, Nora F  
**Subject:** Re: North American Energy Co CEO Request for Meeting

I really appreciate your consideration. Thank you.

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Toiv, Nora F [mailto:ToivNF@state.gov]  
**Sent:** Wednesday, October 06, 2010 01:19 PM  
**To:** Paul Elliott  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Hi Paul. Sorry it couldn't work out w/Jake but Cheryl maybe fly down to Haiti that day. I'll let you know if that changes.  
 Thanks.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, October 06, 2010 2:49 PM  
**To:** Toiv, Nora F  
**Subject:** Re: North American Energy Co CEO Request for Meeting

Hi Nora,

Monica just informed me that Jake Sullivan is on travel all next week and as such he's unable to meet with TransCanada President and CEO. By any chance would Cheryl Mills be available on October 14. I'm just checking. Thank you.

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Toiv, Nora F [mailto:ToivNF@state.gov]  
**Sent:** Wednesday, September 29, 2010 12:04 PM  
**To:** Paul Elliott  
**Subject:** RE: North American Energy Co CEO Request for Meeting

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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Paul-

Jake Sullivan, our Deputy Chief of Staff, would like to meet with Mr. Girling. Will that work? Thanks.

Nora Toiv  
Office of the Secretary  
202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, September 29, 2010 1:10 PM  
**To:** Toiv, Nora F  
**Subject:** North American Energy Co CEO Request for Meeting

September 29, 2010

Attention: Nora Toiv

Cheryl D. Mills  
Counselor & Chief of Staff to the U.S. Secretary of State  
Office of the Secretary  
U.S. Department of State  
2201 C Street NW  
Washington, DC 20520

Dear Ms. Mills,

TransCanada Corporation President and CEO Russ Girling is requesting the chance to meet with you on October 14 in Washington D.C. The purpose of this proposed meeting is to brief you on the progress of the Keystone Pipeline. Mr. Girling's schedule currently allows for him to meet with you anytime on Thursday, October 14 from 9:30 a.m. until about 1:30 p.m.

TransCanada is constructing the Keystone Pipeline system. Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

TransCanada's proposal to extend the Keystone Pipeline will create 13,000 organized labor construction jobs in 2011 - 2012. In addition, the project will generate \$486.36 million in tax revenues for state governments and \$99.1 million for local entities where the pipeline is located.

Please contact me at paul\_elliott@transcanada.com or at 917.828.3983, with any questions and to confirm times that might be convenient for you to meet with TransCanada's President and CEO Russ Girling.

Thank you, in advance, for your consideration.

Sincerely,

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Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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Thank you.

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Thank you.

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SS32

**Toiv, Nora F**

**From:** Smitham, Thomas D  
**Sent:** Wednesday, October 13, 2010 7:21 PM  
**To:** Toiv, Nora F; 'Paul Elliott'  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Under Secretary Hormats is not available on Thursday morning. Will check on scheduling in for later in the day.

Not to be too bureaucratic about this, but since U/S Hormats signs the permits for cross-border pipelines, including Keystone, I have to check with our legal folks too.

Copying scheduler Ellen Bero who can circle back in the morning.

---

**From:** Toiv, Nora F  
**Sent:** Wednesday, October 13, 2010 5:57 PM  
**To:** 'Paul Elliott'  
**Cc:** Smitham, Thomas D  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Adding Tom.

---

**From:** Toiv, Nora F  
**Sent:** Wednesday, October 13, 2010 5:30 PM  
**To:** 'Paul Elliott'  
**Cc:** Limage, Simon G  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Hi Paul. I'm sorry but Cheryl's calendar is booked tomorrow. I'm adding Tom who can advise, re: Bob.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, October 13, 2010 4:56 PM  
**To:** Toiv, Nora F  
**Subject:** FW: North American Energy Co CEO Request for Meeting

Hi Nora,

I'm just checking in to see if Cheryl or anyone else from her staff might be available tomorrow at approximately 11:30 to meet with TransCanada CEO Russ Girling?

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

---

**From:** Paul Elliott  
**Sent:** Tuesday, October 12, 2010 6:30 PM  
 UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

UNCLASSIFIED

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**To:** Toiv, Nora F  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Hi Nora,

If Cheryl isn't available on this Thursday to meet with Russ Girling, I would ask if you might consider asking Under Secretary Robert Hormats to meet with Mr. Girling. The purpose of this meeting is really just to meet and greet and give the Under Secretary (or Cheryl Mills if she is available) the chance to hear first hand about TransCanada's presence in North America and our work in the natural gas sector and how we've worked in support of climate change. Mr. Girling will likely talk generally about where things stand with the Keystone XL pipeline project and our continued efforts to secure support for the project from people like Montana Senator Max Baucus.

As always, I appreciate your consideration of our request.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

**From:** Toiv, Nora F [mailto:ToivNF@state.gov]  
**Sent:** Wednesday, October 06, 2010 3:20 PM  
**To:** Paul Elliott  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Hi Paul. Sorry it couldn't work out w/Jake but Cheryl maybe fly down to Haiti that day. I'll let you know if that changes.  
Thanks.

Nora Toiv  
Office of the Secretary  
202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, October 06, 2010 2:49 PM  
**To:** Toiv, Nora F  
**Subject:** Re: North American Energy Co CEO Request for Meeting

Hi Nora,

Monica just informed me that Jake Sullivan is on travel all next week and as such he's unable to meet with TransCanada President and CEO. By any chance would Cheryl Mills be available on October 14. I'm just checking. Thank you.

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

---

**From:** Toiv, Nora F [mailto:ToivNF@state.gov]  
**Sent:** Wednesday, September 29, 2010 12:04 PM

UNCLASSIFIED

UNCLASSIFIED

**To:** Paul Elliott  
**Subject:** RE: North American Energy Co CEO Request for Meeting

Paul-

Jake Sullivan, our Deputy Chief of Staff, would like to meet with Mr. Girling. Will that work? Thanks.

