

Amy Million - CC Times article – "Feds: Oil from Dakota fields improperly classified"

**From:** Marilyn Bardet <mjbardet@comcast.net>  
**To:** Amy Million <amillion@ci.benicia.ca.us>, Brad Kilger <bkilger@ci.benicia...>  
**Date:** 2/5/2014 9:35 PM  
**Subject:** CC Times article – "Feds: Oil from Dakota fields improperly classified"  
**CC:** Rod Sherry <rsherry@csa-engineers.com>, Belinda Smith <bsmitgo@hotmail.c...>

Hello Amy and Brad,

Thank you for the message that circulated today telling that the DEIR for the Crude-By-Rail Project will be released in March.

Please add the following article to the public legal record and for the DEIR review.

[Feds: Oil from Dakota fields improperly classified - ContraCostaTimes.com](#)

Thank you,  
 Marilyn  
 745-9094

# CONTRA COSTA TIMES

## Feds: Oil from Dakota fields improperly classified

*By JOAN LOWY Associated Press*

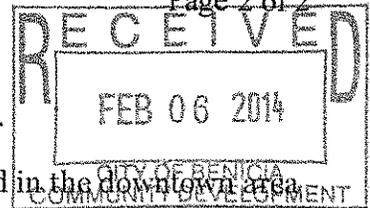
POSTED: 02/04/2014 02:28:23 PM PST | UPDATED: A DAY AGO

WASHINGTON—Government investigators have found crude oil being transported from North Dakota's Bakken region was misclassified in samples taken from 11 out of 18 truck shipments en route to rail loading stations, federal transportation officials said Tuesday.

Hazardous materials shipments are supposed to be classified into one of nine categories depending on the risk involved. If the materials are misclassified, they could wind up being shipped in less protective rail tank cars and emergency personnel might follow the wrong protocols when responding to a spill.

The Pipeline and Hazardous Materials Safety Administration said it has proposed fining three companies involved in the shipments—Hess Corp., Whiting Oil and Gas Corp., and Marathon Oil Co.—a total of \$93,000.

"The fines we are proposing today should send a message to everyone involved in the shipment of crude oil: You must test and classify this material properly if you want to use our transportation



system to ship it," Transportation Secretary Anthony Foxx said in a statement.

A runaway train with 72 tank cars of Bakken oil derailed, exploded and burned in the downtown area of Lac-Megantic, Quebec, near the Maine border in July. Forty-seven people were killed and 30 buildings destroyed.

The accident was a wake-up call for safety officials, who were surprised by its severity. Tests taken of Bakken oil since the Lac-Megantic accident shows it is more dangerous than some other types of crude. The oil in the train that derailed in Lac-Megantic was misclassified as "packing group III," which the safety administration equates to minor danger.

Some of the recently tested oil was classified as "packing group II" when it should have been "packing group I," the most dangerous category, while other truckloads were classified as packing group III when they should have been classified as packing group II, federal officials said. Regulations require shippers have a security plan in place for packing groups I and II, but not packing group III.

U.S. crude oil production is forecast to reach 8.5 million barrels per day by the end of 2014—up from 5 million barrels per day in 2008. The increase is overwhelmingly due to the fracking boom in North Dakota's Bakken region. Fracking involves the fracturing of rock with pressurized liquid to free oil and natural gas unreachable through conventional drilling.

Freight railroads in the U.S. transported nearly 234,000 carloads of crude oil in 2012, up from just 9,500 in 2008. Early data suggest that rail carloads of crude surpassed 400,000 in 2013, according to the Association of American Railroads.

Last month, U.S. and Canadian accident investigators warned that a "major loss of life" could result from an accident involving the increasing use of trains to transport large amounts of crude oil. They urged their governments to make stronger efforts to ensure hazardous cargo is properly classified before shipment. They also recommended that trains carrying hazardous materials avoid populated and other sensitive areas, and greater oversight to ensure rail carriers that transport oil are capable of responding to "worst-case discharges of the entire quantity of product carried on a train."

-----  
Associated Press writer Matthew Brown in Billings, Mont., contributed to this report.

-----  
Follow Joan Lowy on Twitter at <http://www.twitter.com/AP--Joan--Lowy>

**Amy Million - Fwd: Another crude oil train derailment - western Pennsylvania, Feb 13, 2014**

---

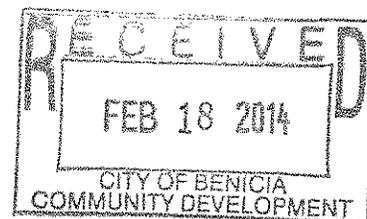
**From:** Marilyn Bardet <mjbardet@comcast.net>  
**To:** Amy Million <amillion@ci.benicia.ca.us>, Brad Kilger <bkilger@ci.benicia...>  
**Date:** 2/16/2014 9:48 AM  
**Subject:** Fwd: Another crude oil train derailment - western Pennsylvania, Feb 13, 2014  
**CC:** Rod Sherry <rsherry@csa-engineers.com>, Belinda Smith <bsmitgo@hotmail.c...>  
**Attachments:** image001.jpeg

---

Hello Amy and Brad,

Please add this article on the latest crude train derailment in Western Pennsylvania to the public legal record on Valero's Crude By Rail Project and incorporate as part of review of its soon-to-be released DEIR.

Thank you,  
Marilyn  
[707-745-9094](tel:707-745-9094)



Begin forwarded message:

**Date:** February 13, 2014 10:41:13 AM PST

**Subject:** Another crude oil train derailment - Pennsylvania today

## ANOTHER DERAILED CRUDE OIL TRAIN!

Repost from [CNBC \(Reuters\)](#)

### Another train carrying crude oil derails

Published: Thursday, 13 Feb 2014

A [Norfolk Southern](#) train carrying crude oil derailed in western Pennsylvania on Thursday, adding to a string of recent accidents that have prompted calls to increase safety standards.

There were no reports of injuries or fire at the scene, after 21 tank cars came off the track near an industrial park at a bend by the Kiskiminetas River in the town of Vandergrift, according to town and company officials.

The train, that was heading from Pittsburgh to Philadelphia, was mainly carrying crude oil but included one car containing propane gas, one local official said.

An investigator from the Federal Railroad Administration was on route to the scene, the railroad regulator said.



*Source: Valley News Dispatch – Derailed Norfolk Southern train in western Pennsylvania, Thursday morning, February 13, 2014*

The train crashed into one building owned by MSI Corporation in the industrial complex. All employees had been accounted for, said Sandy Smythe, a public information officer with Westmoreland County's public safety department, which includes Vandergrift borough.

There has been no evidence of any leaking from the tankers that came off the tracks, Smythe said.

MSI declined to comment.

The area is being hit by a winter storm that is blanketing much of the U.S. Northeast with snow, though the conditions at the time of the train crash were "not bad," Smythe said.

This is the latest in a string of crude oil train derailments that has prompted calls for more stringent rules regulating the shipment of crude by rail that has soared in recent years as pipelines fail to keep up with growing supply.

It comes ahead of a Senate hearing about improving the safety of transporting crude by rail, which has become a major political issue as the incidents pile up. The hearing was scheduled for Thursday but was delayed by the snow.

Thursday's accident was the second in less than a month in Pennsylvania. A train hauling crude on a CSX Corp railroad jumped the tracks and nearly toppled over a bridge in Philadelphia on January 20. There were no injuries or fire in that incident.

A train carrying Bakken oil from North Dakota last July derailed and exploded in Lac-Mégantic, Quebec, killing 47 people and decimating much of the small town.

Reacting to the incidents, U.S. and Canadian railroad companies, tank car owners and regulators are looking for ways to transport crude on the rails more safely. Much of the focus is on phasing out older tank cars, known as DOT-111s, that do not meet the latest

safety standards.

DOT-111s built before 2011 are prone to puncture and fire during accidents, regulators say.

It is as yet unclear what type of cars were involved in Thursday's accident.

—*By Reuters*

**Amy Million - Toxic Oil spills are causing fish cardiac arrests, a study finds**

---

**From:** Mary Frances Kelly Poh <maryfrances40@yahoo.com>  
**To:** Amy Million <amillion@ci.benicia.ca.us>, Brad Kilger <bkilger@ci.benicia...>  
**Date:** 2/17/2014 7:30 PM  
**Subject:** Toxic Oil spills are causing fish cardiac arrests, a study finds  
**CC:** Rod Sherry <rsherry@csa-engineers.com>, George Oakes <oakes@earthlink.ne...>

---

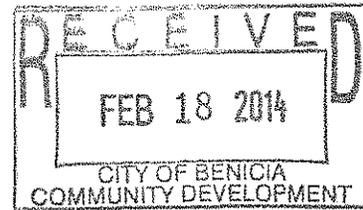
<http://www.nationofchange.org/toxins-oil-spills-are-putting-fish-cardiac-arrest-study-finds-1392564280>

Dear Brad and Amy:

Here is a current article regarding oils spills and cardiac arrests in fish. Since the tracks to the Valero refinery run through the Solano Marsh this is a pertinent concern. Please include this in the public record.

