



California Energy Commission

**DOCKETED**

**14-IEP-1F**

TN 73272

JUN 25 2014

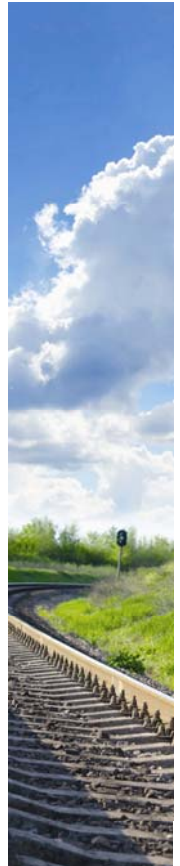


# California Energy Commission Workshop on Trends in Sources of Crude Oil June 25, 2014

# Railway Supply Institute Committee on Tank Cars

## ■ Member Companies:

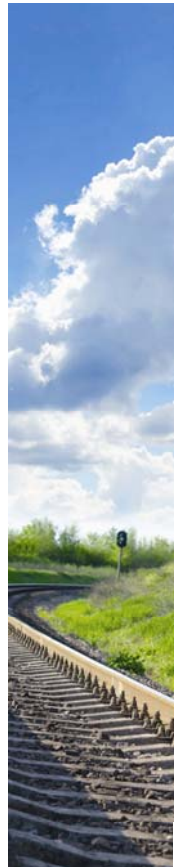
- *American Railcar Industries; American Railcar Leasing; CIT Rail; GATX Corporation; General Electric Railcar Services Corporation; The Greenbrier Companies; Trinity Rail Group, LLC; and Union Tank Car Company*
- Build 95 percent of tank cars operating in North America
- Own and lease 70 percent of tank cars in North America



# Crude Oil and Ethanol Initiative Timeline

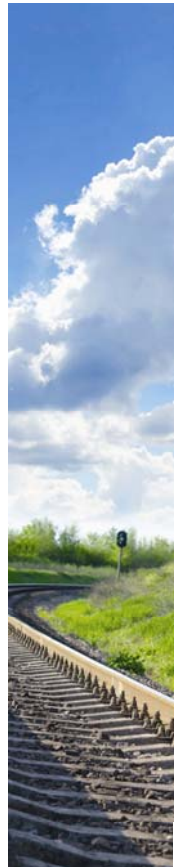
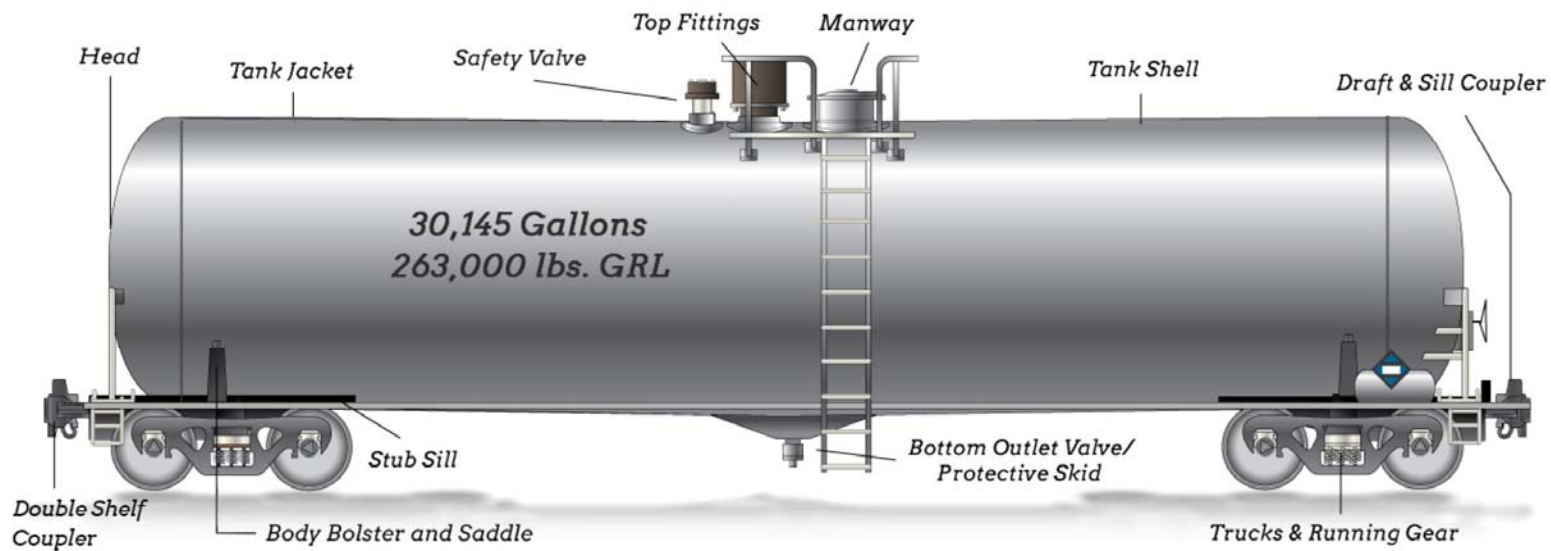
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- **7/ 2009:** Concern develops for Ethanol and Crude Oil train derailments
- **3/ 2011:** Industry sends P-1577 Petition to PHMSA
- **10/ 2011:** Industry voluntarily releases new design standard
- **12/ 2014:** Anticipate rulemaking will be completed



