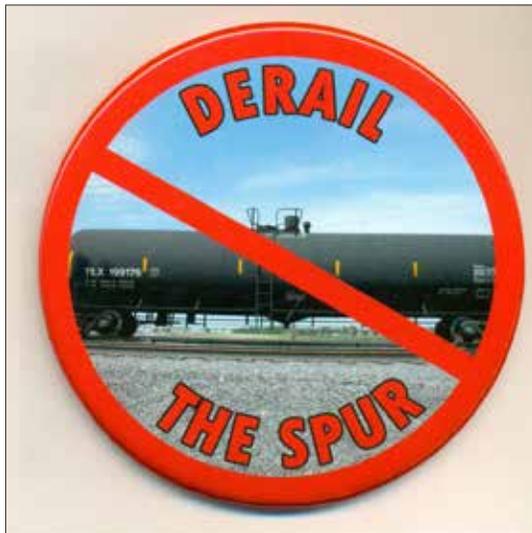

"THE MESA REFINERY WATCH GROUP"

NEWSLETTER: May 24, 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 May 16th ...

a. Summary (See Details On Following Pages)

- ▶ **The Deliberations Continued:** Discussions continued from April, regarding air quality, agriculture, liquefaction, visual impacts, and the responsibility for crude oil train spills.
- ▶ **Commissioners Revealed Their Stances On The Project; A "Straw Poll" Was Taken:** Each Commissioner described how they view the issues surrounding the P66 project, and indicated how they would likely vote when an official tally takes place. By a margin of 3 - 2, they would currently vote to approve the project. However, at this point, their straw poll is non-binding, and the final vote may be different.

- ▶ **To Be Developed - An Improved Project Description; Conditions Of Project Approval:**

Commissioners agreed that the official project description is inadequate regarding the use of trains. They also began listing "conditions of approval" ...

i.e., stipulations P66 must agree to and meet should the project be approved. Over the next four months, the commission's staff will improve upon the project description, outline the proposed conditions, and draft a statement of "overriding considerations" (reasons to override the project's Class I impacts).



- ▶ **Upcoming - Public Comment On Conditions Of Approval/Mitigations:** The Hearings will continue on **Thursday, September 22nd (mark your calendar)**. At that meeting, the public will be able to provide their views on whether or not the conditions/mitigations are sufficient. Citizens may recommend other related stipulations they feel are required.
- ▶ **Final Vote:** At the September (or a future) meeting, the Commissioners will take an official vote. It's possible that over the next four months, new evidence may surface, circumstances may change, conditions/mitigations may not be acceptable, or opinions may shift ... and one or more Commissioner may reverse their stance and reject the project.
- ▶ **Beyond The Planning Commission:** After the final vote, the Commission's decision will very likely be appealed to SLO County's Board of Supervisors. Once that decision is made, it will be reviewed by the CA Coastal Commission. Beyond that, the decision may go to CA state court and/or to the federal courts.

b. How The Mesa Refinery Watch Group Views The Current Situation

It's natural, given the obvious dangers of crude-by-rail, to be disheartened by the straw poll -- to be on the short end by a single vote. But we must recognize that the straw poll and even the final vote this fall are but single moments in a multi-round, marathon slugfest.

Along with our allies, MRWG members have landed many hard blows and forced P66 to back off and change tactics. Our united efforts have helped score all of these victories ...

★ **Round 1 - Bakken:** P66 initially left the door open to bring in the highly explosive Bakken crude. Educating the public caused them to take Bakken off the table.

★ **Round 2 - Quantity Of Trains:** P66 wanted to bring in 5 trains per week. The pressure we exerted helped cause them to back it down to 3 trains per week.

★ **Round 3 - The Staff Report:** P66 hoped the Planning Commission's staff would support the project. We repeatedly helped shed light on the project's true dangers, and the staff harshly rejected it.

★ **Round 4 - The Tankers:** P66 wished to use the fragile DOT-111 and CPC-1232 tankers. But alerting officials to the fact that those cars are woefully outdated, forced P66 to commit to begin utilizing the next generation -- DOT-117 cars (even though those cars are inadequate).

★ **Round 5 - The CCC:** Based on communications from the MRWG and others, the CA Coastal Commission's staff recommended that the rail project be denied by the Planning Commission. That organization's future impact will be significant to the project's outcome.

★ **Round 6 - Preemption:** Despite P66's claim that federal preemption prevents decision makers from protecting citizens along the mainline, both SLO County's Counsel and CA's Attorney General are now advising officials that, as they make decisions, it's their obligation to take the well-being of all people in the County and state into consideration.

★ **Round 7 - An Extremely Close Vote:** Although the straw poll wasn't in our favor, two enlightened Commissioners vehemently support rejection of the project. We still believe at least one other Commissioner will ultimately be more thoughtful, and determine that public health and safety should be our officials' priority.

★ **Round 8 - Round???:** Regardless of the current status, the final judgement is well in doubt. Additional boards, commissions and courts will rule -- and logic, evidence and common sense, not ideologies, personal preferences nor politics, should win the day.

Therefore, do not be dismayed by a straw poll. We will plan appropriately for the next rounds and continue taking the fight to P66. Ultimately, the overwhelming desire of citizens to stop the invasion of crude-by-rail will prevail.



c. Remarks From Each Commissioner On Their Straw Votes
(As per notes taken by the MRWG. *Italics* are MRWG comments.)

