
"THE MESA REFINERY WATCH GROUP"

NEWSLETTER: April 20, 2016

FACT-CHECKED REASONS TO REJECT THE PHILLIPS 66 RAIL TERMINAL



CRUDE-BY-RAIL:

- Only Phillips 66 Wins
- Citizens Become Collateral Damage

- www.mesarefinerywatch.com

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A. WHAT'S NEW THAT YOU NEED TO KNOW

1. The SLO County Planning Commission Public Hearings - Here's What Happened On April 15th ...

a. The Deliberations Continued (And Will Reconvene On May 16th)

- The Commissioners deliberated about the P66 crude-by-rail project, and will do so again on May 16th (at which time a decision may be made).
- That decision will likely be appealed to SLO County's Board of Supervisors. The Supervisors' decision will then likely be reviewed by the California Coastal Commission. At that point, the issue may head to the courts.



b. Key Issues Discussed During The April 15th Deliberations

1) **Federal Preemption:** The County's Deputy Counsel, Whitney McDonald, discussed ...



- **Statement From California's Attorney General:** She reviewed a recent statement from the AG which specifically says that local officials have the *ability* and *obligation* to include impacts on the mainline in their decision-making process. (See details on page 8.)
- **Case Law #1:** She cited a specific preemption decision -- "When regulation does have a substantial external impact, the welfare of the state's citizens beyond the borders of the particular municipality cannot be disregarded and must be recognized and served."
- **Case Law #2:** And she cited - "Not only does the County have the right to consider the effects of its land uses on citizens of other jurisdictions, it has a constitutional responsibility to do so."

2) **An Environmentally-Sensitive Habitat:** County Staff stated that early-on, the clear intention was to examine the P66 property for sensitive habitats. And once that was accomplished, such growth was indeed identified. And accordingly to law, a project such as the rail terminal cannot be built on the proposed site because it would permanently destroy the habitat.

(Currently, cattle graze on the land. However, the sensitive habitats repeatedly grow back without problems.)

3) The Danger Of Shipping Tar Sands: An independent expert described that crude oils are classified into different “packing groups” to determine volatility when shipped.

He then stated that the diluted tar sands P66 wishes to ship to Nipomo would be in the *most dangerous* “Packing Group I” ... the group with the highest risk of fire and explosion during a derailment. County Staff commented on trains carrying diluted tar sands - “If they released the crude, it could spill, catch fire, and explode.”

4) Blast & Hazard Zones: County Staff and consultants presented maps showing the “blast” (evacuation) and “hazard” (heat, fire, explosion) zones relative to train derailments in SLO County. They reported who and what would be in danger: 122,220 people would be within 1 mile; 88,377 would be within 1/2 mile; and, 83 schools would be within a 1/2 mile.



One consultant pointed to facilities such as SLO’s Sierra Vista Regional Medical Center being near the railroad. “These are areas where you would expect *very severe consequences*. If you were outdoors, you could be injured, and evacuating a hospital would be a major disruption.”

Hazards: Relative Oil Spill Risk for Various Transportation Methods

	Accident Probability	Public Safety Hazards	Environmental Hazards
Truck	Truck	Truck (Single Casualty)	Tanker
Rail	Rail	Rail (Multiple Casualties)	Pipeline
Pipeline	Pipeline	Pipeline	Rail
Tanker	Tanker	Tanker	Truck

5) Differences In Crude Oil Transportation Modes:

County Staff outlined the relative hazards of transportation methods -- with truck and rail shipments having the highest “Severity of Risk” for public safety (i.e., injuries, deaths, etc.).

Pipeline and marine tanker delivery present the lowest risks to the public.

6) CAL FIRE’s Report: Battalion Chief/Fire Marshall Laurie Donnelly discussed how, given increases in crude oil shipments, the department needs to be prepared for “accidents of higher volatile products.” She specifically pointed to the Cuesta Grade as having “high hazard risk.”

She also said that while CAL FIRE is asking for a number of mitigations along the mainline due to P66’s proposal (more training, equipment, etc.), “We may not get them. We may go on *good faith*, but mitigation requests may be federally preempted and not available.” P66’s Jim Anderson confirmed this -- mitigations for “mainline rail conditions ... we can’t comment because Union Pacific has that responsibility.”



7) The Condition Of SLO County's Railroad Bridges: At earlier Hearings, speakers presented photos of older, crumbling, spindly bridges in SLO County. County Staff attempted to obtain in-depth information from Union Pacific on the state of those bridges, but were rebuffed.

- **Commissioner Jim Harrison:**
"There have been bridge failures along this line."
- **Commissioner Ken Topping:**
"The bridges - what were they originally designed for and for what types of loads?"
- **Chair/Commissioner Don Campbell:**
"Us old-timers like to have the information we need. How the heck could the 125-year-old Stenner Creek trestle still be sustainable?"



