

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ROBERT PERRAULT, CITY MANAGER
SUBJECT: REPORT REGARDING THE PHILLIPS 66 PROJECT AND RAIL TRAFFIC / SAFETY IN GROVER BEACH

BACKGROUND

Phillips 66 has applied to San Luis Obispo County for a Development Plan and Coastal Development Permit to extend a rail spur off the Union Pacific Rail Road (UPRR) mainline. The extension is necessary in order to enable the unloading of up to five (5) trains per week carrying heavy crude to its Santa Maria Refinery located on the Nipomo Mesa. This report has been placed on the agenda for this evening's meeting at the direction of the City Council. The purpose of this item being agendized is to provide the Council with an opportunity to discuss the project and its relationship to rail / traffic safety issues and to determine what, if any, action needs to be taken by the City Council.

DISCUSSION

Phillips 66 Rail Spur Project Description - According to the Draft Environmental Impact Report (EIR) for the project, Phillips 66 is proposing to modify the existing rail spur currently on site at the Santa Maria Refinery (SMR) to build and operate a crude oil unloading facility. The project itself is located on the western edge of the Nipomo Mesa. Trains would be used to deliver crude oil to the SMR for processing. The SMR is currently operating below the maximum permitted capacity. In an effort to prepare for changes in the domestic oil market, oil processing, and distribution demands, the SMR is seeking an expansion of the rail spur that services the refinery.

The spur extension will consist of 6,915 ft. of rail line and will allow for the unloading of up to five (5) trains per week with an annual maximum of 250 trains per year. Each train would consist of a maximum of three (3) locomotives, two (2) buffer cars, and 80 railcars (each 90 ft. long). It is important to note that trains are likely to travel a great distance to get to the SMR, and will likely come through either the Roseville Yard in northern California or the Colton Yard in southern California. According to the Draft EIR, the refinery feedstock definition (meaning the materials that could be transported by train into the proposed facility) excludes gaseous feeds, natural gas liquids (NGL), liquid petroleum gas (LPG) finished refined products, and Bakken Crude Oil.

Current Project Status - The County Planning Department is currently working toward releasing the Final Environmental Impact Report. County staff is reviewing updated regulations

APPROVED FOR FORWARDING


ROBERT PERRAULT
CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- | | |
|--|----------------------------------|
| <input checked="" type="checkbox"/> None Identified by Staff | <input type="checkbox"/> Bright |
| <input type="checkbox"/> Shoals | <input type="checkbox"/> Nicolls |
| <input type="checkbox"/> Lee | <input type="checkbox"/> Shah |

recently released by the Federal Department of Transportation and the California Office of Environmental Health Hazard Assessment with respect to the EIR. Once the Final EIR is ready for release, hearings at the County Planning Commission will be scheduled and the public will be offered additional opportunities to comment on the Project. It should be noted that the City may comment on the project. The City has no discretionary role relative to the project review process. Additional information on the proposed project, including the Draft Environmental Impact Report, is available on the County Planning website at:

http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66_Company_Rail_Spur_Extension_Project.htm

Analysis - Based on staff's review of the Draft EIR, it is staff's conclusion that the majority of the impacts from the *construction and operation* of the spur line extension at the SMR will not have significant impacts on the residents of Grover Beach and will have very little, if any, impacts on the City of Grover Beach. Most of these impacts will be localized to the Nipomo Mesa area.

However, potentially significant environmental impacts associated from the project stem from the potential derailment and/or spill as a result of the five (5) additional train trips per week traveling on the UPRR mainline through the City of Grover Beach to access the facility. Other impacts that the Council could consider are related to noise, air quality, the length of the trains themselves, and the hazards arising from the materials they carry.

Trains are inherently noisy. The sound of the train itself and the warning horns at crossings generally exceed the City's Noise Ordinance for very brief periods of time. An increase in train traffic also increases the potential for air pollution due to emissions from the locomotives. It should be noted, however, that there are currently an estimated 8-12 trains coming through town per day and the addition of potentially less than one train per day would not appear to raise the issue to a point of significance. Train length, however, is a different concern. The length of a train carrying crude oil as proposed is likely to extend for better than 1.5 miles in length. For comparison purposes, the length of these particular trains could cover the entire length of tracks along the City's western boundary. A train of this size could delay and exacerbate safety response to the beach area and Pacific Coast Highway/Highway 1. There is no easy alternative access point to the West Grand Avenue crossing.