Mary Frances

Mary Frances Kelly-Poh  
643 Windsor Drive  
Benicia, CA 94510



**Toxins From Oil Spills Are Putting Fish Into Cardiac Arrest, Study Finds**

By: Emily Atkin, A reporter for Climate Progress  
Published: Sunday 16 February 2014  
Scientists from both Stanford University and the National Oceanic and Atmospheric Administration (NOAA) released a study on Friday showing that oil spills are causing death-by-cardiac arrest in tunas and other types of fish.

**DITCH THE  
PLASTIC BAG.**



**HELP US FIGHT PLASTIC  
POLLUTION. RECYCLE, DONATE,  
GET A COOL NATIONOFCHANGE  
CANVAS BAG.**

**DONATE NOW**



1.6k

Like

submit

60

reddit

[Post a Comment](#)  
[Resize Text + | - | R](#)  
[Plain Text](#)  
[Print](#)  
[SHARE](#)  
[Email](#)

For marine life, this Valentine's Day is shaping up to be less about love, and more about heartache.

Attempting to draw attention to marine animals exposed to the tragic Deepwater Horizon oil spill in 2010, scientists from both Stanford University and the National Oceanic and Atmospheric Administration (NOAA) released a study on Friday showing that oil spills are causing death-by-cardiac arrest in tunas and other types of fish.

The study, [published in Science Magazine](#), says chemicals in crude oil — such as [polyaromatic hydrocarbons \(PAHs\)](#) — can be harmful to the hearts of embryonic and developing fish. PAHs are created when products like coal, oil, gas, and garbage are burned but the burning process is not complete, according to the EPA. Even after an oil spill occurs and is cleaned up, PAHs can remain marine habitats for many years, according to the study.

[Join NationofChange today by making a generous tax-deductible contribution and take a stand against the status quo.](#)

The PAHs in the oil block key processes in living organisms' cardiac cells, Barbara Block, a professor of marine sciences at Stanford, [told BBC News](#). Blocking key processes like the moving of potassium and calcium ions move in and out of cells can cause a slowing of the heart, irregularities in rhythm and even cardiac arrest at high exposures, the study said. "The ability of a heart cell to beat depends on its capacity to move essential ions like potassium and calcium into and out of the cells quickly," Block [said](#). "We have discovered that crude oil interferes with this vital signalling process essential for our heart cells to function properly."

As the BBC reported, this also means that any other animal that swam in waters around the Deepwater Horizon rig — including humans — would have been exposed to similar cardiac risks.

In order to come to its results, the scientists at Stanford and NOAA took in vitro preparations of living cardiac cells taken from the hearts of tuna, and bathed those cells in crude oil at a level similar to what fish in early life stages may have encountered after the oil spill. The scientists then recorded disruptions in cells' signaling pathways, and applied the results to any other fish that would have been swimming near the rig — dolphin fish, blue marlin and swordfish, to name a few.

BP has taken issue with the study's process, however, saying it failed to show that the blowout of its rig has harmed marine life.

"The paper provides no evidence to suggest a population-level impact on tuna or other fish species in the Gulf of Mexico," BP spokesman Jason Ryan [told the LA Times](#). "Bathing isolated heart cells with oil concentrations is simply not comparable to the real-world conditions and exposures that existed in the gulf for whole fish."

This, however, is not the first time the Deepwater Horizon oil spill has been linked to abnormalities in marine life. Dolphins living in an area hit hard by the spill are now suffering from lung damage and hormonal levels that are lower than in any other recorded dolphin population, a [study](#) from NOAA found in December. Dolphins from Baratavia Bay were five times more likely than Sarasota Bay dolphins to have moderate–severe lung disease, and

nearly half of them had low levels of adrenal gland hormones, that study said.

"I've never seen such a high prevalence of very sick animals — and with unusual conditions such as adrenal hormone abnormalities," Lori Schwacke, the lead author of the study, told the Times-Picayune.

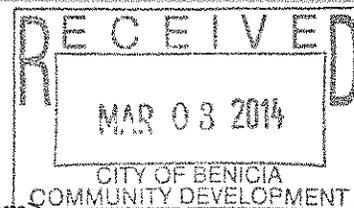
A 2012 study also found that a die-off of young dolphins off the Gulf Coast between January 1 and April 30 2011 was linked to oil exposure. And one study found Gulf killifish — an environmental indicator species — exposed to the spill had higher rates of developmental abnormalities compared to fish who weren't.

---

---

**Amy Million - Re: Fwd: Valero Crude by Rail Project Information**

**From:** David Jenkins <norcaltruck@sbcglobal.net>  
**To:** Amy Million <AMillion@ci.benicia.ca.us>  
**Date:** 2/28/2014 10:38 AM  
**Subject:** Re: Fwd: Valero Crude by Rail Project Information  
**CC:** "eruzsel@ruszelwoodworks.com" <eruzsel@ruszelwoodworks.com>



Amy

Please read the article attached and circulate it to whoever you wish ! This came out of (world oil news )

The people of California need to wake up, this is a environmental problem with un told consequences that will surly bring unbelievable disaster to California communities .  
Rail shipping is incredibly dangerous , the derailments in the United States topped 4000 incidences last year . can you just imagine one of these trains going off rail and catching on fire in the Benicia wet lands , and city connections along the port ? Not to mention all the rail lines that run through California proper . Please do what you can to stop this we as a community are at unreasonable risk , so that the oil company's can make billions due the cost saving of using rail .

david

**World Oil News Center****California about to see flood of crude delivered by rail**

BY LYNN DOAN

GLENDALE, California (Bloomberg) -- California, the third-biggest refining state in the U.S., is about to see a flood of oil by rail from places such as Canada and North Dakota as suppliers seek to tap a market isolated from the rest of the country.

The western U.S. may bring 500,000 barrels of light oil by rail a day in 2015 as the region's refiners seek to replace shrinking output in California and Alaska and more costly foreign imports, Mark Smith, Tesoro Corp.'s vice president of development, supply and logistics, said at a conference yesterday. California refineries can run 1.63 million barrels a day, the most in the U.S. after Texas and Louisiana, government data show.

The western U.S. has become one of the nation's most dependent on foreign oil as it lacks pipeline access to crude from shale in the middle of the country. Companies from Alon USA Energy Inc. to Valero Energy Corp. are looking to tap the market with projects that would bring more crude into the West by rail.

"The West Coast is one of the last frontiers where foreign imports really have a stronghold, and there's not a lot of alternatives," Smith said yesterday at the Crude By Rail 2014 conference organized by Houston-based American Business Conferences in Glendale, California. "Obviously there is a huge opportunity here" for oil shipped by rail.

It costs \$9 a barrel to send North Dakota's Bakken crude to Washington and \$4 to \$5 more to carry it by ship from there to California, according to Valero, the world's largest independent refiner. Tesoro said the cost of delivering a barrel by rail from the Bakken to California would range from \$9 to \$10.50.

California may get more than one-quarter of its crude from Canada and U.S. states other than Alaska should six proposed rail-offloading projects win approval, state Energy Commission data show. Companies including Valero, Phillips 66 and Plains All American Pipeline LP support the projects. The state is already bringing in a record volume of oil from Canada by rail, totaling 709,014 barrels in December and comprising 67 percent of rail receipts, the Energy Commission's website shows. Total oil-by-rail volumes to California, the most populous U.S. state, from all sources surged in the fourth quarter to a record 2.83 million, almost double the amount from the three months earlier.

West Coast rail terminals can unload 210,000 barrels a day, Smith said, and almost all the refineries in Washington state have their own offloading complexes.

"Wait until some of these crude-by-rail projects get constructed in California," said Gordon Schremp, senior fuels specialist at the Energy Commission. "I wouldn't be surprised to see those kinds of Bakken deliveries having very low rail economics if all six rail projects get their permits."

Proposals to build new oil-by-rail complexes in the western U.S. are coming up against increasing scrutiny from state and local regulators following a series of derailments involving crude, including the July explosion of a train carrying Bakken that killed 47 people in Lac-Mégantic, Quebec.

The city of Benicia, California, delayed Valero's plans to build a rail-offloading station at the 170,000-barrel-a-day Benicia refinery in Northern California to perform an environmental review. Valero, which planned to finish the project by late 2013, said Feb. 13 that it now expects to start the service by the first quarter of 2015.

"That is somewhat dependent on the permitting process," Joseph Gorder, Valero's president and chief operating officer, said at the Credit Suisse Global Energy Summit in Vail, Colorado.

