To: Environmental Resource Specialist, San Luis Obispo County Planning and Building Department: 976 Osos Street, Room 300 San Luis Obispo, Ca. 93408-2040
Attn: Murry Wilson
Re: Phillips 66 Company Rail Spur Extension and Crude Unloading Project Revised Draft Environmental Impact Report
E Mail: P66-Railspur-Comments@co.slo.ca.us
Date: November 24, 2014

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Dear Mr. Wilson,
Thank you for the opportunity to respond to the Phillips 66 Santa Maria Refinery Rail Spur Extension Recirculated Draft Environmental Impact Report. Below you will find my/our comments and concerns and I /we look forward to your response. Please address any questions marked with an *. Thank you for your time in this matter.

1.0 Introduction:
The RDEIR states the refinery will receive refinery feed stocks that exclude gaseous feeds, natural gas liquids, liquefied petroleum gas, finished refined products, and Bakken crude.
* Should the Phillips 66 Santa Maria Refinery (SMR) decide in the future to process Bakken crude oil, would a new EIR process need to be filed with the changing of refinery feed stocks? NEJ-01
* The RDEIR fails to mention the full life expectancy of the project which may extend into decades that would have a continued effect on up rail communities. The project time frame, beyond the construction phase, is a typical CEQA topic for a project of this magnitude that could result in adverse and significant impacts. NEJ-02

The RDEIR does not mention Canadian Tar Sands in its exclusion of refinery feed stock nor does the RDEIR specifically list the feed stocks the proposed project will refine other than to state that it will be from oilfields through out North America.
* Please provide a list of the expected feed stocks if different from what the refinery currently receives, their locations, and whether they are light or heavy crude feed stocks. NEJ-03
Tar sands are the dirtiest of crude oils high in sulfur and heavy bitumen to the point that other liquids must be added (dilbits) into them in order to get them to flow or to be transported. The danger of a spill in a waterway where the product sinks and cannot be extracted is very real given the three northern California routes described in this RDEIR.
* The RDEIR fails to address the rail hazards, safety and health impacts and risks posed by rail transport and processing of North American sourced crude oil through the up rail communities to the SMR facility. This project would create serious health risks to all communities up rail of the SMR facility such as cancer, heart disease, respiratory illnesses and premature death. NEJ-04

Delivery of crude oil would be made in non jacketed CPC 1232 rail tank cars however the RDEIR does not mention any information regarding the locomotives used for the transport from out of state and into the refinery.
* Has Union Pacific Rail Road (UPRR) made a commitment to upgrading their engines to the latest energy efficient technology for their long distance hauling of unit trains? NEJ-05

* The CPC 1232 tank car has not been officially proven to be a safer means of transportation even at slower speeds which was evident when these cars spilled and exploded in Lynchburg, Va. in April 2013 at less than 25 mile an hour. NEJ-06

* Can Phillips 66 SMR confirm they can control one hundred percent use of the rail tank cars will be 1232 and no others from point of crude collection to the final SMR facility? NEJ-07

* Would these CPC 1232 rail cars be assembled at the crude oil point of origin? NEJ-08

* What documented proof is there that the refinery, the shipper or the rail road would use the CPC 1232 rail tank car exclusively while transporting crude oil to the SMR facility now and in the future? NEJ-09

* Specifically describe the CPC 1232 tank car mentioned in the DREIR as there are several variations of this model in use. NEJ-10

* Confirm that the CPC 1232 tank car mentioned does not have the TIH top fittings protection system or the ECP brakes. NEJ-11

* For tank cars subject to lease, does the Applicant have contracts in place or binding options to lease? NEJ-12

* For tank cars subject to Applicant ownership, does the Applicant have binding contracts and orders in place for CPC 1232 tank cars? NEJ-13

* Are there special contractual agreements between the Phillips 66 Santa Maria Refinery and Union Pacific Railroad? If so, the RDEIR does not mention these agreements or make them evident to the public. NEJ-14