Nora Toiv  
Office of the Secretary  
202-647-8633

---

**From:** Paul Elliott [mailto:paul\_elliott@transcanada.com]  
**Sent:** Wednesday, September 29, 2010 1:10 PM  
**To:** Toiv, Nora F  
**Subject:** North American Energy Co CEO Request for Meeting

September 29, 2010

Attention: Nora Toiv

Cheryl D. Mills  
Counselor & Chief of Staff to the U.S. Secretary of State  
Office of the Secretary  
U.S. Department of State  
2201 C Street NW  
Washington, DC 20520

Dear Ms. Mills,

TransCanada Corporation President and CEO Russ Girling is requesting the chance to meet with you on October 14 in Washington D.C. The purpose of this proposed meeting is to brief you on the progress of the Keystone Pipeline. Mr. Girling's schedule currently allows for him to meet with you anytime on Thursday, October 14 from 9:30 a.m. until about 1:30 p.m.

TransCanada is constructing the Keystone Pipeline system. Originating at Hardisty, Alberta, the Keystone Pipeline will transport crude oil to U.S. Midwest markets at Wood River and Patoka, Illinois. In the United States, pipeline and pump station construction are approaching completion with all major activities expected to be complete in North Dakota, South Dakota, Nebraska, Kansas, Missouri and Illinois in early 2010. Keystone Cushing Expansion is an extension of the Keystone Pipeline of approximately 298 miles from Steele City, Nebraska to Cushing, Oklahoma. The proposed Keystone Gulf Coast Expansion Project is a 1,959 mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. It would incorporate a portion of the Keystone Cushing Extension Pipeline through Nebraska, Kansas to serve markets at Cushing, Oklahoma before continuing through Oklahoma to a delivery point near existing terminals in Nederland, Texas to serve the Port Arthur, Texas marketplace. Keystone plans to first construct 435 miles of new pipeline in Oklahoma and Texas. The pipeline would then extend south approximately 852 miles through Montana and South Dakota to Steele City, Nebraska. Also proposed is an approximate 47-mile pipeline to transport crude oil from Liberty County, Texas to the Houston, Texas area.

TransCanada's proposal to extend the Keystone Pipeline will create 13,000 organized labor construction jobs in 2011 - 2012. In addition, the project will generate \$486.36 million in tax revenues for state governments and \$99.1 million for local entities where the pipeline is located.

Please contact me at paul\_elliott@transcanada.com or at 917.828.3983, with any questions and to confirm times that might be convenient for you to meet with TransCanada's President and CEO Russ Girling.

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Thank you, in advance, for your consideration.

Sincerely,

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS33

**Toiv, Nora F**

**From:** Ann McGlynn [ann@ncpr.com]  
**Sent:** Monday, October 25, 2010 10:41 AM  
**To:** Toiv, Nora F  
**Subject:** RE: Keystone XL Pipeline

Thank you very much, Nora. I appreciate your quick feedback.

Ann McGlynn

---

**From:** Toiv, Nora F [mailto:ToivNF@state.gov]  
**Sent:** Monday, October 25, 2010 9:39 AM  
**To:** Ann McGlynn  
**Cc:** Paul Elliott  
**Subject:** RE: Keystone XL Pipeline

Ann-

There is no need to send letters to both Cheryl and me. Please just send them to me. Also I think I got this letter 3 different ways today and Cheryl got it twice. Can you please limit the number of people who are sending us emails? I usually communicate with Paul. Thanks.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

**From:** Ann McGlynn [mailto:ann@ncpr.com]  
**Sent:** Monday, October 25, 2010 10:31 AM  
**To:** Toiv, Nora F  
**Subject:** Keystone XL Pipeline

Good morning.

Please find attached a letter in support of the U.S. Department of State completing its environmental assessment of the Keystone XL Pipeline. This project will stimulate \$20 billion in new spending, spur creation of 118,000 jobs and generate millions in state and local taxes.

If you have any questions, please feel free to contact me or the following:

Rick Terven Sr., United Association, 410-269-2000  
 Joe Brown, IUOE, 202-778-2626  
 Leslie Miller, Teamsters, 202-624-8734  
 David Miller, LIUNA, 202-942-2285

Thank you.

**Ann McGlynn**

Public relations manager  
 Nehlsen Communications  
 309.736.1071 (office)  
 563.370.0004 (cell)  
[www.ncpr.com](http://www.ncpr.com)

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Honorable Hillary Rodham Clinton  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington, DC 20520

Dear Secretary Clinton:

We respectfully request that the State Department complete its environmental assessment of the impact of the Keystone XL Pipeline so that the National Determination review period might commence and a Presidential Permit might be approved. Each week that goes by in the State Department's permitting process of the Keystone XL, a process that has gone on for more than two years, is lost ground for thousands of workers who are sitting on the sidelines of our ailing national economy.

All four of our International Unions - the United Association of Plumbers and Pipefitters, the International Union of Operating Engineers, the International Brotherhood of Teamsters and the Laborers' International Union of North America - have executed a project labor agreement to build the Keystone XL Pipeline. We are committed to making Keystone XL a reality for our nation and we are prepared to begin work as soon as the Presidential Permit for the \$7 billion privately funded Keystone XL pipeline is approved.

By facilitating this project, you have the power to pave a path to better days and raise the standard of living for working men and women in the construction, manufacturing and transportation industries. According to the Center for American Progress, 2.1 million construction workers are out of a job. Early this year, unemployment in the construction industry actually jumped to 25 percent. The ripple effect is bleak; segments of the manufacturing industry which produces building materials are currently operating at half their production capacity as a result of the steep declines in the construction industry. According to a recent Federal Reserve projection, the U.S. economy has been losing momentum since the end of last year.

