

Keystone Trans-Canada Pipeline: Oil Industry Insiders Wrote US State Department's Environmental Impact Assessment

By [William Boardman](#)

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Conflict of Interest

So it turns out that friends of the oil industry wrote the environmental impact [1][statement](#)[1] issued by the State Department about the Keystone XL pipeline on March 1. That's the report that assured people tar sands oil was going to be developed no matter what and anyway, climate change wouldn't hurt the pipeline.

And it turns out that at least one of the several oil-friendly corporate authors was apparently paid by Trans-Canada, the corporate applicant for — and the owner of — the Keystone pipeline.

And it also turns out that the State Dept., while noting (on page 1.5-1) that as “the lead agency, the Department directed the preparation” of the impact statement, the title page lists only one person, Genevieve Walker, as “Project Manager,” along with more than 14 cooperating and assisting government agencies – and no reference to any other possible direct or indirect report authors.

And it further turns out that the State Dept., without giving credit to specific contributors for specific sections, does include – at the end of volume 2 of 4-volume, 2,000-page report – a “list of preparers,” 58 of them, almost all from three, private oil industry consulting firms.

And it finally turns out that little if any of this has appeared in mainstream media, which may be less of a surprise than it should be, since cynicism about government integrity is so widespread, one might be tempted to ask why the State Dept. made even this much effort at deception just to hide a fundamental conflict of interest that hardly seems unusual. And news media might cynically ask, what's the news here?

When the Conclusion Is Predictable, Who Cares Who Wrote It?

While environmentalists and [2][others](#)[2] promptly characterized the report's analysis as fraudulent or worse as soon as it came out, mainstream coverage was more like [3][Fox News](#)[3] headlining an Associated Press story the next day, “No major objections to Keystone XL oil pipeline, State Department says.”

On March 4, three days after the Friday release of the report, the Heritage Foundation complained that “Obama Administration Buries Good News on Keystone Pipeline” – basing its claim on the choice of a Friday release. Based on the same fact of a late Friday release,

the Sierra Club made the opposite claim, that the administration was trying to bury bad environmental news. But Heritage went on to push discredited job-creation numbers, along with the false assertion that the “Keystone pipeline has passed its environmental reviews.”

The current review is not complete. The March 1 report will be held at least until mid-April, when the 45-day public comment period ends. Comments on the Draft SEIS [Supplementary Environmental Impact Statement] can be submitted via email to: keystonecomments@state.gov for the next several weeks, or from the State Dept. website.

Lisa Song of [4][Inside Climate News](#)[4] was apparently the first to write about the State Dept.’s use of highly conflicted providers when State decided not to do the work itself, for whatever reason. Her March 6 article concentrates on the three main contractors in the report’s list of preparers:

1. EnSys Energy (3 preparers) – the company’s president, Martin Tallett said “We don’t do advocacy.” [5][EnSys](#)[5] clients have included the U.S. Environmental Protection Agency, Dept. of Energy, and State, as well as the World Bank, ExxonMobil, BP, Koch Industries, and the American Petroleum Institute. Tallett refused to discuss the Keystone pipeline.
2. ICF International (7 preparers) – the company’s website client list is generic, and all categories are within the oil and gas industry. [6][ICF](#)[6] recently won an award for its work in “Climate Risk Management and Adaptation” for such clients as coastal cities, the World Bank, and the U.S. Agency for International Development. ICF has more than 60 offices worldwide, employing more than 4,500 people. The company refused to talk to a reporter.
3. ERM, Environmental Resources Management (45 preparers) – [7][the company](#)[7] lists clients from a wide variety of fields, including the oil industry (Chevron, Shell, Statoil, and Total). ERM’s clients include more than half of all Global Fortune 500 companies. The company has over 4,700 people working more than 140 offices in 39 different countries.

Wait, TransCanada Assessed the Impact of Its Own Pipeline?

Also on March 6, Brad Johnson at *Grist* moved [8][the story](#)[8] from obvious conflict of interest to something that begins to smack of fraud, at least where ERM is involved. Under the headline “‘State Department’ Keystone XL Report Actually Written by TransCanada Contractor,” Johnson links to the [9][contract](#)[9] and [10][supporting documents](#)[10] that lead him to conclude:

The “sustainability consultancy” Environmental Resources Management (ERM) was paid an undisclosed amount [under contract to TransCanada](#) to write the [environmental impact] statement, which is now an official government document. The statement estimates, and then dismisses, the pipeline’s massive [carbon footprint](#) and other environmental impacts, because, it asserts, the mining and burning of the tar sands is unstoppable....