1) Voted AGAINST The Project

► Eric Meyer:



- “Phillips says it’s about jobs. (But) we’d be importing a foreign product at the risk of local jobs. That’s a wash in my mind.”
- “We’re accepting risk with no reward. (The reward) is a ‘blank’. We know there will be accidents. The risk if one person dies (is too much). Where is the benefit for accepting that risk? I don’t see it, so I’m a no.”

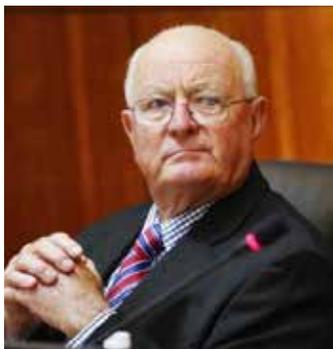
► Ken Topping:



- “The Final EIR tends to understate potential impacts. (The trains represent) small probability, high impact events.”
- “Our General Plan is crucial, especially regarding safety. We must honor that. The safety element should be our guide.”
- “This area (the Nipomo Mesa) has suffered from bad decisions such as off-road vehicles. I’m not against the refinery - I voted for the throughput (increase in refining capacity in 2012). (But) don’t make a bad situation worse (i.e., air quality on the Mesa).”

2) Voted FOR The Project

► Don Campbell:



- “We’re only talking about a small spur. We don’t need to be concerned with other districts.”
- (This argument totally ignores all of the Class I impacts in South SLO County, throughout SLO County, and throughout dozens of towns in California. It ignores legal advice that it’s the Commissioners’ duty to take into account the effects on areas outside the refinery.)*
- “Bringing trains is just commerce. Bringing in other topics doesn’t count.”

(This is the classic argument of business first; the health and safety concerns of citizens just gets in the way. Maintaining and growing commerce and profits are the only things worth discussing.)

- **Jim Irving:** “The Final EIR makes it clear that this project can’t be approved.”



(Very true. There are almost a dozen Class I impacts in both the 5 and 3-train alternatives. And the County staff did their homework well - their report contains well-reasoned rationales for denying the project.)

- “The larger picture throughout the state remains the issue. But it’s unclear what we could do or not. I have to put aside impacts on the mainline. If I could establish conditions on the mainline, that would change the way I felt. Court cases are unclear. (So) I need to look at the land issues.”

(CA’s AG has given officials a foundation for including mainline impacts in their decisions. They have the duty and authority to weigh those consequences. But the Commissioner’s stance means he’s already accepted preemption, even though he’s ‘unclear’ about it. We respectfully suggest that his first move should be to protect the County’s citizens, then worry about preemption.)

- “I agree this is not about saving jobs. It’s about profits. But gee, what’s wrong with profits?”

(Absolutely nothing. Unless the pursuit of profits tramples on citizen’s human and property rights to have a safe and healthy community. And this project contains unmitigable dangers that are guaranteed to arrive, as spelled out in the EIR ... dangers many Commissioners are distinctly ignoring.)

- “I don’t want Phillips to use Canadian tar sands.”

(Most of us recognize the destruction, pollution and greenhouse gases caused by tar sands. So it’s time to stand up, be courageous and make a difference when we’re given the opportunity.)

- **Jim Harrison:** “From 2001 to 2015 there were 22 train derailments in which people were killed. We must assume those risks.”



(Why? P66 doesn’t need more crude oil. They want cheaper, imported crude. Are additional profits worth more than health, safety and lives?)

- “Are you using things that use fossil fuels?”

(The MRWG is not asking that fossil fuels be abandoned or that the refinery close down. This is another false flag being waved by P66.)

- “People who moved next to the refinery should know the refinery was there. This project was there before the people were there.”

(Residents knew a passive, pipeline-fed refinery was there. But an active rail terminal never existed nor was it being proposed. This is an entirely new way for P66 to conduct business that intrudes on residents’ rights. The myriad impacts of the rail terminal will not stay on their property.)

- Commissioner Harrison said the risk of hauling crude by truck or pipeline is greater than by train. *(Research shows that pipelines are 4.5 times safer than transport by train. <http://goo.gl/BA6Aqn>)*

d. Key Issues Discussed During The May 16th Hearings

1) Air Quality On The Nipomo Mesa:

- **Greg Chittick, Air Quality Specialist:** The blowing sand from the Dunes contains silica dust. Silica dust “exposure (leads to) acute silicosis, chronic bronchitis and emphysema. Long term exposure is carcinogenic.”

“(The P66) project, 3 trains per week, would increase baseline train cancer risk level by about 14%.”

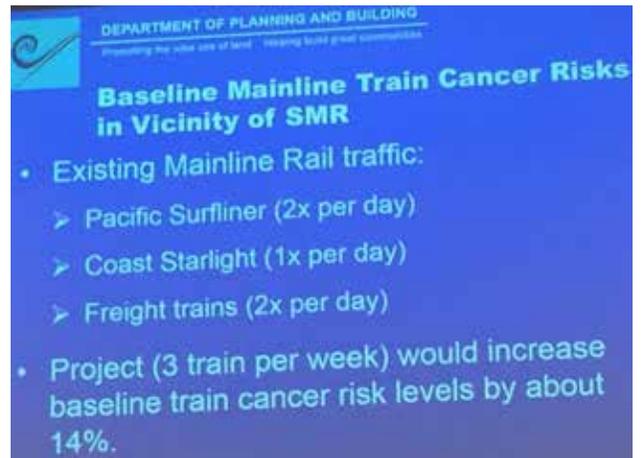
14% more people contracting cancer from P66’s crude-by-rail plan.