8) P66 Would Exacerbate The Unacceptable Air Quality In South SLO County:

Members of the SLO County Air Pollution Control District described how the P66 plan would impact residents near the Nipomo refinery (i.e., those who already suffer from the poorest air quality in the County, which already violates state and federal air quality levels).

They reported that both the "Health Risk Assessment" and "Diesel Particulate Matter" thresholds would both be further exceeded given the rail terminal project. And even with P66's "3 trains per week" alternative, the DPM threshold would be further exceeded. They stated that *"We don't want the new project to add onto the existing problem."*

P66's attorney said the County ought to allow the rail terminal to be built and have "confidence" in the oil company's ability to eliminate any air quality issues down the road.



9) Two Trains On Site Concurrently:

P66's attorney indicated that the new rail terminal would have sufficient room to have two full oil trains on site at the same time.

However, County Staff replied that the EIR never took multiple trains into account regarding any of its air pollution, noise or other assessments.

10) Erroneous Statements By P66's Attorney: County Staff and its consultants reacted strongly when P66's attorney presented Commissioners with erroneous information on fundamental/critical issues ...

***“That’s an
inaccurate statement!”***

- **Number & Types Of Trains/Tankers:** Their attorney stated that P66 would bring in three trains per week using DOT-117 tankers and that this wasn't factored into the staff's EIR. The staff responded that *this wasn't the case* -- those factors were very deliberately taken into account.
- **Type Of Crude Oil To Be Delivered:** Their attorney said the EIR was based only on delivery of Bakken crude (the type P66 was ultimately forced to remove from its plan). Staff responded - “That’s an *inaccurate statement* ... (the EIR) was also based on Canadian dilbit (i.e., diluted tar sands/bitumen).”

11) Additional Issues That Need To Be Considered: Commissioner Jim Irving remarked that there were still many issues and questions that need to be answered, such as ...

- **Liquefaction:** Changes in ground conditions and the impacts due to earthquakes, etc.
- **Visual Impacts On Residents:** Whether the assessment was carried out properly.
- **Liability:** Who pays for the range of outcomes caused by rail disasters?
- **Agriculture:** What are the impacts on farmlands of importance to the County?

c. The April 15th Public Hearings - Read And See More Via These Links

- **SLO Tribune:** <http://www.sanluisobispo.com/news/local/article72037192.html>
- **KSBY:** <http://www.ksby.com/story/31740212/commissioners-begin-deliberations-on-decision-for-crude-by-rail-plan>



2. California's Attorney General Says Oil Company Claims About Federal Preemption Preventing Our Officials From Protecting Us, Are Dead Wrong

Similar to SLO County, the city of Benicia is facing a potential invasion of crude oil trains. Their Planning Commission *has already stood up to Valero Refining and voted "No!"* Valero is appealing the decision to Benicia's City Council. They're claiming the city is preempted from stopping the trains because they're federally regulated.



But California's Attorney General, Kamala Harris, just weighed in on the issue. And in no uncertain terms, her letter to officials (link below) states that local officials have the right and the obligation to protect their citizens from the health and safety hazards of crude oil trains, regardless of whether the dangers are on the *mainline* or on *oil company property*. She specified ...

"Valero asserted that the (federal) Interstate Commerce Commission Termination Act (ICCTA) prohibits the City from taking rail-related impacts and public-safety risks into account in determining whether to approve or deny the Project. We disagree.

"ICCTA does not preempt or constrain the City's decision-making authority with respect to a project undertaken by an OIL company.

"These rail shipments will have adverse impacts on air quality and the potential for an accident causing death or severe personal injury. California law requires (a local) agency to analyze and disclose the full scope of the project's impacts. This legal duty is not circumscribed by ICCTA. For Benicia to turn a blind eye to the most serious of the impacts, merely because they flow from federally-regulated rail operations, would be contrary to both state and federal law.

"Valero's assertion that the (Benicia) Planning Commission's action is illegal, is without merit."

The Attorney General's stance has a **direct correlation** with the Phillips 66 issue. It validates the FEIR's full scope of 10, Class I significant and unavoidable impacts P66 would bring to California and SLO County -- including those on the mainline and at the Nipomo refinery.

SLO County officials can and have the legal obligation to take all of these hazards into account as they make their decisions.

<http://www.mesarefinerywatch.com/letters.html>

3. Let's Get Real - Are Crude Oil/Hazmat Tanker Derailments A Myth Or Not? Check Out This Roll Call ...

P66 supporters would have you believe that those objecting to rail tankers carrying crude oil and other hazmat materials are imagining the dangers and are "fear mongers." Supporters claim the tankers virtually never derail ... that they're 99.9% safe. No worries.

Unfortunately, reality shows that since March 2013 alone, there have been **57 such accidents** in the U.S. and Canada ... more than one accident each month, many with devastating effects.



