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TransCanada sweetens pot

By *Paul Hammel*

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LINCOLN — TransCanada Inc. is significantly increasing its financial offers to Nebraska landowners as it seeks a new route for the Keystone XL pipeline that bypasses the groundwater-rich Sand Hills.

Letters went out last week to landowners along the new route, offering bonuses for signing right-of-way contracts and increasing estimated payments for right-of-way by up to 400 percent over what the company paid along the original route.

The bonuses offered amount to \$15,000 per mile of right-of-way if a landowner signed the agreement in the next 45 days.

One estimated easement offer, to a rancher along the Niobrara River, was about four times higher than the rancher was offered on the original route — about \$16 per foot compared to about \$4 per foot.

Shawn Howard, a spokesman for TransCanada, declined to explain why easement offers might be higher, saying discussions with landowners are confidential.

He did say an early-signing bonus “helps us complete negotiations in a more timely fashion.”

“At the same time, we would prefer to offer this early-signing bonus to landowners so we can move forward cooperatively, instead of having to pay money to lawyers and creating an adversarial environment,” Howard said in an email.

Groups opposed to the controversial, crude-oil pipeline had a different view of the sweeter offers.

“It sounds like an attempt to try and use money to buy people off,” said Ken Winston of the Nebraska chapter of the Sierra Club. “And probably also to break the resistance of the people who are opposed to the pipeline.”

The letters come as TransCanada appears to be encountering resistance from some landowners along the new route for the 36-inch, high-pressure pipeline detoured across north-central and central Nebraska.

As TransCanada works to obtain easements, Omaha lawyer David Domina is forming a new landowners group, Nebraska Easement Action Team (NEAT), to negotiate easements as a group. Such a step could prolong the negotiations.

Construction of the pipeline will require a 110-foot-wide corridor, disrupting farming and grazing activities during the work. The pipe will be buried 4 feet deep. Topsoil will be replaced so crops and cattle can use the land again.

TransCanada is offering not only cash for easements but also reimbursement for loss of crops and grazing land during construction and funds to replace any fences and trees.

If negotiations fail, TransCanada can employ eminent domain to obtain right-of-way. Such action, however, increases its legal bills and adds delays while a court rules on a fair price.

The company has been paying landowners \$500 per quarter-section to allow survey work for the pipeline.

Howard said 70 percent of the landowners along the detour route have allowed TransCanada survey crews on their land.

The Keystone XL will carry synthetic crude oil from the tar-sands region of western Canada to oil refineries on the U.S. Gulf Coast. It also will carry some oil from North Dakota's oil fields.

Proponents say that the \$1.76 billion pipeline is a safe and efficient way to increase energy security for the United States and that it will create jobs. Opponents say that the jobs will be temporary and that the pipeline will increase the nation's dependence on fossil fuels while posing a risk to underground water supplies and increasing greenhouse gas emissions.

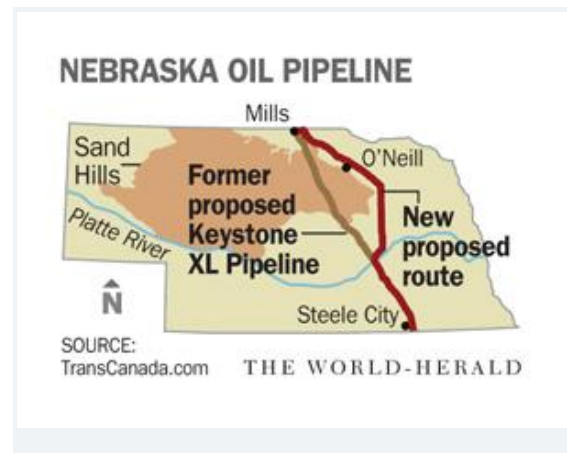
Three landowners who received the TransCanada letters, including one who said he supports the project, expressed disappointment in the new compensation estimates.

Kurt Meusch, whose ranch is north of Stuart, said he was offered about \$200,000 to cross his ranch and a cornfield. No amount of money would make him sign a right-of-way agreement or allow surveyors on his land, Meusch said.

“They're trying to bribe us,” Meusch said.

Tom Briese, who farms near Albion, said he supports the pipeline but was disappointed he wasn't offered more, considering the risks landowners will assume. He declined to say how much he was offered for easements but confirmed he was offered the \$15,000-per-mile signing bonus.

“These kinds of numbers would be insignificant if there was a spill, though I know that risk is pretty slight,” Briese said. “I had anticipated more (money). Be that as it may, it will be a talking point with TransCanada.”



Karl Connell, whose ranch is along the Niobrara River north of Newport, was quoted an estimate of \$160,641 for nearly two miles of right-of-way. That price, for a foot of easement, was about four times higher than the offer he received for a quarter-mile of right-of-way on the original route, he said.

Connell, who has been outspoken in his opposition to the Keystone XL project, said the higher offers might convince some holdouts but not him.

“There's a little more to this than money,” he said.

Connell's estimated compensation also included a glaring error — \$58,000 for damages to 24.64 acres of corn over three years. Connell said he doesn't grow any corn.

A leading opposition group, Bold Nebraska, was hired to help organize the new landowners group, said Ben Gotschall, who is working for both organizations.

NEAT's website says the organization welcomes both opponents and supporters of the pipeline and that its primary objective is that landowners “don't give away the farm” in their negotiations with TransCanada.

Gotschall, who was manning a booth last week at an annual ranch expo in Bassett, said dozens of landowners have joined NEAT. Negotiating as a group will better protect landowner rights and possibly delay the pipeline, he said.

Howard, the TransCanada spokesman, said the company is trying to avoid delays by offering incentives. Dealing individually with the company can aid landowners, he said.

“With the original Keystone XL route, direct engagement with landowners allowed us to understand property-specific issues or concerns,” he said. “There were many occasions where we were able to adjust the routing to minimize the impact on them.”

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