

Lessons From the Oil Train Disaster at Lac Mégantic, Quebec - Climate Change and Social Change

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August 27, 2013—As the toxic oil from the July 6 oil train disaster in Lac Mégantic, Quebec seeps deeper into the town center's soil and disperses into waterways, and as town residents slowly reestablish their shattered lives, the corporate interests that caused the disaster and have been keeping a low profile are beginning to assert themselves anew.

Irving Oil, the company that brought the ill-fated oil train through the town in the crazed oil-by-train scheme it launched in 2012, says it's concerned to get the Montreal, Maine and Atlantic Railway (MM&A) fully operational again. The line is severed at the explosion site in center of the town. The railway was threatened with closure by federal transportation authorities several weeks ago for lack of insurance and then ok'd to continue provisionally. There still looms its eventual and inevitable insolvency.

Getting MM&A rolling again

The cleanup costs that federal law assigns to the companies responsible for rail disasters will be in the many hundreds of millions of dollars. Additionally, the survivors of the 47 people who died as well as other people affected by the disaster will without doubt be awarded many tens of millions of dollars in the lawsuits they have launched against MM&A [1], its parent company, the Illinois-based, rail shortline conglomerate Rail World Inc, and their partners and enablers.

A certainly won't be paying those bills. It has only \$18 million worth of assets. It was not even paying to maintain its tracks. Its whole network in Canada (in the province of Quebec) was under a 40 mph maximum speed restriction with parts restricted to as low as 5 mph.

It also chose to cut corners on staffing, recklessly operating its trains with only one person. Company head Ed Burkhardt went so far as to stupidly declare, ""We actually think one-man crews are safer than two-man crews because there's less distraction." [2]

It's tempting to wish for the railway's demise. It's been dilapidated and dangerous for a long time. CP Rail sold off the run-down track along with the rest of its historic line from Montreal to Saint John, New Brunswick in 1994. (Rail World bought a 500 km stretch of it in 2003 and the MM&A was reborn.)

The problem is that many manufacturing enterprises and communities along MM&A's line connecting Farnham, Quebec, just south of Montreal, to northern Maine depend on it for their economic lifeblood. That includes the largest particle board manufacturer in North America, Tafisa, and 12 sawmills in and around Lac Mégantic itself. Tafisa alone employs 350 people. [3]

The freight transportation needs of MM&A's clients are being partially met by switching to trucking. But that's hardly a safe or environmentally desirable solution in the longer term. Most of the regions served by the railway are semi-mountainous and popular with tourists. Winter lasts six months and brings lots of snow on the roads.

There's also a great potential for passenger service. Not that Canadian or Quebec governments have shown the slightest interest in that. The last passenger train to roll along those tracks was closed by CP Rail, with federal government approval, in the mid-1980s. (VIA Rail took over service but that didn't last long.)

But what to do about the profound mistrust of residents all along the line, not only in MM&A but also in the federal regulators that were supposed to assure safe rail transport and the companies that contracted with the hapless shortline-CP Rail and Irving Oil?

"At a social and emotional level, it will be very difficult to convince people to let the train through town again, but for factories in the region, the train is indispensable," local businessman Gilles Pansera told the August 19 *Globe and Mail*.

The same issue of the paper reports, "Local business leaders have so far spawned three plans to restore rail service. All three, however, have been delayed by environmental questions. The Quebec government has yet to certify that the ground where new tracks would be built is free of contamination from the thousands of liters of light crude oil spilled on July 6."

The soil around the rail line in the center of Lac Mégantic is so saturated with toxic crude oil that no building on it is likely possible for a very long time. [4]

Irving conglomerate to the rescue?

So how to get the east-west rail line connected again, its two portions currently severed at Lac Mégantic?

To reconnect the line, a passage around Lac Mégantic must be built (app. 15 km of track). But who would invest in what has been a marginally profitable line (in capitalist terms) for a long time already? Turns out, none other than the Irving corporate conglomerate, the principal enabler of the disaster in the first place. Ross Marowitz of Canadian Press reported on August 19 that such a buyout plan is contemplated [5].

It's all a bit mysterious at this time. Beginning in 2012, Irving Oil switched some 25 per cent of the crude oil delivery to its refinery in Saint John, New Brunswick (Canada's largest) to oil-by-rail from North Dakota. The plan was hatched with CP Rail, which brought the oil trains as far as Montreal and then contracted with MM&A to get them to Irving's rail network in northern Maine and New Brunswick. [6] But does Irving seriously believe that it could convince residents on the line not only in Lac Mégantic but elsewhere in Quebec and Maine that the "black trains" (the designation by Quebec residents along the line well before the disaster occurred) could resume their deliveries of crude oil to Saint John?