Approving the Keystone XL Pipeline project will ignite segments of our ever weak economy. An independent review of the Keystone XL's potential economic impact finds that during the construction period the pipeline will stimulate \$20 billion in new spending for the U.S. economy, spur the creation of 118,000 jobs and generate more than \$585 million in state and local taxes for the states along the pipeline route. When Keystone XL is operational, the states along the pipeline route are expected to receive an additional \$5.2 billion in property taxes during the operating life of the pipeline, according to the analysis. That kind of renewed, tangible prosperity is the kind of change the American worker can believe in.

We are aware of the arguments put forward by the opponents of Keystone XL. Generally, their criticism centers on the belief that further development of Canada's oil sands puts in jeopardy U.S. efforts aimed at capping carbon emissions and greenhouse gas. While we clearly understand that our Federal government is seeking to develop a balanced policy to address our nation's energy and environmental needs and challenges, efforts to block Keystone XL would undermine rather than further this goal. Comprehensive energy and environmental policy should strive to address climate concerns while simultaneously ensuring adequate supplies of reliable energy and promoting energy independence and national security. Alternative energy sources are generally still in developmental stages; therefore it is likely that the U.S. consumer will remain substantially dependant on carbon fuels for the next several decades. The Keystone Project, which will greatly promote U.S. energy independence, will provide secure access to reliable energy for years to come and strengthen relations with Canada, which is one of the U.S.'s strongest, strategic allies.

Secretary Clinton, we call on you to approve a Presidential Permit for Keystone XL so that the American worker can get back to the task of strengthening their families and the communities they live in.

Sincerely,

William P. Hite  
General President  
United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the U.S. & Canada, AFL-CIO

Vincent J. Giblin  
General President  
International Union of Operating Engineers

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Terence M. O'Sullivan  
General President  
Laborers' International Union of North America

James P. Hoffa  
General President  
International Brotherhood of Teamsters

CC: Congresswoman Nancy Pelosi, Speaker of the House  
Congressman Steny Hoyer, House Majority Leader  
Senator Harry Reid, Senate Majority Leader  
Senator Richard Durbin, Senate Majority Whip  
Cheryl Mills, Counselor and Chief of Staff to the Secretary of State  
James Steinberg, Deputy Secretary of State  
Robert Hormats, State Under Secretary, Economic, Energy & Agricultural Affairs  
David Goldwyn, Coordinator, International Energy, State Department  
Peter Rouse, White House Chief of Staff  
Thomas E. Donilon, National Security Advisor  
Michael Froman, Deputy National Security Adviser, International Economic Affairs  
Valerie Jarrett, Senior Advisor to the President  
Jim Messina, White House Deputy Chief of Staff  
Carol Browner, Assistant to the President for Energy and Climate Change  
Nancy Sutley, Chair, White House Council on Environmental Quality  
Heather Zichal, Office of Energy and Climate Change  
Austan Goolsbee, Chair, White House Council of Economic Advisers  
Patrick Gaspard, White House Political Director  
Nate Tamarin, White House Associate Political Director

## **Ann McGlynn**

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563.370.0004 (cell)  
[www.ncpr.com](http://www.ncpr.com)

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SS34

**Toiv, Nora F**

**From:** Paul Elliott [paul\_elliott@transcanada.com]  
**Sent:** Wednesday, November 10, 2010 12:08 PM  
**To:** Undisclosed recipients  
**Subject:** Texas U.S. Senators Support Keystone XL  
**Attachments:** Kay Bailey Hutchison John Cornyn 11-09-10 Keystone.pdf

Below is the text of the attached letter that Texas U.S. Senators Kay Bailey Hutchison and John Cornyn sent yesterday to Secretary Clinton in support of Keystone XL.

November 9, 2010

The Honorable Hillary Rodham Clinton  
Secretary of State  
U.S. Department of State  
2201 C Street, N.W.  
Washington DC 20520

Dear Secretary Clinton:

As you are aware, the U.S. State Department is in the process of determining if it will grant the Keystone XL Pipeline a Presidential Permit, which will allow for the pipeline's construction across the Canadian and American border. We write to ask for your timely review and decision on this permit.

The Keystone XL Project will be of significant economic value to the United States, specifically for the states in which the pipeline will pass. Throughout the country, the Keystone XL Pipeline will create 250,000 permanent jobs and add more than \$100 billion in annual total expenditures to the nation's economy. In Texas, the Keystone XL Pipeline is projected to stimulate \$2.3 billion in new spending and generate more than \$48 million in new state and local tax.

Completion of the pipeline can provide our country with a stable energy source from a friendly trade partner, while reducing our dependence on oil from hostile countries around the world. We understand the importance of taking into account all economic considerations, as well as environmental factors. The U.S. State Department has performed the appropriate level of attentiveness in evaluating any potential environmental impacts of the pipeline's construction and operation. The Draft Environmental Impact Statement (DEIS) details your agency collaborated with no fewer than ten federal agencies as well as various state and local agencies responsible for issuing permits. Further, the DEIS concluded that the Keystone XL Project would have limited adverse environmental impacts during both construction and operation.

We would appreciate the U.S. State Department working in a timely manner to complete the process for resolving this project's status. Thank you for your consideration of this request, and we look forward to your response.

