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February 24, 2016

VIA ELECTRONIC MAIL AND OVERNIGHT MAIL

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Re: Preliminary Comments on the Final Environmental Impact Report for the Phillips 66 Company Rail Spur Extension Project

Dear Honorable Members of the San Luis Obispo County Planning Commission and Ms. Hostetter:

We are writing on behalf of Safe Fuel and Energy Resources California ("SAFER California"), Ian Ostrov, and Gene Sewall to provide *preliminary* comments on the Final Environmental Impact Report ("FEIR") for the Phillips 66 Rail Spur Extension Project ("Project"). We are currently reviewing the FEIR, including the County's responses to our comments and appendices, and other related documents. Based on our review, we conclude that the FEIR fails to comply with the requirements of CEQA.

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As an initial matter, the January 25, 2016 Staff Report and findings for denial highlights many of the Project's inconsistencies with various laws, plans, and policies. The Staff Report concludes that because of the Project's many significant and unavoidable impacts on air quality, public health and safety, and biological resources, the Project's benefits do not outweigh its environmental costs. We concur with the Staff Report's findings.

However, the Staff Report fails to address *all* of the FEIR's deficiencies as a CEQA document, including the unlawful piecemealing of environmental review; failure to adequately address the crude switch; underestimation of environmental impacts to air quality, biological resources, and public health and safety; and failure to incorporate all feasible measures to mitigate those impacts.

Furthermore, with the assistance of experts in air quality, hazards, and biological resources, we have identified several unmitigated significant impacts that would result from both the originally proposed Project and the Reduced Rail Deliveries Alternative ("Alternative"), on- and off-site. Specifically, the Alternative will result in significant on-site health risks, as well as highly significant on-site hazards, among other unmitigated impacts. Furthermore, the Alternative will still result in permanent impacts to Environmentally Sensitive Habitat Areas ("ESHA"), in violation of various laws, plans, and policies.

These findings demonstrate that the FEIR's conclusions (and Phillips 66's arguments) regarding the Alternative's alleged reduced impacts are unsupported. Both the Project and the Alternative will result in highly significant unmitigated impacts to air quality, public health and safety, and biological resources on the Project site and off the Project site along the rail mainline.

For these reasons, which we will detail further in written comments upon completion of our review of the FEIR, the FEIR fails to satisfy the basic purposes of CEQA. Like the Recirculated Draft EIR before it, the FEIR's conclusions regarding air quality, public health, hazards, and biological impacts are not supported by substantial evidence.

We urge the Commission to deny this Project based on the Staff Report findings for denial, as well as these and other public comments. Until the violations, flaws, and omissions described in these documents are resolved, the County may not lawfully approve the Project. Furthermore, should the Commission

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decide to move forward with review of the Alternative, the Commission must first direct staff to prepare a revised EIR that fully discloses, analyzes, and mitigates all significant impacts resulting from the Alternative, as required by CEQA.

Thank you for your attention to this important matter.

Sincerely,

Laura E. Horton

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