The city of Pittsburg, California, is reopening parts of an environmental review of WesPac Energy LLC's proposal to upgrade a fuel terminal that would be capable of unloading crude from five trains a week. The Irvine-based company, which jointly owns the project with Oiltanking Holdings Americas Inc., planned to begin work on the rail terminal this quarter.

Pittsburg decided based on public comments that more information is required for the review, Joe Sbranti, the city manager, said in a Feb. 18 letter to WesPac.

Washington state regulators reversed the approval of two terminals in November that would have allowed companies to unload oil from rail cars at the Port of Grays Harbor and load them onto marine vessels.

Companies including Tesoro, the largest refiner on the West Coast, have pledged to improve the safety of moving crude by rail by using newer rail cars and better routing.

Tesoro, based in San Antonio, Texas, said Feb. 6 that it's replacing aging tanker cars with "DOT-111" cars designed after October 2011. Its fleet will consist entirely of the new cars with reinforced shields by mid-2015, the company said.

02/26/2014

David Jenkinsowner1 707 748 4498fax 1 925 520 4892This e-mail and any attachments is for the sole use of the intendedrecipient(s) and contains information belonging to David Jenkins and Nor Cal Truck Sales which is confidential and/or legally privileged. If you are not the intended recipient, you are hereby notified that any disclosure, copying,distribution or taking of any action in reliance on the contents of this e-mail information is strictly prohibited. If you have received this e-mail-in error, please immediately notify the sender by reply e-mail and destroy all copies of the original message.

---

**From:** Amy Million <AMillion@ci.benicia.ca.us>  
**To:** norcaltruck@sbcglobal.net  
**Sent:** Tuesday, August 6, 2013 3:50 PM  
**Subject:** Fwd: Valero Crude by Rail Project Information  
David,

Please find the information below.

Amy E. Million  
City of Benicia, Community Development Department

250 East L Street  
Benicia, CA 94510  
phone 707.746.4372 | fax 707.747.1637 | email [amillion@ci.benicia.ca.us](mailto:amillion@ci.benicia.ca.us)  
[www.ci.benicia.ca.us](http://www.ci.benicia.ca.us)

>>> "City of Benicia - CA" <[benicia@service.govdelivery.com](mailto:benicia@service.govdelivery.com)> 8/2/2013 4:18 PM >>>

If you want to sign up for notifications about the Valero Crude by Rail Project, [click here](#).

You can also access the project page directly [here](#).

---

Update your subscriptions, modify your password or e-mail address, or stop subscriptions at any time on your [Subscriber Preferences Page](#). You will need to use your e-mail address to log in. If you have questions or problems with the subscription service, please contact [support@govdelivery.com](mailto:support@govdelivery.com). This service is provided to you at no charge by [The City of Benicia, CA](#).

---

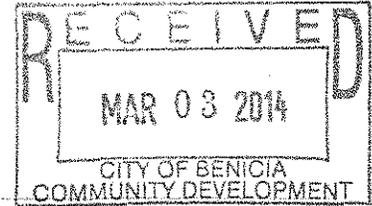
This email was sent to [amillion@ci.benicia.ca.us](mailto:amillion@ci.benicia.ca.us) using GovDelivery, on behalf of: The City of Benicia, CA · 250 East L Street  
Benicia, CA 94510



**Amy Million - documents for the record for Valero Rail Project**

---

**From:** Lynne Nittler <lnittler@sbcglobal.net>  
**To:** "amillion@ci.benicia.ca.us" <amillion@ci.benicia.ca.us>  
**Date:** 3/3/2014 1:55 PM  
**Subject:** documents for the record for Valero Rail Project



To: Amy Million, Principal Planner, community Development Department  
Forward to: Planning Commissioners  
From: Lynne Nittler, citizen of Davis, CA, an uprail town  
Date: March 3, 2014

Dear Amy,

Please accept the two attached documents into the record for the Valero Rail Project. Also, please forward these documents to the Planning Commissioners. I have already sent these documents to Brad Kilger, city manager.

Davis is an uprail town that will be impacted by 100 unsafe DOT-111 tank cars of highly flammable and volatile Bakken shale crude passing over the trestle tracks of the Yolo Bypass and coming through residential areas and the downtown of Davis on a daily basis. We have brought the matter to the attention of our Natural Resources Commission who in turn has made recommendations to our City Council. They will be addressing those recommendations as soon as the draft EIR is released, with the likely intention of making comments on the draft EIR.

1) "Transport of crude-by-rail puts Davis at Risk" by Lynne Nittler, Milton Kalish, and Matt Biers-Ariel, published in the Davis Vanguard February 3, 2014.

2) Letter from Dan Wolk to the Mayor of Benicia regarding the transport of crude-by-rail, February 12, 2014. It was also published in the Davis Vanguard. Attached here with permission from Dan Wolk for inclusion in the record.

Thank you,  
Lynne Nittler  
lnittler@sbcglobal.net

**Published in the Davis Vanguard on February 16, 2014. <http://davisvanguard.org/open-letter-from-dan-wolk-on-crude-oil-transport/>**

*Editor's note: The following letter was submitted to the Vanguard by Mayor Pro Tem Dan Wolk. He wanted to be clear he was writing the letter as an individual Councilmember, and not speaking on behalf of the Davis City Council or the City of Davis. In late January, more than fifty people attended the Davis Natural Resources Commission meeting expressing their concern about the transportation of crude oil by rail through Davis. On February 3, Lynne Nittler co-authored a piece in the Vanguard on this issue.*

February 12, 2014  
The Honorable Mayor Elizabeth Patterson  
City of Benicia  
250 East L Street  
Benicia, California 94510

Dear Mayor Patterson:

I am writing to express my and my constituents' serious concerns over the proposed upgrading of the rail terminal at the Valero refinery to take in as much as 70,000 barrels of crude oil a day. I should make clear that I am writing this as an individual Councilmember; I am not speaking for the City Council or the City of Davis.

The proposed upgrade would substantially increase the amount of crude oil passing through our community and others along the rail line each day, with much of that oil coming from the Bakken Shale in North Dakota. This oil appears to be more explosive, as demonstrated by the tragic accident in the town of Lac-Mégantic, Quebec, last year which killed 47 people when a train carrying such oil derailed.

In both a literal and figurative sense, that rail line runs through the heart of our community. I myself commute along this same rail line to and from my "day job" as a Deputy County Counsel for Solano County. The thought of 100 tank cars full of Bakken Shale oil running through our community each day is absolutely disconcerting. A similar accident in Davis as the one in Quebec would likely produce even more catastrophic results, in terms of loss of life and the destruction of our downtown.

I am currently exploring with a number of others what options our community and other "up line" communities have, recognizing that some measures, including requiring safer rail cars, are beyond our authority. In the meanwhile I wanted to share the above concerns with you.

I look forward to speaking with you more about this project and I look forward to reviewing the draft EIR.

Sincerely,  
Dan Wolk

Transport of Crude-by-Rail Puts Davis at Risk  
By Lynne Nittler, Milton Kalish, and Matt Biers-Ariel

*A few Davis residents brought the topic of transporting crude oil by rail to the Natural Resources Commission on January 27<sup>th</sup>. After a 10 minute presentation including photos of derailed oil trains and the explosions that resulted as the highly flammable Bakken crude oil created fire balls and an overlay map of the Lac-Megantic explosion area in Quebec that killed 47 people on the downtown of Davis, some of the 50 Davis residents attending spoke of their fears about safety. The NRC voted to make recommendations to the city council. The next evening, the city council voted unanimously to place the item on the agenda as soon as possible in February.*

**Background:** North Dakota Bakken crude oil production is booming, and oil companies are looking for a fast, convenient way to transport their crude oil to refineries across the U.S., including to the five refineries in the Bay Area.

A vast network of railroads crisscross the nation, making “unit trains” of 100 oil tank cars or more, an efficient and flexible method of transportation. In the last few years, crude-by-rail shipments have increased tenfold. According to a New York Times article, about two-thirds of the production in North Dakota’s Bakken shale oil field rides on rails, as there is no pipeline infrastructure. As of 2013, more than 10 percent of the nation’s total oil production is shipped by rail. (from *Accidents surge as oil industry takes the train*, by Clifford Krauss and Jad Mouawadjan, Jan 26, 2014). The number of oil trains nationwide is expected to increase significantly more in 2014 and beyond.

Note: The 36 inch diameter Keystone Pipeline would primarily carry Alberta tar sands crude, although there is a spur from North Dakota that would carry 100,000 barrels per day of Bakken light crude which is the equivalent of 115 rail cars or basically one unit train. By the end of 2013 North Dakota filled more than 11 trains a day, and many more are projected for 2014. In short, the Keystone Pipeline will not relieve the pressure for crude-by-rail transport of Bakken oil.

Crude-by-rail is skyrocketing in California. According to the California Energy Commission, in 2013 railroads hauled more than over 6 million barrels of crude oil in this state. In 2014 that number may jump to 50 million barrels or more, and by 2016 rail transport is expected to reach nearly a quarter of California’s total oil consumption, or approximately 140,000 barrels per day.