Sincerely,

Kay Bailey Hutchison

John Cornyn

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983  
UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JAMES F COOPER  
DATE/CASE ID: 09 AUG 2011 201101495

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SS35

Toiv, Nora F

From: Paul Elliott [pau\_elliott@transcanada.com]  
 Sent: Wednesday, November 10, 2010 3:24 PM  
 To: Undisclosed recipients  
 Subject: Upton Calls on Sec. Clinton to Lift Roadblocks for U.S.-Canadian Pipeline  
 Attachments: Upton Letter to Sec Clinton on Keystone\_XL.pdf

### Upton Calls on Sec. Clinton to Lift Roadblocks for U.S.-Canadian Pipeline

**Landmark project expected to create nearly 118,000 jobs - will reduce dependence on foreign oil from hostile regimes**

**WASHINGTON, DC** - Congressman Fred Upton (R-MI), a senior member of the House Energy and Commerce Committee, today called on Secretary of State Hillary Rodham Clinton to remove the bureaucratic roadblocks that have delayed the administration's approval of the Keystone XL pipeline application. The proposed cross-border oil pipeline would stretch from Alberta, Canada to refineries on the Gulf Coast, supplying approximately 50 percent of United States' oil imports. The \$7 billion project is expected to stimulate \$20 billion in new spending for the U.S. economy and spur the creation of 118,000 jobs. Upton urged Secretary Clinton to promptly approve the Presidential permit application.

In his letter to Secretary Clinton, Upton wrote, "As my old boss, President Ronald Reagan, once said, 'Government is not the solution to our problem, government is the problem.' Government is currently standing in the way of this \$7 billion privately funded project, which is expected to stimulate \$20 billion in new spending for the U.S. economy and spur the creation of 118,000 jobs. Our number one priority must be job creation, and this is a prime example of the over-burdensome regulatory system that is killing the private sector. Government must stand back and allow the U.S. economy to rebound. If not we will continue to see our jobs go overseas... Canada is our ally and neighbor, so shifting our imports from hostile regimes to a friendly one is a no-brainer."

Upton is co-chair of the House Republicans' American Energy Solutions Group and a strong supporter of the "all of the above" American Energy Act (H.R. 2846) to fortify the nation's energy needs through increased production of domestic natural resources.

The full text of Upton's letter is attached.

###

Paul Elliott  
 Government Relations  
 TransCanada Corporation  
 Telephone: (646) 823-7026  
 Cell: (917) 828-3983

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SS36

Toiv, Nora F

From: Toiv, Nora F  
 Sent: Monday, November 22, 2010 4:16 PM  
 To: 'Paul Elliott'  
 Subject: RE: Siemens CEO Correspondence to Secretary Clinton

Thanks Paul. I'll make sure this gets to the right folks.

Nora Toiv  
 Office of the Secretary  
 202-647-8633

---

From: Paul Elliott [mailto:paul\_elliott@transcanada.com]  
 Sent: Monday, November 22, 2010 2:46 PM  
 To: Toiv, Nora F  
 Subject: Siemens CEO Correspondence to Secretary Clinton

Nora,

I trust life is treating you well. I have been asked by the Siemens U.S. CEO Eric Spiegel to assist him in transmitting the attached letter to Cheryl Mills and Secretary Clinton.

Below is the text of the attached letter that Siemens U.S. CEO Spiegel will be mailing to Secretary Clinton.

Honorable Hillary Rodham Clinton  
 Secretary of State  
 U.S. Department of State  
 2201 C Street, N.W.  
 Washington, DC 20520

Dear Secretary Clinton,

I am writing with regards to the proposed Keystone XL pipeline that will extend from Canada to Texas. In particular, I would like to respectfully request that the Secretary of State's office complete the environmental assessment of the impact of the Keystone XL Pipeline and that you initiate the National Determination review period in order that a Presidential Permit might be approved.

While we may look forward to a future of more diversified energy sources, for the foreseeable future, our dependency on fossil fuels is expected to continue. According to the US Energy Information Agency, the United States imports 12-14 million barrels per day and consumes 16-18 million barrels per day. The U.S. relies on oil imports and Canada provides a friendly, geographically close, secure supply of oil that is safer than crude oil from other regions of the world.

In creating greater energy independence, the proposed Keystone XL pipeline will also create thousands of manufacturing and construction jobs. As a shovel ready project, Keystone XL's potential economic impact during the construction period will stimulate \$20 billion in new spending and spur the creation of 13,000 high-wage construction and manufacturing jobs in multiple states during the project's 2011-2012 construction schedule. Some of these high wage manufacturing jobs will come to Siemens manufacturing facility in Norwood, Ohio. We recently invested more than \$30 million to overhaul the 100 year old plant that employs more than 300 people.

These employees, and the hundreds more that will join them, will build the energy efficient electric motors to drive the pumping stations along the pipeline. These electric motors will reduce the energy intensity of

UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JAMES F COOPER  
 DATE/CASE ID: 09 AUG 2011 201101495

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the overall operation and thus the greenhouse gas emissions when compared to pipeline projects that use gas turbines located at each pump station. In the last four years, Siemens has invested more than \$400 million and created more than 3,000 green manufacturing jobs in the U.S. alone. We have a long-standing commitment to environmentally sustainable technologies and are ranked #1 in our categories on both the Dow Jones Sustainability Index and the Carbon Disclosure Project. Our future partner in this endeavor, TransCanada, also has an established record as a trusted environmental steward with a prominent ranking on the Dow Jones and Global 100 lists.

Much of the criticism opposing the expansion of the Keystone XL pipeline suggests that if this project doesn't go ahead the amount of oil used in the U.S. will diminish. According to the Energy Information Administration, petroleum fuels will remain the largest energy source worldwide for decades to come. By permitting and constructing Keystone XL, the State Department's decision may have an impact on demand, but only a very indirect effect. Global supply and demand and global oil prices, among other market forces, have a far greater impact than the permitting and operation of Keystone XL will ever have. Additionally, among the nations that are the leading suppliers of crude oil to the U.S. -- Saudi Arabia, Venezuela, Nigeria, Iraq, Angola, Algeria and Canada -- only Canada regulates greenhouse gas emissions. As you know, Canada and the United States are working together to reduce greenhouse gas emissions by 17% as part of the Copenhagen summit. In addition, total greenhouse gas emissions from the oil sands industry are equivalent to 0.1 per cent of global greenhouse gas emissions. Canada will meet its commitment of reducing greenhouse gas emissions by 17% by closing all coal fired electric generation fleet. And our future partner, TransCanada, is not involved in oil sands extraction or production.