- Greg Chittick; Air Quality Specialist, Engineer; Marine Research Specialists

- **Dr. Penny Borenstein, SLO County Health Officer:**

It’s well known that P66’s trains will emit additional diesel particulate matter - DPM.

Dr. Borenstein -- “There is a whole host of (health issues) affected by exceedances of PM. It’s indisputable that PM has health effects -- (including) development of asthma in children. You want to lessen the opportunities (for) ‘hits’ (that cause cancer).”



When asked by a Commissioner when all locomotives must meet new air quality standards ...

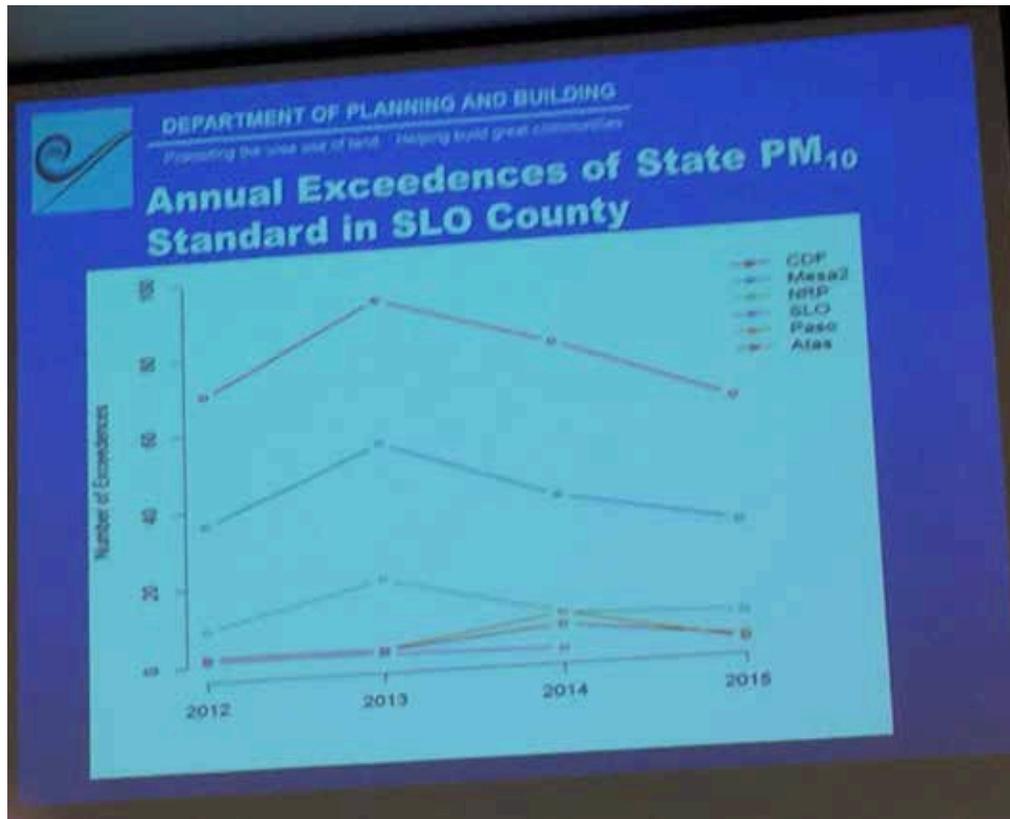
“By 2042 (26 years from now).”

- John Pierson; Project Mgr., Chemical Engineer; Marine Research Specialists

(Air quality issues continued on the next page ...)

d. Key Issues Discussed During The May 16th Deliberations

1) Air Quality On The Nipomo Mesa, cont.:



- **Class I Impacts Remain With The 3-Train Alternative:** Greg Chittick remarked on the 3-train alternative - “We’re not convinced that their mitigation ‘is there.’ We’re still calling it a Class I. You need to address it in a statement of overriding considerations.”



County Deputy Counsel, Whitney McDonald added - “Staff still believes a Class I diesel PM impact exists under the 3-train alternative. Do you (Commissioners) want to go with staff or applicant’s opinion? This could put the County and APCD at odds ... there would be different thresholds.”

“I recommend you take the position that some impacts are Class I. It’s too risky to say preemption overcomes (them). We need to address this in overriding considerations.”

And Commissioner Topping - “Explain why there are no Class I land use impacts since the project butts up on residential land use.” Ms. Ryan Hostetter - “We’ll look into that.”

2) The Reduced Buffer Zone On The Nipomo Mesa & The Impact On Adjacent Residences:

- ▶ **The Buffer:** Residents have repeatedly pointed out that the visual impacts on the Nipomo Mesa (which County staff's report describes as a "**scenic area**") will be destroyed when the rail terminal project is built. The terminal would be in **plain sight**, in-between the community and the dunes and Pacific Ocean.

The buffer zone originally intended by previous Commissioners to separate the refinery from residences, would be removed with devastating results ... introducing a spectrum of impacts, including noise, light, locomotive vibrations, visual, etc.

Ryan Hostetter, County Manager For The P66 Project; May 16, 2016 ...

***"The buffer area here is a separation of uses ...
segregating industrial from residential uses.
In our staff report the buffer will be reduced to approximately a half mile."***

- ▶ **Private Versus Public Views & Roads:** Ms. Hostetter continued ... "The County does not protect views from private property. (Our) visual analysis was done from Highway 1, not from Trilogy (which is far higher than Highway 1)." Note -- the County does protect views from public roads.