Oil carrying trains have been in the news of late and there is new attention being applied to them for good reason. However, trains carrying hazardous material, whether it is oil or some other hazardous material, should be a concern of every community located along a rail corridor. The good news is, according to national rail averages, that the transport of hazardous material on rail is less than 10% of the material transported annually and the transport of highly explosive material is less than 1%. Thankfully the threat of an accident is relatively minor, but the fact of the matter is the threat is always present. Currently there are approximately three (3) oil carrying trains coming through the City of Grover Beach every week. With the approval of the Phillips 66 rail project, the number of the trains coming through town to access the project site will increase. It is also important to realize that if the project is not approved, oil carrying trains will likely still come through town.

According to both Police Chief Peters and Fire Chief Lieberman, there are concerns regarding the City's readiness to manage and respond to potential impacts that may result from a derailment due to the increase occurrence of transporting oil and hazardous materials in the area. (Please see the memo from Police Chief Peters - Attachment 1.) It is important to note

that the City's emergency services, both Police and Fire, have trained in the past for this kind of emergency, but the City's emergency services and the County as a whole could use more specialized training for this type of incident. According to safety services managers, there are training resources and opportunities available through Union Pacific Rail Road specifically focused on this issue. It is also noted that this type of training should be conducted Countywide as any kind of incident will most likely involve a Countywide response. Specifically, Fire Chief Lieberman notes the following:

- Specialized training should be provided by UPRR. There is dialogue about UPRR bringing the mobile training facility to San Luis Obispo to allow this type of training for local agencies.
- Foam - A fire of this magnitude will take significant amounts of foam. And while the Five Cities Fire Authority has a limited inventory, it will take UP several hours to bring one of their "foam trailers" from other parts of the state (namely Roseville).
- Lastly, if there is a significant event with explosion, fire, and hazardous release, the Five Cities Fire Authority will not only require equipment and supplies, but staffing needs will be significant and will likely strain San Luis Obispo County.

The League of California Cities, of which the City of Grover Beach is a member, has also weighed in on the issue of improving rail safety and the transport of hazardous materials. The League submitted comments to the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration's "Notice of Proposed Rulemaking on Enhanced Tank Car Standards and Operational Controls for High Hazard Trains". The comments detail suggestions to address hazards, which are summarized below, and provided in full (*please see Attachment 2*):

- Provide more information to first responders;
- Provide training and notification to emergency response providers;
- Use all available data to assess the risk and consequences of crude rail car accidents;
- Mandate speed limits in all areas;
- Study the risk of multi-car trains;
- Quickly phase-out unsafe tank cars;
- Require enhanced tank car features; and
- Regulate the transport and storage of crude on railroad sidings.

In an effort to be effective and focus on the main issue related to potential threats from increased rail transport of crude oil, the League urges member jurisdictions to send a letter to the federal government emphasizing the 10 specific policy recommendations adopted by the League. (*Please see the letter sent by the City of Paso Robles regarding the same issue, Attachment 3.*)

ALTERNATIVES

After receiving the report and entertaining any public testimony, the Council has the following alternatives to consider:

1. Direct staff to prepare a letter for the Mayor's signature to the federal government addressing the issues identified by the League of California Cities, and direct staff to prepare a letter for the Mayor's signature advising the County of San Luis Obispo that additional training and resources need to be provided to local jurisdictions by Union Pacific to better deal with the potential for hazardous material incidents;

2. The Council could choose to take no action at this time; or
3. Provide staff with additional direction.

RECOMMENDED ACTION

It is recommended that the Council provide direction for staff to: 1) prepare a letter for the Mayor's signature to the federal government addressing the issues identified by the League of California Cities; and 2) prepare a letter for the Mayor's signature advising the County of San Luis Obispo that additional training and resources need to be provided to local jurisdictions by Union Pacific to better deal with the potential for hazardous material incidents.

FISCAL IMPACT

There are no fiscal impacts associated with the recommended actions.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act. A copy of this staff report and the meeting agenda were provided to representatives of Phillips 66, Union Pacific Railroad, and the Mesa Refinery Watch Group.

Attachments

1. Memo to City Manager Perrault from Police Chief Peters
2. League of California Cities Comments
3. Letter from City of Paso Robles to Executive Office of the President, Office of Information and Regulatory Affairs, dated April 8, 2015
4. PowerPoint

Grover Beach Police Department
MEMORANDUM

Date: September 9, 2015
To: Bob Perrault, City Manager
From: John Peters, Chief of Police
Subject: Rail Safety Concerns

With the recent discussion of oil trains and rail safety occurring in our area I want to share with you the concerns I have as the Police Chief for the City. My concerns focus on four specific areas; Prevention, Preparedness, Response and Recovery.

