

Tank Car Manufacturing Capacity

ACCELERATING THE DOT-117 PHASE-IN

1.6 MILLION

RAIL CARS IN SERVICE

Over 1.6 million rail cars are now in use, mostly owned by shippers and companies that lease them out – not by railroads. The North American fleet has many types of cars, including boxcars, hopper cars, and tank cars.

35,500

TANK CARS NEED UPGRADES

Federal rules say that by May 1, 2029, all tank cars carrying flammable liquids (Class 3) must meet new standards. About 35,500 older cars (DOT-111) must still be replaced or upgraded to newer ones (DOT-117) by 2029 as directed by Congress under the FAST Act.

MAY 1, 2028

EARLIEST REALISTIC DEADLINE

While various proposals have been made to accelerate the current phaseout deadline, available data on tank car manufacturing in North America indicates the earliest realistic deadline to complete all the required upgrades to DOT-111 would be May 1, 2028.

CHALLENGES

A premature deadline that ignores manufacturing capacity would create a shortage of tank cars to move materials critical to U.S. energy production and manufacturing.

- Most North American tank car manufacturing capacity is already reserved for planned repairs, maintenance, and replacement of other rail cars.

YEAR	2023	2024	2025	2026	2027	2028	2029
OPEN BUILDS & RETROFIT CAPACITY	1,642	5,210	5,500	6,000	7,000	8,000	8,000

- Like other industries, rail car manufacturers have faced shortages of materials and workers.
- Building rail cars for specific commodities requires a fair amount of engineering design, regulatory approval, and manufacturing work, so it takes additional time for car manufacturers to switch over operations and ramp up production.

BACKGROUND



6 Production Facilities

Only 6 facilities in North America are authorized to manufacture new rail tank cars, while 23 facilities can modify existing tank cars to the DOT-117R100W standard.



One Year from Tank Car Order to Delivery

While it takes only about approximately 3-4 weeks to assemble a new tank car, it takes on average a full year from the actual order of a tank car to its final delivery. This accounts for lead times to secure raw materials (currently there is a 6 month lead time for steel); secure certified parts, design, etc.



Up to \$170,000

A new DOT-117 tank costs \$150,000 to \$170,000.



INFORMATION BASED ON DATA FROM RAILWAY SUPPLY INSTITUTE

The Railway Supply Institute (“RSI”) is the international trade association of the railway supply industry. RSI members collectively build more than ninety-five percent (95%) of all new railroad tank cars and own and supply for lease over seventy percent (70%) of railroad tank cars operating in North America.