She continued - "It's possible to look down on the project (from Trilogy). We don't have the elevation of Trilogy." (In fact, the higher elevations in Trilogy are 285 feet above sea level.)

Trilogy's elevation and views weren't taken into account in the EIR's analysis. Yet, the community's roads have never been designated as "private" (it is not a gated community, and the County has always required public access through Trilogy to Highway 1). It's roads are public and simply waiting to be accepted into the County system.

SLO County's Public Works Manager confirmed this at the Hearing ...

***Trilogy's roads have already been
"offered for public roads, but not yet accepted."***

That acceptance is inevitable and basically a formality.

Therefore, the Planning Commission must take into account at this time, the visual impacts from Trilogy's elevated, soon-to-be accepted public roads, especially those directly facing the P66 property.

(See photos on next page.)

**View Of Proposed Rail Terminal
From Highway 1 Below Trilogy**
(Relatively flat, horizontal view,
from a low elevation.)



VERSUS ...

Views Of The Rail Terminal Site From “Public” Roads Within Trilogy
(Elevations within Trilogy are up to 285 feet above sea level;
there are direct views of the proposed rail terminal site;
this elevation was not taken into account in the Final EIR’s visual impacts analysis)



e. The Potential “Conditions Of Approval” For The P66 Rail Terminal & Its Operations

Although the Commissioners’ straw poll indicated potential approval of the project, they then stated that two major areas must be agreed to by P66 -- the mitigations as per the Final EIR, and additional “conditions of approval.” All of these will be in a report prepared by County staff and distributed to the public. There will be public comment on September 22nd.

Note: Deputy Counsel McDonald, pointed out that the conditions imposed on the project (see below) may require a recirculation of the EIR.

Suggested conditions of approval mentioned by Commissioners on May 16th included ...

- 1) **Locomotives:** As soon as the rail terminal is completed, P66 must purchase/lease and operate their own locomotives onsite at the refinery (not UPRR). The locomotives must ...
 - Be the latest available, least polluting locomotives -- likely “Tier 4” engines.
 - Have state-of-the-art “positive train control” (PTC) braking systems.
 - Be used for moving tankers around P66’s property. Union Pacific’s locomotives would arrive at the refinery, unhook from the tankers, move away and shut down.
- 2) **Engine Shut Off Times:** P66’s and UPRR’s locomotives must have a “hard” shut-off time. They will not be permitted to operate from early evening until morning, thereby limiting noise, light and vibration pollution in nearby communities.
- 3) **Idling Of Trains:** Conditions will be placed on the idling of all locomotives in order to limit the air, noise, light and vibration pollution they will generate.
- 4) **Crude Oil Tank Cars:** At the refinery, P66 must utilize only state-of-the-art crude oil tankers ... whether they be DOT-117 cars or whatever the safest cars are specified by the federal government at any given time. They must include the latest available technology. Commissioner Irving -- “The cars must have all the ‘bells and whistles’.”

Even if federal regulations give companies additional years to implement state-of-the-art tankers, P66 must not delay. They must immediately purchase/lease those model cars or retrofit existing cars to meet the highest-known standards, regardless of cost.
- 5) **Conditions Of Operation:** How P66 will operate its trains and its unloading facility must be specified in extreme detail. Where trains will move, how locomotives will uncouple and couple, how long each operation will take, etc., must be specified. Commissioner Irving -- “They must be nailed down rock solid.”
- 6) **Limited Hours Of Terminal Operation:** The overall rail terminal will be limited to specific daytime hours of operation. This includes not only the locomotives and the coupling and uncoupling of cars, but the operation of all other machinery and pumping systems at the new terminal that generate light, noise and vibrations.
- 7) **Limited Noise Levels:** A maximum decibel level will be specified for all rail terminal operations. This will include both daytime and nighttime specifications.

e. The Potential “Conditions Of Approval” For The P66 Rail Terminal & Its Operations, cont.

8) Maximum Number Of Trains Unloaded Per Year: The 3-train per week alternative must be “nailed down” in greater detail in both the project description and conditions of approval. For example -- if the maximum number of annual trains are unloaded within the first 10 months of the year, we must be assured that no further trains will arrive or be unloaded until the following year.

9) The Need For “Watchdog” Monitoring: Commissioner Topping -- “There are a lot of loose ends regarding enforcement issues. I don’t see how you could avoid funding a permanent monitoring program that maintains vigilance.”

There are an exceptional number of mitigations to be implemented and conditions to be met. We cannot rely on P66 to be its own “policeman” ... i.e., to address all of the issues properly, both immediately and in the future. Therefore, an ongoing enforcement fund, paid for by P66, must be established. The County will use that fund for personnel, equipment and systems to monitor the rail terminal operations on a permanent basis. The fund would be required to expand if monitoring needs change over time or if costs increase.

10) A Bond For Financial Impacts From The Rail Terminal: If the P66 rail terminal site results in fires, smoke, oil spills or other accidents that impact the nearby communities, P66 must bear financial responsibility for all damages and for remedying them to residents’ satisfaction. P66 would be required to post a bond of substantial size to address this issue.

11) A Far Higher Berm: The 20-foot high berm that P66 proposes to limit visual and noise impacts must be far higher. This is especially important because the Final EIR’s visual analysis was flawed -- it measured visual impacts from Highway 1 instead of from Trilogy’s public roads, which are at a much higher elevation. (See previous discussion.)

