

United States Senate

WASHINGTON, DC 20510

November 1, 2011

The Honorable Hillary Clinton
Secretary
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Secretary Clinton:

I have received a letter from the State Department dated October 31, 2011, in response to my concerns about the conflicts of interest allegations regarding the State Department's environmental review of the Keystone XL pipeline, and I remain deeply troubled.

I had previously asked the State Department to conduct a new review of the Keystone XL pipeline based on disturbing allegations made in a *New York Times* article from October 7, 2011, that discussed how TransCanada, the pipeline project developer, was able to screen applicants, and for all intents and purposes to select the contractor to conduct the environmental impact statement (EIS) mandated under the National Environmental Policy Act (NEPA). The article went on to state that TransCanada successfully recommended Cardno Entrix to conduct the EIS, despite Cardno Entrix's listing TransCanada as a "major client," and how Cardno Entrix may not have fully disclosed all of its potential financial ties with TransCanada in the conflicts of interest statement required in the EIS. I remain convinced that, given the apparent conflicts of interest and the deficiencies in the final EIS, a new and independent environmental review is warranted in this instance.

Instead of addressing the need for a new, impartial, and independent review, the letter I received from the State Department on October 31, 2011, seeks to downplay Cardno Entrix's financial ties to TransCanada and asserts that the federal government is the client for Cardno Entrix, not TransCanada. However, it has recently come to my attention that, in fact, Cardno Entrix identified "TransCanada Keystone Pipeline" on its website as its client for this project and said on its website in September 2011 that "Keystone contracted with Cardno Entrix" to conduct the environmental reviews. Therefore, despite the State Department's contention, Cardno Entrix has publicly represented that it views TransCanada as its client in this matter.

Based on the clear contradictions present, I request that the State Department provide me with a copy of any contracts, agreements, memorandums of understanding, any legal or other instruments or documents that describe the relationships, responsibilities and obligations among Cardno Entrix, TransCanada, and the State Department with respect to

the Keystone XL pipeline project. In addition, I request that the State Department provide me with the conflicts of interest statements for all third-party contractors, including Cardno Entrix, regarding Keystone XL. Finally, I request any and all documents that detail any meetings that included any representatives from the State Department, TransCanada, and Cardno Entrix.

My understanding is that there is no legal justification for refusing to disclose these documents, and in fact these types of documents have been made public in similar circumstances, including in the Bush Administration's review of the original Keystone pipeline.

These documents should clarify definitively who the "client" is in this case, how much control TransCanada has over the process, whether any improper meetings took place, and whether all parties have complied with their legal obligations in disclosing conflicts of interest. I look forward to reviewing them.

Thank you for your attention to this matter.

Sincerely,



BERNARD SANDERS
United States Senator