



NEWS RELEASE
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FEDORCHAK CALLS FOR STATE RAIL SAFETY OVERSIGHT

BISMARCK, ND – Public Service Commissioner Julie Fedorchak today outlined a proposal for a state-run rail safety program to increase oversight of North Dakota rail operations. The program is included in the agency’s budget request submitted last week to the governor. Currently, the Federal Rail Administration (FRA) has sole responsibility for rail safety in North Dakota. If approved and funded by the Legislature, the state rail safety program will supplement efforts by the FRA.

The volume of rail traffic in North Dakota increased nearly 233 percent between 2000 and 2012. At the same time, the type of materials transported has changed from largely non-hazardous products like coal and grain to big volumes of hazardous materials such as crude oil and ethanol.

“Those are two significant changes that trigger the need for added safety efforts by our state,” Fedorchak said. “Rail transportation is a major engine for our economy and with the growth in agriculture, energy and manufacturing the railroads promise to increase in importance. The fact is, the feds are stretched too thin and have responded too slowly to this vastly changing industry and it’s time now for the state to step in and assist with this vital work.”

Fedorchak’s plan calls for hiring two new inspectors and a rail safety manager to oversee the program. The total cost of the program will be \$1 million per budget period, or about \$500,000 per year. The inspectors will focus on two disciplines: track and motor power & equipment (mechanical). Fedorchak said these areas are the top priority because they currently contribute to the largest number and most severe accidents in North Dakota.

“With the increased rail activity in North Dakota, growth in oil transport by rail and the recent derailment in Casselton, the rail safety program proposed by Commissioner Fedorchak is an appropriate and measured response,” Rep. Pete Silbernagel said. “I support her efforts to ensure that rail safety is a high priority at the PSC.”

In the last five years, North Dakota has had 56 track-related accidents costing \$19 million and 22 equipment-caused accidents resulting in \$11.5 million in damages. FRA currently has two track inspectors covering 3,000 miles of North Dakota track, so the state program would increase track inspections by 50 percent.

The ability to focus resources on specific safety-related concerns is a major advantage of a state-run program, Fedorchak said.

“A state program run by the PSC will naturally be more nimble than a large federal bureaucracy,” she said. “We can pay what’s needed in this market to attract good, qualified safety inspectors who will be entirely devoted to finding safety problems or defects on North Dakota tracks and rail operations that could cause accidents.”

The state inspectors will be autonomous and entirely accountable to the Public Service Commission. At the same time, they will be trained and certified by the FRA and work in partnership with the local and regional federal inspectors. State inspectors inspect to federal safety standards and have the same enforcement authority and tools as federal inspectors. All violations resulting in financial penalties would be filed with a regional FRA specialist and processed by the FRA.

Fedorchak said the state rail inspection program is one component of a larger solution to improving rail safety that includes building more pipelines; improving the safety standards of rail cars with stronger materials, better valves and seals; determining the optimal speed for safe crude-by-rail transport; conditioning the oil to a common standard to make it more uniform for transport; and training and equipping emergency personnel for effective response.

“All that being said, the single best way to improve rail safety is to approve and construct more pipelines,” she said. “We’ve approved nine new pipeline projects in North Dakota in the last two years valued at \$1.35 billion, and more are under review. Pipelines are by far the safest, most efficient and environmentally sound method of transporting oil and gas. They are the key for people in our state and nation to live safely and in harmony with developing the energy resources we all depend on.”

The Federal Rail Administration was established in 1966 and is the national authority over railroad safety. The PSC has authority under state law to adopt and enforce railroad safety rules that are “not inconsistent with any federal agency having jurisdiction over railroads.”

The Commission’s other regulatory authority over railroads diminished as a result of the enactment of the federal Staggers Rail Act in 1980 and the Interstate Commerce Commission (ICC) Termination Act in 1995. The 1995 enactment eliminated many ICC functions and transferred all remaining duties to the Surface Transportation Board. The PSC may represent state interests in direct negotiations with railroads and in matters before Congress, federal agencies and courts.

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate certain business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, grain elevators, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or www.psc.nd.gov.

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