



MIDLAND EDGE

Rail Tank Car News, Information & Expert Tips

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Pipeline & Hazardous Materials Safety Administration Amends Regulations for Hazardous Materials Shipping

American Railroads: Safer Than Ever

Thanks to massive investments in safety-enhancing infrastructure, equipment and technology; extensive employee training; cooperation with rail labor, suppliers, customers, communities and the Federal Railroad Administration; and cutting-edge research and development, railroads in the United States are safer than they have ever been. According to the Association of American Railroads (AAR):

- From 1980 to 2011, the train accident rate fell 76%, the rail employee injury rate fell 84% and the grade-crossing collision rate dropped 81 %
- Railroads have lower employee injury rates than most other major industries, with less than two injuries per 200,000 employee-hours

Upcoming Industry Events

September

- **Virginia Association of Hazardous Materials Responders** – Hampton, VA (September 16-20)
- **Railway Association of Canada - Railway Emergency Response Course** – Justice Institute of British Columbia; Maple Ridge, British Columbia (September 16-20)
- **Crude Markets & Rail Takeaway Summit Canada 2013** – Commonwealth Centre, Calgary Alberta (September 17-19)

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Legislation Addresses Rail Transport of Toxic Inhalation Hazards (TIH)

Toxic Inhalation Hazard chemicals, such as Chlorine gas and anhydrous ammonia (NH₃), are among the most dangerous of hazardous materials. This means that rail transportation of TIH materials, which play a vital role in the United States economy, creates risk for shippers, rail carriers and the general public.

To help regulate the transport by rail of TIH commodities, the Pipeline and Hazardous Materials Safety Administration (PHMSA), which is an adjunct of the U.S. Department of Transportation, has created the regulation "Hazardous Materials: Incorporating Rail Special Permits Into the Hazardous Materials Regulations, 49 CFR Parts 171-174, 179-180."

This regulation was amended last year with a new Final Rule released on June 25, 2012. Two sections are of special interest to rail operators who ship TIH, as well as the manufacturers of TIH railcars and system components:

- Section 173.314(k)(2) was amended to permit DOT 105J500W rail tank cars equipped with combination safety relief valves with a start-to-discharge pressure of 360 psi to be used as authorized packaging for inhalation hazard Zone B Chlorine gas.
- Section 179.300-13 specifies venting, loading and unloading valve requirements for multi-unit tank car

tanks that are designed to be removed from the car structure for filling and emptying (Classes DOT-106A and 110AW). This requires straight threads to be used in the outlet ports of DOT Specification 110A multi-unit tank cars instead of taper threads. It also stipulates that stainless-steel safety wire used for hex plugs in threaded boss ports must not fail during intended use.

Midland recognizes the importance of TIH containment and offers the A-14377C-ML-VL Pressure Relief Valve, which features redundant sealing capability that safeguards against potential leak paths, in the process promoting longer life and reliability in Chlorine, anhydrous ammonia and other TIH transport.

Full story: <http://1.usa.gov/15AgvVh>
SOURCE: *Federal Register*

NOTE: *This MidlandEdge Newsletter from Midland is a quick read on the railcar market as it pertains to opportunities or "need to know" news related to Midland products. If you have news to share, please send an email (with a link) to Darren Wight at dwight@deanhouston.com.*



Opinion: What Rail Does Right, It Does Really, Really Right

In the aftermath of the deadly train derailment in Quebec, some have been wondering whether transporting crude oil via rail is the best option.

Writing in the *Bangor Daily News*, Charles Hastings opines that while attention is always drawn to tragedies, we must take care not to overreact and condemn all rail shipments: "We can't overlook the fact that railroads move a great deal of hazardous material each day, and they do it well. They do it so well that...the public doesn't even realize these materials are passing us by."

While crude oil may be able to be moved via pipeline, Hastings reminds that other commodities like acids, toxic chemicals and radiated materials rely almost solely on rail.

