

# SMART prevents more deliveries of gas-filled cars to Schellville

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The Sonoma-Marín Area Rail Transit Authority prevented a North Coast freight operator from delivering a dozen more rail cars filled with an estimated 396,000 gallons of flammable gas to a storage site south of Sonoma, escalating tensions between the rail agencies.

The squabble is increasing uncertainty for freight customers along the Highway 101 corridor, where Northwestern Pacific Railroad delivers the bulk of malt barley to Petaluma's Lagunitas Brewing Co., along with grain feed and lumber to several other local companies.

The dispute centers on Northwestern Pacific's storage of millions of gallons of liquefied petroleum gas in a dairy pasture in Schellville.

On Sunday, SMART denied Northwestern Pacific's request to transport 18 rail cars, including 12 filled with gas and 6 loaded with grains, from American Canyon to Schellville, where the freight operator already is storing 80 rail cars filled with 2.6 million gallons of liquefied petroleum gas.

In response, Northwestern Pacific was planning to file a petition Tuesday with the federal Surface Transportation Board seeking an emergency order allowing transport and storage of the hazardous material.

"SMART basically is not the freight police," said Mitch Stogner, executive director of the North Coast Railroad Authority, the public agency that oversees freight service on the line.

SMART officials contend the gas tankers represent a major public safety threat, and that the rail agency has the authority to restrict shipments and storage of such materials along its right-of-way.

Northwestern Pacific argues that it has the right, as the exclusive freight operator on the rail line, to transport hazardous materials and store them at the Schellville location, about 13 miles east of where SMART plans to start passenger service along the Highway 101 corridor later this year.

Northwestern Pacific Sunday notified SMART dispatch of the contents of the 12 rail cars, something the freight operator did not do prior to the earlier shipment of gas-filled tankers, according to Stogner. He characterized the notification as an act of good faith given the company's contention it does not have to disclose such information to SMART.

SMART officials nevertheless denied Northwestern Pacific's request to move the gas tankers to Schellville, leaving their status at an American Canyon facility in limbo.

Farhad Mansourian, SMART's general manager, met Monday with Doug Bosco, a co-founder and owner of Northwestern Pacific, in a failed bid to resolve the issue.

"We'll continue to have dialogue and see where we go," Mansourian said.

Increasingly, that appears in the direction of a protracted legal fight.

Mansourian said he is proceeding “under the clear direction” of SMART’s 12-member board of directors. But he declined to describe those communications, saying they occurred during closed session briefings at the rail agency’s board meetings.

Judy Arnold, a Marin County supervisor and chairwoman of SMART’s board of directors, has not returned several messages left for her over the past week seeking comment.

SMART director Deb Fudge, who helped negotiate a 2011 agreement between SMART and Northwestern Pacific governing shared use of the rail line, said Monday she could not comment on whether the freight operator is acting within the bounds of those terms.

“I can’t go there because that’s a legal question, and there’s information I don’t have as a board member,” said Fudge.

A former hazardous materials manager for PG&E, Fudge said “it gives me pause to have all that material stored on the track.”

SMART director David Rabbitt, who has been overseas during the dust-up, stated Monday via a text message that “any impairment of freight rail service was not discussed with me.”

Rabbitt stated that passenger and freight rail “can and should serve the county and can certainly co-exist” without offering an opinion specifically on the current hazmat controversy.

Bosco, however, on Monday called it a “great disservice to make anyone think that stationary rail cars are going to suddenly explode or cause any harm to human beings.”

Bosco is an investor in Sonoma Media Investments, which owns The Press Democrat. A former congressman, Bosco made the case that it’s much safer to transport petroleum by rail than by other means.

“If you go on the highway, you will see dozens of shiny aluminum trucks that carry petroleum products. That’s what we carry, and it’s safer to carry them by train,” he said.

Bosco said the company is not planning to ship petroleum products along the shared passenger line skirting Highway 101. Stogner, however, said the freight operator might entertain bringing propane to a customer in Ukiah if the track from there to Windsor is ever refurbished.

Bosco said he’s willing to revisit the terms of the 2011 coordinating agreement with SMART. But he said Mansourian first has to “realize the freight train can and will carry petroleum products.”

It’s unclear when the Surface Transportation Board might weigh in on the dispute should Northwestern Pacific follow through with its petition seeking an emergency injunction against SMART. A spokesman for the federal agency declined comment Monday.

The agency has broad authority to resolve railroad disputes. Separately, inspectors with the Federal Railroad Administration determined the rail cars storing gas in Schellville meet safety standards after visiting the site twice in the past two weeks.

For Northwestern Pacific customers, the dispute is proving unsettling. Petaluma's Lagunitas Brewing Co. relies on the freight operator to bring in "hundreds of thousands of tons" of malt barley annually, according to Tony Magee, the company's founder and executive chairman.

He said changes to that schedule would force the brewery to truck in the ingredients, fueling an increase in costs and congestion on roads. He also said it would be in line with "SMART's approach to destroying freight service."

That view was shared by Arnie Riebli, president of Dairymen's Feed & Supply Co-Op in Petaluma, which receives regular freight shipments of feed grains.

"The only reason SMART is there is because freight was there first. Now, they're trying to muscle their way in," Riebli said.

Mansourian, however, denied any ulterior motives over SMART's battle with Northwestern Pacific.

"We are a public agency and we're complying with the law," he said. "It's our job to protect public health and safety."

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EDITOR'S NOTE: This story has been updated to reflect the number of rail cars that were not allowed to proceed to Schellville Sunday.