<b>Transport of Crude Oil by Rail in California</b> <b>Information from California Energy Commission</b> <a href="http://energyalmanac.ca.gov/petroleum/statistics/2013_crude_by_rail.html">http://energyalmanac.ca.gov/petroleum/statistics/2013_crude_by_rail.html</a>				
Year	Barrels per year in CA	Unit trains of 100 cars/year in CA	Unit trains per day in CA	
2013	6,169,264 million	88 unit trains		
Expected 2014	50 million	714 unit trains	2 unit trains/day	
Projected 2015-2016	140 million barrels per year	2000 unit trains per year	5.5 unit trains per day	Approximately ¼ of all CA oil

				consumption
The total oil consumption in CA was 600 million barrels in 2013.				
A "unit" train carries cars of the same product. Often trains of crude oil are 100 tank cars or more. 100 cars carry 70,000 barrels of crude oil.				
According to US Energy Information Administration (EIA), U.S. refineries produce about 19 gallons of motor gasoline from one barrel (42 gallons) of crude oil. The remainder of the barrel yields distillate and residual fuel oil, jet fuel, and other products.				
*Wyoming, ND 2008 = 95 unit trains of crude per year Montana growth: 2012 = 4000 unit trains of crude per year *date from Ass. of American Railroad				

**Benicia Valero Proposal:** Valero has asked Benicia to allow the oil refinery to enlarge its train terminal to receive 70,000 barrels of crude every day. That's enough to fill 100 sixty-foot-long tank cars with highly flammable crude oil. The Benicia Planning Commission has the power to approve the new rail terminal...or turn it down. Responding to pressure from citizens and a study prepared by the National Resources Defense Council, Benicia is currently preparing a draft Environmental Impact Review (EIR) for the project that will be available for written public comment sometime after the end of January.

**The Danger:** There are major problems posed to the communities and the sensitive areas the trains pass through. The unsafe tank cars with their volatile cargo pose an immediate and serious safety risk.

**Accidents as warnings:** Recent fiery accidents prove the point. In the last year there have been 10 major rail accidents involving oil trains in the U.S. and Canada. Last July, 47 people perished in a massive fireball when a train containing Bakken crude derailed and exploded in the Canadian town of Lac-Megantic, Quebec. Four more oil trains have derailed in Canada since then.

In November, a train carrying the same Bakken crude derailed in Alabama, possibly caused by trestle tracks that collapsed under the weight of the heavy tank cars. Twelve of the cars exploded, fortunately not in a populated area. In the last week of December, another 18 tank cars carrying Bakken crude derailed and exploded just outside of Casselton, North Dakota, forcing the town to evacuate to avoid the plumes of toxic smoke from the ensuing fires that burned for more than a day. Another oil train derailed and exploded in New Brunswick days later. There is no attempt to put out these massive fires; first responders simply keep people back and watch until the fires die down.

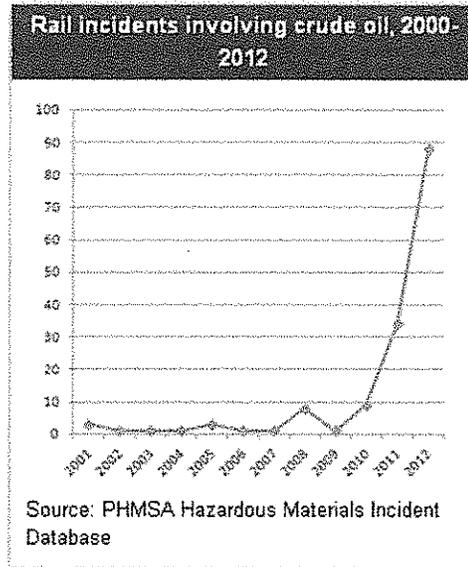


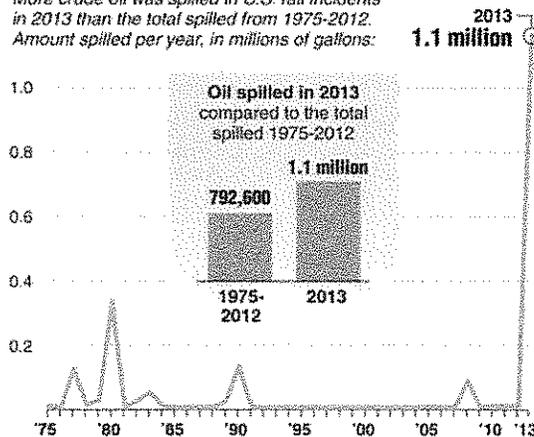
Figure 1 The number of crude-by-rail incidents increased even more in 2013.

**The main problems:** If the Benicia Valero Project is approved, trains carrying highly flammable Bakken crude oil in the outdated DOT-111A tank cars (intended for non-flammable liquids such as fertilizer) will pass through the center of Davis after crossing the Yolo Bypass on trestle tracks. The propensity for these tanker cars to rupture and explode on impact and to corrode inside is now well-documented.

Furthermore, it's becoming clear that the chemical composition of Bakken Shale oil itself is highly explosive and corrosive. In addition, there are new challenges for rail inspections and the enforcement of existing safety codes with the sudden increase in long, heavy oil tank trains. The safety of our families, our community and our environment will be increasingly at risk.

### Spike in oil spills from trains

More crude oil was spilled in U.S. rail incidents in 2013 than the total spilled from 1975-2012. Amount spilled per year, in millions of gallons:



Source: U.S. Pipeline and Hazardous Materials Safety Administration  
Graphic: Judy Trebble © 2014 MCT

Figure 2 An additional 400,000 million gallons was spilled in the Casselton accident on Dec. 30, 2013.

**The route:** How the trains will negotiate the Sierra Nevada mountains without a spill that contaminates our drinking water is terrifying to imagine. Closer to home, on the way to the five Bay Area refineries the tank cars pass through Roseville, Sacramento, West Sacramento, Davis, Dixon, and Suisun. They cross sensitive natural areas including the American and Sacramento Rivers, the Yolo Bypass, and then cut through the protected Suisun Marshes to travel alongside Interstate 680 to Benicia.

We don't know just how many oil trains came through Davis in 2013, but if the Benicia Valero train terminal is approved, 100 rail cars of Bakken crude oil (probably in two trains of 50 cars each) will soon be coming through Davis every day.

**What can Davis residents do?** Though the city of Davis cannot regulate trains that pass through it, concerned citizens and civic leaders can take advantage of the 45-day written comment period on the draft EIR report to submit comments with supporting evidence addressing *at least* the following concerns:

- The 92,000 old DOT-111 tank cars presently in use need to be upgraded or replaced by safer tank cars with thicker shells and puncture/rupture-resistant shields, stronger valve fittings to prevent spills and fires if the cars should derail, and tanks that can withstand corrosive sulfur. The recent oil company order for 60,000 new DOT-111 tank cars should be cancelled unless they are upgraded models.
- The Bakken crude has proven to be more corrosive, sulfurous, or loaded with explosive gas than previously thought, and large amounts of vapor pressure can build up to dangerous levels. Recently the Pipeline and Hazardous Materials Safety Administration (PHMSA) required that cars must be properly labeled and the general public, first responders, shippers and carriers of the hazardous loads must be properly notified. More oversight is needed.
- Safety regulations for rail transport including regular inspections must be thoroughly reviewed and then strictly enforced by the federal government.
- Problems caused by under-crewed trains, track failures including weather damage, speeding downhill, obstacles on the tracks and other problems, speed issues (generally 35 mph in towns) - all causes of recent derailments - need to be specifically addressed by the federal government.
- The current exemption for rail shipments of hazardous materials from the Emergency Planning and Right-to-Know law must be removed, so communities at risk can be informed of risks they are subject to if they are living or working near rail lines. This includes the nature, volume and frequency of hazmat shipments and what to do to be prepared in case of an accident. Emergency responders need to be aware of any hazards posed by the materials being transported through their communities, and plans for a coordinated response need to be developed.
- The health, safety and environmental concerns of all up-rail communities need to be taken into consideration and fully mitigated before more crude-by-rail transport is approved.

**Invite neighboring up-rail communities:** It is critical that Davis and all up-rail cities get involved at this point. It would be wise for the up-rail communities to make comments to the DEIR in concert to amplify their effectiveness. Davis has an opportunity to reach out to its

neighbors in Roseville, Sacramento, West Sacramento, Woodland, Dixon, Vacaville, Fairfield and Suisun who will share the same risks to their safety and well-being as crude-by-rail transportation increases. The Board of Supervisors for Yolo County should also be invited to join in a united response to the DEIR.

Building a strong coalition now will help as Tesoro Martinez and Wes-Pac Pittsburg Energy have proposals for more crude-by-rail that also may affect Davis. Ultimately, a strong voice will give additional leverage to demanding intervention at the federal level as well.

