



National Association of Chemical Distributors

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U.S. Department of Transportation
Docket Operations
M-30, West Building Ground Floor
Room W12-140
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: DOCKET NO. FRA-2006-25169

Dockets Section:

These comments respond to the notice of proposed rulemaking (NPRM) published in the *Federal Register* on April 1, 2008, regarding Docket Number FRA-2006-25169, Hazardous Materials: Improving the Safety of Railroad Tank Car Transportation of Hazardous Materials. The National Association of Chemical Distributors (NACD) appreciates the opportunity to comment on this NPRM.

NACD is a trade association headquartered in Arlington, Virginia, with approximately 250 chemical distribution companies throughout North America. These companies represent between 80% and 90% of the chemical distribution facilities in the nation and more than 90% of the industry's gross revenue. Members of NACD operate in every region of the country through more than 1500 facilities. The membership includes small businesses as well as regional and national companies. Hazardous materials transportation is an integral part of the chemical distribution business. In 2006, NACD members made 5.6 million chemical distribution shipments, were responsible for 50.7 billion pounds of delivered product, and drove 167.6 million miles while distributing chemicals.

While NACD supports the goal of enhancing the safety and security of hazardous materials transportation, particularly when involving poison inhalation hazard (PIH) materials, the Association has serious concerns about some aspects of the NPRM. The increased costs, disruptions of commerce, and increased exposure to security risks that would result from the adoption of the measures in the NPRM would not be justified by the potential safety benefits.

Chemical distributors and manufacturers depend on rail service to send and receive shipments of certain hazardous materials as safely as possible. For some substances, including PIH materials such as chlorine and anhydrous ammonia, rail is the safest and most efficient mode of transportation because of the large volume capacity of rail cars and a strong rail safety record. A

single rail car can hold the same volume as between four and eight tank trucks. If rail service were to become prohibitively expensive and unavailable, transportation of these materials would be shifted to truck, which would not only cause major delays, but would also increase the opportunity for loading and unloading incidents and the volume of hazardous materials on the nation's highways.

The railroads themselves agree that hazardous materials transportation by rail is safer than by truck. On its Web site, Jacksonville, Fla.-based CSX Transportation Inc., a Class I Railroad, states, "Railroads continue to be the safest mode of ground transportation for transporting hazardous materials. For every billion ton-miles of hazardous materials transported, trucks are involved in more than 10 times as many accidents as the railroads."

NACD's top concern is the proposal to require a maximum speed limit of 30 mph for PIH tank cars that do not yet meet the new performance standards and are operating in non-signaled or "dark" territory. There is no guaranty that this proposal would increase safety, but it would certainly increase security risks. The proposal is contrary to the important objective of having these materials in transit for as short of a time period as possible. It would be much easier for a terrorist to track and target a train moving at 30 mph than to track one moving at 50 or 60 mph. At a time when stringent new regulations to increase security at fixed chemical facilities are being implemented, it would be particularly risky to increase the security exposure of PIH materials on the rails.

In addition, delivery of one of the most common PIH materials shipped by rail, anhydrous ammonia, is often time sensitive. This material is needed at specific times of the year for planting crops. If anhydrous ammonia shipments are delayed because of a 30 mph speed limit, farming operations may resort to stockpiling the material, creating targets for both terrorists and illegal methamphetamine producers.

A 30 mph speed limit would provide no guaranty that incidents would be eliminated. Wrecks would likely still occur. In fact, if two trains traveling at 30 mph were to crash, the result would be the same as that of a crash involving a single train traveling at 60 mph. A more effective way to prevent crashes and their resulting casualties would be to address existing rail infrastructure and operator deficiencies. The National Transportation Safety Board found that the two most recent rail incidents involving the release of hazardous materials in Minot, ND, and Graniteville, SC, were both the result of rail infrastructure and operational failures. These issues should be addressed before a full-scale replacement of all PIH rail cars is ordered.

NACD is also concerned about the time frame for replacement of all of the PIH tank cars to meet the new performance standards. A design that will both meet the performance standards and allow for the transport of similar amounts of materials has not yet been finalized. In addition, it is estimated that it will take two years to produce these new rail cars once ordered. Therefore, a period of eight years to replace the entire fleet of these cars is inadequate. Such a short time frame could prematurely remove a significant number of tank cars from the service of transporting PIH materials. This would exacerbate the problem of a lack of shipping capacity for these critical materials and further raise prices for the vast majority of consumer goods on top of the increases already caused by skyrocketing fuel costs.

On a large scale, the well-being of the United States economy and health of its citizens depends on rail transportation of PIH materials. For example, not only is chlorine essential to treat water for safe drinking, it is also a basic material needed to produce thousands of products people need ranging from pharmaceuticals to computer chips to everyday household items. Another example is ammonia, which is necessary not only to grow food but also for the refrigeration needed to safely store and transport food products. Ammonia is also a critical material power plants use to reduce their emissions, minimize pollution, and even operate within their air permit limits.

Because PIH materials are building blocks for so many products that are essential to Americans' health and well-being, the economic impact of a lack of rail service to transport these materials would be severe. Shifting the transportation of these products to truck would result in the need for more personnel to safely load and unload the products and to drive the tank trucks. It would also require more fuel for all of the additional trucks on the road. With fuel prices continuing to increase, with no signs of dropping any time soon, this would substantially increase the costs of essential goods, ranging from food to medicine to clothing for all Americans. With fuel prices so high, it would be devastating to remove or substantially reduce the capacity of such an efficient mode of transportation for materials that are essential to so many aspects of the economy and public health.

Thank you for the opportunity to provide these comments. If you have any questions, or require any additional information, please do not hesitate to contact me at 703/527-6223, ext. 103.

Sincerely,

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