The documents from the ERM-TransCanada agreement are on the State Department’s website, but payment amounts and other clients and past work of ERM are redacted. In the [contract documents](#), ERM partner Steven J. Koster certifies that his company has no conflicts of interest. He also certifies that ERM has [no business relationship](#) with TransCanada or “any business entity that could be affected in any way by the proposed work” (notwithstanding the impact statement contract itself)....

On March 7, *ThinkProgress* [11][summarized](#)[11] the stories by Song and Johnson, adding a detail indicating that this kind of deception was not a new pattern for TransCanada or the State Dept.: “Several years ago, Cardno Entrix, another private consultancy, [was contracted](#) by TransCanada to handle the State Department’s initial draft of the environmental impact statement, the Department’s hearings on the pipeline, and even its Keystone XL website.

N.Y. *Times* Favors Climate Over Pipeline

Without mentioning the State Dept. report’s shady underpinnings, the New York *Times* took two strong shots against approval of the Keystone pipeline – first in a [12][column](#)[12] by Thomas Friedman on March 9, “No to Keystone. Yes to Crazy.” Friedman uncharacteristically urged protestors to “go crazy” –

I’m talking chain-themselves-to-the-White-House-fence-stop-traffic-at-the-Capitol kind of crazy, because I think if we all make enough noise about this, we might be able to trade a lousy Keystone pipeline for some really good systemic responses to climate change.

The next day, the *Times* struck again, this time with an [13][editorial](#)[13] urging President Obama to deny a permit to Keystone:

He should say no, and for one overriding reason: A president who has repeatedly identified climate change as one of humanity’s most pressing dangers cannot in good conscience approve a project that — even by the State Department’s most cautious calculations — can only add to the problem.

Add the likelihood that the State Dept. report is likely a collusive fraud doesn’t really improve the pipeline’s case.

And guess what? The State Dept. position today is the same position officially expressed some 18 months ago during a press briefing related to an earlier Keystone report, when Assistant Secretary Kerri-Ann Jones [14][told](#)[14] reporters:

I think that the sense is we have that this oil sands is going to be developed and therefore, there’s not going to be any dramatic change in greenhouse gas from this pipeline, or if the pipeline was to go forward or without the pipeline, because the oil sands will continue to be developed and there are alternatives to pipelines to moving that fuel or potential crude around.

In other words, the government just spent however many million dollars to get oil industry consultants to come to the same conclusion the government already held in August 2011. No wonder this story is beginning to get some traction.

Notes

[1] <http://keystonepipeline-xl.state.gov/draftseis/index.htm>

[2] <http://readersupportednews.org/opinion2/271-38/16355-foggy-bottom-shuck-a-jive>

[3]

<http://www.foxnews.com/politics/2013/03/02/no-major-objections-to-keystone-xl-oil-pipeline-state-department-says/>

- [4] <http://insideclimatenews.org/news/20130306/keystone-xl-eis-state-department-transcanada-oil-tar-sands-industry-ensys-energy-koch-brothers-exxonmobil-bp-obama>
- [5] <http://www.ensysenergy.com/about.php>
- [6] <http://www.icfi.com/news/2013/03/icf-receives-2012-ccbj-business-achievement-award>
- [7] <http://www.erm.com/en/About-Us/What-we-do/Our-Clients/>
- [8] <http://grist.org/article/state-department-keystone-xl-report-actually-written-by-transcanada-contractor/>
- [9] <http://keystonepipeline-xl.state.gov/documents/organization/205731.pdf>
- [10] <http://keystonepipeline-xl.state.gov/admindocs/index.htm>
- [11] <http://thinkprogress.org/climate/2013/03/07/1688231/keystone-assessment-conflicts/>
- [12] http://www.nytimes.com/2013/03/10/opinion/sunday/friedman-no-to-keystone-yes-to-crazy.html?_r=2&
- [13] <http://www.nytimes.com/2013/03/11/opinion/when-to-say-no-to-the-keystone-xl.html>
- [14] <http://www.state.gov/e/oes/rls/remarks/2011/171117.htm>

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