**The following** Recommendations were adopted by the Davis Natural Resources Commission on January 27<sup>th</sup>, 2014 for the Davis City Council. The issue has already been placed on one of the two February agendas for discussion.

1. that the City of Davis submit formal comments signed by members of the City Council to the Draft Environment Impact Report (DEIR) for the Benicia Valero Project when it is released for public comment sometime after the end of January. Consider at least the points mentioned above.
2. that the City of Davis reach out to civic leaders in neighboring up-rail communities and the Yolo, Solano and Sacramento County Board of Supervisors to invite them to sign the comments document (See item #1).
3. that the City Council write a letter taking a position on the Benicia Valero rail terminal Project. Such a letter from an up-rail ally could strengthen the Benicia city council resolve to protect their city should the decision be appealed to them, which is likely no matter how their Planning Commission votes.
5. that the City Council ask the police chief to report on the Davis emergency plans for an event such as a train derailment or explosion.
6. that the City Council ask staff to write the CPUC regarding improved frequency of inspections, speed limits, human factor, and increase directives to the railroads to fix defects discovered. This greater care on the prevention side will help prevent accidents.
7. The city may also choose to write letters to appropriate state and federal agencies who have oversight or regulatory responsibilities, including the PUC.

**More information:** Visit [www.yolanoclimateaction.org](http://www.yolanoclimateaction.org) for an annotated list of articles, the January 12<sup>th</sup> op-ed cross posted from the Davis Enterprise, the Natural Resources Defense Council Safety document, Attorney General Kamala Harris' comments on the WesPac DEIR, a photo gallery and new posts including the link to our NPR Marketplace interview to air sometime in February. Or contact Lynne at [lnittler@sbeglobal.net](mailto:lnittler@sbeglobal.net).

Information on the Valero Project can be found at the city of Benicia [http://www.ci.benicia.ca.us/index.asp?SEC={FDE9A332-542E-44C1-BBD0-A94C288675FD}&Type=B\\_BASIC](http://www.ci.benicia.ca.us/index.asp?SEC={FDE9A332-542E-44C1-BBD0-A94C288675FD}&Type=B_BASIC). A full history plus many articles and comments are posted at [www.beniciaindependent.com](http://www.beniciaindependent.com)

## Amy Million - Crude by Rail Comments

---

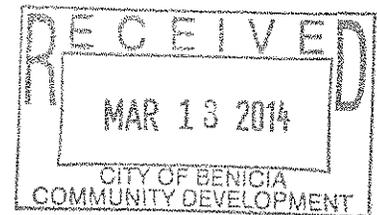
**From:** "Howe, Chris" <Chris.Howe@valero.com>  
**To:** Amy Million <AMillion@ci.benicia.ca.us>, Brad Kilger <BKilger@ci.benicia...>  
**Date:** 3/12/2014 4:04 PM  
**Subject:** Crude by Rail Comments  
**Attachments:** AAR Signed CBR Acknowledgement and Agreement 2-21-2014.pdf; CBR Industry  
\_RELEASE final.docx

---

Amy,

Attached here are two documents including a letter from Secretary Foxx of the U.S. DOT and a press release from the American Association of Railroads. The documents detail recent agreements that were reached between federal DOT and the railroads to improve safety when transporting crude. Please add these to the record of public comments related to the Valero Crude by Rail project.

Thank you. Chris Howe





THE SECRETARY OF TRANSPORTATION  
WASHINGTON, DC 20590

February 20, 2014

The Honorable Edward R. Hamberger  
President and Chief Executive Officer  
Association of American Railroads  
425 Third Street, SW  
Washington, DC 20024

Dear Mr. Hamberger:

Thank you for joining me and our team at the U.S. Department of Transportation (DOT) last month to discuss safety issues associated with the transportation of crude oil by rail within the United States. DOT and the Association of American Railroads (AAR) both recognize that the United States has experienced a significant growth in the quantity of petroleum crude oil being shipped by rail in recent years. The rapid increase in the production and transportation of crude oil requires additional vigilance for the continued safe movement of this commodity by all stakeholders involved, including both the rail industry and the Federal Government. After all, nothing is more important for all involved than safety.

Over the last month, DOT and AAR have been engaged in productive discussions regarding additional measures that AAR and its member railroads can take to further enhance the safe transportation of crude oil by train. My leadership team informs me that AAR and many of its member railroads (Railroad Subscribers) are willing to make the commitments described below. The purpose of these commitments is to address safety concerns that have been raised regarding the rail transportation of crude oil by increasing track and mechanical inspection frequency beyond that required by current regulations; conducting routing analyses using 27 factors set forth in Federal regulations to assess the safest and most secure routes; establishing speed restrictions;<sup>1</sup> and utilizing braking systems which reduce the kinetic energy (or pile up effect) of trains in the event of derailments.

DOT continues to evaluate all aspects of crude oil transportation. As we work to gather and evaluate data expeditiously, we will continue to be guided by our safety imperative and will engage all stakeholders as additional measures are proposed. Until such time, the commitments below, taken together, will start to further enhance safety immediately.

---

<sup>1</sup> As it assesses the need for additional safety enhancements for the transportation of crude oil by rail, DOT, in collaboration and consultation with all its stakeholders, will endeavor to gather data regarding the impacts of additional or different speed restrictions on the railroad network. Such data will assist DOT in evaluating the potential effects of speed limits on safety, throughput of the railroad network, and operations (including those of passenger trains).

Proposed AAR and Railroad Subscribers Commitments

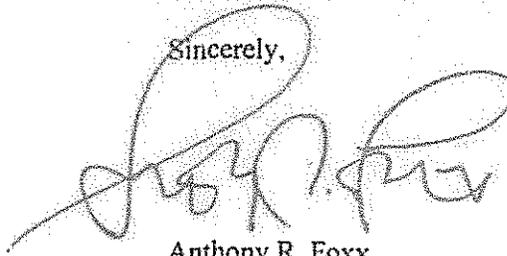
1. By no later than July 1, 2014, Railroad Subscribers will apply any protocols developed by the rail industry to comply with the existing route analysis requirements of 49 C.F.R. § 172.820(c) – (f) and (i) to the movement of trains transporting 20 or more loaded railroad tank cars containing petroleum crude oil (Key Crude Oil Trains).
2. Railroad Subscribers commit to continue to adhere to a speed restriction of 50 mph for any Key Crude Oil Trains. By no later than July 1, 2014, Railroad Subscribers will adhere to a speed restriction of 40 mph for any Key Crude Oil Train with at least one “DOT Specification 111” tank car loaded with crude oil or one non-DOT specification tank car loaded with crude oil while that train travels within the limits of any high-threat urban area as defined by 49 C.F.R. § 1580.3. For purposes of these commitments, “DOT Specification 111” tank cars are those cars that meet DOT Specification 111 standards but do not meet the requirements of AAR Circular CPC-1232 or any new standards adopted by DOT after the date of this letter.
3. By April 1, 2014, Railroad Subscribers will equip all Key Crude Oil Trains operating on main track with either distributed power locomotives or an operative two-way telemetry end of train device as defined by 49 C.F.R. § 232.5.
4. Effective March 25, 2014, a Railroad Subscriber will perform at least one additional internal rail inspection than is required by 49 C.F.R. § 213.237 (c) each calendar year on main line routes it owns or has been assigned responsibility for maintaining under 49 CFR § 213.5 over which Key Crude Oil Trains are operated. A Railroad Subscriber also will conduct at least two track geometry inspections each calendar year on main line routes it owns or is responsible for maintaining under 49 CFR § 213.5 over which Key Crude Oil Trains are operated.
5. By no later than July 1, 2014, a Railroad Subscriber will commence installation and will complete such installations as soon as practicable of wayside defective bearing detectors at least every 40 miles along main line routes it owns or has been assigned responsibility for maintaining under 49 CFR § 213.5 over which Key Crude Oil Trains are operated unless track configuration or other safety considerations dictate otherwise.
6. Effective upon execution of these commitments by AAR and Railroad Subscribers, AAR and Railroad Subscribers will commence the development of an inventory of emergency response resources along routes over which Key Crude Oil Trains operate for responding to the release of large amounts of petroleum crude oil in the event of an incident. This inventory will include locations for the staging of emergency response equipment and, where appropriate, contacts for the notification of communities. Upon completion of the inventory, the Railroad Subscribers will provide DOT with access to information regarding the inventory and will make relevant information from the inventory available to appropriate emergency responders upon request.