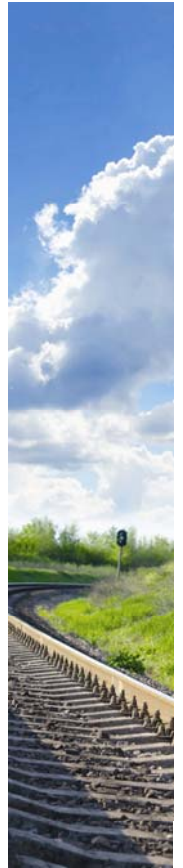
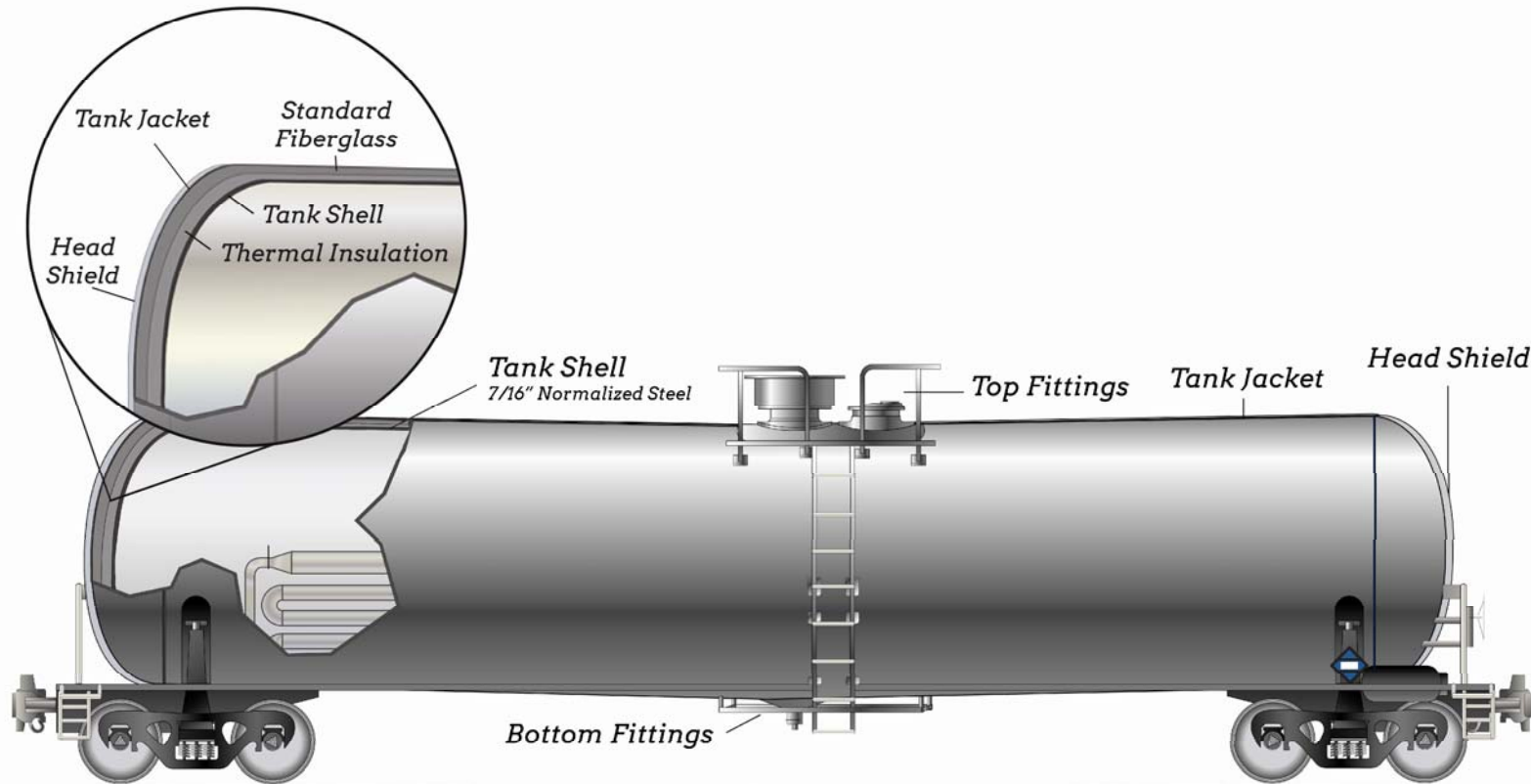
# Legacy Tank Car

