

Shipments of Hazardous Tank Cars

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ASSOCIATION OF
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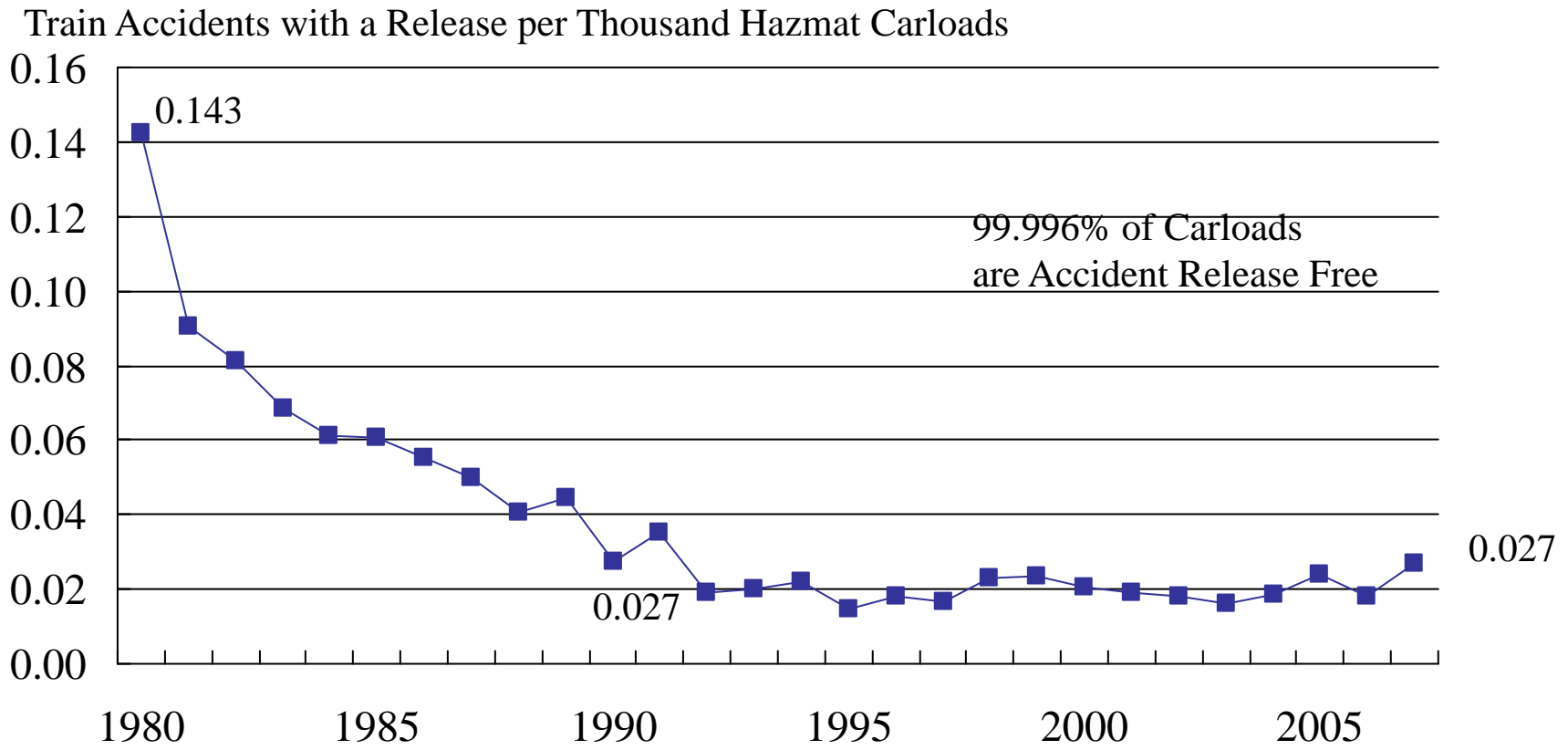


Outline

- General railroad hazmat safety
- Technological Improvements to railroad safety
- Railroad industry safety programs
- Railroad Security
- A new way of thinking about railroad hazmat transportation