When discussing Prevention, for the most part we are pretty much at the mercy of the railroad companies. It is their responsibility to maintain safe operations through-out their rail system including the upkeep of the transport cars. If the companies fail to inspect or fix worn out tracks then we could see concerns about derailments. If the rail companies fail to maintain proper transport cars then we could see a release of material, whether toxic or not, when a derailment happens.

The area of Prevention that we could assist with is the education and enforcement of trespassing on railroad lines, stopping of vehicles on railroad lines and pedestrians crossing the railroad lines at the roadway crossings. This type of prevention will have a fiscal impact on training and educating officers for the enforcement operations as well as the educational materials for the public to help gain compliance. Currently our department does not fund such programs, however, this year we are partnering with BNSF to host a railroad safety class for first responders. This is the only training currently available to us.

In the area of Preparedness I can say that we can use some help here. Our officers have had little training involving railroad derailments and preparedness for such an incident. We need to have more opportunities to run simulated Emergency Operation Center responses. We need to have additional training on how to respond to toxic chemical releases. We need to practice our emergency evacuation routes and we need to equip our officers with modern chemical masks that will protect them if they find themselves in the path of a chemical cloud. Without exercising a rail disaster we are ill-prepared to respond to such. In order to beef up our Preparedness, we need additional funding to equip and train the officers and dispatchers regarding their duties during such emergencies. Currently we do not have a budget for either the training or equipment.

Currently our Response to a train derailment will consist of assisting the fire department with their response. We will be responsible for dispatching the emergency services, requesting assistance from other jurisdictions, setting up traffic and crowd control and initiating an evacuation if called for. If the train is a commuter, such as an Amtrak, then we will also be engaged in rescue operations and scene security. With limited equipment and personnel, we will be taxed beyond our capabilities in the field. An emergency operations center will be established

and a field command post as well, but those will take some time to get up and running. Our response can be inhibited if the officers do not have the proper personal protection equipment and training for such an incident.

Finally, my last concern is the Recovery. The recovery process will be based on the extent of the emergency. If we have a simple derailment with little to no injuries then we will have a couple days of additional staffing to protect the scene while the investigation is conducted. This staffing could be filled by mutual aid requests as well. If the derailment is a large scale disaster, our recovery as a department and a city may take quite some time. If it is a long term recovery, the extensive hours that staff will need to work, the type of equipment replacement that will need to occur and the length of the operation period will all play key roles to our success as an organization.

In conclusion, as it stands right now, our staff training and equipment preparedness needs improvement. If there were an increase of trains traveling through town, the same concerns are present. More trains means more chances of something happening, but even without the expansion we still need to do more for preparation. I believe the railroad companies involved do bear some of the responsibility to prepare emergency services in the areas in which they travel through, but to what extent still needs to be discussed.



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**League of California Cities Comments Regarding the U.S. Department of Transportation's
Pipeline and Hazardous Materials Safety Administration's
Notice of Proposed Rulemaking on *Enhanced Tank Car Standards and
Operational Controls for High-Hazard Flammable Trains*
(Docket No. PHMSA-2012-0082, HM-2510)**

The League of California Cities appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPRM), which includes new operational requirements for certain trains transporting a large volume of Class 3 flammable liquids and improvements to tank car standards, both designed to lessen the frequency and consequences of train accidents and incidents involving the transport of large volumes of flammable liquids. With the significant increase in the volumes of crude oil being shipped, and proposed to be shipped, throughout the country, the safety of the millions of people that live and work in close proximity to the railroad lines is at significant risk.

The League of California Cities is an association representing California's 482 cities dedicated to protecting and restoring local control to provide for the public health, safety, and welfare of their residents, and to enhance the quality of life for all Californians. Our members are public agencies with public safety and emergency response responsibilities and employ first responders.

California and the Nation Are At Risk from the Transportation of Crude Oil by Rail

As an association representing government agencies responsible for local public safety, we believe that the rail transport system for crude oil and other Class 3 volatile substances needs to be improved to provide day-to-day safety on and near that rail system and to reduce the risk of catastrophic harm.

The data gathered by Pipeline and Hazardous Materials Safety Administration and Federal Railroad Administration from August 2013 to May 2014 confirms that the Bakken Crude currently being shipped across the country is significantly more volatile than more traditional crude oil. The average Bakken shipment travels over 1,000 miles to refineries in California and other locations. In the last 2 years, the volume of Bakken crude shipped has increased from 9500 rail car loads to 415,000 rail car loads, and continued high growth is expected. Much, if not all, of this crude is extracted through methods not known or not commercially used until recent years.

