

Northwestern University Transportation Center Business Advisory Council 4/21/15 Meeting

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CLASS 3 FLAMMABLE LIQUIDS ELEMENTS FOR SAFE TRANSPORTATION BY RAIL

"Holistic Approach"

- Prevention Railroad, Tank Car Focus
- Mitigation Railroad, Tank Car, Shipper Focus
- Response Railroad, Emergency Responders,
 Shipper, Tank Car Focus

"Transition From Hazardous Materials in Trains to Hazardous Material Trains"



PREVENTION

- Infrastructure



Inspection





PREVENTION (Cont.)

Maintenance



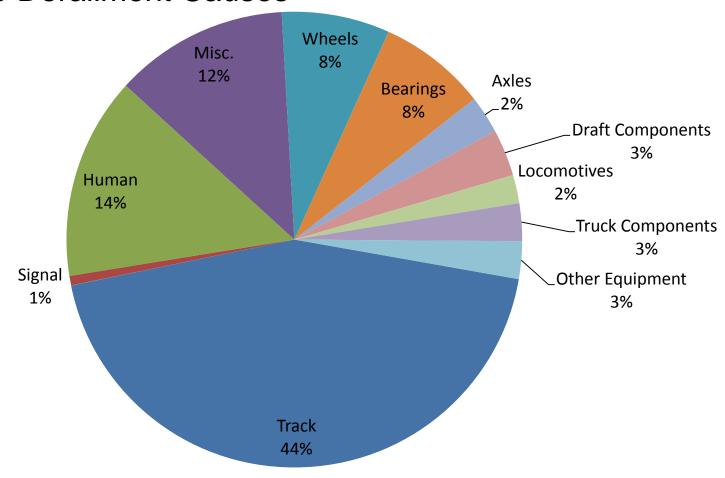
Detectors





PREVENTION (Cont.)

Mainline Derailment Causes





MITIGATION

Operating Requirements

Increased Track Inspections

- At least one additional internal rail inspection each year above Federal Railroad Administration (FRA) requirements on crude oil routes Effective: March 25, 2014
- . At least two Geometry Car inspections each year on crude oil routes Effective: March 25, 2014
- BNSF-SPECIFIC ACTION: increasing rail detection testing frequencies along critical waterways (BNSF currently at 2x FRA frequency; going to 2.5x with this change) Effective: April 1, 2015

Increased Trackside Safety Technology

- · Additional Hot Bearing Detectors (HBD) on crude oil routes (max 40 mile spacing) Effective: July 1, 2014
- BNSF-SPECIFIC ACTION: HBD spacing of 10 miles on crude routes that parallel critical waterways
- BNSF-SPECIFIC ACTION: Key Train stopped by HBD must set-out the indicated car
- BNSF-SPECIFIC ACTION: KEY trains with Level II Wheel Impact Load Detector (WILD) defect (120 140 Kilopound (Kips)) will be handled as a LEVEL I defect (immediate set-out). Effective: March 25, 2015

Rail Risk-Based Traffic Routing Technology

 Use of Rail Corridor Risk Management System (RCRMS) to determine the most safe and secure routes for crude trains of 20 or more loaded cars Effective: July 1, 2014

Lower Speeds

- Implemented nationwide speed restriction: 50 mph for all Key Trains (20 or more cars hazmat; one car Toxic Inhalation Hazard/Poisonous Inhalation Hazard (TIH/PIH)) Effective: July 1, 2014
- Municipal speed restriction: 40 mph for crude oil trains with Department of Transportation (DOT-111) tank cars moving through High Threat Urban Areas (HTUA) Effective: July 1, 2014
- BNSF-SPECIFIC ACTION: 35 mph for all shale crude oil trains through municipalities of 100k or larger Effective: March 25, 2015

- Routing





MITIGATION (Cont.)

Product Containment Performance (Tank Car)



- Thermal Performance (Tank Car)





MITIGATION (Cont.)

