

TRANSPORTATION

# CP's Harrison warns Lac-Mégantic tragedy could happen again without tougher safety rules

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Canadian Pacific Railway Ltd. CEO Hunter Harrison warned that a catastrophic derailment like the one that levelled the centre of Lac-Mégantic could happen again if regulators don't impose tougher safety rules for transporting hazardous materials.

Mr. Harrison, an outspoken industry executive who has been running railroads in Canada and the United States for more than five decades, said he is frustrated with the "turmoil" and "bureaucracy" of multiple cross-border investigations, legal volleys and political finger-pointing after a fiery crash of crude tankers that killed 47 residents in the small Quebec town.

The chief executive officer said the large teams and agencies investigating the accident are taking so long that regulators are not adopting precautions needed to avoid further accidents with hazardous crude, gases and chemicals. "God forbid that something else should happen again while they investigate," he said in an interview with The Globe and Mail on Tuesday.

The deadly accident has given new urgency to a long-standing debate about the need for safer tanker cars, a reform that Mr. Hunter said has been stonewalled for decades by petroleum and chemical producers and other commodity shippers who own the vast majority of North America's tankers. "The root of all this is the dollar sign," he said. "We can fix all this stuff, it is fixable."

Canadian Pacific transported the ill-fated train of North Dakota oil to Montreal, where it was then carried by Montreal Maine & Atlantic Railway (MM&A) to Lac-Mégantic. Shortly after the train was parked in early July, it broke free of its brakes, crashed into the town's centre and unleashed a series of oil explosions that destroyed the town's core.

Mr. Harrison and other rail executives have complained to regulators for years about the potential risks of carrying hazardous materials such as chlorine on the rails, but under so-called common-carrier rules, railways are required to transport any cargo that meets federal transportation guidelines. He said rail shipments of volatile light crude from the Bakken Basin in North Dakota and Saskatchewan expanded "like a gold rush" in the past two years, and that it was only after Lac-Mégantic that the industry understood risks.

Despite gaps in existing regulations for large rail shipments of crude, he said CPR and other railways have to "haul it by law." A month after the Quebec derailment, CPR ceased its business with MM&A, arguing it was too dangerous to ship crude over the regional carrier's aging network. CPR was forced by a federal agency to resume its business with the small carrier, that is now in bankruptcy court protection.

It is up to regulators, he said, to require sturdier rail cars, tighter safety rules and stiffer penalties, including jail time, for companies and employees who knowingly mislabel hazardous goods or fail to obey existing regulations.

"We need to improve tank cars, railroads need to operate better and safer and employees have to obey the rules. ... we need to focus on not letting this happen again," he said.

The vast majority of rail cars that carry crude and other hazardous materials are single-walled cars known as DOT-111 cars, many of which are decades old. "I've never been happy with them," Mr. Harrison said of the cars. Instead, he said riskier goods should be carried in double-walled cars with front and rear shields and safer vents for escaping vapours.

One month after Lac-Mégantic, the Federal Railroad Administration in the United States called an emergency meeting of railroad officials to help draft proposed new rules for the handling of hazardous materials. The FRA has set a deadline of April, 2014, to recommend appropriate tanker cars, crew numbers, operating rules and employee training for the handling of hazardous materials.

Transportation Canada adopted in late July a set of five emergency recommendations to increase staffing and safety practices for trains carrying hazardous goods. A spokeswoman for the department said no new rules are expected until after the TSB issues its final report, something not expected for many months. "Before we can say what's coming next, we need to figure out what happened here," she said.

The Transportation Safety Board revealed last week that the North Dakota-based shipper of the derailed train mislabelled the crude as a less hazardous variety. Mr. Harrison said if a shipper "knowingly on a consistent basis" violated federal labelling rules "I'd put them in jail. It has got to be a deterrent. If somebody gets a slap on the wrist and \$100,000 fine, who cares?"

Under Canadian law the maximum penalty for knowingly misidentifying hazardous materials is two years in jail and up to a \$100,000 fine.