Given the volumes of Bakken crude oil and other Class 3 flammable liquids being shipped by rail, the large distances that these shipments travel, and the many towns and cities that the rail lines transect, it is vitally important to have a rail delivery system that safeguards the public from the significant risks of an accident or derailment.

In California, the rail system flows through all major metropolitan areas, bisects cities and communities, and crosses many habitat areas. Currently, in addition to existing oil shipments,

there are proposals to ship well over 200 rail car loads of crude on the Union Pacific main line that runs from the City of Roseville, through the Sacramento region, and into the San Francisco Bay Area. Some of this crude will head to refineries on the San Francisco Bay, and some will traverse the Bay Area going through Berkeley, Oakland, and other metropolitan areas along the central coast of California. Similar shipments are occurring in the Central Valley and Southern California, and more are expected there as well. This increasing transport of Bakken crude oil by rail should not be permitted to place the residents and businesses of California at an increased risk of catastrophic human and environmental harm.

As is well known, there have been a number of crude oil train incidents that have occurred within the last 18 months.

- Lac Mégantic, Quebec—On July 5, 2013, a train with 72 loaded tank cars of crude oil from North Dakota moving from Montreal, Quebec, to St. John, New Brunswick, stopped at Nantes, Quebec, at 11:00 pm. At about 1:00 AM, it appears the train began rolling down the descending grade toward the town of Lac-Mégantic, about 30 miles from the U.S. border. Near the center of town, 63 tank cars derailed, resulting in multiple explosions and subsequent fires. There were 47 fatalities and extensive damage to the town. 2,000 people were evacuated. The initial determination was that the braking force applied to the train was insufficient to hold it on the 1.2% grade and that the crude oil released was more volatile than expected.
- Gainford, Alberta—On October 19, 2013, nine tank cars of propane and four tank cars of crude oil from Canada derailed as a Canadian National train was entering a siding at 22 miles per hour. About 100 residents were evacuated. Three of the propane cars burned, but the tank cars carrying oil were pushed away and did not burn. No one was injured or killed. The cause of the derailment is under investigation.
- Aliceville, Alabama—On November 8, 2013, a train hauling 90 cars of crude oil from North Dakota to a refinery near Mobile, AL, derailed on a section of track through a wetland near Aliceville, AL. Thirty tank cars derailed and some dozen of these burned. No one was injured or killed. The derailment occurred on a shortline railroad's track that had been inspected a few days earlier. The train was travelling under the speed limit for this track. The cause of the derailment is under investigation.
- Casselton, North Dakota—On December 30, 2013, an eastbound BNSF Railway train hauling 106 tank cars of crude oil struck a westbound train carrying grain that shortly before had derailed onto the eastbound track. Some 34 cars from both trains derailed, including 20 cars carrying crude, which exploded and burned for over 24 hours. About 1,400 residents of Casselton were evacuated but no injuries were reported. The cause of the derailments and subsequent fire is under investigation.
- Plaster Rock, New Brunswick—On January 7, 2014, 17 cars of a mixed train hauling crude oil, propane, and other goods derailed likely due to a sudden wheel or axle failure. Five tank cars carrying crude oil caught fire and exploded. The train reportedly was

delivering crude from Manitoba and Alberta to the Irving Oil refinery in Saint John, New Brunswick. About 45 homes were evacuated but no injuries were reported.

- Philadelphia, Pennsylvania—On January 20, 2014, 7 cars of a 101-car CSX train, including 6 carrying crude oil, derailed on a bridge over the Schuylkill River. No injuries and no leakage were reported, but press photographs showed two cars, one a tanker, leaning over the river.
- Vandergrift, Pennsylvania—On February 13, 2014, 21 tank cars of a 120-car train derailed outside Pittsburgh. Nineteen of the derailed cars were carrying crude oil from western Canada, and four of them released product. There was no fire or injuries.
- Lynchburg, Virginia—On April 30, 2014, 15 cars in a crude oil train derailed in the downtown area of this city. Three cars caught fire, and some cars derailed into a river along the tracks. The immediate area surrounding the derailment was evacuated. No injuries were reported.

These recent incidents only reinforce the lesson that local governments have learned over the last 100 years: prevention is key to reducing the costs of disasters. Today, we routinely require safety standards in building construction to address new hazards and to incorporate improved building materials and techniques that were unknown just a generation ago. We also safeguard air quality, water quality, and habitat to help conserve our natural and build environments for today and for the future. Of particular relevance, in light the recent Napa/American Canyon Earthquake¹ (which was directly in the area of railroad operations) are the earthquake safety requirements incorporated into new building standards; these standards have significantly reduced injuries and property damage in earthquake prone areas. The fire prevention standards that have been adopted for large buildings and for residential homes are yet another example of the benefits of prevention. These safety standards have significantly reduced fires overall, and have reduced the impact of fires that do occur. Both earthquake and fire safety standards have significantly reduced the loss of life and the financial and environmental impacts of such catastrophic events.

