

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 31, 2015

TO: Honorable Members of the Rules, Elections, Intergovernmental Relations, and
Neighborhoods Committee

FROM: Sharon M. Tso *Sharon Tso for* Council File No.: 15-0002-S82
Chief Legislative Analyst Assignment No.: 15-08-0602

SUBJECT: Phillips 66 Facility Expansion Project

CLA RECOMMENDATION: That the City Council adopt the attached Resolution to include in its 2015-16 State Legislative Program SUPPORT for administrative action URGING the San Luis Obispo County Planning Commission to deny approval of the Phillips 66 Company Rail Spur Expansion Project.

SUMMARY

The Resolution (Bonin – Koretz - Huizar), introduced on July 29, 2015, states that the Phillips 66 Company Refinery Rail Spur Expansion Project is pending before the San Luis Obispo County Planning Commission and will enable trains to carry two million tons of crude oil through Santa Barbara, Ventura, and Los Angeles Counties. The Resolution notes that the train route would traverse the San Fernando Valley along the Los Angeles River and would also travel through South Los Angeles toward the Port.

The Resolution states that environmental documents for the project indicate that there will be significant hazardous impacts associated with the transport of crude oil by rail and that this project will have significant impacts on air quality, biological resources, and water resources. The Resolution indicates that fire and police emergency response capabilities will be overwhelmed in the event of a derailment. The Resolution notes that numerous disasters involving transportation of crude oil by rail have occurred in the United States and Canada which has resulted in oil spills, fires, and explosions in populated areas. The Resolution requests that the City support administrative action to urge the San Luis Obispo County Planning Commission to deny approval of the project.

BACKGROUND

The Phillips 66 Company Refinery Rail Spur Expansion Project involves the construction of a rail terminal on the southwest side of the Santa Maria Refinery in unincorporated San Luis Obispo County. The refinery currently receives crude oil by pipeline. The proposed project will enable trains to receive crude oil from the refinery and deliver the product using the Union Pacific coastal rail line that operates from downtown Los Angeles to the San Francisco Bay Area. In addition to San Luis Obispo County, the project is currently being reviewed by the San Luis Obispo County Air Pollution Control District, California Department of Fish and Wildlife, and the California Department of Forestry and Fire Protection. Construction is expected to begin in mid-2015 for completion in 2016.

A Revised Draft Environmental Impact Report for the project was released on October 10, 2014, and the comment period closed on November 24, 2014. The San Luis Obispo County Department of Planning and Building is in the process of preparing a Final Environmental Impact Report.

On July 11, 2015, the San Luis Obispo Tribune reported that more than forty public agencies and elected officials throughout the State have issued letters or resolutions to oppose the project. Opponents have expressed concerns regarding possible train derailments in and around heavily populated areas. Supporters contend that the project will increase needed crude oil supplies within the State.

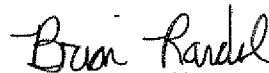
On May 1, 2015, the United States Department of Transportation (USDOT) adopted rules relative to the transportation of large quantities of flammable materials (such as crude oil and ethanol) by rail. According to USDOT, the new rules are intended to prevent accidents, mitigate consequences in the event of an accident, and support emergency response. The rules mandate the use of new tank car standards, the retrofitting of older tank cars containing crude oil and ethanol, and new braking standards. The San Luis Obispo County Department of Planning and Building states that it is currently reviewing these regulations with respect to the final Environmental Impact Report for the project.

Departments Notified

Bureau of Sanitation

Fire Department

Police Department



Brian Randol

Analyst

Attachment: Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, a proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project is pending before the San Luis Obispo Planning Commission; and

WHEREAS, the project would enable 5 unit trains (400 tank cars) per week, each unit train stretching 1.4-miles in length and carrying 2 million tons of oil, to transport crude oil through Santa Maria, Ventura and Los Angeles Counties, traversing the San Fernando Valley and traveling along the LA River and through areas of South Los Angeles toward Colton, CA, or the Port of Los Angeles; and

WHEREAS, the environmental documents for the project indicate that there would be unmitigated significant hazard impacts associated with the transport of crude oil by rail, including from a possible derailment of trains carrying crude oil; and

WHEREAS, this project has significant impacts on air quality, biological resources, hazardous materials, public services, and water resources; and

WHEREAS, homes, schools, parks and businesses are located in the corridor through which trains would travel, and a billion-dollar federal investment in the LA River area to return it to a more natural state and provide much-needed green space is in progress; and


WHEREAS, in the event of an incident involving an oil unit train from this project, it could be necessary to close multiple rail crossings and potentially require evacuation of homes, businesses and offices and/or result in serious injuries, deaths, and environmental devastation, overwhelming police and fire emergency response capabilities; and

WHEREAS, numerous disasters involving transportation of crude oil by rail have occurred, with derailments resulting in oil spills, fires, and explosions near populated areas in the US and Canada; and

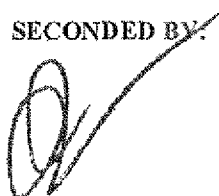
WHEREAS, there is ample reason to believe that an increase in oil train traffic from this project poses an unacceptable risk to our City of four million people;


NOW THEREFORE BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this resolution, the City of Los Angeles hereby includes in its 2015-16 legislative advocacy program SUPPORT for administrative action URGING the San Luis Obispo Planning Commission to **DENY APPROVAL** of the Phillips 66 facility expansion project, inasmuch as it is far too dangerous to public safety and presents far too many environmental risks.

PRESENTED BY:


MIKE BONIN
Councilmember 11th District

SECONDED BY:




Jose Huizar
JUL 29 2015

ORIGINAL