

VIEWPOINT ON THE PHILLIPS 66 RAIL SPUR EXTENSION PROJECT



Linda Reynolds is the founder of the Mesa Refinery Watch Group. For more information, go to www.mesa-refinerywatch.com.

Oil project will endanger our community

Transportation of oil by rail is a growing national safety issue that has now targeted the California Central Coast. A Phillips 66 project is under review to build a rail offloading terminal in San Luis Obispo County at the firm's Santa Maria refinery on the Nipomo Mesa to import a dangerous crude oil blend.

About 23,000 citizens have written protesting the project, and the county's Planning Commission has received over three dozen official letters from neighboring counties, cities, government representatives, school

Phillips 66's proposal exposes SLO County to job losses and environmental dangers, and it threatens core industries

districts and concerned organizations expressing alarm and asking to deny the project.

To put the danger in perspective, the 101,000-gallon Refugio State Beach oil spill in May was equivalent in volume to about three railroad tank cars. The Phillips 66 rail project could bring 400 tank cars each week containing a much more volatile and dangerous imported crude oil mixture than what

California oil fields produce.

Six major oil train accidents occurred in the first half of this year. On average, 24 tank cars derailed in each accident, and all but one produced huge explosions with long-lasting fires. Two of the fiery explosions involved the same Canadian tar sands bitumen and volatile diluent blend (dilbit) that would be imported here under Phillips 66's project.

It doesn't inspire confidence that oil and railroad industries are blaming each other and going to court to weaken new safety rules.

Wishing the worst won't happen doesn't make it so. Our Central Coast region is still dealing with the aftermath of the 1926 Union Oil tank farm fire, and four decades of diluent leakage at Guadalupe Dunes. The Avila Beach oil spill devastated that community in the 1990s. The Nipomo Creek pipeline spill contaminated groundwater, but cleanup

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was delayed by eight years. The recent pipeline rupture at Refugio recalls the massive 1969 Santa Barbara Channel spill.

As we've repeatedly experienced, oil industry development can endanger our health, safety, property and the environment.

Phillips 66's rationale for importing oil is that California production is declining. However, that's not the case on the Central Coast (Oil and Gas District 3), where oil production has increased 60 percent since 2003 — the timeframe cited by the project. The increase is true even after excluding production from San Ardo oil field, which is not refined here. Accordingly, the Nipomo refinery's historical output has averaged near its maximum.

The region's total oil production last year, including all onshore and offshore fields, was over 150 percent of the refinery's capacity. In addition, major production increases are slated for Price Canyon, Cat Canyon and Orcutt oil fields, plus plans to explore 7,700 new well sites.

Phillips 66 was created just three years ago when ConocoPhillips spun off its refining operations. The Nipomo refinery may look the same, but it operates under a very different business model than the one that persisted for almost 60 years. Increased profitability now depends primarily on buying crude from the cheapest source. The long-time exclusive connection with California crude oil supply markets is broken.

Whenever we import something that's plentiful locally, we inevitably export jobs — in this case, Central Coast oil field jobs. For Santa Barbara County, these are the same jobs that were under contention in last year's Measure P debate.

The county's General Plan includes goals for improving the environment, decreasing air and water pollution, reducing traffic congestion, controlling industrial development, promoting tourism and incorporating input from county residents. These are goals our supervisors have ratified and extended over the years. For example, supervisors just approved, unanimously, formation of a Tourism Marketing District.

Adherence to this vision

has made San Luis Obispo County an exceptional place for our mainstay industries — agriculture, wines, education, tourism and outdoor recreation. Our strengths are highlighted in a recent New York Times video, "36 Hours in San Luis Obispo." Our county is featured as a hidden gem on the Central Coast with distinctive towns, pristine coastline, magnificent dunes, rolling vineyards and wineries, beautiful vistas, a renowned university and a historic but dynamic downtown with world-class restaurants, vibrant gathering places and a shopping hub.

The draft environmental impact report for Phillips 66's rail terminal discloses 11 Class 1 impacts — impacts that are significant

and cannot be mitigated. These impacts have the potential to endanger our communities and adversely affect core industries. They include safety and health risks; toxic emissions; consequences to agriculture by contamination to air, soil and water; potential for oil spills that endanger sensitive species, wetlands and cultural assets; and inadequate emergency response capability.

Potentially catastrophic consequences; blurred accountability; difficult preparedness; lengthy recovery; threats to our core industries; job losses; and environmental damage — how is any of this good for our county and our neighbors?

Silence can imply consent. Make your opinion known to your county and local officials.