

LOCAL

# Phillips 66 oil-by-rail plan is dead, environmental groups say

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The Phillips 66 plan to transport crude oil by rail to its Nipomo Mesa refinery is dead, environmental groups say, after the company agreed to drop its lawsuit against San Luis Obispo County.

Phillips 66 officials declined to comment Monday on what county attorney Tim McNulty called a settlement. If the settlement is approved by the court, the county's denial of the project will stand, McNulty said. The settlement was filed in San Luis Obispo County Superior Court on Monday.

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Andrew Christie, Santa Lucia Chapter of the Sierra Club

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The settlement does not admit the area near the proposed spur contains an environmentally sensitive habitat, although the county's decision — which used the presence of that habitat as grounds to deny the project — still stands.

The agreement also does not prevent Phillips 66 from filing a new land-use permit application, and it makes clear county officials must make any future decisions independent of their initial determination.

Celebrating the news were opponents from around the state who had pleaded with officials to prevent an increase of oil-filled trains that could potentially derail from rolling by their homes, schools and businesses.

“I can say with 99.9 percent certainty this is the end of the track for more oil trains in San Luis Obispo County,” said Andrew Christie with the Santa Lucia Chapter of the Sierra Club.

“It's definitely a victory,” added Alicia Roessler, one of the lead attorneys on the litigation for the Environmental Defense Center. “The dismissal means the county's denial of the project stands. There are no appeals left. It just solidified our efforts and the communities' efforts to get rid of this project once and for all.”

“Hopefully that's the final nail in the coffin of this three-and-a-half-year odyssey,” said Laurance Shinderman, a spokesman for the Mesa Refinery

Watch Group, a grassroots group of residents who live near the Santa Maria Refinery on the Nipomo Mesa.

## **Oil train protest draws crowd in San Luis Obispo**

Heidi Harmon talks about why she opposes the Phillips 66 oil train plan as a crowd gathers for a noontime rally Thursday, Feb. 4, 2016, at the San Luis Obispo County Government Center.

Phillips 66 sued the county after [the Board of Supervisors in March upheld a Planning Commission decision to deny a permit](#) to build a 1.3-mile rail spur that would allow the company to import 6.6 million gallons of crude oil a week by rail to its Santa Maria Refinery. The company argued that county staff wrongly interpreted a Coastal Zone Land Use Ordinance regarding environmentally sensitive habitat area.

The announcement that Phillips 66 has agreed to dismiss its lawsuit against the county came Monday morning from a group of environmental organizations.

The company has said the project would diversify oil supply, an argument it said was strengthened by the failure of the All American Pipeline in Santa Barbara County, which led to an ongoing supply gap for the local refinery.

Jim Anderson, the maintenance superintendent for Phillips 66, said last year that the drop in local production has resulted in fewer contractors and fewer employees.

Phillips 66 does import oil by truck, but the company has not proposed any large-scale increase to its trucking plan. The company would have to apply for new permits from the county to increase truck traffic to meet the supply that would have been brought by the rail project.

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Opposition to the plan to import oil from across North America by trains through California included environmental organizations, the Mesa Refinery Watch Group, and communities across the proposed train route, including cities, counties and school districts.

Those efforts led to the demise of the project, Christie said.

“Projects never fail just because they’re ill-conceived, especially when they’re proposed by large, well-funded entities,” Christie said. “The only way those projects fail is thanks to grassroots organizing and local people saying loud and clear, ‘We don’t want this project.’ And that happened on a scale I’ve never seen before.”

They voiced their opposition to the so-called “bomb trains,” including at a two-day March 2017 Board of Supervisors meeting, where supervisors voted to uphold an earlier decision by the Planning Commission to reject the project.

Phillips 66 did not appeal the decision to the Coastal Commission. But it did file the lawsuit.

On Monday, Supervisor Debbie Arnold worried that the failure of the oil-by-rail proposal could doom the refinery.

“I am concerned about the loss of employment, and on a bigger scale, I would be concerned about the loss of the facility,” she said. “It’s important to keep our fuel prices down for our working people. It’s one more thing that could create higher prices, if we lost that refinery or the use of it went down.”

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