

**ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012**  
**COMMITTEE STATEMENT**  
**LB1161**

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**Hearing Date:** Thursday February 16, 2012  
**Committee On:** Natural Resources  
**Introducer:** Smith  
**One Liner:** Provide for study and evaluation of routes for proposed oil pipelines

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

<b>Aye:</b>	6	Senators Carlson, Christensen, Langemeier, McCoy, Schilz, Smith
<b>Nay:</b>	2	Senators Dubas, Haar
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Proponents:**

Senator Jim Smith  
Robert Jones  
Jim White  
Mike Linder

**Representing:**

Introducer  
TransCanada Keystone Pipeline L.P.  
TransCanada  
Nebraska Department of Environmental Quality

**Opponents:**

Mary Pipher  
Ken Winston  
Nina Nelson  
Adam Hintz  
John K. Hansen  
Jim Anderson  
Ernie Fellows  
Donna Roller  
Randy Thompson  
Ben Gotschall  
Debra Trainor  
Linda Duckworth  
Emily McKeone  
Amy Schaffer

**Representing:**

Self  
Nebraska Sierra Club  
Self  
Self  
Nebraska Farmers Union  
Self  
Self  
Self  
Self  
Self  
League of Women Voters of Nebraska  
Self  
Self

**Neutral:**

Bruce Boettcher

**Representing:**

Self

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**Summary of purpose and/or changes:**

LB 1161 would provide a mechanism for the state's Department of Environmental Quality to continue its pipeline route evaluation that was authorized in LB 4, passed last fall during the 2011 special session. The Legislature passed LB 4, which created a process that authorized the Department of Environmental Quality to collaborate with a federal agency for a National Environmental Policy Act review of oil pipeline projects.

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The Legislature also passed the Major Oil Pipeline Siting Act during special session, a pipeline route application process to be administered by the Public Service Commission. As passed, LB 1 was not to apply to a pipeline carrier that had applied for a Presidential Permit from the State Department prior to the effective date of the act. The act went into effect immediately when the Governor signed the bill last November.

The purpose of the bill, and the committee amendment, is to clarify the law a pipeline carrier is to follow depending on the date an application is made for a Presidential Permit from the State Department. The committee amendment also provides for a process that would authorize the Department of Environmental Quality to conduct an environmental impact study of a pipeline route going through Nebraska to be used for a federal permit application when there is no federal permit application pending.

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**Explanation of amendments:**

The committee amendment, AM2381, replaces and would become the bill.

Section-by-section description of AM 2381:

Section 1 amends the portion of LB 1, passed during special session, that amended 57-1101, relating to eminent domain use for oil transport, by requiring compliance with section 3 of LB 4, passed during special session and receiving the Governor's approval on the route. Also provides a start date for the Major Oil Pipeline Siting Act (LB 1, Special Session) of January 1, 2013.

Section 2 amends the portion of LB 1 that created the Major Oil Pipeline Siting Act, by adding the January 1, 2013 effective date for the act, and grandfathering in pipeline projects that have applied for a Presidential Permit or have applied for or been granted international border crossing authority prior to the January 1, 2013, effective date.

Section 3 amends section 3 of LB 4, passed during special session, by (a) authorizing the Department of Environmental Quality to study, in collaboration with a federal entity, the environmental impact of a pipeline route going through Nebraska if a pipeline carrier is seeking federal border crossing authority under federal law, and (b) authorizing the department to conduct a study, similar to a National Environmental Policy Act review, of the environmental impact of an oil pipeline route when no federal permit application is pending. The study may be provided to a pipeline carrier upon request for use in a federal application, and if the study is not incorporated into such application, the department may seek reimbursement from the pipeline carrier. Prior to providing such study to the pipeline carrier, the Governor has 30 days, after receiving notification of a request, to indicate in writing whether he or she approves any of the routes reviewed in the department's study.

Also revises the language of LB 4 by eliminating the requirement of a memorandum of understanding with a federal entity, but allowing the department to collaborate with any such entity for purposes of a study.

Section 4 repeals the original sections.

Section 5 contains an emergency clause.

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Chris Langemeier, Chairperson