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# Proposed New Tank Car

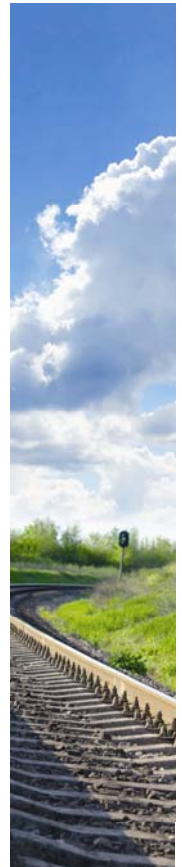
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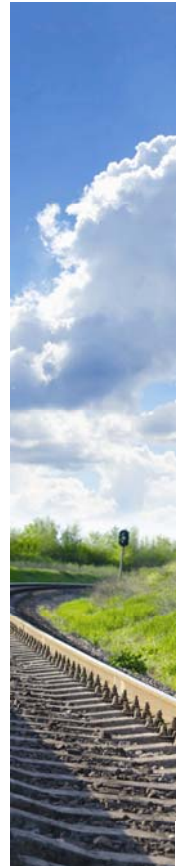
## Crude Oil Tank Car Fleet – End of 2013

- **Total Fleet:** **43,750**
- **CPC-1232 Compliant Tank Cars** **14,350**
- **Legacy Tank Cars** **29,400**



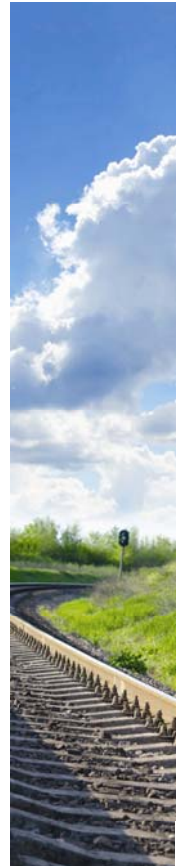
## Ethanol Tank Car Fleet – End of 2013

- **Total Fleet:** **29,850**
- **CPC-1232 Compliant Tank Cars** **500**
- **Legacy Tank Cars** **29,350**



## Crude Oil Fleet – End of 2015

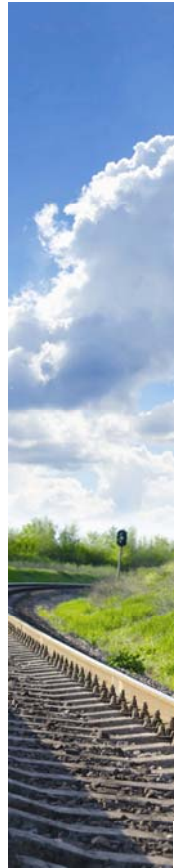
- **Total Fleet:** **86,550**
- **CPC-1232 Compliant Tank Cars** **57,200**
- **Legacy Tank Cars** **29,350**





