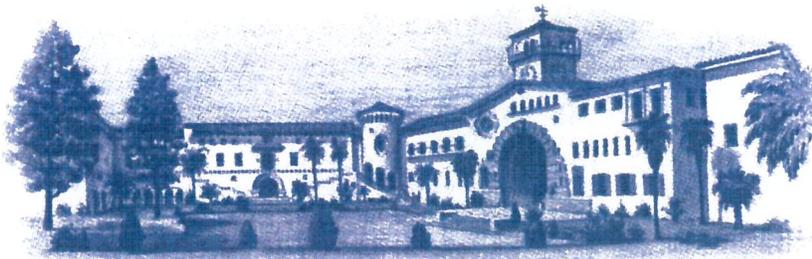


SALUD CARBAJAL
First District Supervisor

JEREMY TITTLE
Chief of Staff

ERIC FRIEDMAN
District Representative

**LISA VALENCIA
SHERRATT**
District Representative



BOARD OF SUPERVISORS
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COUNTY OF SANTA BARBARA



March 6, 2015

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 #200
San Luis Obispo, CA 93401

RE: **Phillips 66 Rail Spur Project**

Dear Chair Arnold and Chair Topping,

In my capacity as First District Supervisor for Santa Barbara County, I am contacting to you to express my serious concerns regarding the proposed Phillips 66 Rail Spur Project. The potential trains associated with the project would travel through the heart of a number of communities in my District, including Carpinteria, Summerland, Montecito and the City of Santa Barbara. They would also run adjacent to a major portion of the U.S. Highway 101 transportation corridor, posing a significant risk to lives, property, the economy and environmentally sensitive habitat.

In November of last year our Santa Barbara County Planning and Development Department provided the attached comments on the Recirculated Draft Environmental Impact Report (DEIR) for the Rail Spur Project. These comments largely focused on the inadequate analysis of pipeline transportation alternatives and the ability of such an alternative to reduce or eliminate some of the most significant environmental and public safety impacts of the project. I share these concerns and encourage you to keep them in mind as you consider this issue before you.

Additionally, there have been a series of recent events that I believe put the danger of this proposed project in further perspective. In July of 2013, 63 cars from a runaway oil tanker train exploded in Lac-Megantic, Quebec, leveling much of the town. Then on February 16,

2015, an oil train hauling hundreds of millions of pounds of oil derailed in Boomer, West Virginia and exploded. Most recently we were reminded that while train accidents are rare, they do occur, as evidenced by the recent Metrolink accident on February 24, 2015 in Oxnard which occurred on our same local rail corridor which trains related to this project would operate on. A similar scenario involving an oil train would have resulted in wide ranging public health, safety, economic and environmental impacts.

In regards to potential risk, the Feb 2015 issue of the League of California Cities Magazine *Western City*, documents the increase in the number of oil trains in California. For example, oil imports to California by rail rose 506 percent to 6.3 million barrels in 2013 and are projected to rise to 150 million barrels by 2016. Concurrently, the number of spills from trains has risen from 98 in 2010 to 182 in 2013. Furthermore, the same article also notes that in 2013 there were more spills from oil trains throughout the United States than there were in the previous four decades combined.

In regards to the Phillips project, approval may result in hauling of 1.8 to 2.1 million gallons of crude annually here on the Central Coast. I urge you to keep the risks to residents, the economic vitality and natural environment associated with this increase in mind as you consider this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Salud Carbajal', written in a cursive style.

Salud Carbajal
First District Supervisor

Attachment: Santa Barbara County Comment letter Re: Notice of Availability of Recirculated Draft Environmental Impact Report – Phillips 66 Company Rail Spur Extension Project

County Of Santa Barbara

Mona Miyasato
County Executive Officer



105 East Anapamu Street, Room 406
Santa Barbara, California 93101
805-568-3400 • Fax 805-568-3414
www.countyofsb.org

Executive Office

November 24, 2014

Mr. Murry Wilson
County of San Luis Obispo Department of Planning and Building
976 Osos Street, Room 200
San Luis Obispo, CCA 93408

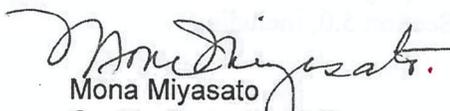
Re: Notice of Availability of Recirculated Draft Environmental Impact Report – Phillips 66 Company Rail Spur Extension Project

Mr. Wilson:

Thank you for the opportunity to comment on the Recirculated Draft Environmental Impact Report for the Phillips 66 Company Rail Spur Extension Project. At this time, the County is submitting the attached letter from the County Planning and Development Department.

The County has no further comments on this project at this time and looks forward to hearing more about the project's progress. If you should have any further questions, please do not hesitate to contact my office directly or Matt Schneider, Deputy Director in the Office of Long Range Planning, at (805) 568-2072.

