



Department of Energy
Washington, DC 20585

November 28, 2007

Major Richard Starke, Sr.
5 Elm Street
Burlington, ND 58722

Dear Major Starke:

This correspondence is in response to your letter of September 10, 2007, to President Bush in which you expressed your opposition to the proposed TransCanada Keystone Pipeline LLC (Keystone) project. Your letter was forwarded to the Department of Energy's Office of Oil and Natural Gas for response.

We appreciate your views on this issue. However, the increase in North American demand for petroleum suggests that energy policies be adopted that will secure long-term access to new petroleum supplies in a safe and environmentally sound manner.

The United States Department of State requested the Department of Energy (DOE) concurrence on The Department of States issuance of a Presidential Permit for the Keystone project. The Presidential Permit would authorize the construction, operation, and maintenance of pipeline facilities at Cavalier County, North Dakota, for the transport of crude oil across the international boundary between the United States and Canada.

Pursuant to Executive Order 13337, the DOE has reviewed the Keystone application. In addition, DOE is participating as a cooperating agency for the preparation of the TransCanada Keystone Pipeline Environmental Impact Statement. Since it was determined that issuance of the permit would serve the national interest, the Department of State proposes to issue the Presidential Permit to Keystone. The DOE expects to have no objection to the issuance of the Presidential Permit for the TransCanada Keystone Pipeline, pending completion of the Environmental Impact Statement.

In April 2007, the U.S. Department of Transportation Pipeline and Hazardous Safety Administration granted a special permit that allows Keystone to design, construct and operate the pipeline at no more than 80 per cent of the steel pipe's specified minimum yield strength in certain areas. Keystone's application for the special permit included measures Keystone would implement beyond those required by regulations to ensure pipeline safety and to meet stringent environmental regulations.

