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Attorney General Brown Leads Coalition in Comments Opposing an Application to Transport Cryogenic Ethane in Rail Tank Cars Gas Supply Company's Application Raises Serious Safety and Environmental Justice Concerns

BALTIMORE, MD (February 21, 2023) – Maryland Attorney General Anthony G. Brown today, with New York Attorney General Letitia James, led a coalition of 14 Attorneys General in submitting <u>comments</u> opposing Gas Innovations LNG Refrigerants Inc.'s request for a special permit to ship cryogenic liquefied ethane in rail tank cars from a facility in Marcus Hook, Pennsylvania, to undisclosed locations in the United States, Canada, and Mexico.

Ethane is a colorless, odorless, and highly flammable hydrocarbon gas that is a commonly used feedstock of the petrochemical industry. Shipping cryogenic ethane presents significant safety challenges, as any release of cargo is likely to lead to the formation of extremely cold and highly flammable ground-hugging vapor clouds that present unique safety risks to nearby communities and emergency first responders. Regulations do not currently authorize the transportation of ethane in rail tank cars, and Gas Innovations' application includes no data or scientific analysis suggesting that it can be transported safely in this manner.

The coalition asserts that Gas Innovations' application to the Pipeline and Hazardous Materials Safety Administration (PHMSA) should be denied because it fails to provide basic information concerning the proposed shipments and would risk the safety of communities along rail lines nationwide. The application fails to clearly identify what, if any, operational controls – measures like speed limits and breaking requirements that are designed to decrease the risk of derailment – would apply to shipments under the special permit. Even more troubling, it does not identify the destinations for its liquified ethane cargos. Instead, the application vaguely suggests that shipments will be delivered to "petrochemical, or LNG liquefaction facilities," in Mexico, Canada, and along the Gulf Coast of the United States.

The coalition argues that without a more specific description of the destinations for these shipments, PHMSA will be unable to determine whether the permit is in the public interest. It's of particular concern that this vagueness may impair PHMSA's ability to determine whether the special permit would place an inequitable burden on communities already dealing with

environmental justice concerns. In fact, there is a high likelihood that the petrochemical and liquefied natural gas (LNG) liquefaction facilities alluded to in the application are located near overburdened communities, particularly along the U.S. Gulf Coast.

"The PHMSA has a duty to deny Gas Innovations' anemic application for a special permit to transport ethane by rail car because it simply does not provide for public safety. The application's vagueness makes it impossible to determine whether already overburdened communities will be asked to bear the brunt of those safety concerns, and it renders fair and equitable treatment of those communities to an afterthought," said Attorney General Brown. "Approval of this application would be a serious blow to environmental justice."

The Attorneys General also urge PHMSA to reject the application's argument that rail shipment of ethane is as safe as the shipment of LNG by rail. PHMSA approved regulations authorizing the shipment of LNG by rail in 2020, an action that many of the Attorneys General joining this letter opposed at the time, and which has been discredited by subsequent studies of the National Academies of Sciences. In 2021, PHMSA itself proposed suspending the regulations authorizing the shipment of LNG by rail. It would make little sense to allow Gas Innovations to claim that its proposed shipments are safe based on an analogy to that Rule.

Joining Attorney General Brown and Attorney General James in today's comments are the Attorney Generals of the District of Columbia, Delaware, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington.

https://www.marylandattorneygeneral.gov/press/2023/022123.pdf