



Jack N. Gerard
President and Chief Executive Officer

1220 L Street, NW
Washington, DC 20005-4070
USA
Telephone (202) 682-8500
Fax (202) 682-8110
Email gerardj@api.org
www.api.org

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The Honorable Anthony R. Foxx
Secretary of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Mr. Secretary:

I would like to take this opportunity to report back following our meeting to address crude by rail and your "Call to Action." As you know, the oil and natural gas industry is working closely with the railroad industry and the Department of Transportation to improve rail safety and the transportation of crude oil. Safety is our highest priority, and we are looking in a holistic way at how to prevent accidents, mitigate impacts if they occur, and support emergency response.

API is committed to using the best science, research and real-world data to make measurable improvements to safety. A holistic approach based on sound science and data will ensure that any changes to existing standards and practices achieve real safety improvements and do not inadvertently shift risk to other areas.

Your agencies and staff, particularly Administrator Quatterman, have been vigilant in working with all stakeholders to improve prevention, mitigation, and emergency response. Addressing root causes of derailments is one aspect of this process and I am pleased to see the announcement today regarding agreements reached between your department and the railroads in addressing some of the railroad operational issues.

While nearly all rail shipments reach their destinations without incident, our common goal should be zero rail incidents. Since your "Call to Action" meeting on January 16, we have engaged on an almost daily basis with representatives from the railroad industry and your department to further this goal in the following ways:

- API has assembled top experts to develop a comprehensive industry standard for testing, characterizing, classifying, and loading and unloading crude oil in rail tank cars. We are moving as quickly as possible with the goal of publishing this standard in six months. Our standards process is open, transparent and accredited by the American National Standards Institute, the same organization that accredits similar programs at several U.S. national laboratories. We have invited all stakeholders to participate, and PHMSA has agreed to represent your department in this effort.

- API is working with PHMSA, the railroad industry, and emergency responders to enhance emergency response communications and training. We also recently joined Transportation Community Awareness and Emergency Response, known as TRANSCAER, which is a voluntary national outreach effort that assists communities in preparing for and responding to incidents.
- API continues to work with PHMSA and other representatives from the Department of Transportation to share information and expertise on crude oil characteristics. We have also offered to help PHMSA review the data collected through Operation Classification.
- API continues to work with the railroad industry, railcar manufacturers, and other stakeholders to address tank car design. Our industry has been building next generation tank cars since 2011 that exceed federal standards. These new cars make up nearly 40 percent of the crude oil tank car fleet and will be 60 percent by the end of 2015. We are currently engaged in a holistic and data-driven examination to determine whether additional design changes would measurably improve safety without inadvertently shifting risk to other areas.

API is committed to the safe shipment of oil and natural gas products through all methods of transportation, and we look forward to continuing to work with you in this collaborative and holistic effort.

Respectfully,

A handwritten signature in black ink, reading "Jack Gerard". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Jack N. Gerard
President & CEO