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October 4, 2016

Ramona Hedges, Secretary
San Luis Obispo County Planning Commission
Old Courthouse Building
976 Osos Street
San Luis Obispo, CA 93408

Re: Phillips 66's San Luis Obispo Oil Train Project

Dear Ms. Hedges

My office represents the City of Davis as City Attorney. Davis is the largest city in Yolo County with a population of approximately 65,000. Davis is located west of Sacramento, California. The City is the home of the University of California, Davis (UCD) which has a student population of around 36,000 plus faculty and staff. The Union Pacific railroad main line tracks between Sacramento and the San Francisco area cross through Davis' downtown and proceed west adjacent to the UCD campus. These tracks are used by freights trains and by Amtrak and Capitol Corridor commuter train service. The Davis train station is one of the heaviest used train stations in Northern California. The rail tracks running through the City travel through a highly populated area of both business and residential land uses, including the core of the Davis Downtown.

Rail cars traveling the tracks through Davis must negotiate significant challenges including the private crossing at the east end of Arboretum Drive, where several pedestrian deaths and at least one vehicle collision and death have occurred. The rail cars must also navigate an at-grade vehicular crossing immediately east of the City limits at County Road 32A, where the derailment and fire occurred in the early 1990s. Further east, just to the east of the City of Davis, trains navigate elevated tracks over the highly sensitive habitat area of the Yolo Causeway. As a result, Davis is regularly exposed to the risks inherent in the transportation of oil and other flammable liquid via rail.

Further, in Davis, rail shipments travel on the Union Pacific rail line with three actives sidings of up to 6,500 feet in length that run parallel to Second Street and Interstate 80. These sidings are utilized for storage of rail cars on a regular basis, with rail cars often being stored on these sidings for days or weeks at a time. These sidings are immediately adjacent to multiple businesses and multi-family housing. City Staff have personally witnessed tanker cars stored on these sidings, though it is impossible to determine whether the tank cars are full or empty. Tank



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cars sitting on this siding, unattended, pose a significant hazard to the community, residents, businesses, and interstate transportation (I-80, Amtrak) and commerce should they be the subject of any accident, tampering or other impact on the cars, resulting in a spill or explosion.

Here, Phillips 66's San Luis Obispo Oil Train Project would bring one 80-car oil train through Davis daily on the way from Canada to San Luis Obispo County. An oil spill or worse in the City of Davis would put thousands of people at risk and could cause millions of dollars in direct damages and additional economic losses to the Davis downtown that could take years to recover.

As you likely already know, the Surface Transportation Board has recently ruled that California localities, such as the County, are not preempted from denying permits, such as the one sought by Phillips 66, because "the Planning Commission's decision does not attempt to regulate transportation by a 'rail carrier.' The [Surface and Transportation] Board's jurisdiction extends to rail-related activities that take place at transloading... facilities [only] if the activities are performed by a rail carrier, the rail carrier holds out its own service through a third party that acts as the rail carrier's agent, or the rail carrier exerts control over the third party's operations." (Surface Transportation Board Decision, Docket No. FD 36036.) Accordingly, it is fully within the Commission's power to deny Phillips 66's permitting request.

We apologize for the late date of this letter, but we have requested, dating back to 2014, to be added to the County's CEQA notice distribution list but have never received any notices. We learned of your hearing on the 5th through other channels and wish to inform you of our concerns regarding the CEQA analysis prepared for the Project with regard significant impacts related to rail safety issues and the necessary mitigation to address those impacts. We ask that you take the danger to the City of Davis into account in considering Phillips 66's permit request and, consistent with your staff's recommendations, deny it.

Thank you for considering the City of Davis' comments.

Sincerely,

Harriet Steiner ^{SEO}

Harriet A. Steiner
of BEST BEST & KRIEGER LLP

cc: Dirk Brazil
Mike Webb