

## **South Dakota Recertification Will Benefit State and Nation**

By Michael Whatley, Guest Columnist  
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Republicans might not be the only-big time winners of this month's midterm elections. So, too, could be the long-awaited, much-anticipated Keystone XL Pipeline. The proposed pipeline, if constructed, would be the safest and most advanced oil transportation operation in North America, creating thousands of high-paying jobs, long-term energy independence, and an economic boost to Americans coast to coast, South Dakotans included.

The U.S. Department of State has been evaluating the project for more than six years, making the project the most scrutinized pipeline project in American history. According to State Department officials, they will complete their review once routing issues in Nebraska are settled by that state's Supreme Court.

Congressional Republicans have long pushed for construction of Keystone XL and have vowed to enact legislation that would take the decision to approve the pipeline out of the hands of the State Department and green light the project. Odds of this legislation moving out of the Senate improved greatly with the Republican wave in this month's elections - which replaced four Senators who have voted against the project with incoming members who have pledged to support it. Although spokesmen for the Obama Administration have indicated that the President is opposed to a legislative bypass of the State Department's review, its passage will place significant pressure on the President to either sign the bill or finalize the administrative review of the project and grant the permit.

Although the political machinations regarding the federal permit necessary for Keystone XL to move forward have dominated the headlines, there is another approval that the project needs, and it is right here in South Dakota.

In 2010, the state PUC granted TransCanada, the company seeking to build the Keystone XL, a permit to construct a 313-mile section of the project through nine rural counties in South Dakota. However, because construction of the pipeline did not begin within the four years of the permit being issued, TransCanada recently filed to recertify the route.

The criteria for regaining recertification are simple and straightforward: the present-day conditions of the project must mirror those under which the permit was first granted in 2010. They certainly do. Therefore, the PUC's decision should also be simple and straightforward: approve the recertification.

When considering the project, the PUC will need to consider whether the present-day conditions of the project mirror those under which the permit was first granted in 2010. They should also take into consideration several other important factors, including the number of jobs the pipeline will create, the economic activity it will stimulate, the fact that it will be the most

environmentally advanced pipeline ever built in the United States and how it will promote American energy independence, economic stability and national security.

The U.S. State Department estimates that the nine South Dakota counties along the route of the planned Keystone XL Pipeline would collect \$17.8 million in new property tax revenue during the pipeline's first year of operation. These funds, a sizeable 9 percent increase in total property tax revenue compared to 2010 figures, could be utilized to repair the more than thousands of miles of highways, roads, and streets that crisscross the state and help stabilize consumer tax bills.

Other states have already experienced the benefits from completed portions of the Keystone XL Pipeline. The project's southern portion, the \$2.3 billion Gulf Coast pipeline project, has already pumped \$3.6 billion and \$2.1 billion in economic activity to Texas and Oklahoma, respectively. Construction of this pipeline – which included 11 million hours of labor from 4,844 construction workers and about 50 contractors in 19 states – supported \$1.04 million in labor income in Oklahoma and \$1.07 million in Texas.

Altogether, the Keystone XL would support more than 42,000 manufacturing and construction jobs in the U.S., including almost 3,500 jobs in South Dakota.

And perhaps most importantly, the Keystone XL Pipeline will be the safest structure of its kind – ever. TransCanada will use 36-inch diameter, corrosion-resistant pipe, and construction welds will be reviewed by third-party inspectors before being audited by the federal authorities. The structure's high-quality steel will be tested, coated, and installed by expert welders under the supervision of trained and licensed inspectors, including those from the Pipeline and Hazardous Materials Safety Administrator (PHMSA). Each weld will be X-rayed and inspected, then undergo high-pressure testing. Afterward, the Keystone XL pipeline will be operated by trained staff members who will regularly monitor for unexpected drops in pressure or volume, then shut down pumping stations if a problem was detected. These are just a few of the myriad safety conditions that TransCanada has agreed to - including 57 special conditions which go above and beyond the minimum standards set forth by federal regulators.

South Dakota has prided itself as a strong advocate for safe, responsible energy production and has a long history of implementing policies to ensure that the state remains a national front-runner in job creation, economic activity, and environmental responsiveness. Recertification of the Keystone XL will certainly continue this tradition and provide significant benefits to both the state and the entire country.