



KEYSTONE XL PIPELINE

TransCanada OK'd to file a friend of the court brief

The firm says outcome
of the Nebraska
Supreme Court appeal
will affect its operations

By JOE DUGGAN

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LINCOLN — TransCanada Inc. has until Tuesday to weigh in on the legal battle over the state law used to locate the company's proposed Keystone XL pipeline in Nebraska.

The Nebraska Supreme Court this week granted the company's request to file a friend of the court brief in an appeal to decide the constitutionality of allowing the governor to approve major oil pipeline projects.

Three private landowners who oppose the project sued the state over a 2012 law that allowed pipeline developers to submit major projects to the governor, rather than the Public Service Commission. So far, TransCanada is the only company to use the law.

In February, Lancaster County District Judge Stephanie Stacy ruled that bypassing the commission was unconstitutional. Attorney General Jon Bruning has appealed the ruling, and the Supreme Court is not expected to settle the dispute until this fall.

James Powers, an Omaha attorney who represents the company, said in a court

document that TransCanada wants to provide input because the appeal's outcome directly impacts its operations.

"In addition, crude oil production in Canada and the United States continues to grow, which means the court's resolution of this case will impact crude oil pipeline transportation for years to come," Powers wrote.

Attorneys for the landowners were to have submitted a reply to the state's appeal Wednesday, but they have asked for an extension to respond to the company's legal arguments.

The pipeline would carry 830,000 barrels of mostly heavy oil sands crude from Canada to refineries on the Gulf Coast. The project, first proposed in 2008, requires the president's approval because it would cross international borders.

In April, the Obama administration announced it would indefinitely suspend its review of the project pending the outcome of the Nebraska appeal.

Supporters say the project would create construction jobs and help lessen U.S. reliance on overseas oil imports. Opponents argue potential spills threaten private property and water supplies, including the Ogallala Aquifer, and the project could worsen climate change by accelerating the extraction of oil sands.

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