

1.7 ENVIRONMENTAL REVIEW OF THE CANADIAN PORTION OF THE KEYSTONE XL PROJECT

As a matter of policy, in addition to its environmental analysis of the proposed Project in the United States, the U.S. Department of State (Department) has included information regarding potential impacts in Canada (see Section 4.15.4, Extraterritorial Concerns). In so doing, the Department was guided by Executive Order 12114 (Environmental Effects Abroad of Major Federal Actions), which stipulates the procedures and other actions to be taken by federal agencies with respect to environmental impacts outside of the United States. The Canadian government conducted an environmental review of the portion of the proposed Keystone XL pipeline in Canada. As a result, and consistent with Executive Order 12114, the Department did not conduct an in depth assessment of the potential impacts of the Canadian portion of the proposed Project. Information related to impacts from the proposed Project and its alternatives associated with development of the oil sands is included in Section 1.4, Market Analysis, and Section 4.15.4.2, Concerns Related to Oil Sands Extraction.

The Canadian environmental analysis process began on July 18, 2008, when TransCanada Keystone Pipeline, LP (Keystone) submitted a Preliminary Information Package regarding the initially proposed pipeline to Canada's National Energy Board (NEB). Upon receipt of the Preliminary Information Package, the NEB issued a Federal Coordination Notice that formally initiated an environmental assessment process pursuant to the Canadian Environmental Assessment Act. In early 2009, Keystone submitted an application to NEB for a Certificate of Public Convenience and Necessity for the Canadian portion of the proposed pipeline pursuant to Section 52 of the NEB Act. The NEB solicited comments from provincial governments and agencies and other potential intervening parties in the process and held hearings on Keystone's application from September 15 through October 2, 2009.

On March 11, 2010, the NEB issued its Reasons for Decision granting Keystone's application. The NEB's Reasons for Decision included an Environmental Screening Report (ESR) that was prepared to meet the requirements of Canadian Environmental Assessment Act for the Canadian portion of the proposed pipeline. The ESR concluded that implementation of the proposed pipeline in Canada would not likely result in significant adverse environmental effects with incorporation of Keystone's proposed measures to avoid or minimize impacts and with Keystone's acceptance of the NEB's regulatory requirements and recommended conditions attached to the ESR (see also Section 4.15.4.1, Canadian National Energy Board Environmental Analysis of the Proposed Project, for a listing of NEB's conditions).

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