* There is no mention in the RDEIR of the UPRR history regarding derailments, their safety record or their ability to move hazardous materials through residential areas. NEJ-15

* There is no mention in the RDEIR of accurate or up to date information available including methods and criteria for assigning degrees of severity of accidents and derailments involving crude oil and other hazardous materials. NEJ-16

Table 1.1 Possible Rail Spur Project Permits

One of the possible five routes of crude oil transport to the SMR would be through the San Francisco Bay Area where the Bay Area Air Quality Management District has restrictions on Greenhouse Gas Emissions (GHG) and volatile organic compounds (VOC) emissions. NEJ-17

* Operational activities of trains along the UPRR main line route associated with the Rail Spur Project would generate toxic emissions that exceed thresholds.

* There is no mention of up rail air quality permits in regard to GHG emissions from locomotives as they pertain to this specific area or other regulated up rail communities within or out of the state. Operational activities of trains along the UPRR mainline rail route outside of SLO County associated with the Rail Spur Project would generate criteria pollutant emissions that exceed thresholds. NEJ-18

* The impacts of this project on California and San Luis Obispo County's programs to reduce the threat of global climate change is also quantified in this RDEIR and the increase to GHG emissions of this project are found to exceed thresholds. Operational activities associated with the Rail Spur Project would generate GHG emissions that exceed SLOCAPCD thresholds. NEJ-19

1.3 Assessment of Union Pacific Mainline Environmental Impacts

Trains could enter the state through five different locations either from Oregon, Nevada, and Arizona.

*Federal Preemption is essential to determining the totality of the project related rail operations and the cumulative impacts to Santa Maria and to the affected urban and rural populations and environments all along the UPRR rail routes that would service the SMR crude deliveries. The RDEIR fails to address or identify potentially significant, cumulatively considerable and unavoidable direct and indirect impacts that could foreseeable occur anywhere along the UP rails, from the Santa Maria Refinery to the various sources of crude to be imported by Phillips 66 SMR under contract with specific suppliers. NEJ-20

* The RDEIR details the 100 car unit trains that would average five per week to SMR from either Roseville or Colton rail yards. However this schedule is not set by contract and is not legally defensible but the public cannot assume this under Preemption. Actual train configurations, arrivals, and departure times of trains carrying hazardous materials are not publicly announced and any such suggestion of certainty is deceptive. NEJ-21

* There can be no guarantee under Preemption that preferred scheduling arrangements described in the RDEIR would happen on a predictable routine basis, however the RDEIR does not say anything to dispel or qualify the public's expectation of certainty of such conditions. NEJ-22

* There is no mention in the RDEIR as to where these five unit trains per week would be sided should the refinery not be able to accept these trains because of a scheduled or unscheduled refinery shut down. NEJ-23

* The RDEIR hides the empty projected assumptions that UPRR could provide a consistent scheduling of trains to the SMR. There is no mention of foreseeable scheduling problems either because of rail yard problems or timing of trains traveling into California and their schedule effects on other communities. NEJ-24

* Where does the Phillips 66 SMR Project begin and end with regard to cumulative impacts resulting from projected increases in crude unit trains travelling UP rails through California and out of state? The three northern California rail routes proposed for the project are through environmentally sensitive and treacherous mountain areas along the Feather River Canyon, Donner Summit and Shasta/ Dunsmuir corridor. NEJ-25

* The RDEIR mentions the routes but does not divulge which routes would be taken, explain worst case scenarios that could occur as a consequence of spills, fires or explosions should there be a train derailment. NEJ-26

* The RDEIR suggests a single risk model as it pertains to a relatively flat terrain between the Colton or Roseville rail yards and the SMR. The RDEIR does not address the extended five mountainous routes to the project. NEJ-27

* The RDEIR fails to address historical records of train derailments along the five routes planned to the SMR Project. Credible worst case scenarios and their foreseeable effects must be clearly discussed in the RDEIR to allow for understanding of short term and long term effects for both emergency response preparedness and for environmental clean up. NEJ-28

