



Rail Crude Oil Segment Report

Rail Energy Transportation Advisory Committee

Surface Transportation Board
September 19, 2013

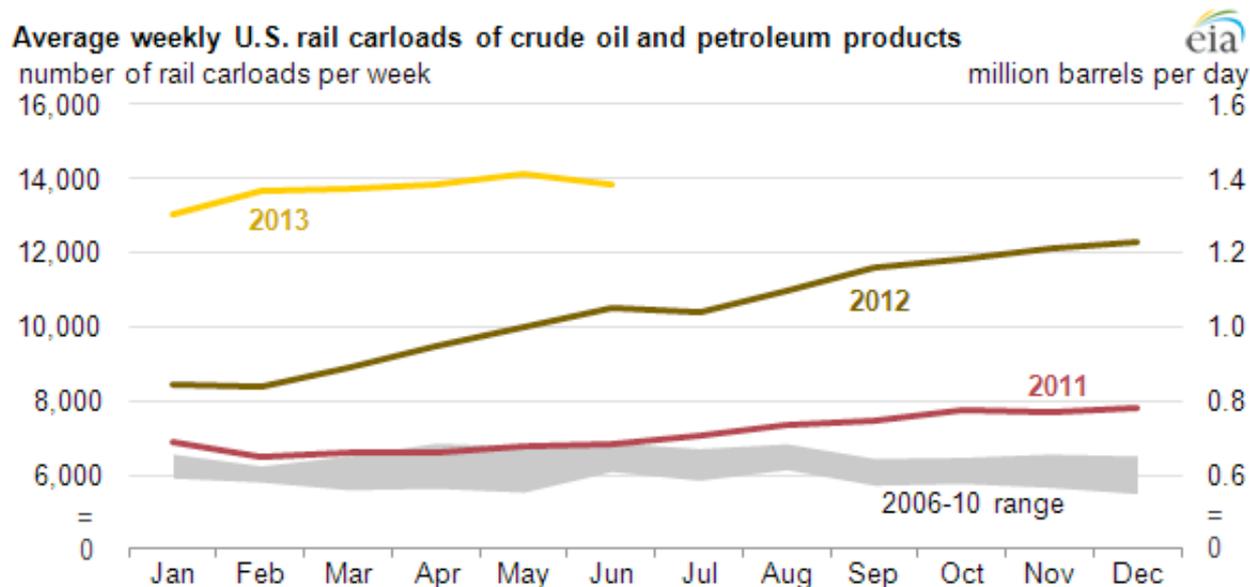
Lee K. Johnson



Source:

http://www.eia.gov/forecasts/steo/special/pdf/2013_sp_02.pdf

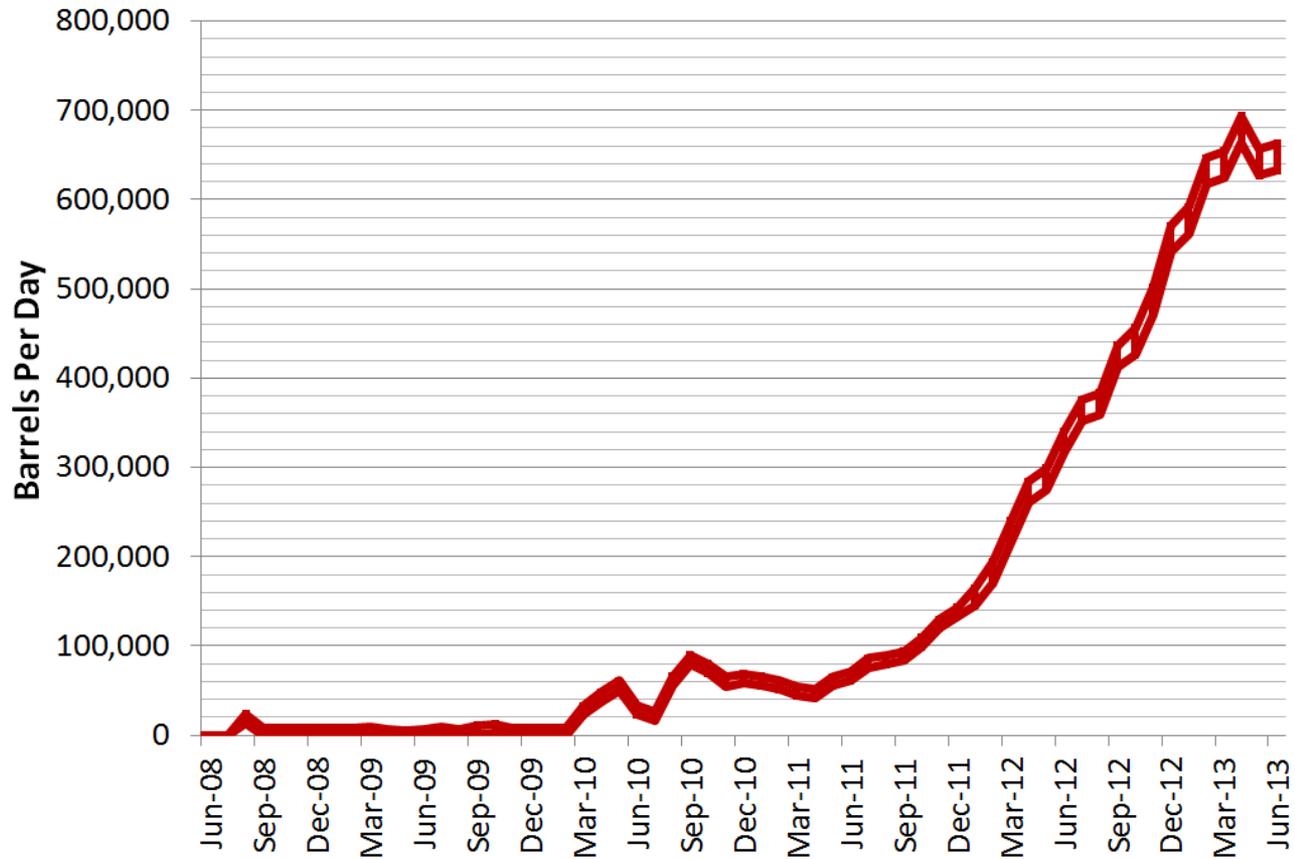
Growth of Crude and Petroleum Products by Rail