As the U.S. works to develop a comprehensive energy and environmental policy that addresses climate concerns, ensures adequate supplies of reliable energy, promotes energy independence and improves our national security, the Keystone XL project can serve as a valuable intermediate step, while creating thousands of jobs.

Thank you for your time and attention to this matter.

Sincerely,

Eric Spiegel

Paul Elliott  
Government Relations  
TransCanada Corporation  
Telephone: (646) 823-7026  
Cell: (917) 828-3983

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SS37

**Toiv, Nora F**

**From:** Sullivan, Jacob J  
**Sent:** Monday, December 13, 2010 2:42 PM  
**To:** Toiv, Nora F; Klevatorick, Caitlin B; Crowley, Philip J; Mills, Cheryl D; Thessin, James H; Reines, Philippe I; Abedin, Huma; Verma, Richard R  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

Neither have I.

---

**From:** Toiv, Nora F  
**Sent:** Monday, December 13, 2010 2:42 PM  
**To:** Sullivan, Jacob J; Klevatorick, Caitlin B; Crowley, Philip J; Mills, Cheryl D; Thessin, James H; Reines, Philippe I; Abedin, Huma; Verma, Richard R  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

Cheryl has never met with anyone from TransCanada.

---

**From:** Sullivan, Jacob J  
**Sent:** Monday, December 13, 2010 2:15 PM  
**To:** Klevatorick, Caitlin B; Crowley, Philip J; Mills, Cheryl D; Thessin, James H; Reines, Philippe I; Abedin, Huma; Verma, Richard R  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

Different pipeline.

---

**From:** Klevatorick, Caitlin B  
**Sent:** Monday, December 13, 2010 2:15 PM  
**To:** Crowley, Philip J; Mills, Cheryl D; Thessin, James H; Reines, Philippe I; Abedin, Huma; Sullivan, Jacob J; Verma, Richard R  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

Maybe I'm missing something but per the excerpt below, the Presidential Permit authorizing the construction was signed under the last Administration. Is it fair to say that S is ensuring all due diligence is undertaken before allowing the project to proceed despite previous authorization?

In March, we hosted Canadian Ambassador Wilson at the **State Department**' Treaty Room where we signed a Presidential Permit authorizing TransCanada **Keystone Pipeline** to construct a **pipeline** extending 1,300 miles from the Canadian border through the U.S. Midwest. When at full capacity, the **Keystone pipeline** is anticipated to provide nearly 600,000 barrels per day in oil imports from Canada, or about 4 percent of total U.S. daily imports. [Under Secretary Reuben Jeffrey III, State News Services, 5/21/08]

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**From:** Crowley, Philip J  
**Sent:** Monday, December 13, 2010 1:54 PM  
**To:** Mills, Cheryl D; Thessin, James H; Reines, Philippe I; Klevatorick, Caitlin B; Abedin, Huma; Sullivan, Jacob J; Verma, Richard R  
**Subject:** FW: XL Keystone Pipeline - Guidance Needed  
**Importance:** High

We need to be aggressive and rapid in our response and beat this back before it gains further traction.

PJ  
UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JAMES F COOPER DECONTROLLED/UNCLASSIFIED  
DATE/CASE ID: 09 AUG 2011 201101495

SBU

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**From:** Phillips, Leslie M [mailto:PhillipsLM@state.gov]  
**Sent:** Monday, December 13, 2010 1:27 PM  
**To:** PAO Group  
**Subject:** XL Keystone Pipeline - Guidance Needed  
**Importance:** High

EEB – We have received a couple of calls about this. Please provide updated guidance including our position/comment on whether Paul Elliott's past association with Secretary Clinton is a conflict of interest.

Thank you.

## Are Clinton Ties to TransCanada Lobbyist Fast-Tracking KXL Approval?

*From a Friends of the Earth press release circulated this morning.*

WASHINGTON, D.C. — Friends of the Earth, the Center for International Environmental Law, and Corporate Ethics International submitted a Freedom of Information Act (FOIA) request to the State Department today asking for all communications between the agency and a former presidential campaign manager of Hillary Clinton's, who in his new role as oil industry lobbyist is seeking State Department approval for the controversial Keystone XL tar sands oil pipeline.

The lobbyist in question is Paul Elliott, currently chief Washington, D.C. lobbyist for TransCanada, the company aiming to build the pipeline. Prior to lobbying for TransCanada, Elliott served as the Hillary Clinton for President campaign committee's national deputy director and chief of staff for delegate selection.

The watchdog groups cited the relationship between Secretary of State Clinton and the oil industry lobbyist as the latest in a series of developments casting doubt on whether the State Department is fulfilling its obligations to conduct a thorough and transparent review of the environmental and public health **dangers of the proposed** multibillion-dollar pipeline.

"TransCanada clearly sees an opportunity to get this dangerous pipeline approved through Secretary Clinton's relationship with Paul Elliott," said Alex Moore, dirty fuels campaigner at Friends of the Earth. "Mr. Elliott's influence in the State Department's consideration of the pipeline is yet another reason we believe that the White House should reassign review of this project. The stakes for the public are too high to have anything but rigorous and fair scrutiny of the environmental risks of this controversial pipeline and tar sands oil."

The tar sands oil pipeline, which would stretch from Canada to refineries in Texas, has been opposed by environmental and agricultural organizations because it would threaten communities with oil spills, increase global warming and other toxic air emissions, and enable expansion of the destructive tar sands oil industry in Canada, which is already causing cancer hot spots in nearby indigenous communities.

