

**"THE MESA REFINERY WATCH GROUP"**

**NEWSLETTER: April 30, 2014**



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## A. WHAT'S NEW THAT YOU NEED TO KNOW

**1. Phillips 66 - Their Bakken Strategy Has Been Forced Off The Tracks:** One of the many objections SLO County citizens had regarding Phillips' initial rail proposal, was their intent to ship Bakken crude oil throughout our entire County, to their Nipomo refinery. Given the proven, deadly explosiveness of that crude, residents loudly communicated their indignation and rage to County officials.

Not only was that a major reason for the first Draft Environmental Impact Report (DEIR) being sent back for revision\*, but it had another major fallout. Phillips' decision to disdainfully ignore the safety of our citizens caused such backlash, that they've now taken Bakken off the table. They will no longer seek to introduce it to SLO County. It's a shame it took such pressure to cause Phillips to see the light. They of all people should have known the dangers they were attempting to disguise as a "rail spur" project.

(Please see the related Tribune article -- <http://www.sanluisobispo.com/2014/04/25/3037503/no-bakken-crude-planned-for-nipomo.html?sp=/99/100/&ihp=1>).

\*Draft #2 to potentially be issued for comment this fall, with a December public hearing.

**2. The Hazards & Invasiveness That Phillips Intends Are Far From Over:** Bakken was but one reason for our officials to reject Phillips' request for a rail terminal. We fully anticipate that the next DEIR will continue to include the following threats, which we must continue to oppose ...

**a. Ongoing Mile-Long Trains And Train Derailments:** Regardless of the type of crude being carried, it's an inescapably bad idea for SLO County to open the door to Phillips' crude oil trains ...

- 520 trains, each approximately a mile long, would come and go, north and south through the County each year. If linked together they would form a roundtrip "necklace" of tankers around us, stretching from the Nipomo Mesa to Union Square in San Francisco and back -- a solid 520 mile circle.
- Annually, these trains would carry 20,800 tank cars loaded with crude, totaling a half-billion gallons. The derailment of trains carrying hazardous materials has not abated. The threat of derailment disasters and major crude oil spills/fires continues. The threat of evacuation of homes and businesses would be escalated. And the cleanup of heavy "tar sands" spills (see below) could take years, devastating parts of our countryside and coastline, destroying our County's image.

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b. **“Tar Sands” Headed To SLO County:** Phillips’ current annual report states they want to refine only “advantaged” crude ... i.e., lower-cost, higher-profit crude. There are two types -- Bakken and “tar sands.” In a personal conversation, a Phillips representative has said to a member of our group that they intend to bring tar sands here. **So we all need to be educated ...**

- **Tar sands** is heavy oil with substantially higher concentrations of sulfur, copper, nickel, nitrogen, lead and benzene than are found in conventional crude. Imported mostly from Canada, extracting it involves strip mining and other techniques.

Tar sands is linked to increased levels of air pollution, that in turn is linked to serious health problems. The main danger is that facilities refining tar sands could emit significantly higher amounts of sulfur dioxide. And that could lead to or exacerbate respiratory ailments, cardiovascular issues, and/or cancer.

The refining of tar sands also yields a significantly higher amount of black petroleum coke dust. This waste product is often stored in open piles that resemble hills. When winds blow the dust into residential areas, that’s also linked to a potential increase in respiratory issues and heart attacks.

Because tar sands contains up to 11 times more sulfur than conventional crudes, it produces strong odors at very low concentrations ... smells that have caused people to abandon their homes.

In April 2014, California Senator Barbara Boxer stated: *“Tar sands oil (is) one of the filthiest kinds of oil on our planet. I believe the health impacts of tar sands oil are being ignored. The refinery stage also poses health risks ... (including) higher rates of cancers linked to toxic chemicals, including leukemia and non-Hodgkin’s lymphoma.”*

In addition - refineries that process tar sands are at greater risk for fires or explosions. This is true because its sulfur is highly corrosive -- it can cause refinery pipes to “thin” and then fail. Sulfur corrosion was a direct cause of the huge refinery fire in Richmond, CA in 2012, which sent more than 15,000 people to the hospital with respiratory issues.