Several things are at play in this mystery. In the short term, Irving has an alternative rail connection to Saint John in the form of the shortline Pan Am Railways running from New York state through New England to the northern Maine. According to environmental activist sources in Maine, the black trains are rolling again to Saint John via Pan Am (a company whose rail network is reportedly as run down as that of MM&A and which has suffered at least three train derailments since March of this year). So Irving doesn't necessarily need MM&A though it's the preferred route and there's nothing to guarantee that the company won't press for resumption of oil trains if the re-connection at Lac Mégantic is built.

The bigger story is likely the one that *Globe and Mail* senior business writer Barrie McKenna penned in the *Globe and Mail* on August 19—that a revival of the MM&A line could serve a very useful public relations purpose for Irving. It has eyes on a big prize, a very big prize—the proposed \$12 billion Energy East pipeline across Canada that would connect the Alberta tar sands to refineries in Quebec and Saint John.

That dream keeps Prime Minister Stephen Harper awake at nights thinking of the fantastic sums it could generate for his oil industry friends and sponsors. He visited Saint John on August 8 in an unseemly promotion tour on behalf of the Alberta tar sands producers, pipeline companies and oil refiners that want to see Energy East built.

McKenna notes: “The railway's days of transporting crude may be over. But MM&A tracks remain a vital part of the transportation infrastructure for manufacturers across a swath of eastern Quebec. Its rail lines serve the cities of Saint-Hyacinthe, Saint-Jean, Farnham, Cowansville, Magog and Sherbrooke, linking these centers to Montreal, Maine, Vermont and beyond.”

He says a buyout of MM&A would be complicated. But Irving would end up with something that Quebec wants to see continuing to operate. Meanwhile, Quebec holds a key to something Irving wants very badly—backing of federal regulatory approval of Energy East. The pipeline would run through Quebec, parallel to the south shore of the St. Lawrence River, and will face stiff opposition.

McKenna goes on, “It wouldn't be the first time that Quebec and the Irvings find themselves on the same side of a major energy project. Irving backed the aborted 2010 deal that would have seen Hydro-Québec buy most of the assets of NB [New Brunswick] Power, the provincially owned power utility. Irving saw the deal as an opportunity to get cheaper electricity rates for New Brunswick industry. The province eventually backed out, but the episode demonstrates the potential for finding economic common ground between the provinces.”

Rail and oil industry safety debated

In the weeks following the disaster at Lac Mégantic, the astonishing rate of expansion of oil-by-rail transport in Canada and the U.S. since 2009 has come under public scrutiny for the first time. It has also prompted great scrutiny of the safety practices of the railways.

Judging by a column by one of Canada's most influential newspaper writers, Andrew Coyne, Canadians have lots of reasons to be very worried about what their political leaders are thinking about rail safety and who is influencing them. Coyne writes for the oligopic Postmedia newspaper chain and is he is also one of the members of CBC Television's regular, evening news panel, 'At Issue'.

Coyne wrote in a July 13 column [7] that it's, “Time to halt this runaway regulatory train” that is threatening to place the railways and oil companies under closer scrutiny.

“As I’ve argued before, this [the disaster at Lac Mégantic] is a unique event. Nothing like it has ever happened before. Nothing like it is ever likely to happen again.

“There is no reason on the face of it to take such an outlier event as proof of a general crisis of safety on Canada’s rails...”

Coyne then goes on to argue point by point against the interim, emergency changes to railway practices that Transport Canada announced on July 23 in response to what its inspectors in the Transportation Safety Board were learning about the disaster.

To make his case, Coyne marshaled a number of statistics from the TSB showing that runaway trains happen “only” ten times a year in Canada. He then speculates that the chance of runaways derailing and exploding “approaches zero”.

He also argues that there’s no proof that one-person operated trains are any more unsafe than when operated by two persons. He cites a 1997 study by Transport Canada that looked at railways around the world, notably in Europe, and stated, “all the railways found the one-person safety record to be excellent and do not believe that two persons in the cab improves safety.”

In a terrible irony, Coyne’s column was published just two days before the horrific passenger train crash in Spain that killed 80 people.

Coyne’s column conveniently avoids many important facts. For one, his selective statistics on rail accidents in Canada do not account for the massive increase in oil-by-rail shipments in the past several years. [8] And, the rail networks in Europe that were part of the Transport Canada study (published 16 years ago) are better maintained with more safety monitoring equipment compared to their counterparts in Canada, particularly on dilapidated, lesser routes of the big railways, including those that have been spun off to shortline operators like MM&A.

According to the latest numbers, the number of rail accident in Canada in 2012 declined by 10 per cent compared to a 2007-11 annual average [9]. But that same year, there 88 rail accidents in North American that spilled oil [10], compared to an annual average of two prior to 2010.

A quick read of the harrowing accounts of rail accidents and derailments on CN Rail that are published on the blog Railroaded is further reason to dismiss Coyne’s reassurances.

Conclusion

The tragedy at Lac Mégantic was a perfect storm bringing together a deadly mix. First there was a crazed fossil fuel industry that is hell-bent on drilling, digging, fracking and selling every last drop of hydrocarbon it can get its hands on, irrespective of the world’s climate-warming emergency.