With the enormous increase in rail shipments of crude oil, we believe the same types of enhanced safety requirements are necessary to fulfill the duty to safeguard the public's safety. Prevention is less expensive than the cost of responding to emergency events and the damage to people and places.

Recommendations

We urge the Department of Transportation to adopt the most safety-oriented alternatives in the NPRM and also to consider adding requirements or incentives for companies that would require removal of a significant amount of the volatile elements, such as flammable natural gas liquids from crude oil before it is loaded into rail cars for transport.

¹ Another potential severe earthquake in the Napa area could have a direct negative impact on this alignment including tracks, signals, and bridges.

We join in the suggestions made to Secretary Foxx on July 1, 2014, by Congress Members Doris Matsui, George Miller, Mike Thompson, and John Garamendi, a copy of which is attached. A requirement to remove volatiles through stabilization or other processes prior to shipment, in conjunction with improved rail car requirements, improved rail lines, and the other safety measures proposed would greatly enhance public safety and reduce the risks of catastrophic incidents.

Specifically, we have the following recommendations:

Provide more information to first responders: The NPRM proposes a robust and verified program for classification and characterization, with oversight to assure that materials are appropriately handled. We support such a program as a reasonable and proper safety precaution. A pre-shipment program implemented in this manner would increase the safety of the supply chain and provide great public benefit with little overall cost. The program would help ensure that flammable and volatile liquids are shipped in Class 3 tank cars that have the appropriate safety features, and would assist first responders with a better understanding of the properties of the liquids being shipped – information that is critical in the event of a derailment or a spill. We further propose that the classification and characterization of these liquids be included in the information that is made available to first responders during emergencies and on a real-time basis.

Provide training and notification to emergency response providers: California cities provide first responder emergency response in their communities and are required to respond to greater and more varied types of risks. Consequently, cities need adequate training and equipment, advance information in order to plan and prepare for emergencies, and real-time information when an emergency occurs. Under the current system, local emergency workers often must respond without the key information that they need. In addition, local governments are often without any ability to increase funding to provide for adequate response capabilities, including the full costs of training and equipment, and the costs of emergency response, cleanup, and recovery. Accordingly, we urge the adoption of regulations that provide funding for training and equipment, integration of manifest and shipment information in to the emergency response system, and real-time information during emergencies.

California, like many other states, integrates its emergency operations with the federal National Incident Management System. At the state level, the Office of Emergency Services works with regional and then county and city emergency response agencies so that local and regional entities can coordinate and plan for emergencies, and so that the local agencies have the real-time information they need to respond. As an example, Pacific Gas & Electric (PG&E) now provides a direct log in to its emergency systems, including the locations and sizes of its gas lines, to facilitate emergency response. This system has provided firefighters working to contain wildfires with critical real-time PG&E gas system information. A similar system for rail transport would greatly enhance emergency response to derailments and other train accidents.

Accordingly, we urge the adoption of regulations to fund, train, equip, and fully-inform emergency responders including:

- Fully-funded regular training programs that cover the cost of training, including backfill employee costs, to ensure that first responders are trained, and remain trained, on up-to-date procedures to address the unique risks posed by these shipments.
- Routine information on Class 3 train shipments upon request to provide information for planning and training.
- Coordinated emergency response plans and programs that include and involve state, regional, and local emergency responders. The regulations should include requirements for two-way coordination with industry emergency response at the state and regional level. Most importantly, these plans should provide for the obligation to pay for recovery, including all required clean-up.
- Real-time information available to local fire and emergency personnel so that first responders can have the necessary information of the contents of rail shipments and their classifications and characterizations at the time it is necessary to make first response decisions.
- Require comprehensive Oil Spill Response Plans (OSRPs) for every type of train and every rail line that will transport more than 3,500 gallons of Class 3 liquids per train per month, and require that rail operators coordinate their oil spill response plan with state plans. For instance, in California, there are regional OSRPs that are coordinated through the state. Railroads' OSRPs should also be coordinated and consistent with state and regional plans.