7. Railroad Subscribers individually will commit in the aggregate a total of approximately \$5 million to develop and provide a hazardous material transportation training curriculum applicable to petroleum crude oil transport for emergency responders and to fund a portion of the cost of this training through the end of 2014. One part of the curriculum will be for local emergency responders in the field; and more comprehensive training will be conducted at the Transportation Technology Center, Inc., (TTCI) training facility in Pueblo, Colorado. AAR will work with emergency responders in developing, by July 1, 2014, the training program that meets the needs of emergency responders.
8. Railroad Subscribers will continue to work with communities through which Key Crude Oil Trains move to address on a location-specific basis concerns that the communities may raise regarding the transportation of petroleum crude oil through those communities and take such action as the Railroad Subscribers deem appropriate.

If AAR and any of its member railroads are willing to publicly agree to these commitments, I ask that you and such Railroad Subscribers sign the attached acknowledgement, the terms of which shall be incorporated in this letter. Please return a copy of the AAR's executed acknowledgement to me at your earliest convenience. Also, please provide my office with an executed acknowledgement for each subscriber.

DOT appreciates AAR's ongoing commitment to raising the safety bar. For our part, we continue to explore ways to enhance the safe transportation of crude oil and other flammable liquids by rail (e.g., more accurate classification of the hazards posed, speed restrictions, more stringent tank car standards) to ensure the safety of the American people.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony R. Foxx", written over a circular stamp or seal.

Anthony R. Foxx

## ACKNOWLEDGEMENT AND AGREEMENT

Effective on the date set forth below, the Association of American Railroads (AAR) hereby agrees to the "Commitments" as set forth in the attached Letter dated February 20, 2014 from Secretary Anthony R. Foxx to Edward R. Hamberger (Commitments) subject to the following terms.

The AAR's Agreement to such Commitments shall remain in effect until: (1) the Commitments are terminated by the AAR upon 90 days written notice; or (2) a change in an applicable statute or Federal regulation occurs that supersedes or conflicts with any Commitment applicable to the AAR or any Railroad Subscriber as that term is used in the attached Letter, in which case this Agreement will terminate immediately as to the affected Commitment.

The modification of any Commitment shall only be effective upon written acknowledgment and agreement by the AAR.

Nothing in this Acknowledgement and Agreement precludes the AAR from exercising its legal rights, including those in connection with safety regulation matters.

On behalf of the Association of American Railroads

By: 

Title: President & Chief Executive Officer

Date: February 21, 2014

ACKNOWLEDGEMENT AND SUBSCRIPTION

The undersigned railroad hereby, as a Railroad Subscriber (Railroad Subscriber) to the attached Letter dated February 20, 2014 from Secretary Anthony R. Foxx to Edward R. Hamberger, agrees to the "Commitments" of Railroad Subscribers as set forth in the Letter (Commitments) subject to the following terms.

The undersigned's agreement to the Commitments applicable to Railroad Subscribers shall remain in effect until: (1) the Commitments are terminated by the Association of American Railroads (AAR) upon 90 days written notice; or (2) a change in an applicable statute or Federal regulation occurs that supersedes or conflicts with any Commitment, in which case this Acknowledgement and Subscription will terminate immediately as to the affected Commitment.

If the Commitments are modified, such modifications will be applicable to the undersigned only upon written acknowledgement and agreement of the modification by the AAR and such Railroad Subscriber's acknowledgement in writing.

Nothing in this Acknowledgement and Subscription precludes the undersigned Railroad Subscriber from exercising its legal rights, including those in connection with safety regulation matters.

This Acknowledgement and Subscription shall be effective upon the later of the date set forth below or the date of the AAR's written acknowledgement and agreement to the Commitments.

On behalf of \_\_\_\_\_  
Railroad Subscriber

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Freight Railroads Join U.S. Transportation Secretary Foxx in Announcing Industry Crude By Rail Safety Initiative

**WASHINGTON, D.C., Feb. 21, 2014** – The nation’s major freight railroads today joined U.S. Transportation Secretary Anthony Foxx in announcing a rail operations safety initiative that will institute new voluntary operating practices for moving crude oil by rail. The announcement follows consultations between railroads represented by the Association of American Railroads (AAR) and the U.S. Department of Transportation (DOT), including the leadership of the Federal Railroad Administration (FRA) and the Pipeline and Hazardous Materials Safety Administration (PHMSA).

The announcement today covers steps related to crude by rail operations. Additional issues relating to the safe transport of crude oil, such as tank car standards and proper shipper classification of crude oil, are being addressed separately.

“We share the Administration’s vision for making a safe rail network even safer, and have worked together to swiftly pinpoint new operating practices that enhance the safety of moving crude oil by rail,” said AAR President and CEO Edward R. Hamberger. “Safety is a shared responsibility among all energy-supply-chain stakeholders. We will continue to work with our safety partners – including regulators, our employees, our customers and the communities through which we operate – to find even more ways to reinforce public confidence in the rail industry’s ability to safely meet the increased demand to move crude oil.”

Under the industry’s voluntary efforts, railroads will take the following steps:

**Increased Track Inspections** – Effective March 25, railroads will perform at least one additional internal-rail inspection each year above those required by new FRA regulations on main line routes over which trains moving 20 or more carloads of crude oil travel. Railroads will also conduct at least two high-tech track geometry inspections each year on main line routes over which trains with 20 or more loaded cars of crude oil are moving. Current federal regulations do not require comprehensive track geometry inspections.

**Braking Systems** – No later than April 1, railroads will equip all trains with 20 or more carloads of crude oil with either distributed power or two-way telemetry end-of-train devices. These technologies allow train crews to apply emergency brakes from both ends of the train in order to stop the train faster.

**Use of Rail Traffic Routing Technology** – No later than July 1, railroads will begin using the Rail Corridor Risk Management System (RCRMS) to aid in the determination of the safest and most secure rail routes for trains with 20 or more cars of crude oil. RCRMS is a sophisticated analytical tool, developed in coordination with the federal government, including the U.S. Department of Homeland Security (DHS), PHMSA and FRA. Railroads currently use RCRMS in the routing of security

sensitive materials. This tool takes into account 27 risk factors – including volume of commodity, trip length, population density along the route, local emergency response capability, track quality and signal systems – to assess the safety and security of rail routes.

**Lower Speeds** – No later than July 1, railroads will operate trains with 20 or more tank cars carrying crude oil that include at least one older DOT-111 car no faster than 40 miles-per-hour in the federally designated 46 high-threat-urban areas (HTUA) as established by DHS regulations. In the meantime, railroads will continue to operate trains with 20 or more carloads of hazardous materials, including crude oil, at the industry self-imposed speed limit of 50 miles per hour.

**Community Relations** - Railroads will continue to work with communities through which crude oil trains move to address location-specific concerns that communities may have.

**Increased Trackside Safety Technology** – No later than July 1, railroads will begin installing additional wayside wheel bearing detectors if they are not already in place every 40 miles along tracks with trains carrying 20 or more crude oil cars, as other safety factors allow.

**Increased Emergency Response Training and Tuition Assistance** – Railroads have committed by July 1 to provide \$5 million to develop specialized crude by rail training and tuition assistance program for local first responders. One part of the curriculum will be designed to be provided to local emergency responders in the field, as well as comprehensive training will designed to be conducted at the Transportation Technology Center, Inc. (TTCI) facility in Pueblo, Colo. The funding will provide program development as well as tuition assistance for an estimated 1500 first responders in 2014.

**Emergency Response Capability Planning** – Railroads will by July 1 develop an inventory of emergency response resources for responding to the release of large amounts of crude oil along routes over which trains with 20 or more cars of crude oil operate. This inventory will include locations for the staging of emergency response equipment and, where appropriate, contacts for the notification of communities. When the inventory is completed, railroads will provide DOT with information on the deployment of the resources and make the information available upon request to appropriate emergency responders.

Railroads will continue to work with the Administration and rail customers to address other key shared safety responsibilities, including federal tank car standards and the proper shipper classification and labeling of oil moving by rail. PHMSA is currently reviewing public comments on increasing federal tank car standards.

To learn more about all railroads do to continuously improve the safety of America's rail system, please visit [www.aar.org](http://www.aar.org).

# # #

Amy Million

---

**From:** Dana Green <dana.green@yahoo.com>  
**To:** "amillion@ci.benicia.ca.us" <amillion@ci.benicia.ca.us>  
**Date:** 3/13/2014 5:54 PM

---

Ms. Million,

My husband and I want to go on record as **opposing the Valero crude-by-rail project** in any way, shape, or form.

It's hard to believe that this would even be considered in our city, given the history of terrible accidents and mishaps from past crude rail transports in other places.

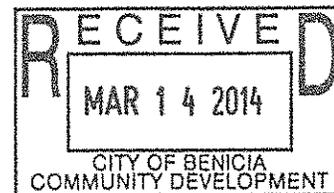
We live in the Highlands neighborhood and do not want any more dangerous refinery shenanigans.

There are already enough hazards such as poor air quality and the awful smells we have to put up with. It stinks up here.

