Wednesday, February 12, 2014

Via Electronic Mail

The Honorable Anthony R. Foxx 
Secretary 
U.S. Department of Transportation 
1200 New Jersey Avenue, SE 
Washington, DC 20590

Re: RSI’s Guiding Principles in Response to the January 22, 2014 Call to Action on Rail Safety Meeting Follow-Up Letter from U.S. DOT Secretary Anthony Foxx

Dear Secretary Foxx:

I am writing on behalf of the Railway Supply Institute ("RSI") Committee on Tank Cars ("CTC")\(^1\) regarding the Call to Action on Rail Safety meeting follow-up letter you sent on January 22, 2014 to the Association of American Railroads ("AAR"), the American Petroleum Institute ("API"), and the American Short Line & Regional Railroad Association ("ASLRRA"). In your letter, you referenced several items that these organizations agreed to consider when you met with them on January 16, 2014 to discuss safety issues associated with transporting crude oil by rail within the United States.

Specifically, in your follow-up letter you requested that within 30 days AAR and API consider and provide details about AAR and API’s commitment to “recommission the AAR’s Rail Tank Car Standards Committee to reach consensus on additional changes proposed to the AAR rail tank car standard CPC 1232s, to be considered by DOT, as appropriate, in the rulemaking process.”

Although RSICTC was not included in the January 16, 2014 meeting, the issue of tank car safety cannot be resolved without input from the owners and manufacturers of the tank cars. The RSICTC members and other AAR task force stakeholders have met repeatedly to review this issue with only limited forward progress. As key stakeholders, RSICTC members have reviewed the follow-up letter, and reached consensus on a set of guiding principles to respond to your request. On February 5, 2014, the RSICTC wrote AAR to provide a written copy of these principles in advance of the first meeting of the reconvened AAR Tank Car Committee Task Force T87.6 ("T87.6 Task Force").

In order to provide a timely response to your January 22, 2014 follow-up letter, we recommend the reconvened T87.6 Task Force focus on and adopt the following principles, for ultimate submission to the Pipeline and

\(^1\) The membership of the RSICTC includes American Railcar Industries; American Railcar Leasing; CIT Rail; GATX Corporation; General Electric Railcar Services Corporation; The Greenbrier Companies; Trinity Rail Group, LLC; and Union Tank Car Company.
Hazardous Materials Safety Administration ("PHMSA"), which represent the consensus of the tank car manufacturing and leasing industry:

1) Newly ordered tank cars, ordered after a date certain agreed upon by PHMSA and the industry, to be used to transport crude oil or ethanol must have a jacket, full height head shield and thermal protection.

2) Tank cars built to the CPC-1232 standard (both jacketed and non-jacketed) will be allowed to remain in unrestricted service for their full statutory life, with possible modification to those existing tank cars limited to pressure relief valves and bottom outlet valve handles, based on future regulatory requirements or industry standards.

3) Legacy tank cars (non-CPC-1232 compliant) used for Class 3, PG III materials will be allowed to remain in unrestricted service for their full statutory life, with possible modification to those existing tank cars limited to pressure relief valves and bottom outlet valve handles, based on future regulatory requirements or industry standards.

4) Until such a time when standards applicable to legacy tank cars are developed, non-CPC-1232 compliant tank cars may not be newly assigned into crude oil or ethanol service.

5) Modification requirements for legacy tank cars used for Class 3, PG I and II service (including crude oil and ethanol) need to be developed based on the nature of the risks associated with various products.

6) Priority should be placed on modifying legacy tank cars used for crude oil and ethanol. Timelines for modifying legacy tank cars used for other Class 3, PG I and II service should be based on a risk assessment.

7) It is possible that some types of crude oil may require packaging in a DOT tank car class other than a DOT 111 and RSI wishes to participate in that evaluation process.

RSICTC recognizes that progress cannot be made on this issue until all stakeholders can reach consensus about modifications and improvements to the DOT 111 tank car standards. Although we remain committed to improving DOT 111 tank car standards through PHMSA’s rulemaking process, we believe industry-wide adoption of these broader principles is a critical first step to fulfilling the industry’s commitments to improve the safety of transporting crude oil by rail in the United States.

Sincerely,

Thomas D. Simpson
President

cc: Cynthia L. Quarterman, PHMSA Administrator
     Joseph C. Szabo, FRA Administrator