Product Characteristics





RESPONSE

— Training





- Equipment



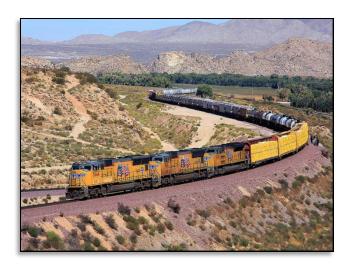


RESPONSE

Community Outreach



- Train Information





AUTHORITIES

Regulations

• U.S. Department of Transportation (DOT)



- Pipeline and Hazardous Materials Safety Administration (PHMSA)
- Federal Railroad Administration (FRA)
- Transport Canada (TC) Canada
 - Transportation of Dangerous Goods Directorate (TDG)
- Secretariat of Communications and Transportation Federal Government of Mexico (some series)

Industry Standards

Association of American Railroads (AAR) (AAR)



• Railway Association of Canada (RAC) Railway Association





AUTHORITIES (Continued)

Recommendations

• National Transportation Safety Board (NTSB)



• Transportation Safety Board Canada (TSB) (Canada)



"Harmonization is Key for a North American **Interchange Rail System"**



TANK CAR REGULATORY STATUS

- US DOT / PHMSA Final Rule Under Review by Office of Information and Regulatory Affairs (OIRA) Office of Management and Budget (OMB). Scheduled Release May 12, 2015
- Transport Canada in "Consultative Period"
 Regulatory Update Provided March 11, 2015
 Final Rule Release Expected to Coincide with US DOT / PHMSA



TANK CAR REGULATORY STATUS (Cont.)

- Harmonization of Technical Requirements for Newly Constructed Tank Cars and Modified Tank Cars Expected
- Scope of Regulatory Action Differs
 - PHMSA Product and Operations Oriented, TC Product Oriented
 - Timeline for Existing Tank Car Compliance Differs

"Regulatory Certainty Necessary to Proceed"



TANK CAR 101

- Shell



- Ceramic Fiber Blanket



TANK CAR 101 (Cont.)

- Insulation
- Jacket





TANK CAR 101 (Cont.)

- Head Shields



Manway





TANK CAR 101 (Cont.)

— Multi – Housing





Bottom Outlet Valve





DOT-117 TANK CAR (Anticipated)

- Product Containment Performance

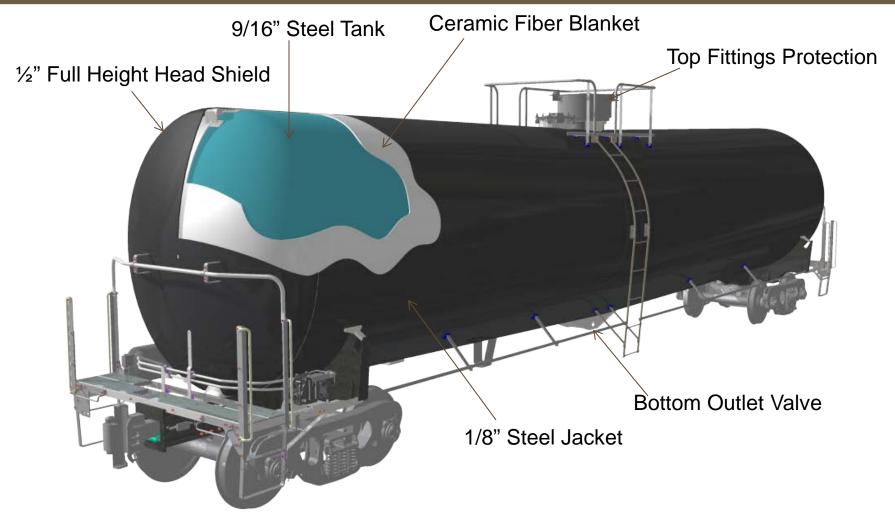
- 9/16" Thick Normalized Steel Tank
- 1/8" Steel Jacket, 1/2" Full Height Head Shields
- Top Fittings Protection
- Positive Engagement Bottom Outlet Valve Handle

— Thermal Performance

- 1/8" Steel Jacket and Head Shields
- Ceramic Fiber Blanket
- Pressure Relief Valve



DOT – 117 TANK CAR (Anticipated)



TRINITYRAIL

DOT-117R MODIFIED TANK CAR (Anticipated)

- Product Containment Performance

- Existing 7/16" or ½" Steel Tank
- 1/8" Steel Jacket, 1/2" Full Height Head Shields
- Enhanced Fittings Protection
- Positive Engagement Bottom Outlet Valve Handle

— Thermal Performance

- 1/8" Steel Jacket and Head Shields
- Ceramic Fiber Blanket
- Pressure Relief Valve



TRINITYRAIL READINESS

- Active Participant in Regulatory Process in USA and Canada – Railway Supply Institute
- Design, Prototype, Production of New Tank Cars in Compliance with Expected DOT-117 Regulations
- Design, Prototype, Production of Eight Variants of Modifications for Three Classes of Existing Tank Cars. Focused on Possible DOT-117R Regulations
- Expanding New Tank Car and Modification Facilities
- "Achieve Premier Performance in Support of Our Customers"





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