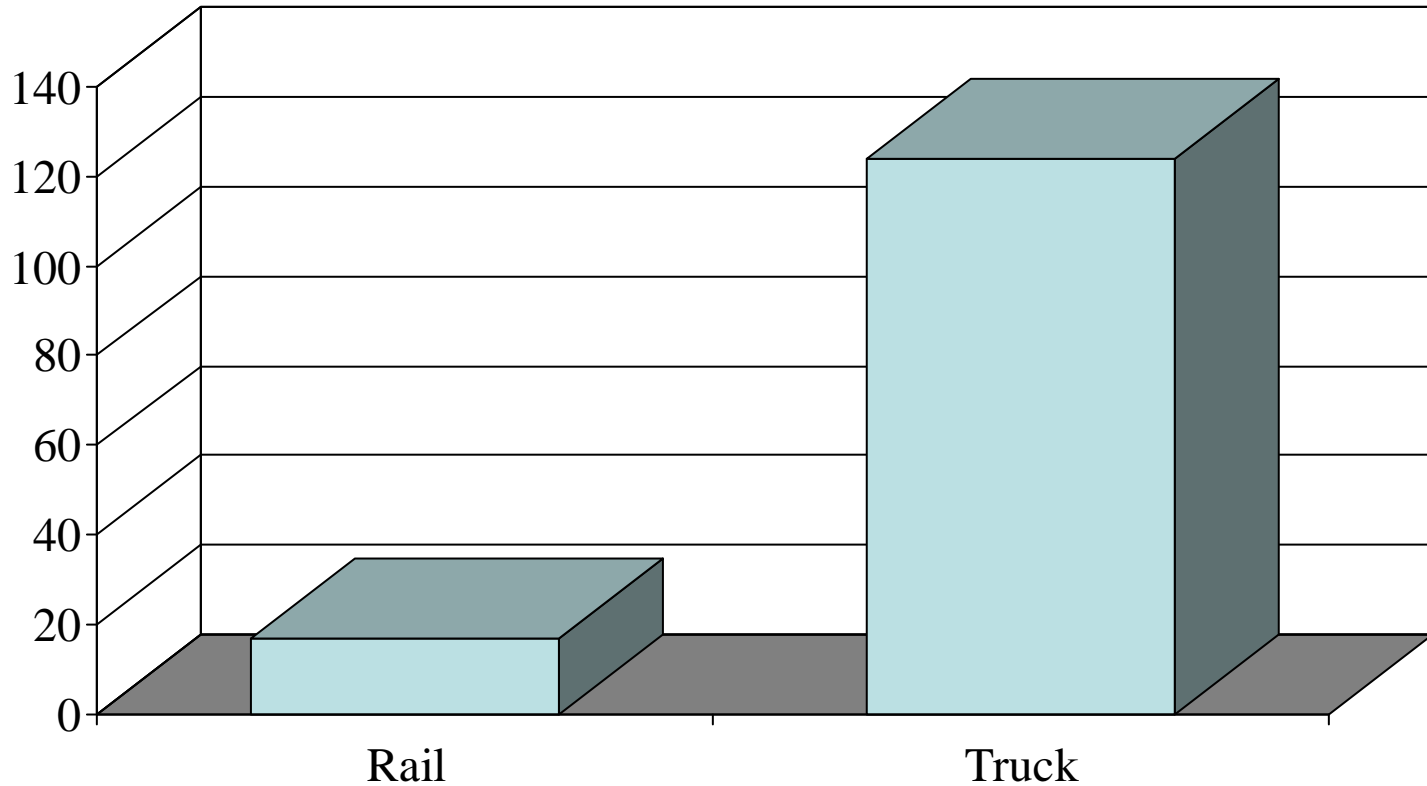
Hazmat accident rates have declined 81% since 1980.



Sources: FRA, RR Safety Statistics Annual Report, 1997-2006, Table 6-1. FRA, Accident/Incident Bulletin, Table 26. AAR Analysis of 2008 FRA Train Accident Database. Carloads from ICC/STB Waybill Sample, 1995-2007. Terminated carloads adjusted to counter known hazmat underreporting. Prior to 2003 terminated carloads overestimated by 10% to 15% due to inability to exclude duplicates associated with rebilling.



Railroads incurred 17 fatalities in the last 10 years due to hazmat while trucks incurred 124.



Source: USDOT, Pipeline & Hazardous Materials Safety Administration, Hazardous Materials Incidents by Year & Mode, from <http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/tenyr.pdf> for 1998 through 2007, as of 2/10/2009.



Technological Improvements to Railroad Safety: Track & Equipment

- Improved Track
 - Rail steels
 - Welded rail
 - Fasteners
 - Detection of flaws, weak spots
- Improved Equipment
 - Heat treated curved plate wheels
 - Hot box detectors, roller bearings, acoustic detection systems
 - Air brake control valves & air brake tests
- Advanced Technology Safety Initiative (ATSI), to identify and repair high impact wheels & other flaws.



Railroad Industry Safety Programs: Hazardous Materials

- AAR North American Non-Accident Release (NAR) Program
- Transportation & Community Awareness & Emergency Response (TRANSCAER)
- ACC Responsible Care
- Operation Respond
- TTCI's Security & Emergency Response Training Center
- TTCI's BOE Hazmat Inspections
- TTCI's BOE Hazmat Safety Information



Railroad Security

- After the 9/11 terrorist attacks, the AAR & its member railroads voluntarily conducted a comprehensive risk assessment and implemented a security action plan with four alert levels.
- The Security Plan encompasses over 1,300 critical facilities (tunnels, bridges, yards, dispatch centers, etc.) over a 142,000-mile nationwide rail network.
- Execution of the Security Plan depends on timely receipt of threat & warning information from the federal govt.
- Former DHS Secretary Ridge cited this plan as a model for other U.S. industries.



A New Way of Thinking Should Be Considered for TIH Transportation

- In 2008 TIH transportation accounted for 0.25% of the carloads transported by rail
- Railroads are required by law to transport hazardous materials if they are transported in a DOT approved package
- Railroads face enormous potential liability in the transportation of TIH
 - Graniteville, SC, Macdona, TX and Minot, ND amounted to liability on the high hundreds of million dollars
- Options that should be considered include:
 - Liability cap, damage fund, indemnification
 - Safer substitutes
 - Limit the distance of transport



Questions

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