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The Honorable Michael Rounds
Office of the Governor
500 E. Capitol Ave.
Pierre, SD 57501
FAX: 605-773-4711

March 16, 2009

Dear Governor Rounds:

On behalf of Dakota Rural Action and our members and landowners comprising Protect South Dakota Resources, I am writing to ask your help in protecting residents of South Dakota from unfair risk of oil spills. The unfair risk I refer to is the special exemption from U.S. safety laws being asked by TransCanada for its proposed Keystone XL pipeline.

TransCanada has applied for a special permit under regulations of the United States Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA). The special permit would allow TransCanada to operate the Keystone XL pipeline at a higher percentage of the pipe's maximum operating pressure than allowed by existing DOT standards or than is being utilized by any operating oil pipeline. In effect, the special permit would allow TransCanada to use thinner, cheaper steel.

It is particularly galling that TransCanada is not seeking to use this cheaper pipe everywhere, but plans to use it for most of its route through South Dakota. TransCanada will still use thicker, safer steel in what are known in the PHMSA rules as "High Consequence Areas." High Consequence Areas include railroad crossings, highways, river crossings, and "High Population Areas" – which, of course, do not include the rural areas which constitute most of South Dakota through which the Keystone XL pipeline will run.

We are offended at the implication that South Dakota is a "Low Consequence Area," and that our farms, ranches, and recreation areas are not worthy of the same level of protection as densely populated cities. We believe that South Dakotans have just as much right to safety standards designed to prevent oil spills and contamination of our land and water as the residents of Houston or Oklahoma City.

As the 2006 spill from the BP pipeline on Alaska's North Slope demonstrated, pipeline oil spills can happen in remote areas, with devastating consequences. The 2006 leaks resulted from failures along 16 miles of pipeline, but resulted in millions of dollars in damages, and hundreds of millions of dollars in costs to BP to reconstruct the pipeline. Investment in the safest possible pipe, with the best monitoring and maintenance programs possible, will pay off for everyone in the long run.



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We represent landowners who are subject to condemnation for the ability to put this pipeline across our property, so that tarsands oil can flow from Alberta, Canada, to refineries on the Gulf Coast in Texas. We do not believe it is fair that we should bear extra risk of oil leaks, ruptures, or spills in order to save TransCanada the cost of using the safest materials and methods of construction available.

We respectfully request your help in insuring that the farmers, ranchers, and rural communities along the proposed route of the Keystone XL pipeline are not treated as second class citizens when it comes to our safety, health, and property.

We ask your help in opposing issuance of a special permit for the Keystone XL Pipeline, and to insure that TransCanada uses the safest available materials and practices in constructing, operating, and monitoring the pipeline, in rural and populated areas alike.

Sincerely DRA Board member and affected landowner,

Zona Vig