Use all available data to assess the risk and consequences of crude rail car accidents: The proposed rule estimates the risk of high consequence accidents, such as the devastating and fatal Lac Megantic, Quebec accident, using accident data across all commodities transported by rail. It omits from its analysis the numerous crude rail accidents that have occurred in 2014 as well as all crude rail accidents that have occurred in Canada. The proposed rule also fails to address the potential high cost damages of tar sands spills into waterways, and that high consequence events have resulted in tax payers footing the bill for clean-up. As a result of these omissions, DOT may underestimate the risks of and damages from high consequence events, thereby downplaying the benefits of the most stringent safety standards.

Mandate speed limits in all areas: Speed clearly increases the risk of an accident and of a derailment. Accordingly, we urge the adoption of a maximum speed limit of 40 miles per hour in all areas for all transport of Class 3 flammable liquids.²

A brief review of a map of the nation's high threat urban areas quickly highlights that the NPRM's option to limit the 40 mile per hour speed limit to just those high threat urban areas should be rejected in favor of a nation-wide limit. For example, the "Sacramento Area" high threat urban area covers only half of the City of Davis, stopping just short of the downtown area.

² It is our understanding that there would be no significant impact to passenger rail and other intermodal rail services by reason of a nation-wide speed limit for rail transport of Class 3 flammable liquids.

Rail cars directly run through downtown Davis, traversing a rail line curve that has been a safety concern for many years. The Sacramento Area high threat urban area also excludes the University of California at Davis, a research and learning institute with an average daily population of approximately 30,000 students located immediately adjacent to the rail line.

All areas of the nation deserve protection ~~from~~ afforded by the same safety standards granted now to only certain areas. The NPRM's option to limit the 40 mile per hour speed limit to areas with a population of 100,000 or more arbitrarily excludes communities entitled to a common level of protection. Throughout the rail routes in California, there are numerous at grade crossings or other points where the risk of accidents are high. These areas do not solely exist in urban areas with a population of over 100,000. Appropriate nation-wide speed limits for the transport of Class 3 flammable liquids will greatly enhance safety at a reasonable cost.

Study the risks of multi-car trains: We call for more study to ascertain the relative risks from trains transporting 20 or more Class 3 tank cars of crude oil or more compared to trains carrying fewer cars. We would recommend that any safety measures indicated by such studies then be adopted into regulation.

Quickly phase-out unsafe tank cars: Require that retrofitted Class 3 tank cars meet the same safety standard as new cars and/or require that tank cars not meeting new safety standards be phased out as expeditiously as possible. To the extent that tank cars that do not meet the new safety standards continue to operate at all, however briefly, we urge that they only be used on low risk routes outside of populated and habitat-sensitive areas.

Require enhanced tank car features: In the interests of public safety, we support the adoption of NPRM Option 1 which would require that Class 3 tank cars have 9/16 inch steel, electronically controlled pneumatic brakes, and rollover protection. The marginal cost of these features would be recouped through the additional safety benefits, reduction in accidents, and reduction in derailments. This tank car type would experience fewer punctures, fires and explosions, and fewer releases of hazardous and flammable liquids. Moreover, the Option 1 measures are simply necessary to make the crude oil shipments safe; to the extent they increase the cost of shipping such crude oil, they only ensure that the costs of shipment reflect the real cost to make such shipments safe.

Regulate the transport and storage of crude on railroad sidings: We urge the adoption of regulations that prohibit the storage of Class 3 tank cars on railroad sidings in urban areas, except in unusual circumstances, and even then there should be specific time limits. Siding storage in such areas poses a high risk to the neighboring residents and businesses. Unattended trains carrying flammable materials left to sit for days or weeks on sidings pose an unacceptable risk to harm to the public. Tankers with Class 3 materials should be held in yards with acceptable security measures. To the extent that even limited, unusual circumstance, storage of Class 3 tank cars is allowed it should be required to include enhanced safety including monitoring and notice to the local agency public safety and emergency services.

Conclusion

The League of California Cities appreciates the opportunity to comment on the Notice of Proposed Rulemaking. California cities are committed to maintaining a safe environment in which our citizens work and live. With the submission of these comments, we request that the Administration continue its long-standing commitment to safety.

Tim Cromartie
Legislative Representative
League of California Cities



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

April 8, 2015

Executive Office of the President
Office of Management and Budget
Office of Information and Regulatory Affairs
Transportation and Security Branch
725 17th Street, NW
Washington, D.C. 20503
Attention: Mabel Echols

RE: Rail Safety – Expedited Action Requested

Dear Ms. Echols:

Due to a steady flow of concerns about the transport of crude oil by rail voiced by our citizens for several months, the City of El Paso de Robles has been in contact with the League of California Cities, which has been monitoring transport of crude oil and other hazardous materials by rail, as well as hosting educational forums on the topic. We note that the League has recently adopted as its policy several goals for safety improvements based on input from our key state agencies. The City of El Paso de Robles agrees with the League's position that implementation of these rail safety improvements should be expedited at the federal level to accomplish improved rail safety as soon as possible.

