

THE SECRETARY OF TRANSPORTATION WASHINGTON, D.C. 20590

January 22, 2014

Mr. Ed Hamberger President Association of American Railroads 425 Third Street, SW Washington, DC 20024

Mr. Jack Gerard President American Petroleum Institute 1220 L Street, NW Washington, DC 20005

Mr. Richard Timmons President American Short Line & Regional Railroad Association 1120 G Street, NW Washington, DC 20005

Re: Follow-up to January 16 Call to Action on Rail Safety Meeting

Dear Messrs. Hamberger, Gerard, and Timmons:

Thank you for your participation in the Call to Action meeting with me and the U.S. Department of Transportation's (DOT) senior leadership to discuss safety issues associated with transporting crude oil by rail within the United States. Please pass on my thanks to the members of your respective organizations who attended as well. Having the Association of American Railroads (AAR), the American Petroleum Institute (API) and the American Short Line and Regional Railroad Association (ASLRRA) present at the meeting provided a real opportunity to discuss improvements to rail safety and hazardous materials transportation, both by preventing accidents, to the maximum extent possible, and by mitigating the ones that occur.

As I emphasized in our meeting, while we all have a role to play in assuring the safe transportation of hazardous materials throughout the United States, as Secretary of Transportation, safety is, and always will be, my foremost priority. The increased production of crude oil in the Bakken region presents tremendous economic and energy opportunities for this country, yet it also presents new and unique challenges. It is up to all of us to ensure that the crude oil, whether from North Dakota or elsewhere, is transported safely and securely with no adverse impact to Americans or their property.

To that end, during our meeting, I requested that each of your industries provide specific information to DOT on the immediate steps that your industry and your members will take to improve rail safety for moving crude oil. You expressed your commitment to safety and agreed to focus on actions to improve both accident prevention and mitigation. Your industries committed to consider and address several items and, within 30 days, to provide details about the specific actions that shippers and carriers will take immediately to improve the safety of transporting crude oil.

As part of its commitment, AAR agreed to consider, and provide additional details about, the following:

- The use of existing Federal protocols for routing hazardous materials, such as Toxic-by-Inhalation hazardous materials (TIH), for crude oil unit train shipments;
- The use of speed restrictions where appropriate on crude oil unit trains travelling through high consequence areas;
- The use of distributed power on unit crude oil trains; and
- Increasing and improving track, mechanical, and other rail safety inspections.

The API recommended and agreed to the following:

- Share expertise and testing information with DOT, notably PHMSA, about characteristics of crude oil in the Bakken region;
- Work on identifying best practices to ensure that appropriate and comprehensive testing and classification of crude oil being transported by rail is performed; and
- Collaborate with PHMSA on improving its analysis of crude oil characteristics.

Both AAR and API agreed to the following:

- Improve emergency responder capabilities and training to address crude oil incidents; and
- Recommission the AAR's Rail Tank Car Standards Committee to reach consensus on additional changes proposed to the AAR rail tank car standard CPC 1232s, to be considered by DOT, as appropriate, in the rulemaking process.

The DOT will continue to work with all rail crude stakeholders to accelerate fulfillment of the short term commitments listed above as well as to contemplate and address other long term actions necessary to improve the safe transportation of crude oil and other flammable liquids. I look forward to our next meeting to discuss the progress that you have made on the commitments offered in our meeting as well as your recommendations for some longer term measures. We will contact you to schedule our next meeting.

Sincerely,

Anthony R. Foxx