## New Tank Cars – Industry Capacity

■ 2014 – 2016 Total Capacity:	101,400
■ Current Backlog:	55,400
■ Capacity Available:	46,000
■ 60% Available for Crude/ Ethanol:	27,600
■ Legacy Crude Oil/ Ethanol Fleet:	58,750



# What the Industry Needs...

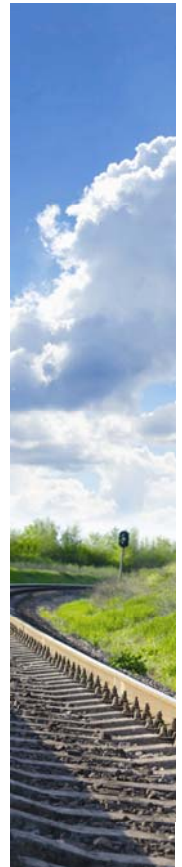
...To Get the Job Done

- **Certainty:** Need new regulations
- **Harmony:** Between U.S. and Canada regulations
- **Priority:**



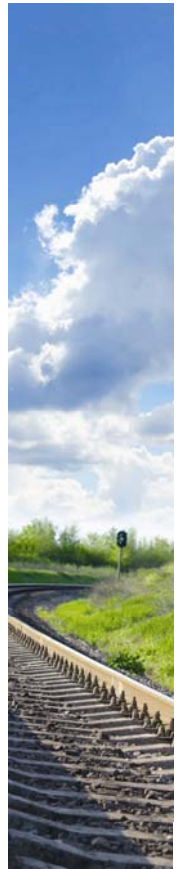
## Priority to Crude Oil and Ethanol

- Availability and Capability of Modification Facilities
- Car Cleaning Capacity
- Some Tank Cars Will be Retired or Re-Purposed
- Disruption of Tank Car Supply to Shippers



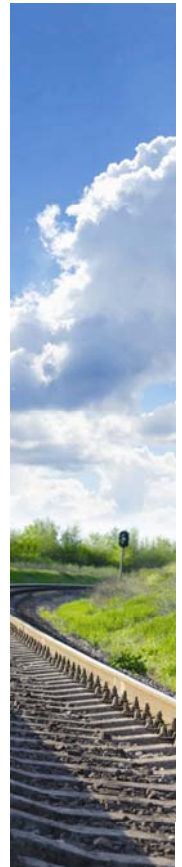
# Questions

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## RSI Position on HM-251 Tank Cars

- New cars to be built
- Good faith tank cars
- Legacy tank cars





# New Cars

## Class 3, PG I and II, Including Crude Oil and Ethanol Tank Cars

- Ordered after PHMSA Date Certain
  - Minimum 7/16 inch normalized steel tank
  - Full height head shields
  - Jacket
  - Top fittings protection
  - ½ inch thermal blanket
  - Pressure relief device per TCC recommendations
  - Re-configured BOV handle
  - Ongoing classification work may require some crude oils packaged in cars other than DOT-111s



# New Cars

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## Class 3, PG III Tank Cars

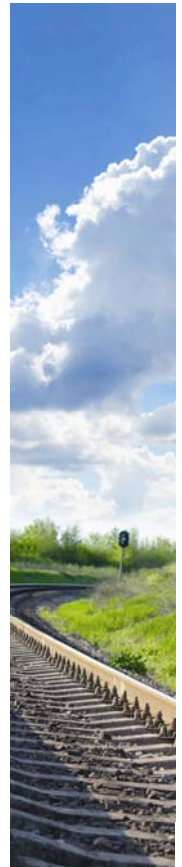
- Ordered after PHMSA Date Certain
  - Build to current standards
  - Normalized steel tank
  - Top fittings protection
  - Pressure relief device per TCC recommendations
  - Re-configured BOV handle



