

PERFORMANCE AUDIT  
Railroad Safety

Public Service Commission, Department of Military  
Affairs, and Department of Transportation

OCTOBER 2015

14P-13#

REPORT SUMMARY

Nationwide interest in railroad safety continues to grow after several major rail accidents across Canada and the United States involving transport of crude oil by rail that resulted in catastrophic fires, fatalities and destruction of homes, businesses, and in one incident, an entire Canadian town center. The Public Service Commission is not actively pursuing rail safety and does not have adequate safety inspector coverage for the state. Montana Disaster & Emergency Services is not meeting all of its statutory responsibilities relative to coordinating emergency management or ensuring local emergency response agencies can respond to a train derailment with hazardous materials. The Montana Department of Transportation is adequately managing highway-rail crossing safety within resources.

## Context

U.S. crude oil production has risen sharply in recent years, with much of the increased output moving by rail. In 2008, U.S. railroads originated 9,500 carloads of crude oil; in 2013, 407,761 carloads, while in the first half of 2014, it was 229,798 carloads. Even though Bakken oil production has slowed somewhat recently, production and shipment of crude-by-rail still exceeds figures prior to the Bakken oil boom.

Currently, an average of ten Bakken crude oil shipments per day come out of North Dakota, four of which transit Montana. When a new crude oil transfer facility in North Dakota comes on line, Bakken crude oil shipments across Montana will increase by up to five trains per week. At full capacity, this shipping facility will increase crude oil shipments up to as many as 40 trains per week across the state.

## Results

Audit work identified: The state rail safety inspection program is not adequate; the absence of statewide emergency planning is leading to weaknesses in local emergency planning systems; there is a lack of hazardous materials response capability in a large portion

of the state; first responders are not properly trained or equipped to respond to hazardous materials incidents; and the highway-rail crossing safety program is adequate.

Audit recommendations to the Public Service Commission include:

Becoming more active in its administration of rail safety in Montana to include:

- ◆ Active involvement in the Association of State Rail Safety Managers to ensure Montana has a voice at the national level.
- ◆ Conduct a state rail safety risk assessment; establish rail safety goals and objectives; and develop a state rail safety plan for Montana that is reviewed annually with the Federal Railroad Administration.
- ◆ Actively engage with Montana Disaster and Emergency Services (DES), and the other state and federal agencies, in emergency planning to ensure the rail safety program is proactively addressing risk in the state.

- ◆ Increase its railroad safety inspection capability across the state through increased inspection coverage and frequency.

Audit recommendations to Montana DES include:

- ◆ Complete all Emergency Support Functions within the Montana Emergency Response Framework and set a cyclic update plan for annexes with the associated departments.
- ◆ Establish a system for determining local jurisdiction capability statewide in order to address capability limitations at the local, county, and regional level.
- ◆ Seek statutory authority that supports a system whereby local governments report local jurisdiction capability to DES on an annual basis.
- ◆ Develop and test hazardous materials response capabilities for Northeastern Montana that mirrors the typical response window of four to six hours.

Audit work concluded the Montana Department of Transportation (MDT) Highway-Rail Crossing Inventory System, is an accurate and valuable tool for ensuring highway-rail crossing safety in Montana, and MDT proactively addresses rail crossing maintenance and upgrade issues. However, additional measures could be taken to address crossing safety and traffic delays with additional resources.

Audit work also identified an option of transitioning the rail safety inspection program from the Public Service Commission to another department in state government.

Recommendation Concurrence	
Concur	3
Partially Concur	1
Do Not Concur	1
<b>Source: Agency audit responses included in final report.</b>	

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