12) Installation Of Landscape Screening: An extensive number of trees and other vegetation must be planted along Highway 1, the fenced perimeter, and other areas of the terminal ... wherever there will be visual impacts. P66 must be responsible for proper landscape maintenance and any replacements of trees/vegetation as long as the rail terminal exists.

13) Limited Lighting At Night: All lights related to the rail terminal must be “downshaded” (pointed down). When operations are not going on (such as when tankers are not being unloaded), lights in appropriate areas must be shut off (especially at night). Where perimeter lights are used for security, they should be used in conjunction with a motion detection system ... i.e., illuminated at night only when motion is detected.

14) The “Poison Pill”: Deputy Counsel McDonald suggested that conditions include a “poison pill” ... that if any of the conditions are found not to be valid or enforceable, approval of the entire project, prior to construction of the terminal, will be withdrawn by the County.

15) Construction Issues: The Mesa Refinery Watch Group recommends that our Commissioners evaluate and impose similar stringent conditions for the project’s construction stage, limiting damage to local residents from all potential impacts.

f. Standing Room Only At The May 16th Meeting - Project Opponents Fill The Chambers



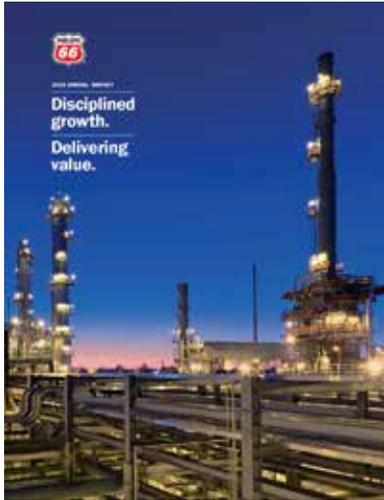
g. The May 16th Public Hearings - Read And See More Via These Links



- **Pacific Coast Business Times:** <http://goo.gl/edKLr5>
- **KSBY:** <http://goo.gl/7x6xe4>
- **New Times:** <http://goo.gl/kYqQSj>
- **Santa Maria Times:** <http://goo.gl/GhcZLq>

2. P66's Latest Annual Report Is A Reconfirmation -- Their Crude-By-Rail Plan Has Nothing To Do With Conditions At The Nipomo Refinery

P66 would have you think their request for rail delivery of crude to SLO County is due solely to local conditions at the Nipomo refinery. But think again. In previous annual reports they stated that delivery by train was a new, national "crude-by-rail strategy." They stated -
"We're Taking A Classic Company In A New Direction."



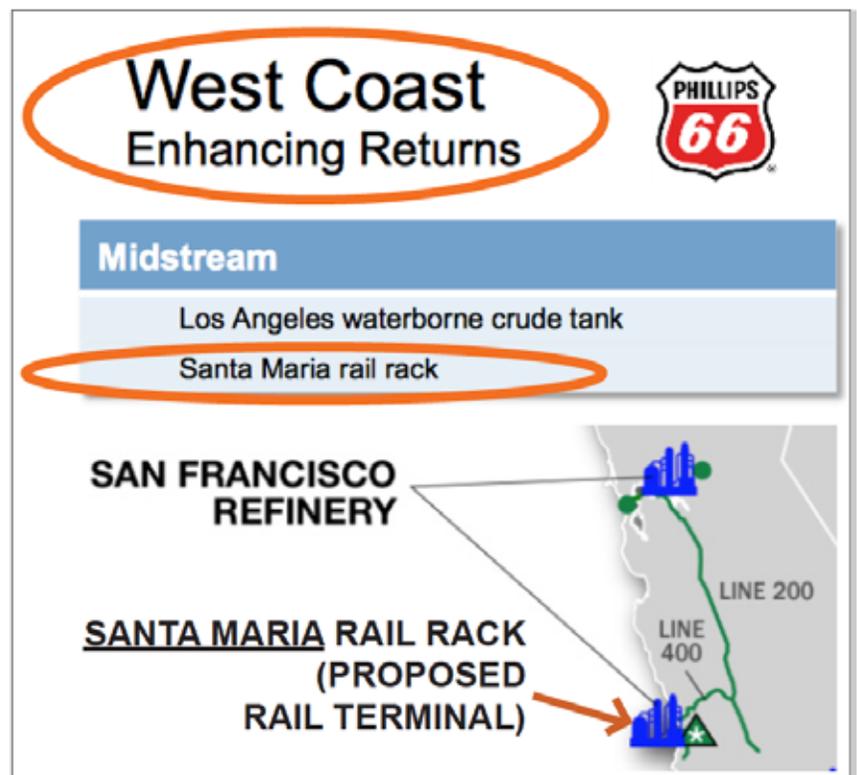
And now again, in their most recent 2015 report (issued in 2016), they've reconfirmed that it's not a local issue. It states ...

"Rail operations support our feedstock. Rail (is) provided via a fleet of more than 12,300 railcars."

In fact, their report entitled "Latest Investor Update", states that the proposed "Santa Maria rail rack" (the planned Nipomo refinery rail terminal), is part of their **"West Coast Enhancing Returns" strategy**. So P66's plan has *nothing* to do with lack of crude, plant closure or protecting jobs ... it's all about **"enhancing returns."**

Interestingly, their own report admits that their existing methods of rail delivery don't meet today's requirements:

"The DOT issued a rule on the safe transportation of flammable liquids by rail. The rule is being challenged. (It) subjects new and existing railcars transporting crude oil to heightened design standards. We are evaluating the impact on our crude oil railcar fleet."



