



# HALTING CRUDE-BY-RAIL TRANSPORT AND THE PROLIFERATION OF VOLATILE FUELS

As massive quantities of fracked crude oil are extracted from North Dakota and Montana; and as tar sands oil is extracted from Alberta, Canada; producers are looking to the coasts for refining capacity and export outlets. With no other transport options, the century-old railroad system has become a primary mode to transport these fuels. Unfortunately, the combination of dangerous fuel and aging rail infrastructure has resulted in recurring disasters, with thousands of derailments causing explosions and oil spills that threaten communities. The Sierra Club seeks to halt the increased movement of volatile crude by rail to protect communities and the environment.

## 2013-2014: WORST SAFETY RECORD

- A total of 1.15 million gallons of crude oil spilled from trains in 2013, more than in the past four decades combined.
- More derailments occurred in 2014 than any other year on record.
- Several fiery explosions and spills marked the first few months of 2015.

**Despite the known hazards of crude-by-rail transport, there are several proposed terminal facilities in California, Oregon, and Washington.** If built, millions of barrels of volatile crude would travel through cities—including Seattle, Portland, Sacramento, Berkeley, Oakland, and San Jose—and near natural ecosystems and drinking water sources like the San Francisco Bay and Columbia River watersheds. We must mount pressure on federal, state, and local officials to better regulate safety of crude-by-rail transport and to implement policies that transition our nation to a clean fuel economy to protect communities and the environment.

## “UNACCEPTABLE PUBLIC RISK”

Designed in the 1960s, the DOT-111 rail tank car—which transports crude oil—was not meant to handle volatile fuels. Since 1991, the National Transportation Safety Board has issued multiple warnings that these cars carrying

flammable cargo pose an “unacceptable public risk” and are extremely vulnerable to puncture, spilling oil, and precipitating explosions and fires in train accidents. Newer models built since 2011 (called CPC-1232s) also have proven deficient as they have been involved in recent derailments and fiery accidents.

Yet the federal government has been slow to act. It was not until mid-2014 that the U.S. Department of Transportation (DOT) proposed new regulations to improve the safety of crude-by-rail transport. But the final rules do not adequately protect public health, safety, and the environment. Instead, they cater to industry plans to double the size of the oil tank fleet before retiring the older, unsafe tank cars. The final rules will keep the deficient tank cars on the tracks for ten more years despite DOT’s own statistics estimating 15 mainline accidents a year that will spill crude and one Lac Megantic-scale disaster every two years if existing infrastructure remains in place.

Sierra Club’s Environmental Law Program (ELP) attorneys met with DOT officials and reached out to community and state leaders across California and the U.S. to weigh in on the agency’s crude-by-rail safety regulations. Many cities filed comments using the Club’s resources and fact sheets. The Sierra Club challenged DOT’s final safety regulations in federal court. Immediately halting the use of unsafe tank cars, disclosure to communities, and comprehensive oil

spill response planning are key issues we are seeking to strengthen in the regulations. This work is ongoing.

## WHY THE SIERRA CLUB?

**For the past two years, Sierra Club's Environmental Law Program has been fighting crude-by-rail transport in state and federal courts. Our successes include:**

- A lawsuit challenging the Sacramento Metropolitan Air Quality Management District's approval of a volatile Bakken crude rail facility, which forced the District to rescind its permit and cease operation of the facility. This victory sets a strong precedent for our work in California.
- Comments on the proposed WesPac crude-by-rail terminal forced city officials in Pittsburg, California to send the environmental review document back for further analysis. The facility would import up to 20% of California's crude. The project proponent has since removed the rail component of the proposal, but we are weighing in with a second round of comments to ensure rail never becomes an option.
- We also filed lawsuits challenging crude-by-rail facilities in Richmond and Bakersfield, California; and we are challenging DOT's final crude-by-rail safety regulations in federal court for failing to halt the use of unsafe tank cars for volatile crude transport. Those lawsuits are ongoing.

## CASE STUDY: SANTA MARIA, CALIFORNIA

**The proposed Phillip 66 crude-by-rail terminal, located at its Santa Maria refinery in San Luis Obispo County, would receive approximately 560 million gallons of crude per year.** This is equivalent to transporting approximately one loaded 100-car train per day to the facility. Trains servicing the facility will move volatile crude through Sacramento, Oakland, San Jose, and along the San Francisco Bay watershed and California's treasured central coastline. Once unloaded, the facility would partially refine the crude and pipe it to the Bay Area's Phillip 66 Rodeo refinery for further processing.

In early 2014, Sierra Club's ELP and our allies submitted legal and technical comments on the draft environmental

impact report (EIR) for the proposed facility. The San Luis Obispo County Board of Supervisors sent back the EIR, concluding that further analysis of the risks of transporting crude-by-rail through the state was needed, and that Phillip 66 failed to disclose critical information needed to evaluate the risks of the project.

The board cited the comments of groups like the Sierra Club, noting that they brought to light new information that project proponent failed to disclose but that is critical for an adequate, comprehensive review. The ELP continues to educate communities and city leaders along the rail lines of the risks of crude-by-rail and how this project directly threatens these communities. Approximately 40 cities, towns, first responder associations, school districts, businesses, and other concerned stakeholder groups throughout the state have expressed formal opposition to the project. The County Board has agreed to hold a public hearing regarding the terminal's environmental review and the dangers of crude-by-rail, which is expected to be scheduled in 2015.

## OUR PLAN

**The Sierra Club Environmental Law Program will**

**continue to:** 1) Engage in legal advocacy and litigation to stop dangerous crude-by-rail infrastructure projects and to improve safety for communities; 2) Harness the decision-making power of local and state officials to oppose crude-by-rail projects, improve transport safety requirements, and invest in a clean fuel economy; and 3) Broaden the crude-by-rail opposition movement, enlisting grassroots support to accelerate our transition to a clean fuel economy, and provide equitable access to clean fuel options for all communities.

**We hope you'll support our work by attending a hearing, sending a letter, and making a donation to Sierra Club's Environmental Law Program. Together, we can keep dirty fuels in the ground, protect communities and the environment, and grow the clean energy economy.**

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