

## PHMSA issues NPRM to temporarily suspend transport of LNG by rail

9 November 2021

On 8 November 2021, the U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) published a [Notice of Proposed Rulemaking \(NPRM\)](#) to propose a temporary suspension of transport of liquid natural gas (LNG) by rail in certain DOT-113 specification rail tank cars, previously authorized under the Trump Administration's July 2020 rule (LNG by Rail final rule).

Specifically, PHMSA is proposing to suspend LNG-by-rail transport under the LNG by Rail final rule while it "conducts a thorough evaluation of the HMR's regulatory framework for rail transportation of LNG in a companion rulemaking under [RIN 2137-AF54](#), and determines if any modifications are necessary." PHMSA is proposing to add new special provision 439 to 49 C.F.R. § 172.102, which would prohibit LNG transportation in rail tank cars until PHMSA completes a separate rulemaking proceeding under [RIN 2137-AF54](#) or until June 30, 2024, whichever is earlier.

According to PHMSA, the NPRM comes after increased uncertainty about the potential benefits and safety and environmental risks of rail transportation of LNG under the Hazardous Materials Regulations (HMR). In explaining the basis for the temporary suspension, PHMSA cites to several information gaps, including those identified by the Transportation Research Board (TRB) in its [Phase I Report](#) (released 15 June 2021). In particular, PHMSA notes information gaps concerning testing and the evaluation of public safety and environmental risks (e.g., relating to full-scale impact testing, pool fire testing, worst-case analysis, and quantitative risk assessment). The agency also states there have been changes to supply and demand in international LNG markets, causing PHMSA to believe there is more "uncertainty now than when the LNG by Rail final rule was issued regarding whether, when, and where rail tank car transport of LNG—and by extension, any potential benefits and public safety/ environmental risks—will materialize."

PHMSA concludes the temporary suspension would not have "a material adverse impact on serious reliance interests" in part because transportation of LNG by rail tank car has not yet occurred since the LNG by Rail final rule went into effect in August 2020. Transport of LNG by rail may still occur if authorized pursuant to a PHMSA special permit or in a portable tank approved by the Federal Railroad Administration.

Comments on the proposed rule are due December 23, 2021. PHMSA is specifically seeking input on (1) potential economic, public safety, and environmental benefits and adverse impacts of the NPRM and (2) the length of the suspension period.

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