# Current New Car Backlog

## Crude Oil and Ethanol Jacketed Tank Cars

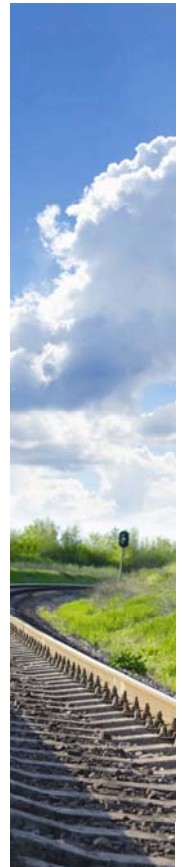
- Built after PHMSA Date Certain
  - Build to CPC-1232 standard base
  - ½ inch thermal blanket
  - Full height head shields
  - Pressure relief device per TCC recommendations
  - Re-configured BOV handle
  - 25,300 cars



# Current New Car Backlog

## Crude Oil and Ethanol Non-Jacketed Tank Cars

- Built after PHMSA Date Certain
  - Build to CPC-1232 standard base
  - Pressure relief device per TCC recommendations
  - Re-configured BOV handle
  - 12,500 cars



# Current New Car Backlog

## Other Jacketed Class 3, PG I and II Tank Cars

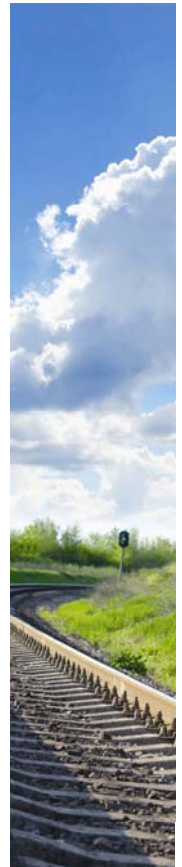
- Build to CPC-1232 standard base
- ½ inch thermal blanket
- Full height head shield
- Pressure relief device per TCC recommendations
- Re-configured BOV handle

## Other Non-Jacketed Class 3, PG I and II Tank Cars

- Build to CPC-1232 standard base
- Pressure relief valve per TCC recommendations
- Re-configured BOV handle

## Other Jacketed and Non-Jacketed Class 3, PG III Tank Cars

- Build as ordered
- Pressure relief device per TCC recommendations
- Re-configured BOV handle





## Existing CPC-1232 (Good Faith)

### Existing CPC-1232 Jacketed and Non-Jacketed Tank Cars

- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 55,100 in service or on order



## Existing Legacy

### Existing (Legacy) Non-Jacketed Crude Oil and Ethanol Tanks Cars

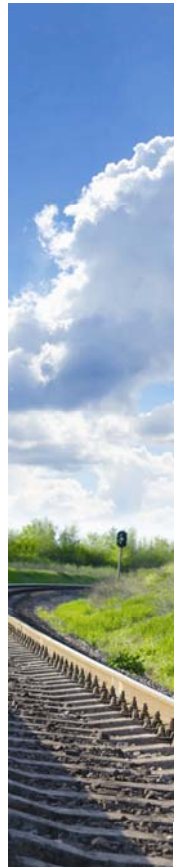
- Full height head shields
- Jacket
- Improved top fittings protection
- ½ inch thermal blanket
- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 22,800 crude oil cars
- 29,200 ethanol cars



## Existing Legacy

### Existing (Legacy) Non-Jacketed Other Class 3, PG I and II Tank Cars

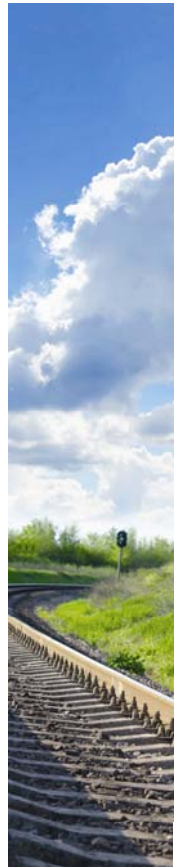
- Half height head shields
- Improved top fittings protection
- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 26,600 cars



## Existing Legacy

### Existing (Legacy) Jacketed Class 3, PG I and II Tank Cars

- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 5,500 crude oil cars
- 102 ethanol cars
- 9,400 other cars



## Existing Legacy

### Existing (Legacy) Jacketed and Non-Jacketed Class 3, PG III Tank Cars

- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life

