

BNSF Upgrading Tanker Fleets

MATTHEW BROWN, Associated Press

BILLINGS, Montana (AP) — BNSF Railway Co. said Thursday it intends to buy a fleet of 5,000 strengthened tank cars to haul oil and ethanol in a move that would set a higher benchmark for safety within an industry that's seen multiple major accidents.

The voluntary step by the Texas-based subsidiary of Warren Buffett's Berkshire Hathaway, Inc. comes as railroads in the U.S. and Canada are under intense pressure to improve safety for hazardous materials shipments.

There has been a string of recent train accidents involving oil and ethanol, punctuated by a crude shipment that derailed in Quebec last July and killed 47 people.

A boom in domestic oil drilling and rising ethanol production spurred a dramatic increase in shipments of the materials by rail. Much of it is being hauled by an old fleet of some 78,000 tank cars that are prone to split during accidents.

Thursday's announcement marks a potential major step in addressing that problem. However, it would not mean those older cars would go away, and there's already a two-year backlog on new tank car construction.

In announcing that it will ask manufacturers to submit bids for the new cars, BNSF indicated it was unwilling to wait for the U.S. Department of Transportation to finalize pending regulations on improved tank cars.

The company said it hoped to accelerate the transition to a new generation of safer tank cars and give manufacturers a head start in designing them as federal officials consider changes to the current standards.

Typically, railroads don't own the tank cars they pull, making BNSF's proposal somewhat unusual. But whether it will spur other shipping companies or railroads to follow suit was uncertain, said Tom Simpson, president of the Railway Supply Institute, a trade association representing tank car manufacturers and owners.

"Everyone has the right to go to a tougher standard," Simpson said. "We'll see how it plays out."

BNSF spokeswoman Roxanne Butler said the request for bids on new cars reflects the company's "commitment to crude-by-rail growth and improving the overall safety of crude transportation."

In addition to the older tank cars that are prone to fail, there are about 14,000 cars being used that were built according to a more stringent standard established by

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Published on Chem.Info (<http://www.chem.info>)

the industry in 2011. BNSF's proposal would go further still.

Among the added safety features being sought by the company are ½-inch (1.27 centimeter) thick steel shields that would go on either end of the tank cars to help prevent them from cracking open during accidents. The new cars also would have pressure-relief valves capable of withstanding an ethanol-based fire and a tank body made of thicker steel than existing cars.

Butler said she had no time frame on when the tank cars could be built and put into use.

A spokeswoman for the Association of American Railroads said the group does not comment on individual railroad business decisions, but urged federal officials to finalize work on new tank car regulations as soon as possible. Spokeswoman Holly Arthur said that would "provide certainty to the marketplace."

Source URL (retrieved on 01/26/2015 - 11:30pm):

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