



TRANSPORT CANADA

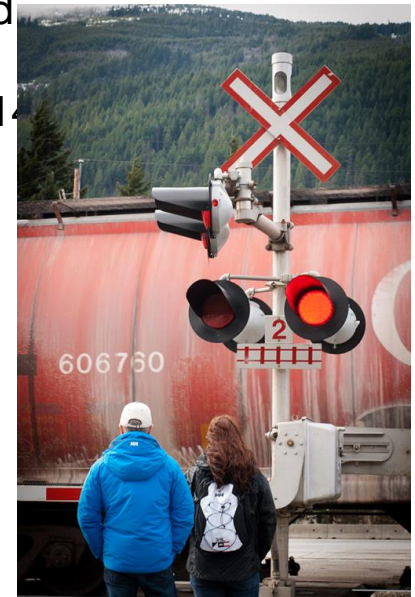
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Context

- Following the July 6, 2013 derailment in LacMégantic, the Government acted quickly to ensure the immediate safety of Canada's railway system.
- While the Government has long been committed to improving rail safety and the transportation of dangerous goods (TDG), the scale and impact of the accident generated a need to re-examine the system and develop longer term actions.
- Strengthening railway and TDG safety and the rail liability and compensation regime were highlighted in the October 2013 Speech from the Throne and in Budget 2014
- Several measures have been taken under the pillars of **prevention**, **effective response**, and **accountability** in response to the accident.
- TC continues to work closely with industry, provinces, municipalities, first responders, and key United States officials to strengthen railway and TDG safety, and the liability and compensation regimes.





Actions fall under three pillars

PREVENTION

- ✓ Safe people
- ✓ Safe track
- ✓ Safe operations

EFFECTIVE RESPONSE

- ✓ Reduce impacts of incidents
- ✓ Enhance emergency response requirements for shippers
- ✓ Support firefighters & first responders' need for information, communication, and coordination

ACCOUNTABILITY

- ✓ "Polluter Pays" principle
- ✓ Adequate compensation
- ✓ Minimize risk to taxpayers



Keep Trains on the Tracks

Minimize Damages, Respond and Advise In Case of a Spill

Strengthen Liability & Compensation Regime



Rail Safety



A stronger rail safety regulatory regime

Transport Canada accelerated the development of the following new or amended regulations, which as of April 1, 2015, all are in force:

1. *Grade Crossings Regulations*
2. *Railway Operating Certificate Regulations*
3. *Railway Safety Administrative Monetary Penalties Regulations*
4. *Transportation Information Regulations*
5. *Railway Safety Management System Regulations, 2015*



Emergency Directive-Safety and Security of Locomotives in Canada

Following Lac-Mégantic, Transport Canada issued an Emergency Directive, requiring:

- the securement of unattended trains carrying dangerous goods; and
- trains carrying dangerous goods be operated by at least two people.

A Ministerial Order was also issued, requiring companies to formulate new rules or revise existing rules to adhere to the Emergency Directive.



Emergency Directive-Rail Transportation of Dangerous Goods

April 23, 2014-October 23, 2014-Key Trains/Key Routes

- An Emergency Directive was issued that required all railway companies carrying dangerous goods to implement minimum key operating practices including:
 - speed restrictions for trains carrying dangerous goods;
 - expansion of inspection requirements on restricted rail routes; and
 - the completion of risk assessments for rail transportation routes.
- A Ministerial Order was issued requiring companies to submit new rules based on the same safety principles in the Emergency Directive.
- Subsequently, a new Emergency Directive was issued on **April 23, 2015**, that includes an additional safety measure requiring companies to slow their trains to a maximum of 40 miles per hour when travelling in Census Metropolitan Area (CMAs), which is in effect until August 17, 2015.



Emergency Directive-Train Securement

October 29, 2014

- Transport Canada issued an Emergency Directive respecting the securement of railway equipment establishing:
 - a standardized minimum for hand brake applications and specific testing requirements; and
 - additional physical defences for unattended trains.
- A Ministerial Order was issued requiring railway companies to develop and enhance rules on train securement.

March 3, 2015

Transport Canada renewed the Emergency Directive, which will be in effect until October 29, 2015.

The Ministerial Order was also amended to instruct companies to file rules respecting the securement of railway equipment. This period has been extended until July 26, 2015.



The Safe and Accountable Rail Act

- On February 20, 2015, *the Safe and Accountable Rail Act (Bill C-52)* an Act to amend the *Canada Transportation Act* and the *Railway Safety Act* was tabled in Parliament.
- The Bill received Royal Assent and came into force on June 18, 2015.
- Amendments to the *Railway Safety Act* will further strengthen Transport Canada's oversight of federally-regulated railways across Canada by focusing on communities, accountability, safety management systems, and authorities.
- Amendments to the *Canada Transportation Act* will protect taxpayers from covering the cost of damages in the event of a major rail accident and will provide for enhanced third-party liability insurance for federally-regulated railways.



