America’s Energy Revolution

Rail: Safely Delivering Products throughout the Country
We Are #1

- **#1** — In 2013, the U.S. became the world’s top producer of petroleum and natural gas, surpassing Russia and Saudi Arabia.¹

2013 — Domestic oil production increased to reach its highest level in 24 years, rising more than the combined increases in the rest of the world.²

Why Is Rail Important?

- With so much new domestic production, rail has played an increasingly important role in the movement of crude oil. Rail infrastructure is vital to moving crude oil produced in new fields to otherwise undeserved markets. Rail loading facilities for crude oil have been or are being developed in virtually **every new** production area of the United States, including in Texas, Oklahoma, North Dakota, Colorado, and Wyoming.³

- Over the years, the railroad system has evolved into the broad network we have today, delivering many vital products throughout the nation. Rail is also a critical part of the US energy infrastructure and transports key petroleum products such as heating oil, propane, diesel, lubricants, plastics, and other necessities people rely on every day.

Where Freight Moves

Federal Railroad Administration, available at https://www.fra.dot.gov/Page/P0362

Originated Tons by Class I Railroads: 2013

(millions)

- Coal (39%)
- Grain (7%)
- Lumber & Wood (1%)
- Pulp & Paper (2%)
- Chemicals (10%)
- Primary Metal Products (3%)
- Crushed Stone, Sand, Gravel (7%)
- Motor Vehicle (1%)
- Misc. Mixed Shipments (7%)
- Crude Petroleum (2%)
- Petroleum & Coal (3%)
- Waste & Scrap (2%)
- All Others (10%)
- Food (6%)

(*) Mostly inter-modal
We Are Invested in the Safe Transportation of Crude by Rail

- North America’s freight railroads move **99.998** percent of hazardous materials to their destination without incident, but the oil and natural gas industry’s goal for safety is always **zero** incidents. This is not a goal that can be reached through any single action or step. API supports greater efforts to prevent derailments through track maintenance and repair, mitigating incidents through upgrades to the tank car fleet, and giving first responders the knowledge and tools they need.

Since 2011, API members have been building tank cars that exceed federal standards. In 2014, API recommended that the Department of Transportation adopt even stricter standards for tank cars. Enhancing tank car safety is one element of a holistic approach to reach our safety goal of zero incidents.

In 2014, API assembled the best experts from our industry, the railroad industry and others and developed Recommended Practice 3000, a standard for characterizing, testing and quantifying crude oil by rail. This guidance and the resulting information available to operators and first responders will support their ability to prepare for and respond to potential rail incidents involving crude oil and petroleum products.

Boosting the U.S. Economy and Job Growth

- Investments in building, maintaining and updating the oil and natural gas industry’s transportation and storage infrastructure could contribute up to **$120 billion** to the economy per year.

- Investment in the infrastructure that moves and transforms oil and gas into everyday products could support as many as **1.15 million jobs** on an average annual basis.\(^4\) Railroads provide more than **180,000 high-paying jobs** and support more than a million more in industries as diverse as manufacturing, agriculture and technology.\(^5\)
What Is the Future?

- The oil and gas industry is partnering with regulators, the railroads, and other stakeholders to evaluate rail issues holistically. This includes reviewing regulations, evaluating track maintenance and train operations, providing guidance on crude oil classification and loading processes, and working to improve emergency operations.

- As we move forward, the industry is committed to using the best science, research and real-world data to make measurable improvements to safety. An approach based on sound science and data will ensure that any changes to existing standards and practices achieve real safety improvements and do not shift risk to other areas.

References

1 http://www.eia.gov/todayinenergy/detail.cfm?id=13251
2 http://www.eia.gov/todayinenergy/detail.cfm?id=14531
4 http://www.api.org/~/media/Files/Policy/SOAE-2014/API-Infrastructure-Investment-Study.pdf
5 http://freightrailworks.org/state/

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