



DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

[Docket No. FRA-2021-0064]

Petition for Approval: Alaska Railroad Corporation Approval Extension

AGENCY: Federal Railroad Administration (FRA), Department of Transportation (DOT).

ACTION: Notice of conditional approval. **SUMMARY:** FRA is issuing this notice of conditional approval to Alaska Railroad Corporation (ARRC) in response to its August 29, 2020, petition to extend FRA's approval authorizing ARRC's transport of Liquefied Natural Gas (LNG) by rail in cryogenic portable tanks (T75, UN cryogenic portable tanks or cryogenic ISO tanks).

DATES: Comments are requested no later than [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. FRA will consider comments received after that date to the extent possible, without incurring additional expense or delay.

ADDRESSES: All communications concerning these proceedings should identify the appropriate docket number and may be submitted by any of the following methods:

- Web site: <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- Email: hmassist@dot.gov.

Anyone can search the electronic form of any written communications and comments received into any of our dockets by the name of the individual submitting the comment (or signing the document, if submitted on behalf of an association, business, labor union, etc.). Under 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its

processes. DOT posts these comments, without edit, including any personal information the commenter provides, to <http://www.regulations.gov/>, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at

<https://www.transportation.gov/privacy>. *See also*

<https://www.regulations.gov/privacyNotice> for the privacy notice of regulations.gov.

FOR FURTHER INFORMATION CONTACT: Mark Maday, Staff Director – Hazardous Materials Division, Office of Railroad Safety, FRA, telephone: (202) 493-0479 or email: Mark.Maday@dot.gov.

SUPPLEMENTARY INFORMATION: On August 29, 2020, ARRC petitioned FRA for an extension of an Approval granted by the Associate Administrator for Railroad Safety in accordance with 49 CFR 174.63 of the Hazardous Materials Regulations. FRA assigned the petition Docket Number FRA-2021-0064.

Specifically, ARRC sought extension of the approval issued under § 174.63 to transport Methane, refrigerated liquid, UN 1972, Division 2.1 (Flammable gas), also commonly referred to as LNG, by rail in UN cryogenic portable tanks secured on flat cars via the following routes: (1) mainline service between Seward, AK and Fairbanks, AK, and (2) branch line service of approximately 12 miles between the Port of Whittier, AK, and milepost 64.3 of the ARRC mainline.

ARRC notes in its petition that it has not begun to commercially transport LNG under the terms of its approval. However, in its petition ARRC also notes that there is still a need for a clean and affordable energy source for interior Alaska. As a state-owned railroad operating under a statutory mandate to provide safe, efficient, and economical transportation to meet the overall needs of the state and its citizens, the ARRC is positioned to facilitate the solution. Additionally, ARRC suggests that demand for natural gas transportation is increasing, citing the recent installation of a 5.2-million-gallon storage tank by the natural gas distributor in Fairbanks, AK. ARRC describes

ongoing business negotiations and developments that could soon result in opportunities to move LNG commercially by rail. Finally, ARRC projects that once commercial operations commence under the terms of the approval, there may be a need to move as much as 60 portable tanks of product every 4 days, utilizing two portable tanks per flatcar and a maximum of 30 flatcars per train.

FRA first granted ARRC's petition in 2015. FRA's safety assessment was based upon detailed information provided by the ARRC, including results of assessments that were conducted by ARRC and evaluated by FRA technical experts for the routes over which LNG would be moved. In 2017, FRA modified the approval to expand the authorization to include the additional 12-mile branch line route from Port of Whittier, AK, to milepost 64.3 of the ARRC mainline. The previous approval includes conditions to reduce risks to public safety and the environment. FRA's previous approval letters are available in this public Docket for reference.

Although ARRC hasn't yet moved any product commercially by rail, under the terms of FRA's previous approval, LNG has been moved commercially in portable tanks on other rail networks since 2017 without incident. FRA is basing this approval on risk assessments for similar operations it has approved. An analysis under the National Environmental Policy Act was conducted for this approval; it was determined to be covered by the categorical exclusion in 23 CFR 771.116(c)(15).

FRA recognizes that public interest involving the safe transportation of petroleum products and specifically LNG is heightened, given recent regulatory actions. On July 24, 2020, the Pipeline and Hazardous Materials Safety Administration published a final rule¹ authorizing the transportation of LNG in cryogenic tank cars with enhanced outer tanks (e.g., DOT-113C120W9). In the final rule, PHMSA indicated that 445 comments

¹ 85 FR 44994.

were submitted to the docket during the comment period.² In light of the heightened public interest in the safe transportation of petroleum products, FRA believes it is appropriate to provide public notice and opportunity to comment on FRA's approval, to ensure that it contains all necessary conditions to ensure the safety of ARRC's LNG operations.

FRA approves ARRC's request conditioned on compliance with appropriate safety measures. All conditions of FRA's prior approvals for ARRC remain in effect, with additional conditions added to ensure safe operations. Below, FRA has generally listed its conditions of approval, but further details on these conditions are available in FRA's conditional approval letter in the public docket.

1. Mandatory inspections.
2. Mandatory trainings.
3. Load limitations.
4. Reporting requirements.
5. Container number restrictions.
6. Prohibition on double stacking.
7. Train placement requirement.
8. Speed restrictions.
9. Regular oversight.
10. Risk assessment.

FRA's approval is effective through December 31, 2022. If ARRC desires to continue operations under this approval after December 31, 2022, it must notify FRA of its intent to continue operations no later than September 1, 2022. If ARRC desires to modify its operations from those permitted by FRA's approval letter, it must obtain FRA's approval before implementing the proposed modification(s).

² See Docket No. PHMSA-2018-0025 available at www.regulations.gov.

Issued in Washington, DC.

John Karl Alexy,

Associate Administrator for Railroad Safety

Chief Safety Officer.

[FR Doc. 2021-13447 Filed: 6/23/2021 8:45 am; Publication Date: 6/24/2021]