

California Energy Commission Workshop on Trends in Sources of Crude Oil June 25, 2014

Railway Supply Institute Committee on Tank Cars

■ Member Companies:

- *American Railcar Industries; American Railcar Leasing; CIT Rail; GATX Corporation; General Electric Railcar Services Corporation; The Greenbrier Companies; Trinity Rail Group, LLC; and Union Tank Car Company*
- Build 95 percent of tank cars operating in North America
- Own and lease 70 percent of tank cars in North America

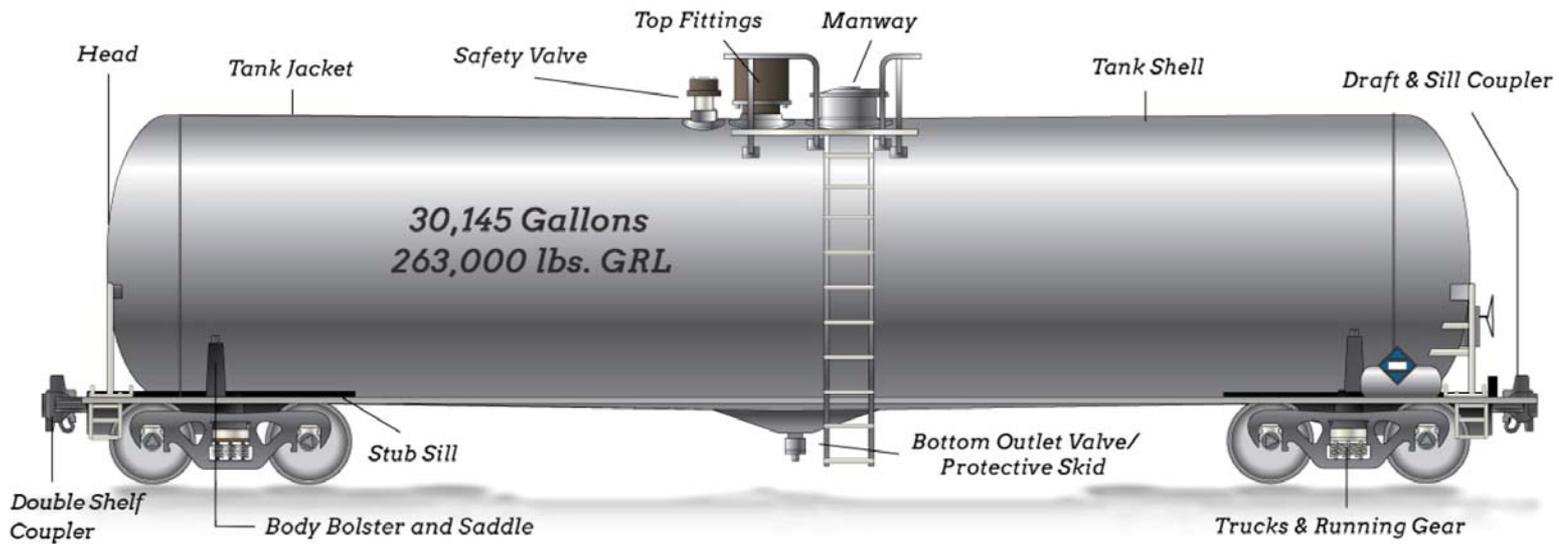


Crude Oil and Ethanol Initiative Timeline

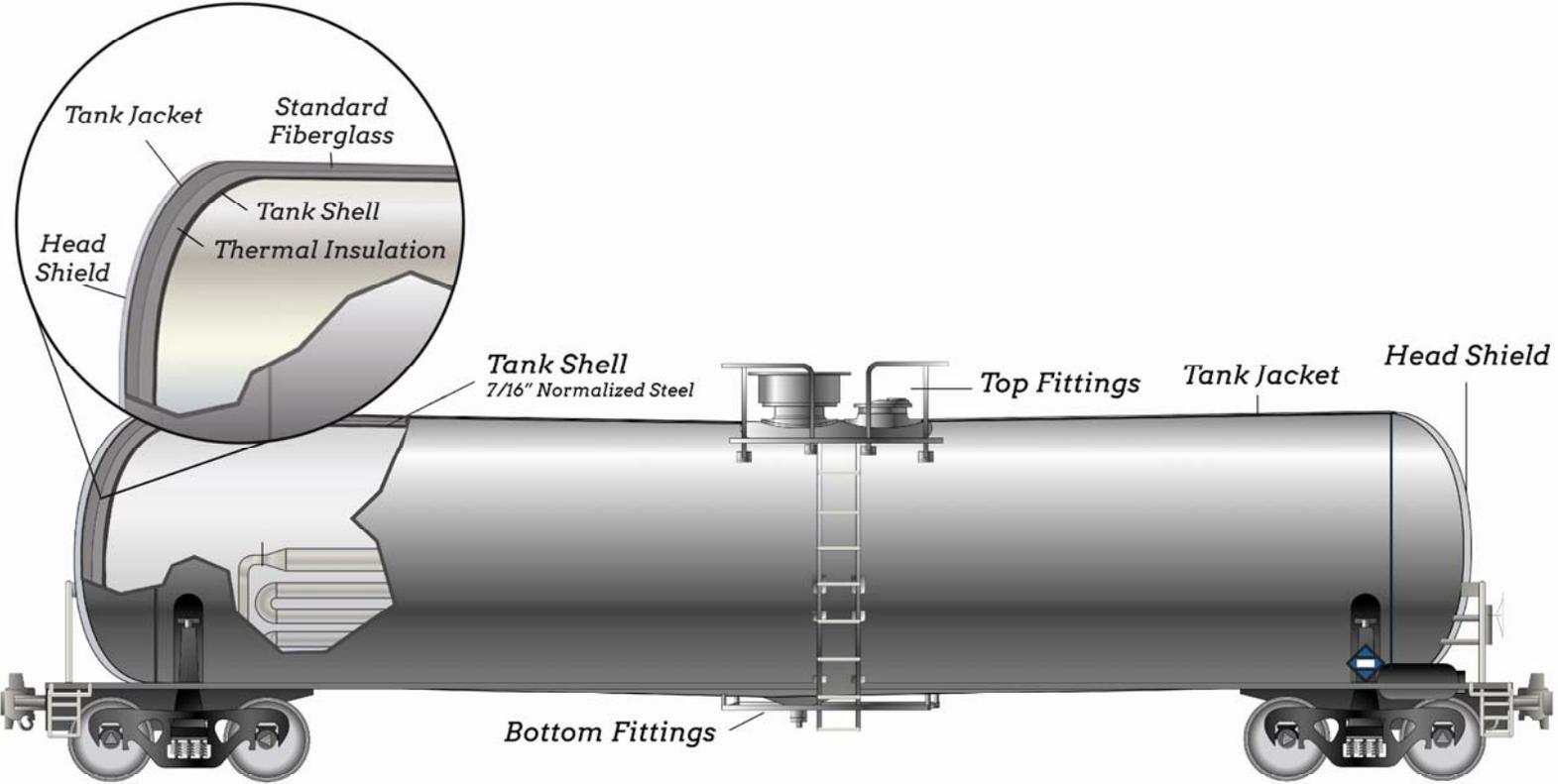
- **7/ 2009:** Concern develops for Ethanol and Crude Oil train derailments
- **3/ 2011:** Industry sends P-1577 Petition to PHMSA
- **10/ 2011:** Industry voluntarily releases new design standard
- **12/ 2014:** Anticipate rulemaking will be completed



Legacy Tank Car



Proposed New Tank Car



Crude Oil Tank Car Fleet – End of 2013

- **Total Fleet:** **43,750**
- **CPC-1232 Compliant Tank Cars** **14,350**
- **Legacy Tank Cars** **29,400**



Ethanol Tank Car Fleet – End of 2013

- **Total Fleet:** **29,850**
- **CPC-1232 Compliant Tank Cars** **500**
- **Legacy Tank Cars** **29,350**



Crude Oil Fleet – End of 2015

- **Total Fleet:** **86,550**
- **CPC-1232 Compliant Tank Cars** **57,200**
- **Legacy Tank Cars** **29,350**



New Tank Cars – Industry Capacity

■ 2014 – 2016 Total Capacity:	101,400
■ Current Backlog:	55,400
■ Capacity Available:	46,000
■ 60% Available for Crude/ Ethanol:	27,600
■ Legacy Crude Oil/ Ethanol Fleet:	58,750



What the Industry Needs...