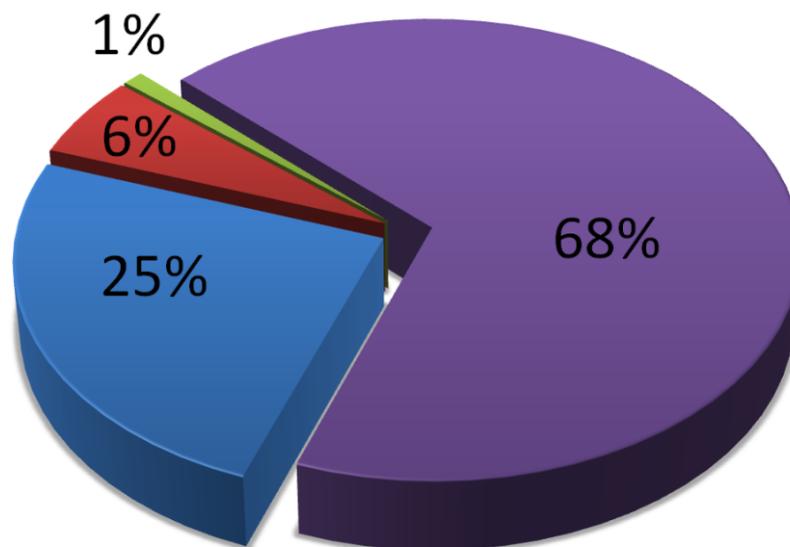
Source: U.S. Energy Information Administration, based on Association of American Railroads.

Note: Petroleum product rail shipments do not include ethanol. Conversion of rail carloads per week into million barrels per day includes assumption of 700 barrels per rail carload.

Estimated North Dakota Rail Export Volumes, June 2013



Source: North Dakota Pipeline Authority, August 2013 Update,



- Estimated Pipeline Export
- Tesoro Refinery
- Truck to Canadian Pipelines
- Estimated Rail

Source: North Dakota Pipeline Authority, August 2013 Update,



FRA Crude Oil Packaging Investigation

- FRA notified API 7/29/13 that FRA is investigating proper classification and packaging of crude oil for rail shipment
 - FRA concerns expressed in the letter focused on three areas:
 - Proper classification of crude oil and use of the proper tank car
 - Loading to the proper outage based on the crude oil properties
 - Corrosion of internal tank surfaces, manway covers, valves and fittings
 - API has taken the following actions:
 - Distributed the FRA letter to API members that ship crude oil by rail
 - Led efforts of API's Railroad Transportation Group (RTG) to address the three areas of concern articulated by the FRA in the 7/29/13 letter
 - RTG members place a high priority on safety and compliance and are actively pursuing resolution of the FRA concerns
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