The continued increase in the transport of crude oil by rail, combined with recent rail accidents involving oil spills and resulting fires, has served to heighten concerns about rail safety among many of our citizens. Specifically, two derailments accompanied by fires involving unit trains (100 or more tank cars) carrying crude oil in West Virginia and in Ontario, Canada last month have greatly increased public anxiety about what steps the relevant federal regulatory agencies are taking to improve rail safety, and on what timetable.

The Board of Directors of the League of California Cities at its February 20, 2015 meeting adopted ten specific recommendations as official policy on this issue. The City of El Paso de Robles respectfully submits these recommendations to you as priority items for improving rail safety. We have three points to emphasize in submitting these recommendations. First, irrespective of whether these improvements are required of railroads, petrochemical companies, hazardous materials shippers, or the owners or lessees of rail tank cars, we urge that they take the form of mandates, rather than the more



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traditional recommendations. Second, the mandates should be accompanied by the imposition of a hard deadline for their implementation. Third, we strongly recommend that the Office of Budget and Management include these recommendations for improved rail safety in the final rule for the Safe Transportation of Crude Oil and Flammable Materials.

League of Cities and City of El Paso de Robles Policy Recommendations – Oil by Rail

The City of El Paso de Robles urges the federal agencies with appropriate jurisdiction (primarily the National Transportation Safety Board, the Federal Railroad Administration, and the Pipeline and Hazardous Materials Safety Administration) to take the following actions to improve rail safety with respect to the transport of Bakken crude oil and other hazardous materials by rail:

- 1) **Mandate Electronically Controlled Braking Systems:** Require installation of electronically controlled, pneumatic braking systems (ECP) on trains carrying Bakken crude and ethanol by a date certain. This technology allows for faster and more efficient braking to a full stop.
- 2) **Expedite retrofit or phase-out of tank cars failing to meet current safety standards:** Require phase-out or retrofitting of older, DOT-111 tank cars manufactured prior to October 2011, to be completed by a date certain. The Association of American Railroads adopted higher manufacturing standards requiring greater structural integrity for these tank cars which took effect at that time to facilitate safer transport of flammable liquids, including ethanol and all crude oil. The El Paso de Robles City Council strongly urges the immediate phase-out of the DOT-111 tank car.
- 3) **Mandate Provision of Real-Time Information to first responders in event of accidents:** Require via federal regulations that railroads and producers of petroleum and other hazardous materials shipped by rail make available to first responders, via a secure access portal on their websites, the cargo manifest information, or "consist," on trains containing these substances. This information ideally should also be accessible via mobile applications, allowing rapid access by first responders to cargo manifest information in real time, particularly in accidents where the manifest is not available on the train. The El Paso de Robles City Council would emphasize that the cargo manifest information needs to be immediately available to the El Paso de Robles Fire Department in case of a rail accident.



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- 4) **Federal funding for first responders:** Increase federal funding for training and equipment purchases for first responders, to improve their ability to respond to hazardous materials accidents. This training and reimbursement for equipment and supplies to the El Paso de Robles Fire Department is of utmost importance.
- 5) **Mandatory Speed Limits:** Impose mandatory maximum speed limits in all areas.
- 6) **Mandate Stricter Reporting Requirements:** Lower the threshold for the number of tank cars that trigger a reporting requirement to the California Energy Commission and the State Emergency Response Commission, from 33 to 20. Currently petroleum producers and railroads only have to submit reports of trains carrying Bakken crude oil if the train includes 33 or more tank cars. Each tank car holds 34, 500 gallons. This will lower the trigger for the reporting requirement from shipments of 1.1 million gallons or more, to shipment of 690,000 gallons or more.
- 7) **Identity priority routes for positive train control (PTC):** PTC is an advanced technology incorporating GPS tracking to automatically stop or slow trains before an accident can occur. It is specifically designed to prevent train-on-train collisions, derailments due to excessive speed, and unauthorized movement of trains. Require PTC to be employed on all rail lines used for the transport of hazardous materials, with a date certain by which the technology will be online.
- 8) **Mandate railroad industry compliance with Individual Voluntary Agreement negotiated with the U.S. Department of Transportation by codifying the following actions as requirements:** (Note: The requirements below have been voluntarily agreed to by railroads, but there is currently no legal or regulatory requirement for their compliance. Such requirements should be codified, given their significant impact on rail safety)
 - Reduced speed for crude oil trains with older tank cars going through urban areas
 - Analyses to determine the safest routes for crude oil trains
 - Increased track inspections
 - Enhanced braking systems (electronically controlled pneumatic brakes) ECP
 - Installation of wayside defective bearing detectors along tracks
 - Better emergency response plans
 - Improved emergency response training
 - Working with communities through which oil trains must move to address community concerns