## DECONTROLLED/UNCLASSIFIED

Secretary Clinton's objectivity on the pipeline and the thoroughness of her agency's review have already been questioned: In October, Secretary Clinton commented that she was "inclined" to approve the project despite the fact that her agency is in the midst of conducting a legally mandated Environmental Impact Statement (EIS) for the project. Environmental organizations called on her to recuse herself from the decision and Senator Mike Johanns (R-Neb.) said her comments could land the project in court. The Environmental Protection Agency gave the State Department's draft Environmental Impact Statement (EIS) on the Keystone XL pipeline a failing grade, provoking calls from dozens of members of Congress for a supplemental EIS.

The Keystone XL pipeline has garnered extensive criticism from policymakers. House Energy and Commerce Chairman Henry Waxman (D-Calif.) opposes the pipeline and more than 60 members of Congress have joined him in raising serious concerns about the project with the Obama administration.

The Keystone XL pipeline would be constructed by Canadian oil and gas giant TransCanada. If approved by the Obama administration, it would bring high-carbon, dirty tar sands oil from Alberta, Canada through Montana, South Dakota, Nebraska, Kansas, Oklahoma, and Texas to Gulf Coast refineries near Houston at a rate of 900,000 barrels per day.

The Freedom of Information Act request submitted to the State Department is available at:  
<http://www.foe.org/sites/default/files/FOIA-request-State-Department-Paul-Elliott-Keystone-XL-pipeline.pdf>

More information about the Keystone XL pipeline is available at: <http://www.foe.org/keystone-xl-pipeline>

**Leslie Phillips**  
Press Officer  
U.S. Department of State  
(202)647-2492

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SS38

**Toiv, Nora F**

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**From:** Crowley, Philip J  
**Sent:** Monday, January 24, 2011 9:08 AM  
**To:** Toiv, Nora F  
**Cc:** Harris, Jennifer D  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

**Categories:** Working  
**Classification:** UNCLASSIFIED

We'll check. The story today postured that the decision is sometime this year but I believe the facts remain unchanged and so does the guidance.

PJ

This email is UNCLASSIFIED.

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**From:** Toiv, Nora F  
**Sent:** Monday, January 24, 2011 9:00 AM  
**To:** Crowley, Philip J  
**Cc:** Harris, Jennifer D  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

Hi PJ. Is there updated guidance? Thanks.

---

**From:** Crowley, Philip J  
**Sent:** Monday, December 13, 2010 3:39 PM  
**To:** Toiv, Nora F  
**Subject:** FW: XL Keystone Pipeline - Guidance Needed

Per the attached, our answer can be as simple as:

The Department continues to evaluate the thousands of public comments received regarding the draft environmental impact statement. The Department will ultimately determine whether the proposed pipeline is in the national interest after considering a broad range of views. We expect this process to continue into next year.

PJ

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**From:** Humphrey, Kerry S [mailto:HumphreyKS@state.gov]  
**Sent:** Monday, December 13, 2010 1:36 PM  
**To:** Phillips, Leslie M; PAO Group  
**Cc:** Chu, Alice R; EEB-A-PD-DL; Enoch, Tiffany  
**Subject:** RE: XL Keystone Pipeline - Guidance Needed

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: JAMES F COOPER  
DATE/CASE ID: 09 AUG 2011 201101495

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Leslie, here's the still current guidance on the matter w/ relevant portion highlighted. Alice is checking to see what could be said on the conflict of interest matter; we'll let you know...

*Kerry S. Humphrey*

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**From:** Phillips, Leslie M [mailto:PhillipsLM@state.gov]  
**Sent:** Monday, December 13, 2010 1:27 PM  
**To:** PAO Group  
**Subject:** XL Keystone Pipeline - Guidance Needed  
**Importance:** High

EEB – We have received a couple of calls about this. Please provide updated guidance including our position/comment on whether Paul Elliott's past association with Secretary Clinton is a conflict of interest.

Thank you.

## Are Clinton Ties to TransCanada Lobbyist Fast-Tracking KXL Approval?

*From a Friends of the Earth press release circulated this morning.*

WASHINGTON, D.C. — Friends of the Earth, the Center for International Environmental Law, and Corporate Ethics International submitted a Freedom of Information Act (FOIA) request to the State Department today asking for all communications between the agency and a former presidential campaign manager of Hillary Clinton's, who in his new role as oil industry lobbyist is seeking State Department approval for the controversial Keystone XL tar sands oil pipeline.

The lobbyist in question is Paul Elliott, currently chief Washington, D.C. lobbyist for TransCanada, the company aiming to build the pipeline. Prior to lobbying for TransCanada, Elliott served as the Hillary Clinton for President campaign committee's national deputy director and chief of staff for delegate selection.

The watchdog groups cited the relationship between Secretary of State Clinton and ~~the oil industry lobbyist~~ as the latest in a series of developments casting doubt on whether the State Department is fulfilling its obligations to conduct a thorough and transparent review of the environmental and public health dangers of the proposed multibillion-dollar pipeline.

"TransCanada clearly sees an opportunity to get this dangerous pipeline approved through Secretary Clinton's relationship with Paul Elliott," said Alex Moore, dirty fuels campaigner at Friends of the Earth. "Mr. Elliott's influence in the State Department's consideration of the pipeline is yet another reason we believe that the White House should reassign review of this project. The stakes for the public are too high to have anything but rigorous and fair scrutiny of the environmental risks of this controversial pipeline and tar sands oil."

The tar sands oil pipeline, which would stretch from Canada to refineries in Texas, has been opposed by environmental and agricultural organizations because it would threaten communities with oil spills, increase

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global warming and other toxic air emissions, and enable expansion of the destructive tar sands oil industry in Canada, which is already causing cancer hot spots in nearby indigenous communities.

Secretary Clinton's objectivity on the pipeline and the thoroughness of her agency's review have already been questioned: In October, Secretary Clinton commented that she was "inclined" to approve the project despite the fact that her agency is in the midst of conducting a legally mandated Environmental Impact Statement (EIS) for the project. Environmental organizations called on her to recuse herself from the decision and Senator Mike Johanns (R-Neb.) said her comments could land the project in court. The Environmental Protection Agency gave the State Department's draft Environmental Impact Statement (EIS) on the Keystone XL pipeline a failing grade, provoking calls from dozens of members of Congress for a supplemental EIS.

