

Rail cars used to ship oil 'unacceptable public risk,' replacement cars may not be sufficient

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WASHINGTON — Rail tank cars being used to ship crude oil from North Dakota's Bakken region are an "unacceptable public risk," and even cars voluntarily upgraded by the industry may not be sufficient, a member of the National Transportation Safety Board said Wednesday.

The cars, known as DOT-111s, were involved in derailments of oil trains in Casselton, North Dakota, and Lac-Megantic, Quebec, just across the U.S. border, NTSB member Robert Sumwalt told a House Transportation subcommittee hearing.

Forty-seven people were killed and 30 buildings destroyed in the blaze ignited by the Lac-Megantic accident. The Casselton accident, which occurred half a mile outside the town, created a massive fire that burned for more than 24 hours.

The NTSB has been urging replacing or retrofitting the tank cars since 1991, but the most recent federal effort to write tougher regulations for new cars didn't get underway until 2011. An initial public comment period closed in December, and regulators are currently at work writing proposed new standards, Cynthia Quarterman, head of the Transportation Department's Pipeline and Hazardous Materials Safety Administration, told the panel. She said she expects her agency to propose new tank car standards before the end of this year, but refused to be pinned down under questioning by lawmakers on when those rules might become final.

"Right now, there is so much uncertainty that people aren't going to make investments in safer cars and they're going to keep running these crummy cars and killing people," Rep. Peter DeFazio, D-Ore., complained.

Quarterman said she expected her staff to finish writing proposed rules "very soon." All major regulations go to the White House before they are issued to ensure the safety benefits outweigh the cost to industry. It often takes months to years between when new rules are proposed and when they become final.

Ed Hamberger, president and CEO of the Association of American Railroads, said the industry has strongly urged the government to set new tank car standards.

"We believe there needs to be a safer tank car," he said.

At least one major freight railroad has given up waiting. Last week, BNSF invited bids from manufacturers for 5,000 new tank cars made to new specifications that the company has developed. The aim is to make these latest tank cars safer than the voluntarily upgraded tank cars that the NTSB has questioned as possibly not safe enough.

The NTSB has said vulnerabilities with the DOT-111s means they are easily ruptured during accidents, releasing crude oil or other hazardous liquids like ethanol that then ignites.

U.S. crude oil production is forecast to reach 8.5 million barrels a day by the end of 2014, up from 5 million barrels a day in 2008. The increase is overwhelmingly due to the fracking boom in the Bakken region, which is mainly in North Dakota, but also extends into parts of Montana and Canada.

U.S. freight railroads transported about 415,000 carloads of crude in 2013, up from just 9,500 in 2008, according to government and industry figures.

The oil trains, some of which are 100 cars long, pass through or near scores of cities and towns.

Sen. Chuck Schumer, D-N.Y, called on the freight rail industry and the Transportation Department to amend a voluntary agreement reached last week to address oil train safety concerns. He said the agreement should be changed to require industry to develop a plan no later than July 1 to phase out or retrofit the DOT-111s.

"Each week seems to come with another freight train derailment, and it is imperative we undertake every measure necessary to ensure the safety of our nation's communities through which these crude oil tank cars pass," he said in a statement.

Kevin Thompson, spokesman for the Federal Railroad Administration, said the agreement was just one step in ongoing efforts to improve the safety of crude oil shipments by rail.

"All communities will see a reduced risk of derailments because of increased track and mechanical inspections and the use of enhanced braking technology" under the safety agreement, Thompson said.