Of course, this type of destructive crude should never be allowed to travel through nor be processed in SLO County. Our sources regarding tar sands ...

[http://www.epw.senate.gov/public/index.cfm?FuseAction=PressRoom.PressReleases&ContentRecord\\_id=57c67ed1-a1ae-5957-6194-ca167dcc42f1](http://www.epw.senate.gov/public/index.cfm?FuseAction=PressRoom.PressReleases&ContentRecord_id=57c67ed1-a1ae-5957-6194-ca167dcc42f1) (Barbara Boxer on tar sands)

[http://www.mercurynews.com/ci\\_23366256/canadian-tar-sands-crude-heads-bay-area-refineries](http://www.mercurynews.com/ci_23366256/canadian-tar-sands-crude-heads-bay-area-refineries) (Phillips shipping tar sands by rail; description of tar sands)

<http://energy.cr.usgs.gov/oilgas/addoilgas/WEC07NBEHO.pdf> (properties of tar sands)

<http://www.fastcoexist.com/1680531/why-you-dont-want-your-local-oil-refinery-processing-materials-from-tar-sands> (health issues; corrosiveness)

[http://switchboard.nrdc.org/blogs/ddroitsch/mounting\\_evidence\\_that\\_tar\\_san.html](http://switchboard.nrdc.org/blogs/ddroitsch/mounting_evidence_that_tar_san.html) (tar sands; cancer)

<http://www.nrdc.org/energy/tar-sands-health-effects.asp> (description of tar sands crude; health risks)

[http://switchboard.nrdc.org/blogs/bolson/oil\\_companies\\_bet\\_on\\_tar\\_sands.html](http://switchboard.nrdc.org/blogs/bolson/oil_companies_bet_on_tar_sands.html) (tar sands, properties, risks)

<http://www.ci.richmond.ca.us/DocumentCenter/View/26803> (causes of Richmond, CA 2012 Chevron refinery fire)

<http://sierraclub.org/dirtyfuels/tar-sands/toxic-report.aspx> (Sierra Club on tar sands)

<http://grist.org/climate-energy/a-year-after-a-refinery-explosion-richmond-cali-is-fighting-back/> (Richmond fire)

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**c. The Increased Intensity Generated By The New Phillips Rail Yard:** The greatly enhanced intensity and danger of what Phillips proposes, changes the entire game for Mesa residents and for the citizens of SLO County. In effect, it pulls the rug out from what was originally intended by County planners.

Simply stated - delivery of crude oil to a rail terminal station conflicts dramatically with delivery of crude via pipeline. There is no comparison. It's an entirely new, far more intensive method of operating.

Approving the Phillips Rail Terminal Project would be an intensified use of the land. It would be inconsistent with the historical decisions made by planning commissioners for the Nipomo Mesa. It would be incompatible with the long-term residential land use, planning and zoning decisions consciously made for the area. We believe the specific promise to residents of a safe, peaceful and pollution-free environment must be kept.

The bottom line for our group -- while we can applaud the recent outcomes of our efforts (i.e., helping send the DEIR back for a second draft and causing Phillips to take Bakken off the table), our efforts must continue. The corporate forces at Phillips in Houston will continue to press for the Rail Yard on the Nipomo Mesa. Therefore, we must continue to make our opinions known to SLO County officials.

**3. Update From Supervisor Caren Ray:** On April 17th Supervisor Ray visited our Watch Group's Steering Committee. Items she mentioned ...

- State officials are forming a task force to deal with the oil industry's crude-by-rail efforts. They are well aware of the importance of the outcome of Phillips' attempt to introduce crude oil rail shipments at the Nipomo refinery. (Our view - if the Rail Terminal construction project is denied, there's no reason for crude to be shipped there, down the coast by rail.)
- The state is looking at the "pre-emption" issue ... i.e, that what is shipped on the railroad mainlines is a federal issue and states cannot regulate those shipments. Only when the trains go off the rails and spill their contents or other disasters occur, does responsibility (incredibly) shift to the state.
- The state is looking at the safety of the DOT-111 rail cars which are used to ship crude oil. Even the newer, updated DOT-111 cars may not be safe. However, this may also fall under federal pre-emption.
- Currently, much of the emergency response for crude oil accidents is funded by taxing the barrels of crude transported by boat (marine). The state may increase this funding by potentially also taxing rail shipments.