In 2013 ...

- Parkers Prairie, Minnesota: Crude oil.
- Lac-Megantic, Canada: Crude oil.
- Alberta, Canada: Crude oil and liquified gas.
- Aliceville, Alabama: Crude oil.
- Casselton, North Dakota: Crude oil.

In 2014 ...

- New Brunswick, Canada: Crude oil & liquified gas.
- Plaster Rock, Canada: Propane gas and crude oil.
- Santa Rosa County, Florida: Phosphoric acid.
- Philadelphia, Pennsylvania: Crude oil.
- New Augusta, Mississippi: Flammable ethanol.
- Vandergrift, Pennsylvania: Crude oil.
- Albany, New York: Crude oil.
- Western Minnesota: Crude oil.
- Lynchburg, Virginia: Crude oil.
- LaSalle, Colorado: Crude oil.
- Denver, Colorado: Benzene.
- McKeesport, Pennsylvania: Crude oil.
- Seattle, Washington: Crude oil.
- Slinger, Wisconsin: Diesel fuel.
- Alberta, Canada: Crude oil and methanol.
- Brockville, Canada: Fuel residue.
- Hoxie, Arkansas: Toxic chemicals.
- Mer Rouge, Louisiana: Argon gas.
- Saskatchewan, Canada: Petroleum distillates.
- Moncton, New Brunswick: Crude oil.
- Casselton, ND: 12 empty crude oil tankers.
- Pensacola, Florida: Phosphoric acid.

In 2015 ...

- Antelope, California: Crude oil chemical Toluene.
- Allendale, South Carolina: Hydrochloride.
- Nipigon, Ontario: Propane.
- Richmond Hill, Toronto: Sulfuric acid.
- Philadelphia, PA: Crude oil.
- Dubuque, Iowa: Ethanol.
- Galena, IL: Crude oil.
- Gogama, Canada: **Diluted tar sands.**
- Timmins, Ontario: **Diluted tar sands.**
- Mount Carbon, W. VA: Crude oil
- Valley Mills, Texas: Methanol.
- Trenton, South Carolina: Anhydrous ammonia.
- Colorado Springs, Colorado: Dry ammonia.
- Calgary, Canada: Ammonium nitrate.
- Heimdal, North Dakota: Crude oil
- Addis, Louisiana: Chemicals including lye.
- Maryville, Tenn.: Chemical containing cyanide.
- Culbertson, Montana: Crude oil.
- Barwick, Canada: Petroleum distillates.
- Scotland, South Dakota: Ethanol.
- Alma, Wisconsin: Ethanol.
- Watertown, Wisconsin: Crude oil.
- Upper Merion, Pennsylvania: Crude oil.

And so far in 2016 ...

- Martinez, California: Sulfuric acid.
- Brewster, Ohio: Butane.
- Ripley, NY: Ethanol.
- Edmonton, Canada: Propane.
- Eagle Grove, Iowa: Empty crude oil tankers.
- North Bay, Ontario: Sulfuric acid.
- Scott, Louisiana: Phosphoric acid.

4. Here's How P66's New Crude-By-Rail Business Model Would Change The Use Of Land On The Nipomo Mesa ...

EXISTING:
Panoramic & Extremely
Passive Use of Land

Versus

THE P66 PLAN:
Extremely Active &
Invasive Use of Land



5. Additional Crude May Become Available To P66 From Hundreds Of New, Local Wells

According to a new report in the SLO Tribune -- despite citizens' protests, the oil company Freeport-McMoRan (which already operates 165 oil wells in Price Canyon) *"has plans to enter into a new era of oil production - one that could triple the number of active wells."*

There are "plans to enter into a new era of oil production (in Price Canyon) - one that could TRIPLE the number of active wells."

The firm's oil field is between San Luis Obispo and Pismo Beach. *"The oil is (currently) trucked to a Phillips 66 pump station in Santa Maria. However, the need to truck the oil **will end very soon**. Phillips 66 is finishing construction of a pipeline that will transport the oil."*

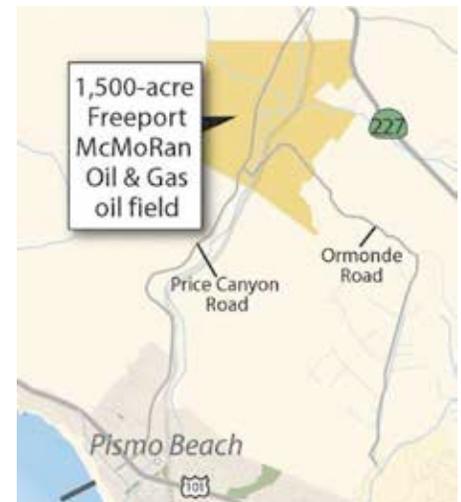


Now, Freeport-McMoRan is awaiting approval to drill 381 new wells in Price Canyon ... an increase of 231% in the sites extracting crude oil.

