

PHMSA proposes new rule authorizing the transport of LNG by rail

7 November 2019

The U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) published a notice of proposed rulemaking (NPRM) to authorize the transport of liquefied natural gas (LNG) by railroad tank car on 18 October 2019. The [proposed rule](#) would authorize the movement of LNG by rail in DOT-113 specification tank cars, which are currently used to transport other cryogenic liquids, including liquid hydrogen and ethylene. Although PHMSA's hazardous materials regulations (HMR) permit the transport of LNG by highway and barge, the HMR have never authorized transport of LNG by rail tank car. Comments on the NPRM are due on or before 23 December 2019.

Citing LNG's expanding role as a critical domestic and international energy resource, PHMSA proposes to permit the transport of LNG by rail tank car to meet the demand for greater flexibility in the modes of transportation available to transport LNG. The proposed rule would facilitate harmonization across the North American rail network. In Canada, LNG is already authorized for transport in DOT-113 equivalent specification rail tank cars (TC-113C120W).

Packaging requirements

In the NPRM, PHMSA proposes the following packaging controls:

- Authorized transport of LNG by rail in DOT-113C120W tank cars. DOT-113 tank cars are vacuum-insulated and consist of an inner stainless steel tank enclosed with an outer carbon steel jacket shell specifically designed for the transportation of refrigerated liquefied gases.
- Amend the Pressure Control Valve Setting or Relief Valve Setting Table in 49 Code of Federal Regulations § 173.319(d)(2) by adding a column for methane, thus identifying the pressure relief valve requirements for DOT-113s transporting methane.

Operational controls

PHMSA is not proposing new operational controls for transport of LNG by rail tank car. However, PHMSA notes the operational controls (e.g., speed restrictions) set forth in the Association of American Railroads (AAR) Circular OT-55 would apply to the bulk transport of LNG by rail in a train composed of 20 car loads or intermodal portable tank loads in which LNG is present along with any combination of other hazardous materials. OT-55 is a detailed protocol establishing railroad operating practices for the transport of hazardous materials that has been voluntarily adopted by the industry.

Safety case for LNG-by-rail

DOT-113 specification tank cars, including DOT-113C120W tank cars, include a stainless steel inner vessel and a thick steel outer vessel (or jacket); there is an insulated vacuum space between the two vessels to minimize the rate of heat transfer from the atmosphere to the refrigerated liquid during transport; and the cars include pressure relief devices, vents, and valves to prevent or minimize overpressure releases.

Additional requests for information

In addition to commenting on the specific packaging requirements listed above, the NPRM asks the public to comment on the following topics that are within the scope of the NPRM:

- Whether the authorized transport of LNG by rail has the potential to reduce regulatory burdens, enhance domestic energy production, and impact safety.
- Whether there is a reasonable basis for limiting the length of a train transporting LNG tank cars and what length is appropriate.
- Whether there is a reasonable basis for limiting the train configuration, such as by limiting the number of LNG tank cars in a train consist or by restricting where LNG tank cars may be placed within the train.
- Whether PHMSA should consider any additional operational controls and whether such controls are justified by data on the safety or economic impacts.

Comments on the LNG-by-rail NPRM are due on or before December 23, 2019.

Additional background on LNG-by-rail

On 17 January 2017, AAR submitted a petition for rule-making to PHMSA (P-1697) requesting revisions to the HMR that would permit the transportation of LNG by rail in DOT-113 tank cars. This NPRM is responsive to P-1697 and indicates which aspects of the petition the agency is incorporating into this rule-making. The NPRM also is the result of President Trump's April 2019 Executive Order on Promoting Energy Infrastructure and Economic Growth, wherein the president ordered DOT to initiate rule-making within 100 days of the executive order and to publish a final rule within 13 months (i.e., on or before 10 May 2020). Also pending before PHMSA in a separate docket, PHMSA-2019-0100, is an existing request for a special permit that seeks to authorize shipments of LNG in DOT specification 113C120W tank cars subject to certain operational conditions that would be used to transport LNG to ports or the applicant's domestic customers. Although the comment period closed on 7 August 2019, PHMSA has not yet made a final determination on this special permit application. Finally, on 12 September 2019, U.S. House Transportation and Infrastructure (T&I) Committee Chairman Peter DeFazio, D-Ore., introduced legislation (H.R. 4306) that would require a comprehensive review into the transport LNG by rail tank cars. As of publication of this alert, the bill is currently under review by the House T&I committee.

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