ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

May 13, 2015

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CO PLANNING & BLDG DEPT

Honorable Debbie Arnold, Chair
San Luis Obispo County Board of Supervisors
County Government Center, Room D-430
San Luis Obispo, CA 93408

Mr. Ken Topping, Chair
San Luis Obispo County Planning Commission
976 Osos Street, Room 200
San Luis Obispo, CA 93401

Mr. James Bergman, Director
San Luis Obispo County Planning and Building Department
976 Osos Street, Room 200
San Luis Obispo, CA 93401

Dear Chair Arnold, Chair Topping, and Planning Director Bergman:

Association of Monterey Bay Area Governments (AMBAG) would like to submit comments on the Phillips 66 Company Rail Spur Extension Project. Please provide this letter from the AMBAG Board of Directors to your Planning Commission and Board of Supervisors as part of deliberations on the project.

AMBAG Board of Directors would like to add AMBAG (representing all local jurisdictions within Monterey, San Benito, and Santa Cruz counties) to the list of municipalities and organizations against the proposed Phillips 66 project due to the grave impacts an accident would have upon both human life, agriculture land and our sensitive habitat. The greater the number of miles a train travel the greater the risk of accidents, and Monterey Bay Area will bear among the greatest number of miles travelled along the route to the Nipomo facility in San Luis Obispo County – and therefore greater risk.

The Draft EIR states that the project operation would include the unloading of five trains per week, with an annual maximum number of trains to be approximately 250. The trains would carry 80 railcars each carrying 23,500 gallons of crude oil each depending on the car size, for a total of approximately 1.88 to 2.19 million gallons of crude oil, which is more than a standard load and will require two additional locomotives for the final 15-mile stretch of the trip into San Luis Obispo.

The Nipomo facility is scheduled to operate 24 hours a day 365 days per year for a minimum of 20 years, which means that the increased train traffic could be running for over two decades.

An Environmental Impact Report submitted by Phillips 66 for this project noted that due to the overall length of the proposed rail project there was no specific biological survey to explore environmental ramifications of a spill along the travel route, including Monterey, San Benito and Santa Cruz counties and the Elkhorn Slough. However the EIR states that in the event of an accident, "if biological resources or natural habitat are affected, the impact would be significant."

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The rail line that runs through Monterey, San Benito and Santa Cruz counties traverses many communities such as Aromas, Watsonville, Chualar, San Ardo, Bradley, San Lucas, Castroville and Pajaro as well as the cities of Salinas, Gonzales, Soledad and King City where any accident would be catastrophic.

In Northern Monterey County, the Union Pacific Railroad tracks traverse the Elkhorn Slough National Estuarine Research Reserve, with the tracks bisecting sensitive slough and mud flat areas, all considered Environmentally Sensitive Habitat areas under the Coastal Act and the Monterey County Local Coastal Program. Accidental spills or a catastrophic release at the slough would not only have devastating impacts to a significant sea otter population that resides in the slough, but would also have devastating and long lasting effects to the ecosystem of the slough, the second largest estuarine habitat in the state. Wildlife habitats in the slough provide a rich ecosystems for hundreds of birds, marine invertebrates, and fish species. Additionally the slough supports numerous endangered species including the southern sea otter, western snowy plover, and tidewater goby.

In addition, the rail line through the slough is under water during King Tides and, with sea level rise, will be under water more frequently in the future. This track condition could be a concern for rail transport through this area, especially related to fully loaded rail cars containing hazardous materials.

Within 300 feet of the proposed rail project there are currently a minimum of:

- 167 sensitive plant species documented
- 219 sensitive animal species
- A minimum of 411 streams and rivers
- 578 wetland features
- 20 sensitive habitats

According to the Environmental Impact Report, depending upon the location of an oil spill, there may be no oil spill containment or cleanup equipment immediately available, and it could take some time for emergency response teams to mobilize adequate spill response equipment. Depending upon the location of the spill this could allow enough time for the spill to impact sensitive habitats, and plants and animal species that may occur within these habitats. Therefore, oil spills along the Phillips 66 project tracks could be increasingly significant depending upon the location of the spill.

The significant amount of waterways over which the oil cars will travel greatly increases the severity of a spill radius because the oil will be spread over large distances and impossible to completely cleanup. In addition to the cleanup difficulty, there are limited environmental containment or cleanup facilities available and it can take some time for cleanup response team's times to mobilize.

As oil by rail shipments have increased in recent years, there has been a dramatic increase in the number of incidents involving crude oil by rail. Nationally, rail incidents rose from several per year prior to 2010 to 155 in 2013, and 90 by May of 2014. More crude oil by volume was spilled in rail incidents in 2013 than was spilled in the nearly four decades prior, amounting to 1.15 million gallons of crude oil. In a report released in 2014, the U.S. Department of Transportation predicted there would be an average 10 derailments of trains carrying ethanol or oil every year.

Some examples of recent oil train accidents in the United States are:

- July 6, 2013 – Sixty-three of the tank cars derailed and, of these, at least 60 released a total of 1.6 million gallons of crude oil. The spilled oil ignited immediately, and the resulting fire engulfed the tank cars and the surrounding area. A total of 47 people died in the accident. Thirty buildings

were destroyed and 2,000 people were evacuated. Approximately 26,000 gallons of crude oil was discharged into the Chaudière River.

- November 8, 2013, a train derailed in Aliceville, Alabama. The train was carrying 90 DOT-111 Legacy Tank Cars with Bakken crude oil from North Dakota to a refinery in the Gulf Coast. Approximately 12 of the tank cars released crude oil and caught fire. There were no reported injuries.

- December 8, 2013, a train carrying 106 DOT-111 Legacy Tank Cars with Bakken crude oil collided with a grain train in Casselton, North Dakota. Although both trains were travelling under the speed limit, a total 34 cars from both trains derailed, including 20 that were carrying Bakken crude oil. The cars exploded and burned for over 24 hours. There were no reported injuries. Over 1,400 residents were evacuated from the scene.

- January 7, 2014 -- Plaster Rock, New Brunswick: 17 cars derailed, 5 carrying Canadian crude oil

- January 20, 2014 – Philadelphia, Pennsylvania: 7 cars derailed, 6 carrying Canadian crude oil

- February 13, 2014 – Vandergrift, Pennsylvania: 21 cars derailed, 19 carrying Canadian crude oil

- April 30, 2014 in Lynchburg, Virginia, a train carrying crude oil tank cars derailed. Over 57,000 gallons of Bakken crude oil was released in the James River. There were no reported injuries.

- May 9, 2014 – LaSalle, Colorado: 6 cars carrying crude oil derailed and spilled 6,500 gallons of oil

Local governments throughout California are also publicly opposing the project in the form of letters and resolutions. These include: Davis, the Sacramento Area Council of Governments, Richmond, Oakland, Berkeley, Martinez, San Jose, Ventura County, Moorpark, Oxnard, Camarillo and the City of San Luis Obispo.

Phillips 66 has acknowledged that very few jobs would be created as a result of this project, it is simply an opportunity to access increasing amounts of oil. We do not feel that increase in project revenue is worth risking both the lives of our citizenry or the integrity of our environment. Please reevaluate your decision to move forward with this project.

Should you have any questions related to these comments, please feel free to contact Maura Twomey, Executive Director, at (831) 264-5100.

Sincerely,

Jerry Muenzer, President
Association of Monterey Bay Area Governments