All of this is moving forward regardless of neighbors' opposition ... many of whom claim there is insufficient evidence that groundwater sources will be protected.

This is further evidence that P66's claim of running out of California crude for their Nipomo refinery flies in the face of what actually exists. As Jim Anderson, P66's Maintenance Superintendent told SLO County Planning Commissioners on March 11, 2016 - *"The supply is in the ground."*

<http://www.sanluisobispo.com/news/local/article68494287.html>



6. P66 Would Use Newer "DOT-117" Tankers ... But Those Cars Are Not The Solution

The U.S. government and the crude oil/rail industries have a poor record of putting safe crude oil tankers on the rails (such as the DOT-111 and CPC-1232 cars now being phased out). P66 wanted to operate both of those types in SLO County.

Now P66 says they'll use only newer, DOT-117 tankers (but not electronic brakes) ... making it sound as if all will now be fine when those cars crash and are engulfed in fire. But if history is any guide, we know the new tankers are only yet the next generation, not a true solution. Here's what's been reported by publications such as *Railway Age* and others:

"(Tank) carbuilders themselves warned that no amount of extra metal or engineering will protect against breaches and fires in HIGH-ENERGY derailments. The DOT-117 is designed to contain its lading in slow-speed derailments and rollovers.

"The DOT-117 offers minimal advantage over the old DOT-111 cars in high-speed, multi-car pileups like those in West Virginia (see photo)."

"The DOT-117 car is a *compromise*: (the) American Fuel and Petrochemical Manufacturers believe the car's safety benefits do not justify its cost, while the National Transportation Safety Board (NTSB) believes the car's safety standards did not go far enough."

"The new rules don't provide adequate protection against fire and heat, factors that cause cars to explode. The DOT allowed to stand a rule that tank cars be able to survive being engulfed in a fire (for only) 100 minutes. That regulation wasn't written with crude oil in mind, experts and industry officials say."



The president of the Illinois Fire Chiefs Association said - "We've never seen (just) a 100-minute fire in a tank car failure. We've seen 24-hour fires." Even industry groups urged the DOT to order tank cars to survive up to 800 minutes. And the president of the Association of American Railroads said "If you're going to build a new tank car, having more thermal protection and giving responders more time would be a big safety benefit."

So, regardless of P66's assurance that all will be well with DOT-117 tankers, those will prove to be just as fragile at higher speeds, when multiple tankers crash, and when they're engulfed in fires for two hours or more, as they often are.

7. Experts State That “EMPTY” Crude Oil Tankers Are As Explosive As FULL Cars

Industry experts say that even supposedly empty oil tankers pose significant dangers after they unload at refineries.

- ▶ Washington state’s transportation director -- *“An amount of oil (will be) left in the car. Not all will drain out. If there was a derailment, we would still be looking at potential combustion or fire.”*
- ▶ A report by Forbes Magazine confirms -- *“Returning empty trains are not empty. They have enough oil remaining to produce highly volatile vapors that make them even more prone to explosions than full cars.”*



- ▶ The fire chief for St. Louis, MO (shown at left) is more specific -- *“The returning (tankers) are ‘residual’ cars, which means they can have 10% of product in that car. So a 30,000 gallon tanker has 3,000 gallons left. Problem - you’ve got vapors. And with vapors there’s a big issue. (The cars are) all flammable.”*

- ▶ The Quincy, WA fire chief explains - *“I’m worried about vapors. They are probably more explosive being partially empty.”* As per the Ephrata, WA fire chief -

“There may not be a large spill, but there could still be a large fire.”

- ▶ And last December, SLO County CalFire Chief Robert Lewin and Deputy Chief Steve Reeder (shown below) remarked on “empty” tankers. Chief Lewin - *“**With empty tank cars it’s like a gun and we treat it respectfully. It’s still a gun and potentially loaded.**”*

Chief Reeder added - *“There’s no fuel to burn, but fumes are there (and then) there’s an issue.”*

So coming and going ... P66’s plan will bring hundreds of unstable trains into our midst each year.



<http://fox2now.com/2015/08/23/first-responders-concerned-about-possible-oil-train-derailment-in-st-louis/>
<http://eaglefordtexas.com/news/id/150833/oil-trains-put-local-emergency-officials-on-alert/>
<http://www.forbes.com/sites/jamesconca/2015/04/06/senators-try-to-stop-the-coming-oil-train-wreck/>

8. Why The Nipomo Refinery's Safety Record Doesn't Count When It Comes To Crude-By-Rail ...

P66 keeps telling us how safe their plant has been. But they've said nothing about their track record for operating a crude-by-**rail** facility here, because they don't **have** a track record!