...To Get the Job Done

- **Certainty:** Need new regulations
- **Harmony:** Between U.S. and Canada regulations
- **Priority:**



Priority to Crude Oil and Ethanol

- **Availability and Capability of Modification Facilities**
- **Car Cleaning Capacity**
- **Some Tank Cars Will be Retired or Re-Purposed**
- **Disruption of Tank Car Supply to Shippers**



Questions



RSI Position on HM-251 Tank Cars

- New cars to be built
- Good faith tank cars
- Legacy tank cars



New Cars

Class 3, PG I and II, Including Crude Oil and Ethanol Tank Cars

- Ordered after PHMSA Date Certain
 - Minimum 7/16 inch normalized steel tank
 - Full height head shields
 - Jacket
 - Top fittings protection
 - ½ inch thermal blanket
 - Pressure relief device per TCC recommendations
 - Re-configured BOV handle
 - Ongoing classification work may require some crude oils packaged in cars other than DOT-111s



New Cars

Class 3, PG III Tank Cars

- Ordered after PHMSA Date Certain
 - Build to current standards
 - Normalized steel tank
 - Top fittings protection
 - Pressure relief device per TCC recommendations
 - Re-configured BOV handle



Current New Car Backlog

Crude Oil and Ethanol Jacketed Tank Cars

- Built after PHMSA Date Certain
 - Build to CPC-1232 standard base
 - ½ inch thermal blanket
 - Full height head shields
 - Pressure relief device per TCC recommendations
 - Re-configured BOV handle
 - 25,300 cars



Current New Car Backlog

Crude Oil and Ethanol Non-Jacketed Tank Cars

- Built after PHMSA Date Certain
 - Build to CPC-1232 standard base
 - Pressure relief device per TCC recommendations
 - Re-configured BOV handle
 - 12,500 cars



Current New Car Backlog

Other Jacketed Class 3, PG I and II Tank Cars

- Build to CPC-1232 standard base
- ½ inch thermal blanket
- Full height head shield
- Pressure relief device per TCC recommendations
- Re-configured BOV handle

Other Non-Jacketed Class 3, PG I and II Tank Cars

- Build to CPC-1232 standard base
- Pressure relief valve per TCC recommendations
- Re-configured BOV handle

Other Jacketed and Non-Jacketed Class 3, PG III Tank Cars

- Build as ordered
- Pressure relief device per TCC recommendations
- Re-configured BOV handle



Existing CPC-1232 (Good Faith)

Existing CPC-1232 Jacketed and Non-Jacketed Tank Cars

- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 55,100 in service or on order



Existing Legacy

Existing (Legacy) Non-Jacketed Crude Oil and Ethanol Tanks Cars

- Full height head shields
- Jacket
- Improved top fittings protection
- ½ inch thermal blanket
- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 22,800 crude oil cars
- 29,200 ethanol cars



Existing Legacy

Existing (Legacy) Non-Jacketed Other Class 3, PG I and II Tank Cars

- Half height head shields
- Improved top fittings protection
- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 26,600 cars



Existing Legacy

Existing (Legacy) Jacketed Class 3, PG I and II Tank Cars

- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life
- 5,500 crude oil cars
- 102 ethanol cars
- 9,400 other cars



Existing Legacy

Existing (Legacy) Jacketed and Non-Jacketed Class 3, PG III Tank Cars

- Pressure relief device per TCC recommendations
- Re-configured BOV handle
- Full statutory life

