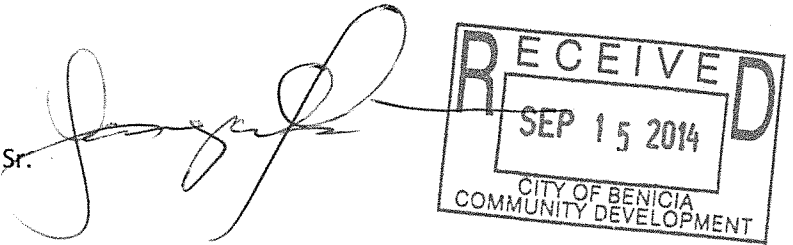


Valero Benicia Crude by Rail Project.

Questions and comments from George Oakes Sr.



The project description is for a two lane rail car off loading ramp and related piping and safety equipment to allow for use of crude oil delivered via rail cars versus marine vessels. The project is designed to replace crude delivered via marine vessel (ships and barges). A Permit for the Project is pending a successful certification of the EIR.

The Draft Environmental Impact Report (DEIR) has been provided as a draft response to the intent of the California Environmental Quality Act (CEQA) requiring governmental agencies to consider the impacts and potential consequences to the environment.

I believe the DEIR is flawed as it does not mention or consider the total Bay Area Impacts of crude oil delivered via rail cars. Currently, 3 of the 5 refineries are using rail cars for delivery of crude oils. Their operations and impacts need to be considered and included with those of this project. Benicia and Valero do not stand alone In the Bay Area, therefore, the entire impact needs to be presented to the Planning Commission with separation of all users and their individual impact then totaled for the cumulative impact (this may not be simple math!). Include the permitted emissions and reported violations for each for all refineries using crude by rail delivery.

The California State Attorney General reviewed the Recirculated Environmental Impact Report for the WesPac Pittsburg Energy Infrastructure Project (SCH # 2011072053) and provided the following comments on January 15, 2014 to the City of Pittsburgh:

“As set forth below, our review of the RDEIR has revealed some significant legal problems under the California Environmental Quality Act (CEQA). As a threshold matter, the document fails to disclose the sources and analyze the environmental impacts of the new crude. There are a wide range of crudes with different chemical compositions currently available in commerce, and an increasing number of unconventional crudes, such as crudes produced from bitumen sands (so-called “oil sands” or “tar sands”). Different types of crude can have very different types of impacts on such things as local air quality, greenhouse gas emissions, and the risks associated with accidental releases.

This fundamental defect affects the adequacy of the entire document. Because of this and other errors, the RDEIR fails to:

- Adequately disclose and analyze local air quality impacts to the already impacted community of Pittsburgh;
- Consider the effects to other Bay Area communities of refining the new crudes;
- Propose and analyze feasible mitigation that could reduce local air quality impacts;
- Adequately disclose and address the risk of accidents that could result from transportation and storage of the new crudes;

- Fully disclose and consider mitigation for the Project's climate change-related impacts; and
- Consider a reasonable range of feasible alternatives that could reduce the Project's significant impacts.

We urge the City of Pittsburg to correct these deficiencies before certifying the RDEIR.

While the Valero project is different from the Pittsburgh project I believe the issues noted must be addressed. The DEIR does address most of these items, but not the transportation and storage of the crude materials. The large and unforgettable rail accident in Quebec is a telling potential impact that has not been addressed, other than a study that stated the likelihood of an accident is every 111 years. Totally inadequate.

At issue is the proposed statement that the Project will reduce harmful emissions in the Bay Area. Numerous citizen and specialists have made public statements that these figures and/or the methods used to arrive at the DEIR conclusions may not be accurate. The DEIR also provides Table 2-1, Summary of Impacts and Mitigation Measures for the Valero Benicia Crude by Rail Project. Impacts 4.1-1b, 4.1-2 are shown as **Significant and Unavoidable** yet no mitigation measures are offered. This is inadequate and possibly misleading when read with the statements that this project will reduce harmful emissions. These items need greater clarification.

Wikipedia defines Accident as: "An **accident** or a **mishap** is an unforeseen and unplanned event or circumstance, often with lack of intention or necessity. It usually implies a generally negative outcome which might have been avoided or prevented had circumstances leading up to the accident been recognized, and acted upon, prior to its occurrence."

Accordingly, this Projects needs to provide for **accident mitigation, ownership, and responsibility**. The following is provided as background and the issues/questions.

- Crude oil by rail has increased significantly and looks to have the potential to continue to increase in the short and long term.
- Crude laden trains seems to be having more accidents,
- The crude being shipped is more volatile and appears to be more prone to fire in the event of an accident.
- The severity of the accidents with crude cars seems greater,
- The availability of insurance for rail companies is limited. To wit, the \$25,000,000 policy for the rail company operating the train that exploded in Quebec. This event is more than 1 year old and the cleanup and legal issues have not been resolved, ongoing cleanup is more than \$200,000,000 and the total recovery is estimated to be greater than \$2,000,000,000. While this may not be a great amount for Bill Gates it should be for us; taxpayers pick up the tab for uninsured costs, ask them in Quebec.

- If the use of rail cars to deliver crude oil is such a great method please provide an Insurance or Bond underwriter's estimate of the costs for the type of insurance or Bond needed to provide **TOTAL** coverage in the event of an Accident. As the oil would not be traveling to Benicia unless this project is approved the coverage needs to provide:
 - Full living wage to those directly impacted by the Accident,
 - Immediate loss of income payments and then full recovery of losses due to lack of access, loss of business and/or damage to local businesses,
 - Full costs to return any area impacted by the Accident to a Normal life style and expectation of a similar future.
 - Provide methods and measures needed to lessen the cost of such coverage as well and the need to adjust coverage amounts based on an underwriter's review of what they determine are pertinent facts.
- One key issue of the Quebec Accident was who actually owned the product and who had responsibility for the product when. Accordingly, the issue of who owns the product and who has both the operating and financial responsibility for the crude needs to be provided. There can be no ambiguity on this issue.
- The State of California is working to increase the funding for training and outfitting first responders in light of the increased rail car usage. Based on the comments made to Congress by firefighters and first responders, this may be inadequate. The incremental cost to train for, provide equipment and resources needs rests with the entity bringing the new and unique requirement. Other have mentioned the foam needed to respond to oil fires. More equipment and personal to operate them may be needed as well. Question is, what is Valero offering in this matter?
- I really do not agree with the idea that an accident is not anticipated to happen for 111 years. This needs to be presented in layman's terms and background information so we can all agree on this or other mean time between failure questions. As stated above, we do not stand alone. This impact needs to be addressed based on the increased and increasing volume of cruder oil by rail in the entire Bay Area.