Then there were oil refiners, who will take no end of risk to get access to the cheapest crude supply possible.

Enter the railways. All North American railways have been given increasing monitoring authority by successive federal governments over the safety of their operations. During this same time, they have cut tens of thousands of jobs, including in track and equipment maintenance, crew sizes and the use of cabooses. [11]

CN Rail, Canada’s largest railway, was privatized in 1995. It and CP Rail have spun off their least profitable (and, likely, least well maintained) divisions over the past several decades (while

simultaneously acquiring extensive trackage in the U.S.). Meanwhile, provincial and municipal governments have abdicated responsibility to oversee the rail transport of dangerous cargos through their jurisdictions.

So what is the main lesson to draw from the disaster? It's not about improvements to rail safety, important as they are. It's also not about the relative safety merits of oil transport by pipeline instead of rail.

No, the disaster is another argument in favour of an urgent, emergency shift away from the extraction and burning of fossil fuels.

Oil-by-rail should be banned for compelling safety reasons. But a banning is also needed for urgent environmental reasons. The same goes for new oil and gas pipelines.

North Americans need to mobilize to stop the crazed expansion of Alberta tar sands production and the extraction-by-fracking of conventional oil. The expansion and transport of coal and fracked gas is also a deadly threat to the earth's future. It, too, must be ended.

A shift to alternative energy sources is needed, but even that is just a beginning point. Much of the greenhouse gas emission reductions that are required around the world can only be met by eliminating wasteful energy production and consumption—in the manufacturing processes that produce consumer junk and flog it, in transportation that relies on the private automobile and unrestricted air travel, and so on.

But excessive energy production and consumption is a hallmark of the capitalist system, because it's profitable. So reducing the waste requires a revolutionary transformation of the economy, from capitalism to a planned socialist economy. We must challenge ever more deeply the madness of capitalism and its addiction to fossil fuels.

Movement towards such revolutionary change is taking place, step-by-step, by the likes of those who are rightly raising their voices against dangerous rail lines transporting dangerous and climate-threatening oil and coal.

Roger Annis

P.S.

* COUNTERPUNCH. WEEKEND EDITION AUG 30-SEP 01, 2013:

<http://www.counterpunch.org/2013/08/30/climate-change-and-social-change/>

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Footnotes

[1] <http://www.montrealgazette.com/news/liable+Mégantic+disaster/8775349/story.html>

[2] Rail transportation regulations in Canada do not prohibit one person train crews. Rather, they

merely require that those railways wishing to use one-person crews pass safety audits conducted by the Canadian Transportation Agency:

<http://www.montrealgazette.com/news/Mégantic+investigation+person+train+crew+under+scrutiny+Transport+Canada+says/8645614/story.html>

[3] For the comparable situation in the state of Maine, see this article from the Portland Press Herald (includes a wonderful photo essay of the town of Lac Mégantic):

http://www.pressherald.com/news/rail-lines-bleak-outlook-a-challenge-for-maine_2013-08-19.html

[4] The exact condition of the soil and water in and around Lac Mégantic remains a subject of great controversy. The Quebec environmental group Société pour vaincre la pollution has produced a preliminary report in collaboration with Greenpeace showing alarmingly high rates of water and soil contamination. The Société criticizes the Quebec government's Environment Department officials for conducting its soil and water tests in a "culture of secrecy". Greenpeace says the department is underestimating the consequences of the July 6 derailment.

[5] <http://www.winnipegfreepress.com/business/irving-subsiadiary-considering-acquisition-of-insolvent-mma-rail-line-220224861.html>

[6] CP Rail is embroiled in a dispute with the Quebec government, which says the railway must contribute to the costs of remediating the soil and waters around Lac Mégantic. CP says it's not its responsibility. In a supreme irony, the rail company ceased doing business with MM&A two weeks ago

(<http://www.theglobeandmail.com/report-on-business/cp-rail-ordered-to-reinstate-rail-car-delivery-to-embattled-mma/article13912041/>) because it said the company's rail system was not safe for transporting oil or other dangerous cargo! CN Rail made the same decision. Irony upon irony, the federal transport authority then told the two railways that they could not decide this because it considers MM&A to be safe for operating.

[7] <http://fullcomment.nationalpost.com/2013/07/24/andrew-coyne-lac-megantic-no-safety-crisis-on-canadas-rails-the-only-emergency-is-runaway-regulation/>

[8] CP Rail alone will ship 140,000 wagons of oil this year, up from 500 in 2009. CN Rail figures are comparable.

[9] <http://www.tsb.gc.ca/eng/stats/rail/2012/ss12.asp>

[10] <http://grist.org/news/crude-on-the-tracks-oil-spills-from-trains-skyrocket/>

[11] For an essay on rail safety by multi-generation, CP rail worker Sean Smith, see here: <http://www.tc.gc.ca/media/documents/rsa-lsf/smith.pdf>