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**4. As Per The NTSB - The Perilous State Of "Crude-By-Rail:** The media recently carried remarks by Deborah Hersman, Chairman of the *National Transportation Safety Board* (April 22, 2014). They reported ...

- "U.S. regulators are behind the curve in addressing the transport of hazardous liquids by rail. They aren't moving fast enough. We don't need a higher body count before they move forward."
- "The petroleum industry and first responders don't have provisions in place to address a worst-case scenario involving a train carrying crude oil."
- And, "The DOT-111 tank cars to carry crude oil are not safe to carry hazardous liquids. Carrying corn oil is fine, carrying crude oil is not."

What do we take away from this? It's that despite the raised awareness of the problems, there is no consensus about the solutions. The federal government doesn't have the solutions, nor do the petroleum or railroad industries, nor first responders, and certainly not Phillips 66.

<http://www.bloomberg.com/news/2014-04-22/communities-not-prepared-for-worst-case-rail-accidents-ntsb.html>  
<http://www.thewire.com/national/2014/04/why-explosive-and-deadly-oil-train-accidents-will-keep-happening/361148/>

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## 5. Why Phillips' Good Will Doesn't Count

Phillips' April 26th flyer to local residents directs attention to "*initiatives (that) represent our refinery's commitment to supporting the communities where we live ... our philanthropic efforts.*"

Of special note -- the letter instantly connects this commitment to the Rail Terminal Project. The obvious implication is that they are good neighbors and make financial contributions, and therefore we shouldn't oppose the project.

Well, it's also interesting to note that the people living on the Mesa are as much or even more committed to such "good works." They invest their personal time and energy, year after year, to improve people's lives. Yet, because these residents go about their activities quietly, they do not get the publicity they deserve. They don't feel the need to promote their good works to help achieve other, self-serving motives.

One example is the Trilogy Service Club, made up of 70 men and women who work to meet the needs of local nonprofits. They do it by fundraising and volunteering for hands-on projects. Annually, they run the Fashion Show, the Harvesting Hope Festival, and the Black & White Ball. And in the handful of years it's been in existence, the club has raised approximately \$150,000 on behalf of local nonprofits. And every dime was raised through tens of thousands of hours' worth of sweat and effort by club members.

**What does this good will, or that earned by Phillips, have to do with the County's decision regarding the Rail Terminal Project?** Honestly, there are many organizations that should be recognized for being "good neighbors." However, historical good will should NOT be part of the Rail Terminal equation.

The decision should be based only on the future health, safety and well being of the citizens of SLO County. And it should be based on protecting not only its people, but its assets, such as its reputation as an exceptional place to live, earn, and visit, all of which will be put at risk by the Rail Project.

