


FROM	NAME & TITLE	William M. Johnson, Director	CITY of BALTIMORE  M E M O	
	AGENCY NAME & ADDRESS	Department of Transportation (DOT) 417 East Fayette Street, Room 527		
	SUBJECT	City Council Bill LO15-0133		

TO

The Honorable President and Members  
of the City Council  
c/o Natawna Austin  
Room 400 City Hall

July 6, 2015

I am herein reporting on City Council Bill LO15-0133 for the purpose of investigating the rail shipments of crude oil, fuel oils, and non-crude oil and distillates that are traveling through Baltimore, and which, in some cases, are being shipped to a terminal in Fairfield for transfer from trains to barges for their transport to East Coast refineries, and the safety and environmental concerns related to this activity.

DOT supports this investigative hearing.

The U.S. energy boom, including increased oil production, is having a profound impact on the country's economy. In 2015, the U.S. is expected to be the largest crude oil producer in the world. Such development, combined with insufficient pipeline capacity, has created the need to move crude oil by rail.

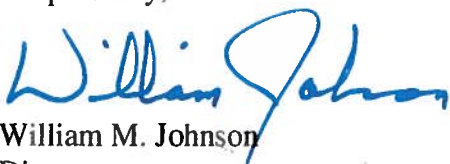
CSX is the main rail carrier of crude oil in the Baltimore area. While operating 1,400 miles of track in Maryland and running about 1,300 trains a day, less than 1% of CSX's current business is for crude oil. That said, this has been increasing dramatically over the last few years. CSX is required by Federal regulation to transport any shipment consigned to it in containers which meet federal requirements, such as DOT-111 tank cars containing crude oil. It is worth noting that CSX does not own the DOT-111 tank cars, but rather, carries them for its customers as required of it by Federal law as a common carrier.

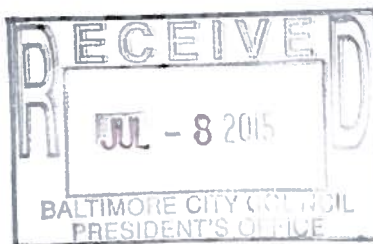
On May 1, 2015, the Federal Railroad Administration (FRA) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) jointly issued the Final Rule, "Enhanced Tank Car Standards and Operational Controls for High-Hazard Flammable Trains." The rule applies to "high-hazard flammable trains," which are continuous blocks of 20 or more tank cars loaded with a flammable fluid or 35 or more tank cars loaded with flammable liquids but dispersed throughout the train. Among other requirements, the rule requires existing tank cars be retrofitted in accordance with the DOT-prescribed retrofit design; newly constructed tank cars meet new design and performance criteria; shipped crude oil undergo a documented sampling and testing program; and railroads provide local jurisdictions with a point of contact to provide information related to the routing of hazardous materials through their jurisdictions. More information is available at: <http://www.transportation.gov/mission/safety/rail-rule-summary>.

Given that the Federal government has jurisdiction over common carriers' shipments of hazardous materials across state lines, DOT does not feel that the City Council need take any legislative or regulatory action addressing crude oil above and beyond the actions of the FRA and PHMSA, which have relevant expertise in this subject matter.

Thank you for this opportunity to comment.

Respectfully,

  
William M. Johnson  
Director



*Faw w/ comment*