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Committee on Transportation and Infrastructure
U.S. House of Representatives

Washington, DC 20515

Bill Shuster
Chairman

Peter A. DeFazio
Ranking Member

July 8, 2016

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

The Honorable Dan Elliott
Chairman
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

The Honorable Deb Miller
Vice Chairman
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

The Honorable Ann Begeman
Member
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

Dear Chairman Elliott, Vice Chairman Miller, and Member Begeman:

On April 25, 2016, the American Fuel & Petrochemical Manufacturers (AFPM) filed a formal complaint with the Surface Transportation Board (STB) against BNSF Railway Company (BNSF), alleging that BNSF's pricing for the transportation of crude oil in unjacketed DOT-111 tank cars of \$1,000 more per car for a given origin/destination pair and route versus transportation in newer, safer tank cars is a violation of BNSF's common carrier obligations and an unreasonable practice (*see American Fuel & Petrochemical Manufacturers v. BNSF Railway Company, Docket Number NOR_42146*).

I write to urge the STB to dismiss this senseless complaint. Forcing a common carrier – in this case, BNSF – to transport flammable materials, including crude oil and ethanol, in the most dangerous tank cars is unreasonable, not BNSF's meager \$1,000 per car rate differential.

In 2008, more than 9,500 tank cars transported crude oil. In 2014, that number increased to nearly 500,000, an increase of nearly 5,100 percent. DOT-111 tank cars are the most common rail tank car in use. The National Transportation Safety Board (NTSB) has raised concerns about the "high incidence of failure" of DOT-111 tank cars since 1991, citing a number of vulnerabilities in the DOT-111 tank car design with respect to tank heads, shells, and fittings. The dangerous nature of these cars was made abundantly clear on July 6, 2013, when a 4,700-foot-long train that contained 72 DOT-111 tank cars loaded with crude oil from the Bakken fields derailed in Lac-Mégantic, Quebec. According to the NSTB, at least 60 cars released an estimated 1.6 million gallons of crude oil which triggered an intense fire. The fire engulfed the surrounding area and completely destroyed an entire town, killing 47 people.

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Since that time, 14 incidents involving the transportation of crude by rail have occurred, 5 of which are currently under investigation by the NTSB. The most recent incident, which, by sheer luck, did not involve DOT-111 tank cars, occurred on June 3, 2016. Sixteen rail cars from a 96-car Union Pacific crude oil train derailed near Mosier, Oregon. At least one rail car transporting Bakken crude ruptured, several cars caught fire, hundreds of residents were evacuated, and oil spilled into the river.

Although the deadline for retiring and replacing unsafe, unjacketed DOT-111 tank cars is not until January 1, 2018, shippers should be focusing their resources on replacing these tank cars immediately, rather than challenging what I believe are reasonable railroad rates for transporting such a volatile product in unsafe cars, risking public safety.

Again, I urge you to dismiss the AFPM complaint.

Sincerely,



PETER DeFAZIO
Ranking Member