Full story: <http://bit.ly/12d0cQH>
SOURCE: *Bangor (ME) Daily News*

CP-Served Frac Sand Storage Facility Coming To North Dakota

On Aug. 1, Dakota Plains Holdings, Inc., and UNIMIN Corp. announced a joint venture to build a frac sand storage and transloading facility that will be served by Canadian Pacific and located at the Pioneer Terminal in New Town, ND. The terminal will supply frac sand that is mined at UNIMIN's proppant facility in Tunnel City, WI, and have a throughput capacity of 750,000 tons per year.

Full story: <http://bit.ly/1cDDiUP>
SOURCE: *Progressive Railroading*

Railroads Are Now Moving 70% Of Oil Produced In Bakken Formation

According to recent reports, railroads are now moving almost 70% of the oil that is produced in North Dakota, which is almost 600,000 b/d, up from less than the 00,000 b/d that were moved by rail in the state in 2011. Reports put rail capacity in the state reaching 865,000 b/d by year's end.

Full story: <http://bit.ly/17ub2y2>
SOURCE: *BakkenShale.com*

NY Sen. Chuck Schumer Seeking DOT-111 Railcar Rule Change

Calling the DOT-111 railroad tank-car design "tragically flawed," U.S. Sen. Chuck Schumer (D-NY) has begun urging federal regulators to demand that freight railroads phase out use of the cars for carrying crude oil and other hazardous materials.

The American Association of Railroads (AAR) countered that new standards were issued for new ethanol and crude oil tank cars purchased after October 2011 and that "roughly half of the tank cars used to move crude today were built to the higher specifications spilled out by the Tank Car Committee" that includes the AAR, railcar owners and manufacturers, and a number of U.S. and Canadian regulatory bodies.

Full story: <http://bit.ly/1evzx1R>
SOURCE: *Albany (NY) Times Union*

U.S. Development Group, Gibson Energy Eye Crude-By-Rail Facility

U.S. Development Group, LLC (USDG) and Gibson Energy have announced plans to jointly construct the 140,000 barrel-per-day (b/d) Hardisty Rail Terminal in Hardisty, Alberta. The facility is expected to be operational in early 2014 and will be designed to handle two unit trains with 120 cars per day.

Full story: <http://bit.ly/14ARxJa>
SOURCE: *Progressive Railroading*

Report: Increased Rail Investment Would Boost U.S. Manufacturing

The Environmental Law and Policy Center (ELPC) has released a report that shows additional investment in the "next generation of rail" would boost manufacturing jobs in the U.S.

The report polled 122 Midwestern manufacturers and supply-chain companies who said they are prepared to start producing parts and employing people to improve existing U.S. rail systems.

Full story: <http://bit.ly/YS0573>
SOURCE: *Progressive Railroading*

Canadian National Says Volume Of Its Shipped Crude Will Increase

Even in light of the recent tragic train derailment in Quebec, Canadian National Railway Co. (CN) said it expects the volume of crude oil it transports to continue growing.

"There is still a likelihood that crude-by-rail will continue to rise in volume," said Jean-Jacques Ruest, CN's Chief Marketing Officer.

Ruest's remarks came as CN announced that its revenue from transporting crude oil increased by 150% during the second quarter when compared to 2012.

Full story: <http://bit.ly/19Qsfbj>
SOURCE: *Montreal Gazette*

SD Sen. Thune Hopes To Extend Positive Train Control Deadline

On Aug. 1, Sen. John Thune (R-SD) introduced a bill that would extend the federally mandated deadline for positive train control (PTC) implementation by five years to Dec. 31, 2020.

Since legislation was enacted in 2008 requiring PTC implementation by year-end 2015, dozens of U.S. railroads have worked to develop a fully functioning system, but due to both technological and non-technological challenges, the railroads have determined that it isn't possible to have a fully operational PTC system in place by then.

Full story: <http://bit.ly/13TNbFP>
SOURCE: *Progressive Railroading*

Hazardous-Chemical Derailment Forces House Evacuations In LA

On Aug. 5, around 100 homes in the small town of Lawtell, LA, were evacuated after a 26-car Union Pacific train carrying sodium hydroxide and other chemicals derailed. One person was hospitalized due to eye irritation, but no other injuries were reported.

Full story: <http://bit.ly/14ARRrz>
SOURCE: *Processing Magazine*