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- 9) **Clear methodology for funding:** Devise a clear methodology on how funds are to be distributed, to ensure that sufficient funds pass through that state and county agencies to the local agencies involved in first response.
- 10) **Regulate the parking and storage of tank cars:** Mandate improved safety regulations addressing the storage or parking of tank cars in populated areas.
- 11) **Consider Impacts on Local Communities:** Historic Downtown El Paso de Robles is bisected by the Union Pacific Railroad with five at grade crossings. Increased shipment of lengthy oil trains through El Paso de Robles will negatively impact local traffic circulation, increase emergency service response times, impair passenger rail service, and degrade tourism experience within Downtown.

The City of El Paso de Robles understands that this area of regulation is largely pre-empted by federal law; that is why we are urging specific and timely action by the federal agencies charged with regulatory oversight in this area. We do not expect that derailments and accidents will cease altogether, but we anticipate that stricter safety standards will reduce their numbers over time.

Thank you for your attention to this matter. Please contact me or my City Manager, Jim App at (805) 237-3888 with any questions.

Sincerely,

Steve W. Martin
Mayor

cc: distribution list



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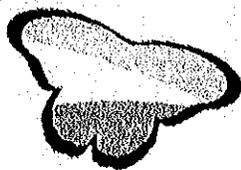
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City of Grover Beach Phillips 66 Project and Rail Safety in Grover Beach

Robert Perrault, City Manager
September 21, 2015



Phillips 66 Project and Rail Safety in Grover Beach

Purpose of Report

- Council Directed Item be Agendized
- Project Information is presented
- Council has opportunity to discuss / provide direction



Phillips 66 Project and Rail Safety in Grover Beach

Project Description

- Modify Existing Rail Spur at Santa Maria Refinery (SMR)
- Extend Spur by 6,915 ft.
- Build / operate crude oil unloading facility
- Expansion will accommodate 5 trains per week (250 trains annually)



Phillips 66 Project and Rail Safety in Grover Beach

Current Status

- Draft EIR is complete
- Final EIR has not been released
- No hearing date set
- City can comment on project
- No City role in discretionary process



Phillips 66 Project and Rail Safety in Grover Beach

Analysis

- Project construction and operation will not impact Grover Beach
- Limited impacts to City related to:
 - Train traffic
 - Noise
 - Air Quality
 - Length of trains / Grand crossing



Phillips 66 Project and Rail Safety in Grover Beach

Potential Significant Impacts

- Impacts due to derailment or Spill (Hazmat)
- Estimated three oil carrying trains currently use UPRR weekly
- Project could increase oil carrying trains



Phillips 66 Project and Rail Safety in Grover Beach

Safety Concerns

- Police Chief and Fire Chief expressed concerns
- City and Five Cities Fire Authority have limited Personnel and Equipment to deal with derailments or spills
- Incidents will require Countywide / Regional response



Phillips 66 Project and Rail Safety in Grover Beach

Safety Recommendations

- UPRR should provide enhanced training Countywide
- Require UPRR to stage firefighting foam inventory closer to SLO County
- Adequate and timely response needs to be provided by UPRR



Phillips 66 Project and Rail Safety in Grover Beach

League of California Cities

- League provides recommendation for rail safety
- Regulators and rail transportation industry should provide more information to first responders
- Provide training and notification to emergency response providers



Phillips 66 Project and Rail Safety in Grover Beach

League of California Cities

- Use available data to assess the risk and consequences of crude rail car accidents
- Mandate speed limits in all areas
- Study the risk of multi-car trains
- Quickly phase-out unsafe tank car features
- Regulate the transport and storage of crude on railroad sidings



Phillips 66 Project and Rail Safety in Grover Beach

Recommendations

- Direct staff to prepare a letter for Mayor's signature to the federal government addressing issues raised by the League of California Cities
- Direct staff to prepare a letter to the County advising the County of the City's concerns and recommending additional training and resource needs be provided to Local Jurisdictions



Phillips 66 Project and Rail Safety in Grover Beach

Questions or Comments?