3. Railroads Carrying Crude Oil Don't Have Nearly Enough Insurance To Cover Disasters

Similar to California, New York faces potential crude oil train disasters. That's why NY's Comptroller logically asked federal authorities to require trains to carry sufficient insurance to cover costs from major accidents. (Currently, the federal government does not require railroads to purchase any level of liability insurance.)



He cited a U.S. DOT report identifying that insurance carried by oil shippers and rail companies won't cover serious accidents involving crude oil tankers.

The NY Comptroller added - "The potential for such accidents continues to threaten (our) financial resources."

For example - the CSX railroad is self-insured for only \$25 million for "non-catastrophic" property damage and \$50 million for natural catastrophes. But he pointed out that the Lac Megantic, Quebec accident caused \$2.7 billion in damage, killed 47 people and drove into bankruptcy the rail company that was insured for only \$25 million.

What are the chances of additional serious accidents? The U.S. DOT recently estimated 10 oil train accidents of "higher consequence" within the next 20 years, exceeding \$1.2 billion in each case and possibly more than \$5.8 billion in a single incident.

In 2014 California's legislature approved a 6.5¢ per barrel tax to help cover crude oil rail accidents. But when the plan was announced, Union Pacific and BNSF railroads sued the state.

Therefore, from a financial point of view -- when a derailment occurs, P66's desire for crude-by-rail will likely leave California and SLO County woefully unprepared and vastly in debt.



<http://goo.gl/5ioQjc>
<http://goo.gl/bmBm5K>
<http://goo.gl/Vuc2CA>

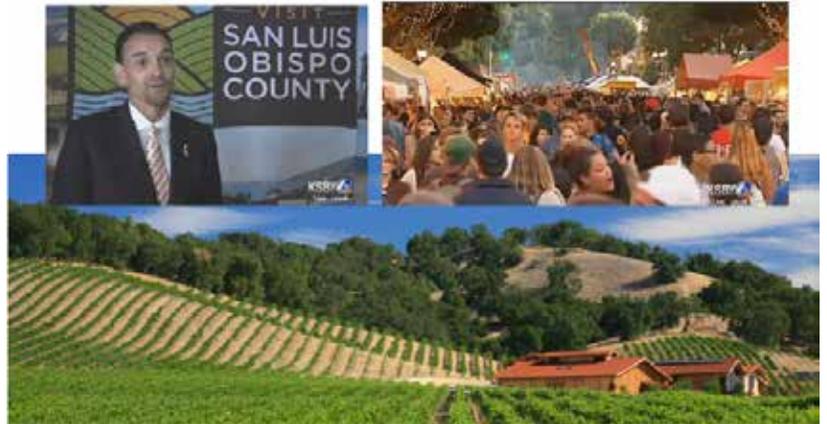
4. Tourism Is SLO County's Financial Engine - But The P66 Project Puts It At Risk

What's endangered if SLO County allows the visual blight, air and noise pollution, and the real potential for oil spills and fires from P66's crude oil trains to arrive here? Just released figures tell us our tourism industry would be a major victim.

KSBY reports that in 2015 County tourism spending rose to a record \$1.58 billion, with earnings at \$510 million (a \$40 million increase).

Travel taxes brought in \$132 million in 2015 to local governments. Chuck Davison, CEO of "Visit San Luis Obispo County" remarked -- "That funds firefighters, it funds police, it funds all of the things that we need to help keep this community successful."

► Of note -- tourism brought in more jobs as well, 760 to be exact. Total tourism-related jobs employed 17,870 people, 10% percent of County employment.



But introducing hundreds of mile-long crude oil trains to our County can grind our tourism

industry and its financial engine into the ground. **All for sake of creating just 12 new, permanent jobs at the Nipomo refinery ... and all for giving P66 a way to enjoy more profits by importing cheaper crude from Canada.**

<http://goo.gl/4tRRz>

5. Architectural Engineering Professor: Stenner Creek Bridge Accident "Would Kill Many People"



John Edmisten, Cal Poly Emeritus Professor of Architectural Engineering wrote to SLO County's Planning Commissioners regarding the P66 project and its potential impact on the 130-year old Stenner Creek Bridge.

"Phillips 66 and Union Pacific's presentation (at the hearings) was totally inadequate. The bridge is located above the City of SLO's water treatment plant. **If the tracks were to fail, the massive tanker cars would fall 100 feet and cause a catastrophic explosion. It would kill many people and likely destroy the plant.**"

Mr. Edmisten listed technical documents UPRR must submit to the County to determine the bridge's safety. *"If for any reason (they) decline I recommend rejection of the (P66) proposal."*

<http://goo.gl/v7uSjX>

6. What's A "Blast Zone" And Where Did The Concept Originate?

P66 supporters attempt to ridicule those who point out that when crude oil trains derail, the effects are felt well beyond the accident site itself. They claim there's no such thing as a "blast zone" ... that it's a fictitious concept recently created to discredit the P66 project.

The reality -- the concept and zone statistics were created by no less than the U.S. Department of Transportation (DOT).

- ▶ They define the first 1/2 mile from the derailment as an **"Evacuation Zone"** ... where due to the potential for fires, explosions, poisonous air, etc., everyone within 1/2 mile on either side of the tracks must leave the area ... often for many days as the fires burn out.
- ▶ And they define one-mile as the **"Potential Impact Zone"** ... where effects from the fire may still be felt by residents, such as toxic smoke.

Taken together, these official DOT designations are commonly referred to as the "Blast Zone." Why are such designations required?