3.1 Cumulative Methodology: Cumulative Projects

* The RDEIR fails to mention the effects and implications the Stockton Targa Rail and Marine Oil Transport Project could have on this project. The public is forced to look outside the RDEIR for information pertinent to the assessment of cumulative impact analysis. This large scale Stockton Project could contribute to cumulative considerable adverse effects for both public health and safety. The combined effects of numerous unit car trains daily entering the state from any of the five entry points for the various new fossil fuel projects in the state necessitates further discussion of the potential risks of these unit car trains entering the state. NEJ-29

* The RDEIR does not list the Phillips 66 Rodeo Propane Recovery Project in Table 3.1: Cumulative Methodology and Project List, even though Phillips 66 Corporate refers to the two refineries as one San Francisco Refinery because they are connected by a 200 mile pipeline. NEJ-30

* Why are these two projects considered separate projects with separate EIR's when they are considered one refinery that cannot function without the other? The Phillips 66 Rodeo Propane Recovery Project RDEIR mentions the Phillips 66 Santa Maria Refinery as its source of semi refined liquid products. NEJ-31

* When both facilities have RDEIR's out before the public review, why is one facility mentioned and not the other when each facility is dependent upon the other? NEJ-32

4.0 Rail Spur Environmental Analysis

Regulatory frameworks are changing that will effect this RDEIR evaluations of impacts. NEJ-33

* This project and other crude by rail projects in the state pose precedent setting challenges under regulatory uncertainty and complexity under CEQA review. Project operations involve stationary and mobile sources of hazards with a potential of accidents and impacts that could occur anywhere from the crude oil source to the state borders to the Stockton and Colton rail yards and to the SMR facility. NEJ-33 cont

*The specific challenges posed by the project deserve attention and raise precedent setting questions about the parameters of CEQA to address the total scope and reach of this project which includes interstate rail transport and one hundred car unit trains loaded with a dangerous crude oil that is not specified in this RDEIR. Currently, there is an outdated US Dept. of Transportation regulatory framework recommended for changes with recently initiated proposed new rule making on rail safety which has yet been resolved. There are no current protections for communities and the environment from the rail hazards and extraordinary risks posed by the transport of dangerous volatile unconventional crude oils with federal Preemption granted to UPRR denying local, regional or state jurisdictions the means to mitigate rail risks in communities. NEJ-34

*This RDEIR fails to address the distant sources of unconventional domestic and Canadian crude oil supplying the proposed project via rail routes crossing at least three states with hazardous crude oil through treacherous mountain passes, across waterways that supply valuable drinking water to millions of people, and the impact on the urban and rural routes and communities. NEJ-35

*Invoking Preemption does not exempt the RDEIR from fully disclosing the numerous potential impacts to public health and safety related to processing unconventional crude oil that will be imported and the rail hazards and risks that would expose both urban and rural populations and surrounding environments in the vicinity of the UPRR tracks to significant and cumulatively considerable levels of harm in the case or rail accidents. The RDEIR must discuss those risks relative to their potential severity. NEJ-36

* The DREIR fails to address liability issues and insurance coverage for events which are reasonably foreseeable. The transport of crude oil by train raises significant safety risks to not only the project site but to all communities along the route from well head to processing at SMR. NEJ-37

* The DREIR fails to mention of how damages might be paid, the potential damages from a small spill, the financial ability of the responsible party to make the damaged parties whole, and to identify all the parties who may not be made whole and left to absorb catastrophic losses such as cities, towns, counties and private individuals. NEJ-38

In closing, this RDEIR is an incomplete document because it fails to list the impacts to the up rail communities that the proposed train routes would effect, does not address the cumulative effect it will have on the local communities and the effect it will have on the communities up rail, and it fails to address the back end of this project which is the connection to the Phillips 66 Rodeo Refinery. As it is written and submitted, I/ we urge you to deny this project. NEJ-39

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