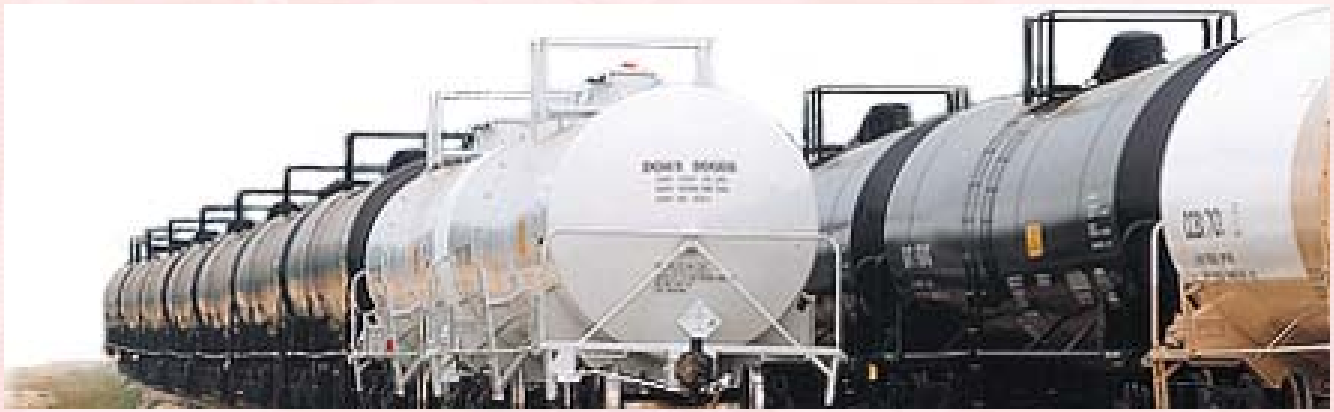
High Hazard Risk Reduction

Routing and Design Enhancements

Non-Accident Releases vs. Safe Shipments

- Railroads transport approximately 1.7 million shipments of Hazardous Materials each year
- 85% of these shipments are in tank car quantities
- Fewer than 50 shipments experience accident caused releases each year during transportation
- When they do occur the results can be disastrous as demonstrated by recent accidents.



Hazardous Materials Routing

- NPRM Issued by PHMSA and FRA
- TSA companion NPRM
- To enhance the safety and security of certain highly hazardous materials during transit
- Issued December 21, 2006
- Comments Closed February 20, 2007
- 70 Comments Received
- Final Rules expected Fall 2007

Proposed Rule Requirements

- High Hazard Materials
- Railroads would be responsible for:
  - Identifying and evaluating the routes
  - Requires collecting data
  - Analyzing next “most commercially practical” route (Alternate route)
- Would require use of Safest/Most Secure route
- Allows Mitigation of Risks

Additional Measures Proposed

- Measures to reduce delays in-transit
  - Enhanced communication procedures between rail carriers, shippers and consignees
  - Written Procedures
  - Supports SAI's issued by TSA earlier in year
- Security Inspections
  - In conjunction with safety inspections
  - Tampering or Suspicious items require following plans

TIH Enhancements

- Response to:
  - Minot, Macdona, Graniteville Accidents
  - Industry Activity in 2006
  - Public Outcry for Improvements



TIH Enhancements

- Two-Fold Approach to improved TIH Transportation Safety
  - Better Packages (Tank Cars)
  - Operating Requirements to Reduce Risk
- Public Meetings
  - 3 Held (2 in 2006, 1 in 2007)
  - Next Public Meeting TBD
  - Seek Industry Input into Process

Where we were…

- Prior approach was –
  - Careful balancing of costs and benefits
  - Emphasis on working with existing tank car designs and design practices
  - Reliance on industry cooperative approach through the Tank Car Committee
- Weaknesses of the approach—
  - Time and societal demands do not allow normal process
  - Wide disagreement between industry sectors prevents consensus
  - Working with existing design practices forecloses options

Where we are going… (Car Enhancements)

- 50 mph maximum train speed
- Set performance standard to resist head/shell puncture or other catastrophic loss under forces at 50 mph (closing speed is ~ ½ of train speed)
- Apply to all cars carrying TIH materials
- Change out fleet within reasonable time frame, constrained by production capacity

Where we are going… (Operations)

- Interim measure—
  - 30 mph speed restriction in dark territory based on
    - Higher train mile collision risk
    - Derailment risk absent broken rail detection
  - Make exceptions for territories with PTC, SPMS, track integrity circuits, other measures?

Timeline

- The rulemaking team is currently circulating drafts within the Department.
- Additional testing is scheduled for early July at TTCI (Test 2).
- A public meeting is being discussed after testing to gain industry input.
- We are on schedule to meet our commitments for a new rule.

Closing

Questions?