The Keystone XL pipeline has garnered extensive criticism from policymakers. House Energy and Commerce Chairman Henry Waxman (D-Calif.) opposes the pipeline and more than 60 members of Congress have joined him in raising serious concerns about the project with the Obama administration.

The Keystone XL pipeline would be constructed by Canadian oil and gas giant TransCanada. If approved by the Obama administration, it would bring high-carbon, dirty tar sands oil from Alberta, Canada through Montana, South Dakota, Nebraska, Kansas, Oklahoma, and Texas to Gulf Coast refineries near Houston at a rate of 900,000 barrels per day.

The Freedom of Information Act request submitted to the State Department is available at:  
<http://www.foe.org/sites/default/files/FOIA-request-State-Department-Paul-Elliott-Keystone-XL-pipeline.pdf>

More information about the Keystone XL pipeline is available at: <http://www.foe.org/keystone-xl-pipeline>

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Toiv, Nora F

From: Paul Elliott [paul\_elliott@transcanada.com]  
 Sent: Wednesday, January 26, 2011 8:16 PM  
 To: Undisclosed recipients  
 Subject: Canadian Crude Oil and Gasoline Price  
 Attachments: Canadian Crude and Gasoline Prices Congressional Memo Jan 2011.pdf

## MEMORANDUM

TO: Interested Parties  
 FROM: TransCanada Government Relations  
 SUBJECT: Canadian Crude Oil and Gasoline Price  
 DATE: Wednesday, January 26, 2011

TransCanada's 2009 market assessment report for Keystone XL to Canadian regulators (Market Assessment Report) is currently being grossly misrepresented.

Any increased prices for Canadian crude oil will not lead to increased gasoline prices for consumers at the pump. Prices at the pump will drop when America's largest refining region (the Gulf Coast) becomes less dependent on the world's highest priced crude (OPEC).

The Market Assessment Report findings include:

- o Canadian production is growing and periodically exceeds the needs of the available market in the U.S. Mid-west
- o When crude oil supply exceeds what refiners are willing to buy, severe price discounts result
- o Access to the Gulf Coast market will allow surplus Canadian crude production to be sold competitively to other refiners in this region that are currently reliant on less secure and more costly international suppliers of crude oil.
- o Access to the Gulf Coast market may reduce this price discount that Canadian producers presently experience but Canadian Crude will remain the cheapest source of supply for US refineries.

The increase of \$3 per barrel referred to in the Market Assessment Report will not increase the price of gasoline at the pumps in the U.S. What it will do is reduce the significant price discounts that Mid-west refiners have enjoyed when purchasing Canadian crude oil. The price that U.S. consumers pay for gasoline on the other hand, is determined by Gulf Coast refiners who have to pay for higher priced OPEC crude. Gulf Coast refiners currently export significant quantities of Gasoline and Diesel to other US states, including the Mid-West and have a significant influence on refined product pricing.

## Issue Summary

- 1) TransCanada and the Keystone Pipeline project do not determine the price of crude oil. Oil is a commodity traded in numerous international markets most notably the NYMEX (New York Mercantile Exchange) whereby traders set the dialing price. For example West Texas Intermediate (WTI) yesterday traded for \$86.44. WTI is a type of crude oil used as a benchmark in oil pricing and is the underlying commodity of NYMEX's oil futures contracts. These oil futures contracts represent US domestic crude oil prices.
- 2) The most influential organization that impacts the price of oil is OPEC. OPEC crude production, adjusted for quality, typically trades above WTI prices in the range of \$2-\$7 per barrel.
- 3) The US refiners import over 2 million barrels every day at the Gulf Coast from offshore sources such as Venezuela and Middle Eastern countries. Keystone XL has the potential to displace nearly 40% of this oil thereby reducing the amount of American dollars leaving the continent

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and reduce the volatility associated with America's reliance on OPEC and other offshore sources of oil.

- 4) American refiners and energy companies have committed to nearly 1 million barrels per day in long term shipping contracts supporting the construction of Keystone and the Keystone XL expansion to the Gulf Coast to get access to secure reliable and lowest cost Canadian, Montana and North and South Dakota crude oils.
- 5) Independent economists like Washington D.C.'s Energy Policy Research Foundation Inc. (EPRInc) and the Perryman Group can verify these claims.
- 6) Western Canadian crude oil is the lowest cost for American refineries. Producers in Alberta, Montana and North Dakota sell their crude at a large discount due to a lack of pipeline capacity and limited market access. Once Keystone XL is constructed that access is improved and the discounts will be reduced while at the same time providing lower cost choices to new American buyers relative to existing offshore foreign imports.

### Cost of Oil

The \$3 per barrel increase referenced in the Market Assessment Report simply represents a reduction in the discount that American refiners currently are experiencing when purchasing Canadian crude oil, down from approximately a \$25 discount to the benchmark domestic WTI to a discount of \$22. Even after factoring in the impact of reducing the discount by \$3 per barrel, Canadian crude is still the cheapest crude U.S. refiners can buy - a lot cheaper than foreign crude oil from the Middle East - around \$65 for a Canadian barrel versus \$90 for a barrel of foreign oil.

### Gasoline Prices

Gasoline prices are kept low by keeping refining costs low when extracting the gas and diesel from the oil. When refineries buy cheaper oil, they will produce cheaper gas for the American public. Keystone XL will allow Gulf Coast refiners to buy cheaper oil from Canada and also oil from Montana and the Dakotas that will flow on our pipeline. Expanding access to Canadian crude to more refiners ensures that current refiners who benefit from access to cheaper crude have greater competition and pass their savings on to the American consumer.