For the first time ever - they want to bring in and ship out 300 to 500, mile-long crude oil trains per year. Those arriving will be filled with flammable, diluted tars sands. Empties leave with "vapors."

And, for the first time, they'd begin operating an elaborate set of tracks onsite for trains of enormous size and length, and a complex, highly dangerous crude oil, rail offloading facility.

So here's the question - is there any difference between operating a **pipeline**-based refinery that handles relatively benign crude, versus a **rail**-based facility handling flammable, diluted tar sands?

The difference in pipeline versus rail delivery is the same as piloting a Piper Cub versus a fighter jet. These are not the same things. Piloting a fighter requires a far higher level of training and experience. And when you mess up, the consequences are far more disastrous.

So what **rail** experience does this plant's staff have? Do current employees have special rail training? Or, does P66 intend to replace them with those having far more skill in handling flammable crude oil tankers? P66 is silent on this topic.



That's because shipping oil by **pipeline** is the **minor leagues** compared to shipments by **rail**. There have been dozens of **rail** accidents in recent years, spilling millions of gallons with devastating results. Yes, pipelines have issues, but those accidents happen far less frequently and the impacts are far less disastrous.

Therefore, regardless of how safe the Nipomo plant **has** been ... it has **zero experience** operating a rail facility and unloading flammable crude. So, its safety record doesn't count. All of that goes out the window. Past pipeline safety records do not predict future performance that involves rail.

9. SLO County's Just-Released Annual Report - Our Supervisors Pledge To Keep Citizens Safe And Enhance Our Quality Of Life. But That's In Direct Contrast To What P66 Intends For Our Community.

Last month, SLO County issued its 2015 Annual Report. The slides and video describe our County's accomplishments and vision for the future. Shown below are excerpts, quoting Debbie Arnold, former Chair of the SLO County Board of Supervisors. She spoke on behalf of her colleagues, the other board members.

Given all the supervisors' distinct pledge to keep our communities safe and healthy, P66's intentions should cause officials to declare "not in our County!" **After all, how do intense air, noise and visual pollution, the potential for disastrous oil spills, explosions, fires, property damage and injuries, and the ability to destroy crops, home values, taxes, small businesses and jobs, mesh with improving our quality of life?**

"We strive to protect all who live and visit here ... ensuring that each person has a sense of security and well-being. We're creating a safer community for all. We care about living well.

"We work with our constituents to make San Luis Obispo a great place to live. We carefully manage growth, protect our natural resources, and create an environment that encourages respect for all people.

"Now we move forward to continue enhancing the economic, environmental and social quality of life here. Because we are a County that cares."

- Debbie Arnold,
SLO County Supervisor
& Former Chair

COUNTY OF SAN LUIS OBISPO 2015 ANNUAL REPORT



10. Why Do Trains Topple Off The Tracks? Here Are Four New Causes ...

We've reported on the major causes of train derailments -- including poor track maintenance, the enormous weight of crude oil trains stressing tracks, and of course, the never-ending human error. Here are four more that recently occurred ...

a. The Ground Beneath The Tracks "Liquefies":

The term "liquefaction" is defined as - "*Saturated soil loses strength and stiffness in response to an applied stress, usually earthquake shaking or other sudden change, causing it to behave like a liquid.*"

That's exactly what caused a freight train in Riverside, WA to come off the tracks last month. It was hauling lumber and stone and moving at less than 9 mph. That's when the ground under the tracks liquefied, causing five cars to flip over. They could just as easily have been hauling crude oil.



b. Arsonists Burn Trestles Ahead Of Trains:

In Illinois, a Union Pacific railroad trestle was set afire in March. Investigators classified the fire as "suspicious." And in February, just west of New Orleans, another trestle burned to the ground. It's a bridge used by Amtrak's "*City of New Orleans*." That cause is also under investigation. (Think - "Stenner Creek Trestle" in SLO County.)



c. Rock Slides Bury The Railroad Tracks:

Also in March - in California's Feather River Canyon - a rock slide poured down on the Union Pacific tracks. 5,000 cubic yards of rock fell on the mainline, washing out 100 feet of track. Luckily, the line's passenger and freight trains (which include crude oil trains) weren't nearby when the slide occurred.



Another freight train, carrying corn, wasn't so lucky in 2014. It hit a broken rail causing 12 cars to tumble into the Feather River Canyon (see bottom photo).

(continued)

d. A “Colossal” Mistake -- Workers On The Wrong Track: April 3rd south of Philadelphia - an Amtrak train carrying 330 passengers smashed into a backhoe that was part of a track construction project. The engine derailed, killing two workers and injuring 35 on the train.

