Hazmat & Freight Rail Tank Car Regulations

Key Takeaway: Freight railroads prioritize the safe transportation of hazmat and have significantly reduced hazmat accidents through prevention, mitigation and emergency response efforts. To mitigate the consequences of rail accidents should they occur, railroads support (1) making those who produce, sell, or use hazmat, as well as those who benefit from their (transportation by rail) use, share in the added liability and costs associated with transporting such materials and (2) asking shippers to further bolster the safety of rail operations by fully and accurately disclosing and labeling hazmat shipments.

Freight railroads <u>safely move large quantities of hazmat</u> critical to our nation's health and quality of life, including fertilizer, ethanol, crude oil and chlorine. However, railroads generally do not own the tank cars they transport; instead, they are often purchased and maintained by shippers or equipment leasing companies. Railroads, as <u>common carriers</u>, must transport any freight, including hazmat, properly tendered on reasonable terms and conditions. The U.S. Department of Transportation (DOT) has indicated that railroads remain the safest above-the-ground mode of transportation for hazmat and therefore has supported the decision to continue the enforcement of this common carrier requirement.

Railroads safely move hazmat.

Railroads focus safety efforts on prevention, mitigation and emergency response, working diligently to continue to improve their hazmat operations. As a result of these efforts and other ongoing safety initiatives, rail hazmat accidents have declined by 75% since 2000 to its lowest-ever rate and more than 99.99% of rail hazmat shipments reach their destination without a train accident-caused release.

Freight railroads invest heavily in their infrastructure and the development of new technologies to maintain and improve the safety of their operations regardless of what commodity they are hauling. The rail industry also focuses on three critical areas with regard to the safety of hazmat transportation:

- Prevention: Stopping accidents before they occur.
- Mitigation: Reducing the consequences of accidents that do occur.
- **Emergency Response**: Providing training and other resources to local first responders, including the AskRail app.



Railroads follow strict transportation regulations.

The transportation of hazmat by rail is subject to rigorous oversight by the Federal Railroad Administration (FRA), the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Department of Homeland Security (DHS). Railroads work with these and other local, state, and federal entities to ensure safe train movements, including effective tank car designs.

Federal law requires rail customers to properly disclose and label hazmat shipments to ensure that appropriate railcars are used and to assist emergency responders in case of an accident. Freight railroads support asking rail shippers to do their part to protect the safety of rail operations by fully and accurately disclosing and labeling hazmat shipments.

Tank Car Oversight

The current oversight system for rail tank cars is multi-faceted, with federal minimum standards sometimes being exceeded by industry best practices. In this system, the DOT, specifically PHMSA, retains regulatory authority over the safety of rail transportation, including regulations covering product classification, operating rules, and minimum specifications for tank cars.

Due to its technical expertise in safety-critical functions, DOT has delegated its authority on certain tank car safety matters to the Association of American Railroads' Tank Car Committee (TCC), including technical design review. The TCC comprises representatives from the railroads, shippers, and tank car builders and owners.

Additionally, representatives from the Federal Railroad Administration, PHMSA, the National Transportation Safety Board, Transport Canada, and the Transportation Safety Board of Canada regularly attend and participate in many of the TCC's quarterly meetings. Separate from this delegated authority; the TCC also reviews and sets industry-wide interchange standards for the design and operation of tank cars in North America under the voluntary agreement of the rail industry. While these interchange standards can sometimes require the tank car industry to exceed, or more quickly meet, DOT's regulations, they can never relax DOT's minimum requirements or degree of oversight.

This system has ensured that today's tank cars are built with better thermal protection, higher-grade steel, and better valves and fittings. It has improved tank car safety at an otherwise impossible speed through the traditional regulatory process. For example, to improve the puncture resistance of tank cars carrying crude oil and ethanol, the TCC voluntarily promulgated improved tank car safety interchange standards (CPC-1232) four years before PHMSA published its final rule setting forth similar DOT-117 tank car specifications.

