

## XL delay keeps Sand Hills in spotlight

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WORLD-HERALD BUREAU

WASHINGTON — Nebraska's Sand Hills might be an unassuming expanse of sandy-soil prairie in the deepest heart of flyover country, but the area starred Thursday in a decision to put the brakes on a controversial pipeline that has spawned a national political debate.

Over and over, State Department officials cited worries about potential damage to the ecologically sensitive Sand Hills as they announced they would delay until 2013 a decision on the Keystone XL. They said they want to examine alternate routes that would avoid the Sand Hills on the pipeline's 1,700-mile path from Canada to the Texas Gulf Coast.

"This is an exceptional moment for Nebraska," Gov. Dave Heineman said. "Concerns from Nebraskans have been heard."

The delay comes amid a special legislative session. Nebraska lawmakers are considering a bill to require the governor's approval of pipeline routes through the state.

Heineman, who has called for a rerouting of the pipeline, said Thursday's federal announcement "lessens" the legal liability facing Nebraska in passing a routing law, because the feds, and not the state, are delaying the project. Heineman said the Legislature will have to decide over the weekend whether to continue in special session.

Several senators have suggested adjourning and resuming the debate during the regular session, now that the federal decision won't come until 2013.

But Sen. Mike Flood of Norfolk, speaker of the Legislature, said he hasn't had time to talk to his colleagues. For now, he said, he's preparing for first-round debate Monday on a routing bill.

Pipeline developer TransCanada Inc. issued a press release saying it would begin discussions soon with the State Department "to discuss next steps."

The State Department said one of the most common issues raised during its three-year review of the pipeline has been concern about potential damage to the Sand Hills' shallow groundwater, fragile soils and wetlands.

"If you look at what's happening in Nebraska, I think you can see that this is something that has been gathering much more attention, much more public concern," said Kerri-Ann Jones, a State Department assistant secretary who deals with environmental affairs such as the pipeline.

"We don't have a route that would avoid what many feel is a unique resource in Nebraska, and we feel we need that to make the correct decision."

Fourteen alternative routes have been studied, including six that would reduce pipeline mileage across the Sand Hills or the Ogallala Aquifer.

TransCanada President Russ Girling said he hopes those routes will serve as a starting point for discussion.

But Jones' comments suggested that the State Department will look at smaller-scale route modifications. She said the previously studied alternatives would have taken the pipeline far to the west or east of the proposed route.

The new alternatives, she said, would be ones the State Department has yet to study and would not alter the pipeline's path through Montana or South Dakota, which already have worked with TransCanada on suggested route modifications.

"We are looking at the route just in Nebraska at this time," Jones said.

State Department officials said "state law primarily governs routes for interstate petroleum pipelines" but noted that Nebraska has no law or regulatory framework to affect the route.

Girling said the delay might create "negative ramifications," but he remained confident of ultimate U.S. approval.

"This project is too important to the U.S. economy, the Canadian economy and the national interest of the United States for it not to proceed," he said.

Shipments of heavy crude oil from Venezuela and Mexico to U.S. refineries will soon end, Girling said, and the alternative supply — if not Canadian oil — might come from less friendly, more unstable nations.

Pushing the decision past the presidential election could help President Barack Obama out of a thorny situation. As the pipeline rose to the level of a white-hot national political issue, he was caught between two groups of supporters: environmentalists who said the pipeline promotes "dirty" energy, and labor groups eager for the project's jobs.

National labor groups blasted the decision, as did a pro-pipeline group that has advertised heavily, Nebraskans for Jobs and Energy Independence. The group's statement called the decision "at best, a disappointment. At worst, it is an example of elected officials playing politics instead of finding solutions."

National environmental activists, meanwhile, hailed the delay and singled out Nebraskans for praise.

"The voices from Nebraska were really essential," Susan Casey-Lefkowitz, director of the Natural Resources Defense Council's international program, told The World-Herald. "What you saw in Nebraska was a Republican governor and a Republican senator raising major concerns."

House Speaker John Boehner, R-Ohio, blasted the announcement as a "failure of leadership" on Obama's part.

"By punting on this project, the president has made clear that campaign politics are driving U.S. policy decisions — at the expense of American jobs," he said. "The current project has already been deemed environmentally sound, and calling for a new route is nothing but a thinly veiled attempt to avoid upsetting the president's political base before the election."

Jones said that the delay was not born of political considerations and that the White House played no role in the decision.

Sen. Mike Johanns, R-Neb., supports development of the tar-sands oil resources and the pipeline but has been an outspoken critic of the Sand Hills route. He welcomed news of the delay.

"I think the State Department came to the conclusion that this route just wasn't the best direction," Johanns said.

But he questioned why so much time is needed to study alternatives.

"It looks political to me. It looks like this was intentionally slid beyond the election," he said. "Now, if it ends up in a better route, then what I hoped would be accomplished got accomplished."

Rep. Jeff Fortenberry, R-Neb., had also pushed for a route change and praised the State Department's move.

"We need a strategic energy partnership with Canada that respects our natural resources and upholds environmental stewardship," he said.

Sen. Ben Nelson, D-Neb., has pushed for the pipeline to be moved but urged state officials to be more aggressive in dictating the route.

Nelson welcomed Thursday's announcement but said the Nebraska Legislature should move forward with its efforts to exercise the state's clear authority over pipeline location, given that no route has been finalized.

State Sen. Ken Haar, a leading advocate of siting legislation, said Thursday's decision should build support for such legislation by removing the threats of lawsuits over the state possibly delaying the project.

"If it's their (federal officials') decision, and they cause the reroute, it takes all the pressure off the State of Nebraska," said [Brian Jorde](#), an Omaha attorney hired by the environmental group Bold Nebraska.

[Jorde](#) said state lawmakers should still pass a siting law to ensure that the state's natural resources are protected.

Heineman noted that the route isn't automatically moved.

"I'm cautiously optimistic," the governor said. "But this is not a done deal."

[Jorde](#) said the easiest and least political route would be one studied earlier, paralleling Interstate 90 across South Dakota and connecting to the existing Keystone pipeline.

But he also said the pipeline could be rerouted from the South Dakota-Nebraska line in Keya Paha County to the Keystone pipeline near Hartington, Neb.

The Cowboy Trail, a state-owned hike-bike trail that parallels U.S. 20 from Valentine to Norfolk, might also deserve a look, he said.

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