

Rec'd Mar 14/13



DEPARTMENT OF GAME, FISH, AND PARKS

Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

March 4, 2013

TransCanada Pipelines Limited
Stephen Marr, Manager – Keystone XL
2700 Post Oak Blvd Suite 400
Houston, TX 77056

Dear Stephen,

The Department of Game, Fish, and Parks (GFP) appreciates the time the Keystone XL project team has dedicated with our staff to discuss the pipeline route, identified concerns, and alternative approaches to minimize impacts to the greater sage-grouse. We also appreciate the development of a mitigation proposal to monitor the impacts of constructing the pipeline and to obligate resources for habitat enhancements to benefit sage-grouse.

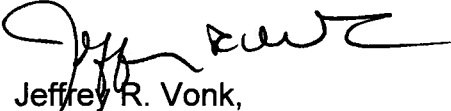
As you know, there is a west-wide effort to ameliorate sage-grouse threats to avoid an ESA listing in 2015. While the sage-grouse range in SD is primarily two northwestern counties, we recognize the implications would be far reaching if this species were to be listed. As such, we are engaged on several fronts to avoid that action. None is more notable than assisting with the implementation of one of the most proactive programs, the USDA Natural Resource Conservation Service (NRCS) Sage Grouse Initiative.

Through this NRCS initiative, we partner a biologist position with Pheasants Forever and NRCS in western SD that works directly with landowners to enroll in incentive-based programs covering a variety of range management practices specifically to address sage-grouse threats. The mitigation dollars allocated by TransCanada would be a great addition to the already dedicated resources and will complement this initiative and other efforts designed to benefit sage-grouse and sagebrush habitats. Because we currently partner with Pheasants Forever on sage-grouse conservation and they administer other sage-grouse conservation funds, we would suggest your consideration of Pheasants Forever to administer the SD mitigation funds.

It will be important to evaluate if any impacts occur as a result of the construction and associated infrastructure of the pipeline. Currently, GFP staff is coordinating ideas with Montana Game and Fish staff on evaluation/research approaches and the possibility of pooling research funds provided by TransCanada. This coordination will assure a consistent and scientifically sound approach is used while maximizing resources and efficiency.

Again, thank you for coordinating with GFP staff on this project. Please continue to work through Tom Kirschenmann, Chief of Wildlife (tom.kirschenmann@state.sd.us, 605.773.4192, on this project and the mitigation proposal.

Sincerely,



Jeffrey R. Vonk,
Department Secretary

JV:da

cc: Tony Leif, Wildlife Division Director
Tom Kirschenmann, Chief of Wildlife
USFWS, Noreen Walsh – Regional Director, Region 6
Dept. of State, K. Nicole Gibson – ESA Lead, Keystone XL Project