The cause - “human performance.” Maintenance work was being done on the wrong track!



https://en.wikipedia.org/wiki/Soil_liquefaction
<http://www.king5.com/news/earth-liquifies-causing-freight-train-derail/92926462>
http://m.kfvs12.com/kfvs12/db_349220/contentdetail.htm?contentguid=ZN1511Ha
http://www.nola.com/traffic/index.ssf/2016/02/officials_begin_reconstruction.html
<http://www.actionnewsnow.com/news/rock-slide-stops-train-travel-in-feather-river-canyon>
<http://legacy.abc10.com/story/news/local/california/2014/11/26/train-derailment-feather-river-canyon/70133634/>
<http://www.chicoer.com/article/NA/20150413/NEWS/150419893>
http://www.cnn.com/2016/04/03/us/philadelphia-amtrak-derailment/index.html?eref=rss_topstories
<http://6abc.com/news/2-dead-in-amtrak-train-accident-in-chester-service-suspended/1274225/>
<http://www.theverge.com/2016/4/4/11361558/amtrak-train-derailment-cause-wrong-track-maintenance-philadelphia>

11. The Ongoing Consequences Of Diluted Tar Sands-By-Rail Accidents

On March 7, 2015 a train hauling **diluted tars sands** crashed next to the Makami River near Gogama, Ontario. Twenty-nine cars derailed with many rupturing, spilling oil and exploding. The fire burned for almost a week (see photo). A year later, a report describes the aftermath:

“Security fencing is still in place along with construction equipment. Thousands of tons of contaminated soil have been removed, along with hundreds of thousands of litres of contaminated water, ice and snow. Oil is still being found in sections of ground near the river.”



“A community leader said he wouldn't be surprised if the remedial work continues for another year.” He remarked - “People want to make sure it is totally cleaned up and that our long-term health will be OK. When that train boogies down the track at 50 mph, there's still a lot of tension for people.”

“In the days following the derailments, a speed limit was placed on trains. That speed limit was 35 mph. Since then the speed limit has been lifted, allowing the trains to run at 50 mph.”

Tar sands is the crude that P66 wants to ship by rail through California and into SLO County. That type of cargo has derailed and caused not only immediate destruction, but impacts that last for years. Fortunately, our officials have the power to say “not in our communities.”

<http://www.nugget.ca/2016/03/31/derailment-shattered-residents-still-have-jitters-every-time-a-train-rolls-through-gogama>
<http://ecowatch.com/2015/03/09/oil-bomb-train-explosion-gogama/>

12. Additional Opposition From California Cities And Organizations -- Letters Sent To SLO County Officials

a. Sacramento City Unified School

District: "Our rail system is not designed to move large quantities of crude oil. Seventeen of our schools are in the blast zone designated by the DOT. (And) there is already a high incidence of childhood asthma in our area, and additional pollutants would directly compromise the health of our school communities."



b. Association of Monterey Bay Governments:

"The significant amount of waterways over which the cars will travel greatly increases the severity of a spill radius. (It) will be impossible to completely clean up."

"Phillips 66 has acknowledged that very few jobs would be created. We do not feel that increase in project revenue is worth risking the lives of our citizenry or the integrity of our environment."



c. The Albany Unified School District

(Alameda County): "Almost all of our schools are in the zone designated by the DOT as a potential impact and evacuation zone. The most significant impact is an increase in accidents that could result in spills, fires and explosions. This is not a theoretical risk - there have been at least five derailments in Alameda County. (We) would have to expend scarce resources preparing for the impossibility of preventing deaths and injuries." (Unanimous vote in opposition.)



d. Silicon Valley East Side HS District:

"Trustees strongly oppose this project. The EIR's worst-case scenario is a spill of 180,000 gallons. (Each) train would be carrying almost 3 million gallons of hazardous oil. (It) could devastate our schools, scare water resources, sensitive ecosystems, homes and economies."



(continued)

e. Montecito Association: "The rail corridor passes through our most populous neighborhoods, resorts (and) beaches. There are at grade crossings. A spill or explosion would harm residents (and) affect critical highway (101) infrastructure and the environment. The risks outweigh any benefits associated with importing crude oil to the Central Coast."



f. California State University, Sacramento:

President Robert Nelson wrote to SLO County officials -- "I (am concerned) about the safety of 13,000 students, staff and parents in the Sacramento Unified School District. So many children are in danger. (Schools) will spend valuable resources preparing for a disaster near campuses ... (it) would be devastating no matter the level of preparation."



g. San Jose Unified School District:

"The toxic air emissions that accompany this project pose a risk to public health. Phillips admits its proposed facility will create 'significant and unavoidable' levels of air pollution, with sulfur dioxide and toxic chemicals. Reject the project."



h. San Lorenzo Education Association: "The most significant impact (is) oil spills, fires and explosions near populated areas. Nine of our schools, serving 6,000 students, are within the DOT impact zone. Vote to deny approval of this project."



i. Clean & Green Pomona: "We view this as a direct threat to our public safety and welfare. Pomona is one of those cities whose people will be put at a deadly and unnecessary risk of increased air pollution (and) the derailments and explosions resulting from your approval of this project."



j. Cool Davis: "The proposed route would pass through the center of Davis. The impacts are cumulative as more trains travel on the tracks. The substantial increase in crude-by-rail takes us backwards. At stake is a livable climate for our children and their children."