The Safe and Accountable Rail Act

- Changes to the *Railway Safety Act* strengthens the authorities held by the Minister and Railway Safety Inspectors.
- New Regulation-making powers provide the authority to require companies to share information with third parties, including municipalities.
- Amendments to the *Canada Transportation Act* include new liability and compensation regime for federally regulated railways, including:
 - minimum insurance requirements; and
 - a compensation fund financed by levies for crude oil shippers.



Transportation of Dangerous Goods



TDG Response to Lac-Mégantic

- **On October 17, 2013:** TC issued Protective Direction 31 (PD 31) requiring any person who imports or offers for transport crude oil to retest, or classify, their crude oil prior to shipment.
- **On November 20, 2013:** TC issued Protective Direction 32 (PD32) requiring railway companies operating in Canada to provide yearly (confidential) aggregate information on the nature and volume of dangerous goods transported by rail through municipalities.
- **On April 23, 2014:**
 - TC issued Protective Directions 33 and 34 requiring emergency response assistance plans for crude oil, ethanol, aviation fuel, diesel, and gasoline; and removing the least crash resistant tank cars from dangerous goods service
 - Announced phase-out or refit of certain DOT-111 tank cars within 3 years
 - Creation of Emergency Response (ER) Task Force



Emergency Response Task Force

- Minister Lisa Raitt announced the creation of the Emergency Response Task Force (ERTF) on April 23, 2014.
- Membership: 81 registered participants including representatives from the chemical producers and distributors industry, First Responder groups (including Canadian Association of Fire Chiefs, Aboriginal and First Nations, Volunteer Firefighters Associations), the Federation of Canadian Municipalities as well as other federal, provincial, territorial authorities.
- Since its inaugural meeting on July 10, 2014, Task Force members have participated in 75 meetings over the course of 12 months and submitted over 30 recommendations.
- Areas of review and recommendations include:
 - Incident Command Structure and key components of a successful and coordinated response;
 - Analysis and categorization of Flammable liquids based on hazards and chemical properties;
 - ERAP requirements extension to additional flammable liquids based on risks;
 - Database development for mapping firefighter resources and capacity;
 - Development of a firefighter flammable liquids training standard;
 - Phased approach development of a Canadian training program on Flammable liquids for first responders; and
 - Efficient monitoring and continuous improvement of the ERAP program.



TC-117 Tank Car Standard

- Transport Canada developed a new class of tank car as a priority
 - Canada worked with the U.S. to develop a new tank car standard.
 - Announced on May 1, 2015, the TC-117 tank car standard, the next generation of stronger, safer rail tank cars.
 - Final Regulations were published in the *Canada Gazette*, Part II on May 20, 2015.



Implementation Timelines

Last Day to Use Tank Car in Column 3 for Dangerous Goods in Column 2	Flammable Liquid / Packing Group(s) (PG)	Tank Car Type removed from Service	North American Fleet to be Retrofitted	Canadian Tank Car Population
April 30, 2017	Crude Oil (PG I, II, III)	DOT-111 Non-Jacketed	After 28% Retirement Rate 16,625	4988
February 28, 2018	Crude Oil (PG I, II, III)	DOT-111 Jacketed	After 28% Retirement Rate 5,027	2759
March 31, 2020	Crude Oil (PG I, II, III)	CPC 1232 Non-Jacketed	21,993	6849
April 30, 2023	Ethanol (PG II)	DOT-111 Non-Jacketed	After 28% Retirement Rate 19,467	974
April 30, 2023	Ethanol (PG II)	DOT-111 Jacketed	88	0
June 30, 2023	Ethanol (PG II)	CPC 1232 Non-Jacketed	751	0
April 30, 2025	Crude Oil and Ethanol and all remaining Flammable Liquids (PG I, II, III)	CPC 1232 Jacketed in Crude Oil service and all remaining DOT-111 Jacketed and CPC 1232 Jacketed and Non-Jacketed tank cars	35,631 in crude oil service After 28 % retirement rate for older TC/DOT 111 tank cars 28,600	10,698 CPC 1232 Jacketed 8,580 in Flammable liquid service other than crude & ethanol



Closing Remarks

- Holistic approach to improving rail safety and the transportation of dangerous goods
- Strengthened collaboration between U.S. & Canada, translating into further discussion on other rulemaking / policy areas
 - Crude oil research
 - Compliance / outreach activities
 - Additional harmonization of rail operating rules
 - Case study on tank cars as model for Regulatory Cooperation Council (RCC)

Thank you for your time

Questions?

