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KEYSTONE PIPELINE MAY CONTAIN DEFECTIVE STEEL

Public-Interest Group Releases Report and Requests Federal Investigation

Vermillion, SD – Today Plains Justice released a report showing that defective steel might have been used in TransCanada’s already constructed Keystone pipeline.

“During a recent pipeline building boom, the steel pipe industry rushed to make pipe for a large number of new pipelines. Some manufacturers got sloppy with safety standards,” said Paul Blackburn, a Plains Justice attorney who has researched the issue.

Today Plains Justice also asked the Pipeline and Hazardous Materials Safety Administration (PHMSA) to fully investigate and to reduce the pipeline’s operating pressure until it can be fully tested.

“The Keystone pipeline is one of the largest pipelines in existence and will operate at very high pressure and high temperature, so it must not break,” said Blackburn.

Government documents show that Welspun, a pipe manufacturer in India, produced hundreds of substandard pipe joints in 2007 and 2008. Photos taken during construction of the Keystone pipeline show that TransCanada acquired pipe from Welspun during this same time.

“To protect the public, PHMSA should reduce the Keystone pipeline’s maximum allowable operating pressure until it can be properly inspected using a high-resolution caliper test. This is a special test that is different than ones that companies typically do before starting to operate pipelines,” Blackburn added.

The Plains Justice report, *Use of Substandard Steel by the U.S. Pipeline Industry, 2007 to 2009*, documents a pattern of production and use of substandard pipe steel in large new pipelines during a major boom in pipeline construction.

The report is based on 3,710 pages of federal safety documents that were released to Plains Justice in response to a Freedom of Information Act request.

For a copy of Plains Justice’s letter or the report, please contact Paul Blackburn: pblackburn@plainsjustice.org or (605) 659-0298.

As the report describes, during a pipeline building boom in 2007-2009, a number of pipe manufacturers produced pipe that was too weak and failed to meet federal safety standards. Many of the pipes containing defective steel were manufactured by Welspun, an Indian steel pipe manufacturer, using steel from Essar, an Indian steel mill.

The Keystone pipeline was constructed using 47% Welspun pipe at approximately the same time that Welspun produced pipe for five other pipelines that were later found to contain defective pipe.

The extent of the problem was discovered only after a number of pipelines burst during safety tests and PHMSA ordered special testing to determine if pipeline companies used weak steel during construction.

Information provided by PHMSA in response to Plains Justice's Freedom of Information Act request shows that seven other pipelines were investigated. The written response from PHMSA does not show any investigation of TransCanada's Keystone I pipeline.

Construction on the Keystone pipeline has been completed. Recent news accounts say that the pipeline has been fully filled with oil.

The Keystone pipeline begins in Hardisty, Alberta and ends in Patoka, Illinois. It passes through Alberta, Saskatchewan, Manitoba, North Dakota, South Dakota, Nebraska, Kansas, Missouri, and Illinois.

According to TransCanada's website, all of the U.S. Keystone pipeline construction was new. In Canada, approximately 232 miles (373 km) of the pipeline were constructed new and approximately 537 miles (864 km) of the pipeline were originally an existing natural gas pipeline.

Ed. Note: Plains Justice can provide construction photographs of the Keystone pipeline that show pipe manufactured by Welspun.

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Plains Justice is a public-interest law and policy center with offices in Montana, South Dakota, and Iowa. Plains Justice serves Northern Plains communities, including eastern Montana and Wyoming, North Dakota, South Dakota, Nebraska, and Iowa.