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COMPANY**
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Via Email

November 19, 2013

Mr. Chris Riley
Project Manager, OSBL
Valero Refining Company - CA
3400 East 2nd St.
Benicia, California 94510

Re: Response to Geotechnical Seismic Deformation Modeling Report
Railcar Offloading Facilities Project, Valero Benicia Refinery

Dear Mr. Riley:

IRC has reviewed the "Geotechnical Seismic Deformation Modeling Report" prepared by Kleinfelder, dated November 15, 2013. In their report Kleinfelder is recommending that the track design consider the effects of up to a 6-inch wide horizontal separation running parallel to the tracks, and up to a 2-inch settlement across the track gauge width.

Track is expected to settle during routine operations and Federal Track Safety Standards (49 C.F.R. § 213) allow for such settlement to occur while maintaining safe operations. Track can undergo post-earthquake settlement of 2-inches across gauge width, as described in Kleinfelder's report, and still be compliant as prescribed in 49 C.F.R. § 213.63 for Class 1 track.

Because track defects can occur during normal railroad operations, Federal Track Safety Standards mandate a program of thorough monthly inspections. Additionally, in the event of an incident with potential for track damage, such as an earthquake, an inspection shall be made as soon as possible after the occurrence and, if possible, before the operation of any train over that track (49 C.F.R § 213.239).

If you have any questions please contact me at 510-724-1117.

Sincerely,



Marc Foster, PE
Industrial Railways Company