Sincerely,


Mona Miyasato
County Executive Officer

cc: Glenn Russell, Ph.D., Director, Planning and Development Department
Matt Schneider, Deputy Director, Long Range Planning Division
Kevin Drude, Deputy Director, Energy and Minerals Division

Attachments: November 19th Letter, Planning and Development Department

Renée E. Bahl
Assistant County Executive Officer
rbahl@co.santa-barbara.ca.us

Terri Maus-Nisich
Assistant County Executive Officer
tmaus@countyofsb.org



County of Santa Barbara Planning and Development

Glenn S. Russell, Ph.D., Director
Dianne Black, Assistant Director

November 19, 2014

Murry Wilson
County of San Luis Obispo Department of Planning and Building
976 Osos Street, Room 200
San Luis Obispo, CA 93408

**Re: Comments on the Proposed Phillips 66 Company Rail Spur Project Recirculated
Draft Environmental Impact Report**

Mr. Wilson,

Thank you for the opportunity to comment on the Revised Draft EIR for the proposed Phillips 66 Company Rail Spur Project. The primary purpose that the EIR was recirculated was to expand the discussion of the mainline rail impacts beyond the borders of San Luis Obispo County, which has been adequately done. However, the EIR fails to identify any pipeline alternatives to rail transportation which, if feasible, could reduce or even eliminate some of the most significant public safety and environmental impacts. The comments presented herein provide additional information and suggested EIR changes to address this deficiency. Our comments are focused on the Project Objectives, the Project Description and Project Alternatives.

2.1 SMR Rail Project Purposes and Objectives

A project objective that limits transportation by rail alone sets an unreasonable and restrictive limit of the Lead Agency's ability to develop project alternatives that may identify safer and less environmentally damaging forms of crude oil transportation, like pipelines. The primary objective of the proposed project should be more appropriately stated as allowing the refinery to obtain a range of competitively priced crude oil from North American sources via existing and possible upgraded transportation systems. If so stated, the potential list of project alternatives could be effectively expanded beyond the limited list identified in EIR Section 5.0, including pipeline alternatives.

2.7 Rail Spur Project Effect on Refinery Throughput

The Santa Maria refinery has a single feed stock pipeline which serves local producers. The rail project is proposed by Phillip 66 to give them access to a broader market of crude oil, or "Advantaged Crudes", so that they can remain competitive. The EIR further notes that Advantaged Crude production areas often have limited pipeline service, causing transportation challenges to refinery destinations. These reported pipeline system limitations are driving the rail

transportation proposal, but the question remains why new pipeline capacity is not proposed, or even considered as an alternative given that pipeline transportation is a more environmentally protective and safe means to transport crude oil.

This section also describes, accurately, that more imported crude to the refinery could displace local production feed-stocks. This would likely result in those displaced volumes being transported to other areas for refining. The County believes this is a reasonably foreseeable result of the proposed project and should be analyzed in the EIR. The current combined onshore and offshore production volume of approximately 61,000 barrels per day could be displaced. Although much of this oil is already transported by trucks to local pump stations for transportation to the Santa Maria refinery, displacing it entirely would require that it be transported to other refinery destinations, likely in the Los Angeles and Bay areas, and in trucks for most or all of that distance due to the lack of pipeline capacity. This would undoubtedly result in air quality and traffic impacts greater than current levels. As the trend in Santa Barbara County for the last decade has been an increase in onshore production, the impacts caused by such a displacement of local production could be significant.

5.0 Project Alternatives

Santa Barbara County has long been at the forefront of developing and enforcing policies and rules that regulate the transportation of hazardous liquids. The County strictly enforces the transportation of Natural Gas Liquids (NGLs), requiring maximum blending of the liquids in crude streams, then only by truck on designated haul routes and by certified carriers. Natural gas and oil transportation is similarly regulated, involving careful risk-based design review and permitting of the pipelines and associated processing facilities. Because the proposed project involves the transportation of crude oil with its associated risks, and because the transportation path cuts directly through Santa Barbara County, it's imperative that the EIR consider a pipeline alternative(s) consistent with our strict pipeline transportation policies and rules.

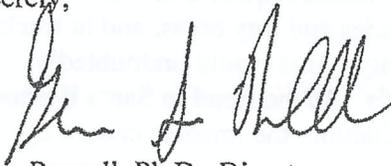
As is apparent in reviewing the Alternatives Analysis, there are many complications associated with the acquisition of crude oil stock for refining. Because the crude oil is identified as coming from numerous North American locations, the transportation infrastructure will vary and is difficult to precisely identify at this time. The County also understands that pipeline networks are operated by numerous entities, transport multiple feed stocks, are sometimes contractually dedicated and have other legal and technical constraints limiting their use or modification. However, the EIR fails to include a discussion of pipeline transportation alternative(s) even in the screening study, giving the reader no opportunity whatsoever to comment on or even understand why such options are not considered.

The rail transportation of crude presents numerous potential and known risks to the environment, all dangerous and some potentially catastrophic or fatal. Impacts to our local environment including creeks and streams, groundwater and the ocean would be significant in the event of a train accident, and the health and welfare of our residents would be negatively affected by the fugitive emissions from the rail cars. Because the project is anticipated to lengthen the operational life of the Santa Maria refinery for 20 to 30 years or more, the associated impacts of rail transportation would continue for that duration, with little or no opportunity for the County

to mitigate project impacts in our jurisdiction once approved. In fact, as the County grows and changes over time, a long-term and dangerous rail transportation project cutting directly through our jurisdiction would present difficult planning challenges.

The County asks that the EIR include a robust discussion of pipeline transportation alternatives, identifying to the extent feasible potential pipeline system upgrades and of primary importance how pipeline transportation in the general vicinity could be augmented or constructed anew to avoid the rail transportation of crude in our County altogether. If you have any further questions or comments regarding this letter, please contact Kevin Drude at (805) 568-2519.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Russell". The signature is fluid and cursive, with the first name "Glenn" and last name "Russell" clearly distinguishable.

Glenn Russell, Ph.D., Director

SALUD CARBAJAL
First District Supervisor
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, California 93101

SANTA BARBARA
CA 931
10 MAR 2015 PM 17



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

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