From: "Peter and Jackie Evans" <pandjevans@charter.net>
To: "Murry Wilson " <p66-railspur-comments@co.slo.ca.us>
Date: 11/12/2014 10:09 AM
Subject: Opposition to the P66 Rail Terminal Project

Please find attached a letter addressed to all the above on the subject of the Phillips Rail Spur Extension reflecting on history and issues which I hope will be taken into account when making the final decision on this project which is important not only for the Central Coast but other communities throughout California.

Peter Evans.(See attached file: Phillips Rail Spur Extension Project.docx)

To the attached recipients,

12 November, 2014

As a former executive of a major U.S. independent oil company which suffered a devastating blow-out in the North Sea in 1988, I am writing to urge you not to take the prospect of an explosion lightly in respect of the Phillips Rail Spur Extension Project and its intention to supply crude oil to its Santa Maria refinery by rail at an unprecedented level for this area of the country. While the scale of the North Sea to the Central Coast may seem different, the impact of any explosion may be just as devastating, in terms of the potential loss of life, the loss of confidence in the oil industry's ability to conduct its operations safely, efficiently and professionally, the loss to all the families whose loved ones perished in that horrendous fireball, the loss of pride in a country's flagship industry, and the loss and replacement of infrastructure. 167 people lost their lives and the total insured loss was $1.7 billion, presumably in 1988 values. The enquiry report listed 106 recommendations designed to prevent another similar disaster.

The following are observations by commentators then and since. You might reasonably ask how this can happen given the long operating experience of the field operator and the strict operating guidelines laid down by Government and other safety authorities within which all oil field operators are required to work. The lengthy enquiry was critical of the operator which was found to have inadequate maintenance and safety procedures, although no criminal charges were brought. Personnel and management may not have been prepared for an emergency. There may have been an accumulation of errors and questionable decision making mainly rooted in the organization, its structure, procedures and culture. There may have been misguided priorities in the management of the trade-off between productivity and safety. There may have been errors of judgment in the process by which financial pressures are applied.

EVP-01

Of course, there will be those who argue that it is human error at fault which can never be anticipated. But can we afford to leave it to chance and suffer similar consequences? The transportation by rail of crude oil of a less stable nature in rail cars not necessarily built for this task increases exponentially the risk of a similar disaster happening here in the Central Coast. The above described incident is a cautionary tale, similar to BP in the Gulf of Mexico, and other recent rail car disasters in all their gory detail.

The Central Coast has everything to lose and nothing to gain by supporting this project. Phillips can continue to supply crude oil from California by pipeline. Whilst it is true California crude oil production has been declining for some time, there is no suggestion it is running out and is becoming unavailable for supply to Phillips. Phillips are on record only recently as being in favor of lifting the ban on US oil exports which have been in place since the Arab oil embargo of the 70's. This underlines that the forward strategy of the newly spun-off Phillips 66, from ConocoPhillips, is in a state of flux. This is not the ideal time to commit to an area-changing project such as the Rail Spur while the ever-changing oil supply landscape may demand our consideration of a completely different supply scenario. Oil production in the US is at its highest level for 25 years and is likely to remain that way. Supplying this refinery is not a question of how but of how best. To a man, residents of the Central Coast will tell you that the current arrangements are the most acceptable.

I forward these comments in the hope that all aspects of this Project are given the fullest consideration.

Yours sincerely,

Peter Evans,
1706 Waterview Place,
Nipomo, CA 93444

EVP-01	The Piper Alpha platform disaster alluded to in the comment spurred (no pun intended) a significant change in regulatory requirement in the petrochemical industry, much of which is reflected in the United States Process Safety Management (PSM) program requirements. While the scope and scale of the Phillips 66 rail spur project is much different than the Piper Alpha operations and the British Petroleum Macondo well blowout, explosion and fire in the Gulf of Mexico, the proposed project is not without risks. The results of a Quantitative Risk Analysis (QRA) that was prepared for the Phillips 66 project confirms that there is a potential for accidents, injuries and fatalities over the lifetime of the project that are considered Significant and Unmitigable (Class I).