Then there is Robert Semple School just blocks away from the refinery. Our housing values would go way down. I surely would not buy a house next to a refinery with railroad crude coming in day after day. The regular refinery is bad enough. We live here because it is all we could and can afford. But most of all it's just plain irresponsible to people and the earth to allow crude oil to be *railroaded* in to the refinery (and into our lives).

**We do not support the Valero's bid for CRUDE -by -rail.**

**Dana and Jim Green**  
**11 La Cruz Ave.**  
**Benicia**



## Amy Million - Risk Assessment and Reinsurance - For the Record, Valero Crude By Rail

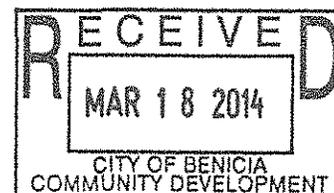
---

**From:** <rogrmail@gmail.com>  
**To:** "Brad Kilger" <bkilger@ci.benicia.ca.us>, "Amy Million" <Amy.Million@c...>  
**Date:** 3/18/2014 9:29 AM  
**Subject:** Risk Assessment and Reinsurance - For the Record, Valero Crude By Rail  
**Attachments:** image001.jpg

---

Brad and Amy – Please enter the following article into the public record regarding Valero Crude By Rail. Note that experts in the insurance industry around the country and the world are increasingly concerned about the vulnerability of communities and commercial entities given the extreme costs of response and clean-up after a catastrophic event. Please make sure that these considerations are covered in the DEIR.

**Roger Straw**  
 766 West J Street, Benicia, CA 94510  
 707.373.6826



### A Record Year of Oil Train Accidents Leaves Insurers Wary

Tue, 2014-03-18 06:00 Sharon Kelly



Spurred by the shale drilling rush that has progressed at breakneck speed, the railroad industry has moved fast to help drillers transport petroleum and its byproducts to consumers. Last year, trains hauled over 400,000 carloads of crude oil, up from just 9,500 carloads in 2008, according to railroad industry estimates. Each carload represents roughly 30,000 gallons of flammable liquids, and some trains haul over 100 oil cars at a time.

But with this fast expansion has come some astounding risks — risks that have insurance companies and underwriters increasingly concerned.

A string of oil train explosions have highlighted the potential for harm. A train hauling 2.9 million gallons of Bakken oil derailed and exploded on November 8 in Aliceville, Alabama, and the oil that leaked but did not burn continues to foul the wetlands in the area.

On December 30th, a train collision in Casselton, North Dakota 20 miles outside of Fargo, prompted a mass evacuation of over half the town's residents after 18 cars exploded into fireballs visible for miles. 400,000 gallons of oil spilled after that accident, which involved two trains traveling well below local

speed limits.

"Those crashes are all on the radar of the insurance industry," attorney Dean Hansell recently told Law360.

All told, railcar accidents spilled more than 1.15 million gallons of crude oil in 2013, federal data shows, compared with an average of just 22,000 gallons a year from 1975 through 2012 — a fifty-fold spike.

Bakken oil train explosions have mostly been far from populated areas. But around 1AM on July 5, 2013, over 60 oil cars exploded after a runaway train derailed in Lac-Megantic, a Canadian town near the Maine border, leveling dozens of buildings and killing 47 of the town's roughly 6,000 residents.

The railroad company, Montreal, Maine and Atlantic Railway, went belly up, leaving behind clean-up costs estimated at over \$180 million. Canadian regulators discovered the company carried only \$25 million in liability insurance. Legal battles over clean-up costs and lawsuits from survivors are expected to take at least a decade to resolve — and for the time being, taxpayers are picking up the tab.

That tragic accident took place in a small town. An explosion in a major city could represent a far larger calamity. But neither oil and gas companies nor railroads carry enough insurance to cover the kind of catastrophe at risk when shipping crude by rail.

"There is not currently enough available coverage in the commercial insurance market anywhere in the world to cover the worst-case scenario," James Beardsley, an executive with Marsh & McLennan Cos.' Marsh Inc. insurance brokerage unit, told the Wall Street Journal in January.

### **Bakken Crude: A Hazard on the Rails**

It's not just that more oil is moving by train, it's also that Bakken shale oil seems to be particularly dangerous, according to federal regulators.

On January 2nd, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a rare safety alert, saying "recent derailments and resulting fires indicate that the type of crude oil being transported from the Bakken region may be more flammable than traditional heavy crude oil."

A few weeks later, the National Transportation Safety Board (NTSB) and its Canadian counterpart, the Transportation Safety Board of Canada warned that an oil train accident could result in a "major loss of life" as they called for hazardous material shipping rules to apply to crude oil trains.

"The large-scale shipments of crude oil by rail simply didn't exist 10 years ago, and our safety regulations need to catch up with this new reality," said NTSB Chairman Deborah Hersman.

Railroad officials say that they've already taken voluntary steps to reduce the danger. Maximum speeds for trains with oil cars have been reduced, and where possible, trains are routed outside of major cities and highly populated corridors.

But some refineries handling Bakken crude are located directly inside major cities — like the major

refinery in Philadelphia, where a train recently derailed over the Schuylkill river, just yards from a major highway underpass.

Every month, railcars carrying five million barrels of Bakken crude roll through the core of Philadelphia, heading to a refinery formerly owned by Sunoco and now run by a company called Philadelphia Energy Solutions, according to local press reports.

Oil trains also pass through New York City, Chicago, the Pacific Northwest and the Gulf Coast.

### **Insurers Nervous**

Over the past few years, many of the risks associated with fracking have drawn increased attention from insurers and insurance underwriters.

Increasingly, insurers are taking steps to insulate themselves against liability when fracking pollutes air and water or leads to accidents. A standard homeowner's insurance policy won't cover harm from fracking pollution, and insurance companies have so far declined to offer special policies that would cover fracking risks. Nationwide Insurance, for example, announced that its homeowners' policies would not cover damage from fracking, saying the risks "are too great to ignore."

When insurance runs out, companies can still be sued for the harm they do — but if they don't have enough money to cover the claim, the people hurt may be out of luck.

"If the full net worth of the company (in addition to insurance coverage) is insufficient to cover the costs associated with an event, those costs will be borne by those who have suffered property damage or injuries," the McMillian group, an actuarial consulting firm wrote in a June 2012 note, explaining that drillers' use of shell corporations to shield assets made that "a very real possibility."

### **Ruinous Liability**

Railroads may find themselves in a similar bind.

Only few dozen insurance companies offer liability insurance to railroads, and coverage is often limited to less than \$50 million per policy, meaning that the highest level of coverage available, if a company maxes out available policies, is \$1.5 billion. Major railroads commonly "self-insure" against accidents over a certain threshold, meaning that a big enough accident could wipe out all of a company's assets.

So without enough insurance, hauling that crude represents a major gamble.

"A railroad moving hazardous shipments faces exposure to potentially ruinous liability," the Association of American Railroads told the Canadian Transportation Agency. "While incidents involving highly hazardous materials on railroads are exceedingly rare, railroads could be subjected to multi-billion dollar claims solely because of the unusual characteristics of the commodities themselves."

Adequately protecting against oil train explosions would be expensive, raising the costs of delivering oil to consumers. But if shippers and railroads do not carry insurance, an explosion could bankrupt the

companies involved, leaving the people rebuilding in the lurch.

As the Obama administration considered the Keystone XL's pipeline application, it decided it was unnecessary to take all of the impacts of tar sands extraction into account, reasoning that the oil would find other ways to market. The bitumen, they said, would be shipped by train if it was not pumped through pipelines, so construction would have little impact on how quickly or pervasively tar sands oil was extracted.

"Cross-border pipeline constraints have a limited impact on crude flows and prices," the State Department report said. "If new east-west and cross-border pipelines were both completely constrained, oil sands crude could reach U.S. and Canadian refineries by rail."

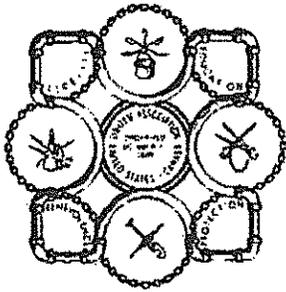
But the growing concerns from the insurance industry undermine that assumption. Shipping by rail already costs between \$2 and \$22 per barrel more than shipping by pipeline, and upgrading rail cars, training first responders in case of a catastrophe, and rebuilding aging rail lines will all add enormous additional expenses.

A plan endorsed by the mayors of several major U.S. cities, including Philadelphia and Chicago, calls for fees on train shipments to cover these costs.

The issue "starts to revolve around the dollar sign," Canadian Pacific Railway CEO E. Hunter Harrison told the Wall Street Journal. "Can we do this safer? Yes. But who's going to pay? If you decide this commodity must be moved in the public interest, then I think all of us have to pay."

The question is, are those costs worth paying, especially when renewable energy sources grow more viable every year?

Photo Credit: Train Accident, via Shutterstock.