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## B. RECENT VIDEOS & NEWS ARTICLES; ADDITIONAL EDUCATION

### 1. Recent Videos & Articles In The News (Listed In Previous Newsletters):

- **Video - Listen To A Survivor Of The Canadian Oil Train Disaster:** A survivor of the Lac-Mégantic disaster has stepped forward. Based on her experiences, she's warning other communities regarding what can happen if crude oil trains are permitted. - <http://sanfrancisco.cbslocal.com/2014/03/06/explosion-survivor-warns-of-fracked-oil-trains-newer-safety-regulations-delayed/>
- **Video - What Oil Trains Would Look & Sound Like In SLO County:** <http://www.youtube.com/watch?v=11DTf6CYzHM&index=47&list=PL7A2C41AC7F231BD4>
- **Our Group's Opinion Article Carried On CalCoastNews:** <http://calcoastnews.com/2014/03/phillips-66-rail-project-explosive-risks-far-outweigh-benefits/>
- **"Berkeley City Council Votes To Oppose Crude By Rail Plan" -** <http://sanfrancisco.cbslocal.com/2014/03/26/berkeley-city-council-votes-to-oppose-crude-by-rail-plan/>
- **"Richmond Calls On Congress To Halt Crude Oil Transport Through Bay Area" -** [http://www.mercurynews.com/breaking-news/ci\\_25421666/richmond-calls-congress-halt-crude-oil-transport-through?source=pkg](http://www.mercurynews.com/breaking-news/ci_25421666/richmond-calls-congress-halt-crude-oil-transport-through?source=pkg)
- **Video - How Oil Trains Put Communities At Risk:** This video, featuring citizens in the northwest U.S., puts a human face on the dangers of allowing crude oil trains to travel through populated area. <http://daily.sightline.org/2014/02/10/video-how-oil-trains-put-the-northwest-at-risk/>
- **Phillips 66 And Air Pollution:** <http://www.ksby.com/news/phillips-66-fined-230k-for-sf-bay-air-violations/>
- **Rail Cars And Tracks Continue To Be Proven As Unsafe:** <http://www.nytimes.com/2014/03/01/business/rail-inspections-ramp-up-in-albany-and-buffalo.html>
- **Article On The Rail Project In The Adobe Press:** <http://www.theadobepress.com/articles/2014/02/07/news/news52.txt>
- **"Transport Of Crude-By-Rail Puts Davis At Risk":** <http://www.davisenterprise.com/forum/opinion-columns/more-crude-by-rail-trains-put-davis-at-risk/>
- **"Phillips 66 Rail Spur Project Garners A Substantial Number Of Comments":** <http://www.newtimeslo.com/news/10547/phillips-66-rail-spur-project-garners-a-substantial-number-of-comments/>
- **"More Crude Spilled In 2013 Than Four Decades Combined":** <http://www.mintpressnews.com/crude-spilled-2013-previous-four-decades-combined/177627/>

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**2. The Original Draft Environmental Impact Report (DEIR):** Here's the original DEIR from the fall of 2013 (it's presented in individual sections, so you can read those that interest you most) -- <http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/railproject.htm>

### C. WHY YOU SHOULD CARE ABOUT WHAT PHILLIPS INTENDS FOR SLO COUNTY

Hundreds of Nipomo Mesa residents attended a meeting at the Trilogy Monarch Club on January 8, 2014 to discuss the proposed Phillips 66 refinery rail terminal project. Based on that meeting, citizens joined together as the *Mesa Refinery Watch Group* to oppose what will surely have a significantly negative and potentially disastrous impact on the Mesa and throughout SLO County.

Phillips' refinery currently receives crude oil only by pipeline ... not one drop by rail. If their proposal is approved, Phillips, for the first time will be allowed to bring in 20,800 rail tankers per year, fully loaded with crude oil. Each year, 260 trains that are each a mile-long would traverse the county to the refinery, and then the same 260 mile-long trains would depart (520 trains in total).

Along with the arrival of loaded tankers, would come, for the first time, the construction of 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.

This represents an entirely new business model for Phillips - it's a dramatic transformation in the way they operate in SLO County. This is not a benign, unobtrusive "rail spur." The issue is the new intensity of their operations and what they intend to bring in on those rails -- a half-billion gallons of crude oil (488,800,000) transiting through SLO County by rail, forever.

Not only will the 520 trains and new rail terminal be highly invasive to SLO County, and not only will they bring significant pollution and the potential of major oil spills, but the types of crude likely to be delivered are highly dangerous to both the health and safety of our citizens.

This includes the pollution-intensive "tar sands" (which has been called "*one of the world's dirtiest and most environmentally destructive sources of fuel*"). Previously, Phillips attempted to gain approval for the highly explosive Bakken crude, but the outcry of SLO citizens forced the company to reverse course and finally say "*no Bakken.*"

Given the continued, extreme opportunity for disastrous derailments, along with air, odor, noise, motion and light pollution, as well as potential oil spills anywhere in the County, we are seeking to have the SLO Planning Commission reject Phillips' proposal.

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## D. LOGISTICS OF THIS NEWSLETTER; STEERING COMMITTEE MEMBERS

**1. 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 Tom Wallace -- [tomwallaceghs@gmail.com](mailto:tomwallaceghs@gmail.com).

**2. Steering Committee:** Contact one or more of our members with your comments or to learn about upcoming committee meetings.

- Linda Reynolds (Chairperson): [lreynolds151@gmail.com](mailto:lreynolds151@gmail.com)
- Sam Saltoun: [ssaltoun@verizon.net](mailto:ssaltoun@verizon.net)
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