<http://www.mesarefinerywatch.com/letters.html>

13. It's Non-Stop -- More Derailments, More Spills, More Fires

a. April 5, 2016 -

North Bay, Ontario:

In a home's backyard, up a small slope, ran the local railroad tracks (see photo). The owner heard "something was wrong." He looked out his back window and saw that rail tank cars had fallen off the tracks, with one "stopped by a large maple tree (that) we were going to cut down." The tree stopped the tanker from crashing into his home. It was so close that dirt covered their deck.



What happened? Twenty-five tankers that are used to haul sulfuric acid had derailed. Three homes were evacuated. The tankers weren't full ... but it was suspected that residue still remained. No leakage occurred.

b. April 13, 2016 - Scott, Louisiana:

Eleven tankers derailed, with one carrying phosphoric acid toppling over. Phosphoric acid is caustic and can cause blurred vision, difficulty swallowing or breathing, and gastrointestinal problems. While none of the hazmat material leaked, residents in 138 homes within a mile of the accident were forced to evacuate. The cause is yet to be determined.



c. April 1, 2016 - Fillmore, CA:

Firefighters from multiple agencies responded to a petroleum fire in two large storage tanks. The fire spread to local brush and vegetation. The plan was to "keep the fire contained and let it burn itself out."

<http://www.ottawasun.com/2016/04/05/25-tanker-cars-derail-from-train-3-homes-evacuated>
<http://www.kvta.com/news> - April 1, 2016
<http://www.wtvm.com/clip/12331275/massive-train-derailment-in-opelika-no-injuries-reported>
<http://www.theadvertiser.com/story/news/local/acadiana/2016/04/13/train-derailment-reported-scott/82981200/>

14. How Much Has To Be Paid Out After Crude-By-Rail Accidents & What Is It For?

The 2013 Lac-Mégantic oil train accident involved 25 different companies accused of wrongdoing, who, three years later, are paying into a \$460-million settlement fund for victims and creditors.



- \$50 million has been set aside for “moral” damages, including claims related to post-traumatic stress disorder, bodily injury and issues such as being evacuated from the explosion site.
- \$113 million is for wrongful death claims (47 people died).
- And almost \$300 million is for economic and insurance claims from people who lost businesses and jobs, and claims from the federal, provincial and municipal governments.

That’s just the financial toll. Why bring this proven, ominous threat to our communities?

<http://www.thesudburystar.com/2016/04/11/about-400-people-contesting-payment-received-from-lac-megantic-settlement-fund>

15. What Citizens & The Experts Are Saying

Ethel Landers Of Nipomo In A SLO Tribune Letter To The Editor (February, 2016):

“I’m writing to share my disgust about the Phillips 66 signage in the Five Cities area. The thrust is - if the Planning Commission doesn’t approve the delivery of tar sands oil from Canada, local jobs will be lost. Testimony before the Commission proved no current jobs are in danger and that only 12 permanent jobs will be added if the (project) is approved! This is a smoke-and-mirrors ploy by a huge corporation to expand their industry and place thousands of locals in danger.”

 **Erie County, PA Emergency Management Director Dale Robinson, In An Interview With The “Erie Reader” (March, 2016):** *“We’re letting private industry and politicians who support them say, hey, yeah, we understand the risks. But because of profits and politics, we’re going to throw that risk aside. And that’s the criminal part of this whole thing that nobody wants to talk about.”*

 **Craig Fontaine, Becker County (Minnesota) Emergency Manager (March, 2016):** *A freight train carrying grain slammed into a propane tanker truck, which caught on fire and exploded. “The Lord protected us. A half-hour later an oil train (was scheduled to come through, but was stopped due to the accident). What we saw in Casselton, ND would have been a lot worse (here).”*

<http://www.eriereader.com/article/from-the-editors-march-16-2016>

<http://www.dl-online.com/news/3998150-officials-review-callaway-actions>

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B. WHY YOU SHOULD CARE ABOUT WHAT PHILLIPS 66 INTENDS FOR SLO COUNTY & ALL OF CALIFORNIA

- **Phillips' Motivation:** Phillips claims they are running out of California crude to process, and therefore jobs at their Nipomo refinery are at risk. This is false. Phillips' corporate executives have stated in writing that they want their entire company to process lower-cost crude oil in order to generate higher profits. That crude would come by rail from out of the country - from Canada.