As reported in the Wall Street Journal:



"Each tank car of crude holds the energy equivalent of two million sticks of dynamite or the fuel in a widebody jetliner."

<http://goo.gl/d4boUl>
<http://goo.gl/NLc5ob>
<http://goo.gl/fwwAkB>

7. How Quickly Are Oil Companies Moving To Upgrade Their Rail Tank Cars?

In the spring of 2015, federal regulators issued new rules calling for safer crude oil rail tankers (including the CPC-1232s which comprise the P66 fleet). Of course, the oil industry protested that the rules were too strict. The American Petroleum Institute (API) claimed that the 10 years the government gave them for retrofitting the cars wasn't long enough.



And true to the API's forecast, the oil companies are off to a snail's pace. According to the Association of American Railroads, only 225 of the industry's 110,000 cars have been retrofitted in the past year (0.2%). **At this rate, it's estimated it will take roughly 500 years to retrofit the entire fleet.**

<http://goo.gl/ZhLrXn>

8. A Small Glimpse Of How SLO County Might Be Affected By Crude Oil Trains

How would we all be impacted by a crude derailment and oil spill? We can get a very small glimpse of those outcomes by looking at a lawsuit just filed against P66.

The 14,000 acre Santa Margarita Ranch, six miles north of the city of SLO, is a historic cattle ranch, a vineyard, and hosts weddings and events like Savor the Central Coast.

▶ However -- one company operating on the ranch has **filed suit against Phillips 66** and other oil companies. It alleges that their oil pipeline which runs through the property has been leaking since 1995. It claims that leaching of toxic petroleum hydrocarbons has contaminated the soil and groundwater.



The New Times reported on the lawsuit's assertions - **"The contamination poses a potential (future) threat to human and environmental health, (and) also has prevented (the company) from moving forward with projects.** Those include plans to build a residential complex, as well as a bed and breakfast, amphitheater, and winery. The contamination has also stalled plans to improve agricultural operations, such as cattle and grape growing. (It) interferes with farming, ranching, (the) ability to use groundwater; and impedes financing and conservation efforts."

This is but a tiny snapshot of impacts that would occur should one of P66's proposed oil trains derail in SLO County. Those consequences would be far more widespread, long-lasting and costly.

<http://goo.gl/qDWGOJ>
<http://goo.gl/MKRhMi>
<http://goo.gl/9pP3qP>

9. U.S. Senate Recognizes That Responders Are Undertrained For Crude Oil Rail Accidents

The Mesa Refinery Watch Group has presented extensive testimony from first responders that their teams are underfunded, unprepared, under-equipped and preempted from controlling and responding to crude oil rail shipments and accidents.

For example -- in October 2015, former SLO County Fire Chief Robert Lewin informed us about his department's training for crude-by-rail: **"We're not yet there. We want more. We're asking for training at (Phillips') expense."** And when asked whether a recent training session involved actually fighting an oil train fire he responded - **"No, it was simulated."**

▶ **The U.S. Senate agrees. They've approved a bill to enable FEMA to potentially discover new training methods and resources for emergency officials so they can respond to "railroad hazmat incidents", including oil car derailments.**

▶ **The bill gives those involved a full year to report back. (How long any recommendations would then take to be implemented is anyone's guess.)**



The bill's sponsor, Senator Heitkamp of South Dakota, said: "To truly help our country remain safe places for families, our nation's first responders need to be able to get the training and resources to protect us."

SLO County's officials' #1 priority is to protect the health and safety of its citizens. So they must concede that our first responders are similarly affected by the crude-by-rail phenomenon -- they are unprepared for P66's crude oil trains that would move through our County almost every day.

<http://goo.gl/yeFg3j>

10. For Decades, The Oil Industry Has Known The Impacts Of Tar Sands On Global Warming

We've previously cited a U.S. government report that tar sands is 20% more harmful to our planet than conventional crudes because it generates far more greenhouse gases. And the Final EIR says the P66 project's rail activities will cause greenhouse gas emissions that exceed SLO County thresholds both at the Nipomo refinery and along the mainline (Class I impacts).

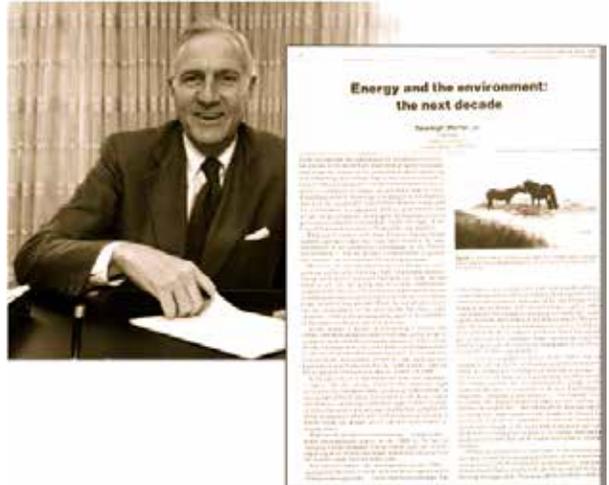
► But is the link between tar sands and the erosion of our atmosphere a new concept? Seems not. As per Inside Climate News, the CEO of Mobil Corporation (Rawleigh Warner, Jr. - see photo) warned in **1982**, thirty-four years ago, that ...

"Burning Canadian oil sands fuels could lead to a buildup of carbon dioxide in the atmosphere with calamitous effects."