### Pipeline Capacity

American based Refiners and Energy companies have committed nearly one million barrels per day in long term contracts for crude oil they want shipped to the United States for refining. These U.S. companies understand that the largest oil refining hub in North America - the Gulf Coast in Texas - needs their oil. Volumes from Mexico and Venezuela are dropping off so Keystone XL oil will simply displace this higher priced foreign oil. This is all very positive for the United States as it increases the country's energy security with Keystone XL having the ability to displace 40% of foreign crude oil.

### Issue Conclusion

- Oil prices are fundamentally set by OPEC
- Canadian oil is the cheapest oil American refineries can buy; refiners secure Canadian crude oil at a discount - approximately \$65 per barrel of Canadian crude versus \$90 per barrel for oil from the Middle East
- Keystone XL will provide more access to cheaper Canadian oil by displacing higher priced foreign oil from the Middle east and Venezuela
- If American refiners purchase more low cost western Canadian oil and U.S. crude oil from Montana and the Dakotas through Keystone XL, they can be more competitive and could then afford to sell gasoline and diesel at lower prices to American consumers.

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Thank you.

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Toiv, Nora F

From: Paul Elliott [paul\_elliott@transcanada.com]  
 Sent: Wednesday, February 02, 2011 9:51 AM  
 To: Paul Elliott  
 Subject: Study Shows Keystone XL Pipeline Will Reduce Middle East Oil Dependence  
 Attachments: DOE Report Issue Briefing February 2011.pdf

Wednesday, February 2, 2011

## Issue Briefing

### Study Shows Keystone XL Pipeline Will Reduce Middle East Oil Dependence

A U.S. Department of Energy study available today finds that the Keystone XL pipeline would help reduce U.S. imports of foreign oil from sources outside of North America. The study finds that growing Canadian oil sands imports and U.S. demand reduction have the potential to substantially reduce U.S. dependency on non-Canadian foreign oil, including oil from the Middle East.

The U.S. Department of Energy commissioned the analysis for the U.S. Department of State as part the environmental review of the application for a Presidential Permit for the Keystone XL pipeline.

Other findings of the study include:

- The construction of Keystone XL would not change global refinery CO2 and total life cycle greenhouse gas emissions (GHGs)
- The principal choice for Western Canadian crude oil exporters over the next 20 years is between moving increasing oil volumes to the U.S. or Asia. If more oil is shipped to Asia instead of the U.S., this would lead to higher U.S. imports of crude oil from non-Canadian sources, notably the Middle East
- Capacity to move Western Canadian Sedimentary Basin crudes via pipeline to the U.S. Gulf Coast remains limited to less than 100,000 barrels per day. The Gulf Coast region represents the major U.S. growth market, with the potential to process up to two million barrels per day of Western Canadian Sedimentary Basin crudes by 2030 from less than the 100,000 barrels per day being processed today
- A market opportunity exists for pipeline capacity to deliver heavy Western Canadian Sedimentary Basin crudes to the U.S. Gulf Coast to fill a gap being created by declining supply from traditional heavy crude suppliers such as Mexico and Venezuela. It is projected this gap would otherwise be filled by increasing supplies from non-Canadian sources such as the Middle East

With the recent announcements of the Bakken and Cushing Marketlink projects, TransCanada will also have the ability to transport 250,000 barrels per day of American crude oil from Montana, North Dakota and West Texas supplying American refineries in the U.S. mid-continent and along the U.S. Gulf Coast. As noted in the study, these projects would add capacity to bring U.S. Bakken crudes to market and/or reduce congestion at Cushing by increasing capacity to take domestic U.S. crudes to the U.S. Gulf Coast.

The Keystone XL project is a 1,661-mile, 36-inch crude oil pipeline that would begin at Hardisty, Alberta and extend southeast through Saskatchewan, Montana, South Dakota and Nebraska. The pipeline will then continue on through Oklahoma and Texas to delivery terminals near Houston, to serve Gulf Coast refineries.

The Department of Energy report can be found at <http://www.keystonepipeline-xl.state.gov/clientsite/kestonexl.nsf/AssmtDrftAccpt.pdf?OpenFileResource>

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The study was prepared by EnSys Energy for the Department of Energy, Office of Policy and International Affairs. EnSys was asked to conduct an evaluation of the impacts on U.S. and global refining, trade and oil markets of the Keystone XL project to bring additional Canadian crudes, including oil sands, into the U.S.

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Toiv, Nora F

From: Paul Elliott [paul\_elliott@transcanada.com]  
Sent: Friday, February 04, 2011 4:30 PM  
To: Paul Elliott  
Subject: President Obama, Prime Minister Harper and Keystone XL

At approximately 3:10 PM EST today President Obama and Canada's Prime Minister Harper held a press availability where the topic of the Keystone XL Pipeline was a matter of discussion. Below is a rush transcript of that exchange:

**PRESS QUESTION:** [Directed to President Obama] Is it conceivable to you that the genuine process of democratic reform can begin in Egypt while President Mubarak remains in power or do you think his stepping aside is needed for reform to even begin? **And to you Prime Minister Harper, on the energy issue, did you discuss Canada's role as a secure source of oil for the United States, and in particular, did you receive any assurances the US Administration looks favorably on TransCanada's proposed Keystone pipeline to the Gulf Coast? Thank you.**

[OBAMA responded only to the question on Egypt, which was directed to him.]

**HARPER:** You asked me about the question of energy. Yes we did discuss the matter you raised, and let me just say this in that context. I think it is clear to anyone who understands this issue that the need of the US for fossil fuels - far in excess of its ability to produce such energy - will be the reality for sometime to come. And the choice that the US faces in all of these matters is whether to increase its capacity to accept such energy from the most secure, most stable and friendliest location it can possibly get that energy, which is Canada, or from other places that are not as secure, stable or friendly to the interest and values of the US.

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