They call it "*taking a classic company in a new direction*" ... i.e., it's their self-proclaimed "*crude-by-rail strategy*." The issue is about higher profits by switching to rail delivery, not about protecting jobs.

- **Phillips' Proposal For SLO County:** For 60 years, their refinery has received crude oil by pipeline ... not one drop by rail. Under their proposal, Phillips for the first time would bring in 20,000 rail tankers per year, fully loaded with Canadian "tar sands" crude. Every year, 250 trains, each a mile long, would travel into the county. Then the same 250 trains would depart (500 trains in total).*

Along with the loaded tankers would come, for the first time, the construction of a rail terminal -- including a "railcar unloading facility", a pumping station, and a new pipeline to move the crude within the refinery. This would be accompanied by trucks and other vehicles to service the facility.

- **The Negative Impacts Of Conducting Business In An Entirely New Way:** This represents an entirely new business model for Phillips - it's a dramatic transformation in the way they operate in SLO County and all of California. This is not a benign "rail spur". The issue is the new intensity of their operations and what they intend to bring in on those rails. The impacts ...

- Shipments throughout California of highly flammable, diluted "tar sands" ("*one of the world's dirtiest and most environmentally destructive sources of fuel*" - U.S. Sen. Barbara Boxer).
- *Air pollution* from diesel exhaust, the refining of tar sands and the resulting petroleum coke dust.
- *Noise pollution* from blaring whistles and track noise throughout SLO County & California.
- *Light pollution* from 15-30 foot tall light towers surrounding the rail yard.
- Statewide *visual pollution* of mile-long trains laden with graffiti, each hauling 80 oil tankers.
- The potential for *derailments and oil spills* anywhere in SLO County & California.
- The potential for *fires, explosions and toxic smoke* anywhere in SLO County & California.
- The potential for *severe property damage* anywhere in SLO County & California.
- The potential for *injuries and deaths* anywhere in SLO County & California.
- The potential to *damage the reputation* of SLO County as a place to live, work and visit.
- And the potential to *damage the economic well-being* of our homeowners and businesses.

Of special note is that SLO County and California officials will be preempted from protecting their citizens about anything related to the mainline railroad and the contents of the tank cars -- Federal law will not allow our local governments to safeguard us. Local governments would be impotent.

- **What SLO County Officials Must Do:** Therefore, given all of the above impacts and the issue of "preemption" -- SLO County's Planning Commissioners and Supervisors must reject Phillips' "rail spur" plan. If the terminal is not built, the trains will not be targeting California and SLO County.

*On Feb. 1, 2016 P66 reduced their proposal to 150 trains arriving per year (300 arriving/departing).

C. REFERENCES - RECENT VIDEOS & NEWS ARTICLES

(Stay current with news, articles and videos in-between newsletters at MesaRefineryWatch.com.)

Selected Items Discussed In Previous Newsletters ...

- **The Dept. Of Commerce -- Impacts From P66's Plan "Could Be Disastrous"**
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- **A Personal Message To SLO County Officials From A Lac-Mégantic Survivor**
<http://www.fweekly.com/2015/12/30/danger-in-dilbit/>
- **The Planning Commission's Public Hearings - March 11, 2016**
<http://www.ksby.com/story/31452032/philips-66-oil-by-rail-plan-concludes-public-comment>
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- **The National Academy Of Sciences Spells Out Why Tar Sands Spills Are So Disastrous**
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<http://www.nrdc.org/energy/tar-sands-health-effects.asp>
- **Benicia's Planning Commission Just Told Big Oil - "Keep Your Trains Out Of Our City!"**
<http://www.sacbee.com/news/local/transportation/article59969201.html>
- **The Planning Commission's Public Hearings - Feb. 4 - 5, 2016**
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- **Cal Poly Student Government, Representing 20,000 Students, Opposes P66 Plan**
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- **Can Big Oil's Rail Terminals Be Stopped? Citizens Just Did It In Northern California!**
http://www.contracostatimes.com/breaking-news/ci_29220910/pittsburg-proposed-wespac-oil-by-rail-shipping-terminal
- **Final Environmental Impact Report (click on "Phillips 66 Rail Spur Extension Project")**
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- **Washington Allowed Oil Train Terminals; It Now Has Buyer's Remorse**
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- **“New Times” Cover Story Confirms - The P66 Project Is NOT About Protecting Jobs:**
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- **Video - What Oil Trains Would Look & Sound Like In SLO County:**
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D. STEERING COMMITTEE MEMBERS; LOGISTICS OF THIS NEWSLETTER

1. Mesa Refinery Watch Group Steering Committee: Contact one or more of our members with your comments or to learn about upcoming committee meetings.

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2. List Coordinator/Newsletter Distributor: If you would like to add names for receipt of this newsletter, or if you would like to stop receiving it, kindly contact Steve Dubow -- sfdubow@charter.net.