



Western Canadian Shippers' Coalition

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Regulatory Affairs Branch
Transportation of Dangerous Goods
Transport Canada
Place de Ville, Tower C
330 Sparks Street, 9th Floor
Ottawa, Ontario K1A 0N5

Dear Sir/Madam:

Re: Transport Canada – Preliminary Consultation on Canadian Updates to the Transportation of Dangerous Goods (TDG) Regulations

Introduction

Western Canadian Shippers' Coalition (WCSC) represents Canadian based companies that move mainly resource products through the supply chain to domestic and international customers. WCSC is a cross-commodity organization whose members provide tens of thousands of direct and indirect jobs for Canadians in communities across the west and ship billions of dollars' worth of product annually, including cement/aggregate, forestry, metals, mining, petroleum, potash and sulphur. A number of WCSC member companies produce and/or ship petroleum crude oil.

WCSC Member Companies

- Alberta Newsprint
- Alberta-Pacific Forest Industries Inc.
- Atrum Coal NL
- Gibson Energy ULC
- Keyera Corp.
- K+S Potash Canada
- Lehigh Cement
- MEG Energy
- Millar Western Forest Products
- Sherritt International
- Sultran Ltd.
- Suncor Energy
- West Fraser Mills Ltd.

Proposed Amendments Relating to Hydrogen Sulphide (H₂S) in Petroleum Crude Oil

WCSC appreciates the opportunity to review and comments on proposed amendments to the *Transportation of Dangerous Goods Regulations* (TDG Regulations). Our members recognize the importance of ongoing efforts by Transport Canada as well as industry stakeholders to promote the safe transportation of dangerous goods. We support evidence-based regulation that furthers this objective and that promotes practical solutions to safety issues.

Our submission in the current consultation focuses on the proposed amendments relating to H₂S in petroleum crude oil and, in particular, on two issues relating to the proposed amendments:

1. North American Regulatory Harmonization

The TDG Regulations expressly permit dangerous goods consignments originating in the United States and destined to Canada to be transported in Canada if they are compliant with US regulatory requirements, despite the fact that they may not comply with certain requirements of the TDG Regulations. The US regulatory regime also contains provisions addressing when shipments originating in Canada may be transported in the US if they are compliant with the TDG

Regulations. While reciprocal recognition of regulatory regimes should in principle facilitate the safe movement of goods between the two countries, it also has the potential to create significant competitive disadvantages when those regimes are not harmonized.

Cross-border movements represent a significant portion of the transportation of Canadian petroleum crude oil. A harmonized regulatory regime is essential to ensuring that Canadian producers and shippers are not unfairly disadvantaged in accessing vital markets.

WCSC is not aware of any proposed rulemaking or other regulatory initiative in the United States relating to H₂S in petroleum crude oil and strongly urges Transport Canada to work with its counterparts in the United States to ensure that regulatory requirements in the two countries are consistent with respect to the classification of petroleum crude oil and with respect to the type of railcar in which it may be moved. WCSC recommends that Transport Canada defer implementing any of the proposed changes relating to H₂S in petroleum crude oil in favour of a harmonized regulatory approach.

2. Railway Tank Car Selection

Tank car selection requirements for petroleum crude oil have undergone significant changes since Transport Canada's initial response to the Lac Mégantic incident. While WCSC agrees that it is important to update regulatory requirements as additional evidence becomes available and is analyzed, industry participants have structured their rail car fleet management and upgrading plans based on the current phase-out schedule for non-TC117 cars.

Transport Canada's consultation document regarding H₂S proposes that TC117 tank cars be mandated for use with crude oil that is classified as UN3494 using the proposed new concentration threshold. The document does not address whether sufficient numbers of TC117 cars are or are likely to be available for crude oil service.

WCSC strongly urges Transport Canada to examine this issue in greater detail before considering regulatory changes that have the potential to create significant operational challenges and costs.

Thank you for the opportunity to participate in this preliminary consultation.

Sincerely,



David Montpetit
President and CEO
Western Canadian Shippers' Coalition