

## Critical Part of Keystone Report Done by Firms with Deep Oil Industry Ties

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**Two consulting firms provided State Department with key analysis of whether the pipeline would speed development of Canada's oil sands.**

[By Lisa Song, InsideClimate News](#)

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The State Department's [recent conclusion](#) that the Keystone XL pipeline "is unlikely to have a substantial impact" on the rate of Canada's oil sands development was based on analysis provided by two consulting firms with ties to oil and pipeline companies that could benefit from the proposed project.

[EnSys Energy](#) has worked with ExxonMobil, BP and [Koch Industries](#), which own oil sands production facilities and refineries in the Midwest that process heavy Canadian crude oil. Imperial Oil, one of Canada's largest oil sands producers, is a subsidiary of Exxon.

[ICF International](#) works with pipeline and oil companies but doesn't list specific clients on its website. It declined to comment on the Keystone, referring questions to the State Department.

EnSys president Martin Tallett said he couldn't talk about the proposed pipeline, but he pointed out that in addition to working for the oil industry, his company also works for the U.S. Environmental Protection Agency, the U.S. Department of Energy and the World Bank.

"We don't do advocacy," Tallett said. "Our goal is to tell it like it is, to tell the way we see it... If we were the pet of government agencies or oil companies, the other side wouldn't come to us."

The State Department did not respond to questions about the 2,000-page [Environmental Impact Statement](#) (EIS) it released on Friday.

The EIS covers many issues, including the proposed pipeline's impact on wildlife, water resources and economic development. But the section of the report that has drawn the most attention is the [market analysis](#), which projects that if the Keystone isn't built, the industry will use other pipelines and railways to move the oil out of landlocked Alberta.

That conclusion disputes [environmentalists' contention](#) that the Alberta-to-Nebraska pipeline would spur additional production in the oil sands, which produce more greenhouse gas emissions than conventional crude oil ([23 percent](#) on average according to a report commissioned by the European Union, and [17 percent](#) as reported in the EIS).

Weighing the importance of the Keystone XL, which would move up to 830,000 barrels of oil a day, has been a challenge even for the industry. Analysts agree that Canada needs more pipeline capacity to efficiently move the oil to global markets. But they say the growth of the oil sands industry also depends on the fluctuating world oil market, on the rate of growth in rail transportation and on whether other proposed projects involving new or expanded pipelines are allowed to proceed.

The study's conclusion that the Keystone XL wouldn't have much effect on oil sands development was "a judgment call based on projections of the future," said [David Driesen](#), a law professor at Syracuse University who specializes in economics and environmental law. "Nobody knows the answer to that question...A lot of the judgment deals with which facts do you emphasize, and how you gather" the information.