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BUSINESS

Railroads Lose Challenge of Oil-Train Rules

DOT ruling denies appeals by industry group and others



The Association of American Railroads has said the new braking system required by DOT has not been proven to be effective but will be expensive to install. *PHOTO: BLOOMBERG NEWS*

By **LAURA STEVENS**

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Railroads lost an agency appeal with the U.S. Department of Transportation in a battle over new crude-by-rail rules that require the installation of expensive new brakes on trains hauling hazardous flammable materials.

In a ruling issued by its Pipeline and Hazardous Materials Safety Administration last week, the agency denied appeals challenging the new rules, including one from the Association of American Railroads.

“While we understand that shippers, carriers, and tank-car manufacturers for Class 3 flammable liquids will face new challenges in the wake of these regulations, we maintain that they are capable of complying with the final rule,” the agency wrote.

The rail-industry group could still appeal the decision in court. A spokesman said the organization is reviewing the decision and considering its options.

The new rules, issued by the Transportation Department in May, include the phasing in of tougher tank-car standards over several years and requirements for new braking systems on trains hauling more than 70 cars of crude oil by 2021.

The AAR had called for the department to remove the requirement for the new braking system, which rail executives have called unproven. The challenge also had requested tougher tank-car standards, including enhanced thermal protection, as well as the elimination of older tank cars considered unsafe for carrying hazardous, flammable liquids.

Concern about transporting crude oil and other flammable liquids has grown after a string of fiery oil-train derailments in the U.S. and Canada since 2013, including one in Quebec that killed 47 people.

In addition to the AAR, the Dangerous Goods Advisory Council, the American Chemistry Council and the American Fuel & Petrochemical Manufacturers, as well as several Native American tribes, had appealed the rules to the agency.

Separate legal challenges to the rules were filed in federal appeals courts earlier this year.

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