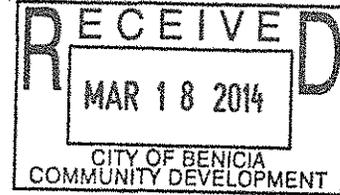


**United Association of Journeymen and Apprentices of the  
Plumbing and Pipe Fitting Industry**

**PLUMBERS & STEAMFITTERS LOCAL UNION NO. 343**

401 Nebraska Street • Vallejo, California 94590  
Telephone (707) 644-4071 • Fax (707) 644-0314

March 17, 2014



Valero Benicia Refinery  
3400 East Second Street  
Benicia, CA 94510

**RE: VALERO BENICIA CRUDE BY RAIL PROJECT**

Dear Valero Benicia Refinery:

I am writing in support of the Valero Crude by Rail infrastructure project. As I understand, the Valero Crude by Rail Project will make no changes to refinery process equipment and operations. It is simply adding three short rail tracks and an off loading rack on the refinery property.

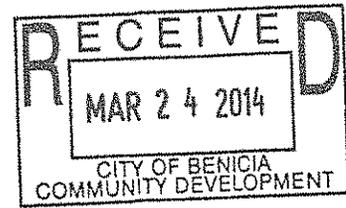
The Valero Benicia Refinery is the only refinery in Northern California to earn the CAL/OSHA Voluntary Protection Program Star Site designation for its safety practices and procedures. Valero remains committed to meet or exceed the existing air quality standards. As I understand, this project could reduce marine deliveries of crude oil by more than 80% and reduce emissions.

This project will bring permanent jobs to the City of Benicia and over 120 skilled craftsman jobs that will be added during construction.

Sincerely,

Gregory A Partch  
Business Manager  
Plumbers and Steamfitters U.A. Local No. 343

Concerned Benicia Citizen  
Benicia, Ca 94510  
March 18, 2014



Brad Kilger  
City Manager  
City of Benicia  
250 East L Street  
Benicia, Ca 94510

Dear Brad Kilger:

Please add my comments to the public legal record on Valero's Crude by Rail Project and incorporate them as part of the review of its DEIR. I am a long-time resident of the city of Benicia, and I am writing to express my concern about recent discussion and the pending decision to implement crude by rail. Although I feel a much better option to supply the oil would be by pipeline, I am not necessarily opposed to the crude by rail project. I understand that companies need to try to take advantage of opportunities to satisfy its shareholders and that the refinery contributes so much to Benicia financially.

However, I do not believe that we have accurately taken into consideration the effect(s) of the whistle/horn noise, track noise and additional pump motor noise that will increase with the 50-tanker-car rail system. There are loads and loads of medical studies that show that for those who live near the railroad, the horn noise disturbs sleep, can increase the risk of cardiovascular disease and is a possible link to hypertension. Studies also suggest depression can be linked to noise pollution created by road traffic and railroads. Although some might feel we can acclimate to noise, studies indicate that sleep is disturbed, even if a person is not awakened. One medical study indicates that using earplugs or leaving a fan on for white noise does not completely solve the issues of railroad noise pollution. Depending on how close to the tracks you live, even the vibrations can cause sleep disturbances.

I propose that we delve deeply into the research of implementing railroad Quiet Zones at each of the crossings that will be affected by this increase in rail traffic. The federal government requires trains to toot their horns/whistles at each and every crossing, for safety reasons. There are federally mandated decibel limits on the horns and the refinery should be required to conduct ongoing sound surveys to ensure that any locomotives transporting refinery oil or other products do not exceed these limits. More effectively however, the Federal Railroad Agency offers a number of solutions for the noise issue, such as a partial Quiet Zone, where the trains do not

Brad Kilger  
March 18, 2014  
Page 2

sound their horns at night. Another solution is a Wayside Horn at the crossing which is triggered by the approaching train. This horn is directional and operates at a lower decibel level, which is another possibility. Not perfect, but possibly do-able.

There are several other options, but the full Quiet Zone is really the best solution. Receiving a Quiet Zone designation can be a convoluted process and a little pricey, but requiring The Valero Benicia Refinery to foot the bill so to speak, would be more than fair considering the impact in regards to increased train traffic. This increase in train traffic will result in increased train noise and traffic congestion, possibly harming nearby businesses. Tourism could suffer from high volume train traffic. Most importantly, impacts could damage the area's *green* "brand". Train traffic could decrease property values along the rail corridor, and most importantly, in our beautiful Benicia. Our city is a Tree City, and known for our downtown, arts and many other wonderful things. We do not want to be known for the train horns.

The city of Richmond has several Quiet Zones and continues to add more. They would be a good resource for information on setting up these Quiet Zones. There is a Kinder Morgan facility in Richmond, which received a permit within the last couple of months to offload crude cars to trucks. This is the only sight I am aware of in this area that is currently receiving these cars. That increase in rail traffic is nothing compared to what would happen at the Valero refinery. The crude by rail for Northern California total for December 2013 was less than 170,000 barrels. The Valero project would dwarf those numbers.

We live near West 10th Street in Benicia and we hear train horns from across the street from Amtrak and freight trains. That is a considerable distance, yet we hear them very clearly all day and evening, even inside our house. On any given day, there seems to be a set of horns blowing every ten minutes on average. I am not certain if all of the horns we hear in this area are passing through the Crockett area, or if some might even be from as far away as the refinery. I understand that some people may like the noise of a train horn and that others can tend to "tune" this out, but for those who cannot, it is very disturbing. With the refinery's increase in rail traffic, we will be bombarded with noise from several directions, which could become unbearable for many. At that point, any costs to remedy the noise would most likely fall directly on the city.

Sincerely,

Concerned Benicia Citizen

Brad Kilger  
March 18, 2014  
Page 3

**For more information:**

The Train Horn Rule and Quiet Zones <http://www.fra.dot.gov/Page/P0104>

Impact of Traffic Noise on Sleep

Patterns [http://www.terraily.com/reports/Impact\\_Of\\_Traffic\\_Noise\\_On\\_Sleep\\_Patterns\\_999.html](http://www.terraily.com/reports/Impact_Of_Traffic_Noise_On_Sleep_Patterns_999.html)

Effects of train noise and vibration on human heart rate during sleep: an experimental study <http://bmjopen.bmj.com/content/3/5/e002655.full>

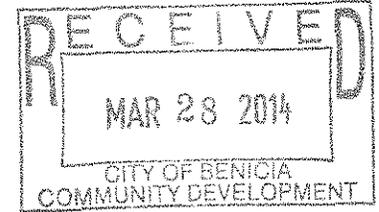
Noise Pollution: A Modern Plague <http://docs.wind-watch.org/goineshagler-noisepollution.html>

Single and Combined Effects of Air, Road, and Rail Traffic Noise on Sleep and

Recuperation <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3001788/>



BENICIA INDUSTRIAL PARK ASSOCIATION  
A COMMITTEE OF THE BENICIA CHAMBER OF COMMERCE  
601 First Street, Suite 100, Benicia CA 94510  
707-745-2120 / Fax 707-745-2275  
www.beniciaipa.org / email: beniciachamber@aol.com



March 26, 2014

Planning Commission  
CITY OF BENICIA  
250 East L Street  
Benicia, California 94510

Dear City of Benicia Planning Commissioners:

We respect the role of the Planning Commission as an independent and responsible commission that generally does not require much community input in their decision making process, however it seems the Use Permit for the Valero Crude By Rail Project has created much discussion with many different parties sharing their opinions on the project. As a balance to the much reported negative press that has appeared, the Benicia Industrial Park Association would like to offer our support and state our request for your approval of the Use Permit for the Valero Crude By Rail Project.

Over the past 5 years, our country has seen a huge economic downturn and any company that has survived this period has been required to make cost-reducing changes in order to survive. Valero representatives have assured us that the this cost-reducing change is merely logistical and will not have any effect on their current process or refining model, thus negating the initial concerns and arguments made by those against this change. The change is a cost saving measure that will help our largest business and community supporter to remain competitive in their market.

The Benicia Industrial Park Association recognizes that the process of refining oil is sometimes a dirty and dangerous process, but further recognizes the effort and extra measures that Valero's Benicia Refinery has put forth to insure that the refinery acts in a safe and responsible manner to protect its employees, contractors and the citizens of Benicia. Valero has a long-standing and proven track record of safety, with currently over 1 million accident free hours to their credit. Valero has proven to be a good partner with California's many government agencies to meet and exceed required standards. In addition, Valero has proven to be a good partner to this community and this long history of commitment should not be forgotten.

The Benicia Industrial Park Association respectfully requests that the Planning Department approve the Use Permit as submitted for the Valero Crude By Rail Project and allow Benicia's largest company and employer to continue its business plan to remain competitive.

Sincerely,

A handwritten signature in cursive script that reads "Jasmin Powell".

Jasmin Powell, President  
Benicia Industrial Park Association