

Irving Oil tank railcar conversion sends 'strong message'

Rail advocacy group applauds voluntary move to meet higher standards

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Irving Oil Ltd.'s decision to voluntarily convert its DOT-111 tank railcars to meet higher standards and to ask its suppliers to do the same is a bold statement that will affect the industry across North America, says the head of a rail advocacy group.

"What Irving is saying is they will demand this of any cars that are serving their facility," said David Jeanes, president of Transport Action Canada.

"They can't force companies that they're not doing business with to make changes, but they can and they are going to require it by the end of the year for anyone who is involved in shipping crude to their facilities," he said.

"That's a very strong statement. Irving is a big player in this industry and they own railway tracks in the United States themselves, in northern Maine, so their tanker cars are operating in the U.S. and in Canada and so I think this is a strong message to companies in both countries to do the same."

Irving Oil announced Monday its fleet will adhere to the Association of American Railroads (AAR) recommended specifications, which include a thicker shell, by the end of April and it wants suppliers to make the same upgrades by the end of the year.

Shipping older tank cars costs more

The announcement comes in the wake of the Lac-Mégantic, Que., train derailment disaster in July that killed 47 people and follows calls by the Transportation Safety Board (TSB) for **tougher standards for DOT-111 cars**.

It also comes after Canadian National Railway changed its shipping rates, charging a premium for older tank cars.

"Prior to the Irving announcement yesterday, CN had taken steps to structure its rates to create an economic incentive for customers to acquire, over time, more robust tank cars that meet the higher safety standard of the more recent CPC 1232 design," CN spokesman Mark Hallman confirmed in an email to CBC News.

Hallman declined to discuss the rates, citing confidentiality.

"For CN, tank car design is one of the most important systemic issues arising from the Lac-Mégantic rail accident last summer. The question of tank car robustness is central, and that question is being addressed by the Association of American Railroads (AAR), to which CN belongs, in recent recommendations calling for the retrofitting or phase-out of the old DOT-111 cars used to transport flammable liquids and a reinforced standard for new tank cars built in the future. CN strongly supports the AAR position," he said.

The derailed train, which included DOT-111 tank cars, was carrying a shipment of crude oil destined for the Irving Oil refinery in Saint John.

Irving Oil has declined any further comment.

"As a private company in a competitive industry, we generally don't share additional details on our operations; we believe our actions speak for themselves and we have no further information to provide at this time," a company spokesperson said in an email on Tuesday.

The company has not said how many cars are involved, whether they're owned or leased, or how much the conversion will cost.

The AAR specifications recommend that DOT-111 railcars built after October 2011 include reinforcements and enhancements that have been reported to reduce the risk of product loss if the railcars are involved in derailments.