► He wrote an article published by the United Nations stating - **"Excessive use of these fuels may build up carbon dioxide in the atmosphere (and) the earth's temperature may increase, with some disastrous consequences. (This) fear should be seriously addressed."**

Tar sands is of course the crude oil P66 wishes to purchase and ship to SLO County by rail. And the oil industry has long known of the dangers it poses to our climate - but they continue to extract and refine it anyway.

Therefore, approving P66's rail project will be an "enabler" of a truly bad practice -- one that will haunt not only us, but generations to come.



11. Why Is The California Air Resources Board Stopping Trucks On The Central Coast?

California Air Resources Board (ARB) inspectors have been conducting surprise pullovers of heavy-duty trucks in Santa Maria. The purpose - to prevent trucks that don't comply with the state's air quality regulations from polluting our communities.

One ARB specialist remarked - "We're trying to reduce PM, which is commonly known as particulate matter. Diesel particulate matter will cause cancer. It is toxic." He said they didn't want trucks "impacting the environment in a negative manner."

Unfortunately, "diesel particulate matter" is exactly what P66's rail plan would add to SLO County's environment, on an extraordinary level.



Each of their 300 annual trains would be pulled by three locomotives. That's 900 locomotives per year pouring exhaust into the air for our County's men, women and children to breath.

That's also why the Final EIR specifically points out the Class I impacts from diesel locomotives at both the Nipomo refinery and all along the mainline.

Our officials must act in the same manner as the Air Resources Board -- say "NO" to oil companies and railroads whose actions would poison the air in SLO County.

<http://goo.gl/OHTBry>
<http://goo.gl/fY04E1>

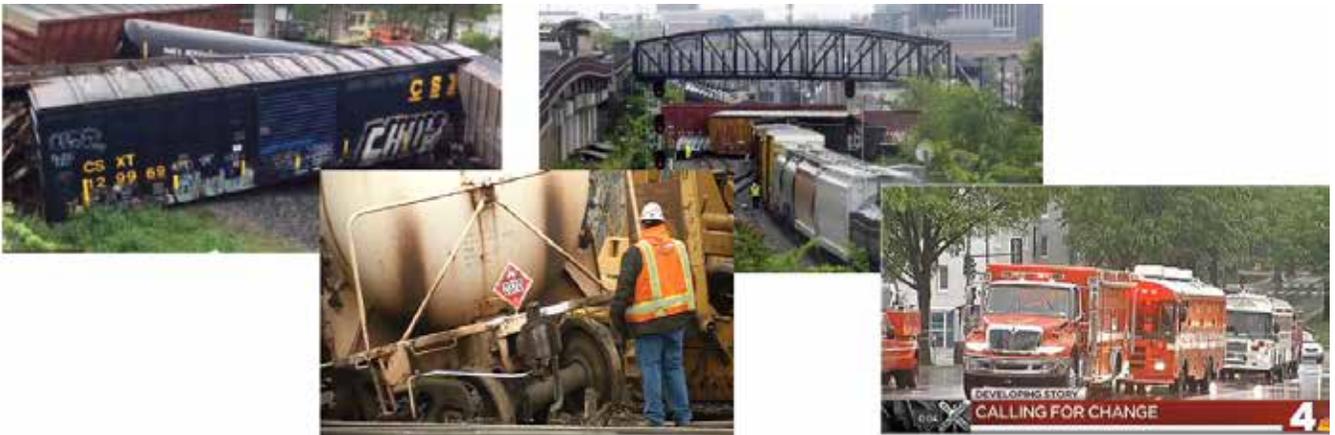
12. It's Non-Stop -- More Derailments Of Hazmat Materials

a. April 25, 2016 - Superior, Wisconsin:

Three cars on a Union Pacific train derailed and fell over. Two contained the hazardous chemical Hexene -- a clear liquid similar to gasoline. Used as a solvent, it's highly flammable, dangerous if inhaled, and toxic to aquatic life.

The local Fire Battalion Chief described how a disaster was averted because nothing spilled -- "Where the cars derailed there's a creek that goes out into the bay. If there had been a significant release, it would've been out in the bay in very short order. We would've had a really hard time getting in front of that."

A spokesperson for Union Pacific admitted -- "*Luckily this occurred at a low speed.*"



b. May 1, 2016 - Washington, D.C.:

A freight train being pulled by three locomotives derailed, sending 15 cars off the tracks. One car leaked the hazardous material sodium hydroxide. It's also known as corrosive lye, and can burn the skin and eyes. About 7,800 gallons were spilled. An underground gas line ruptured due to the accident.

A second car leaked ethanol, and a third leaked non-hazardous calcium chloride. The accident caused major interruptions of commuter trains in D.C.

<http://goo.gl/jKfTDq>
<http://goo.gl/Qqqnwr>
<http://goo.gl/SpphuA>
<http://goo.gl/qV61Mq>
<http://goo.gl/4UrcnV>
<https://goo.gl/5bVmv1>
<http://goo.gl/h6AQih>

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 to 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 may be preempted from protecting their citizens about anything related to the mainline railroad and the contents of the tank cars -- Federal law might not allow our local governments to safeguard us. Local governments may 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 ...

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- **Benicia's Planning Commission Just Told Big Oil - "Keep Your Trains Out Of Our City!"**
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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.

- Linda Reynolds (Founder): lreynolds151@gmail.com
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- Mike Nelson: miken0105@gmail.com
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- Sam Saltoun: ssaltoun@verizon.net
- Laurance Shinderman: lshinderman@sbcglobal.net

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.