

Transportation Secretary Urges Industry to Bolster Oil Train Safety

By Nathan Hurst and Lauren Gardner, CQ Roll Call

After a spate of explosions by tanker cars carrying crude oil from North Dakota's Bakken region, Transportation Secretary Anthony Foxx is issuing a "call to action" by railroads, the oil industry and ethanol producers to work with the department to ensure their products are safely transported to market by rail.

"We've got to work with them to make sure we're listening to each other and acting together," Foxx said in an interview, after meeting with North Dakota's congressional delegation Thursday. The secretary said he had already been in contact with many of the nation's rail operators this week and would be "making a few more calls" Thursday afternoon.

Foxx was joined at the meeting by Cynthia Quarterman, administrator of the Transportation Department's Pipeline and Hazardous Materials Safety Administration. The meeting at Sen. [John Hoeven](#)'s Senate office was spearheaded by the North Dakota Republican as well as the state's junior senator, Democrat [Heidi Heitkamp](#), after the Dec. 30 explosion of an oil train near Casselton, N.D. Both senators and a representative of Rep. [Kevin Cramer](#), R-N.D., attended.

Several of the oil tanker cars erupted into a fireball after being struck by a grain train that had derailed. It followed a similar explosion in Alabama in November and the deadly derailment of an oil train in Lac Megantic, Quebec, over the summer that killed nearly 50 people.

Foxx told the senators that he plans to let industry know in the next two weeks what direction the department will take on regulating oil tankers, Hoeven said a proposed rule would then come "within weeks, not months," and added that he would maintain pressure on the Office of Management and Budget to ensure it moves the regulation quickly.

“We need more pipelines as part of the overall infrastructure build-out to handle the increase in energy we’re producing,” he said. “At the same time, we need to take steps to make sure that we’re improving safety of the product that is moved by rail and truck.”

Foxx said his agency is primarily focused on identifying what properties of Bakken crude may make it more difficult or hazardous to transport via pipeline and rail when compared with light, sweet crude oil extracted elsewhere using conventional methods.

Regulators have questioned whether chemicals used by oil and gas production companies during hydraulic fracturing — a process used in the Bakken region — might be contaminating the oil that is released from shale formations, making it more flammable and corrosive.

Oil from the Bakken formation is also usually extracted along with natural gas, meaning it can contain higher levels of volatile natural-gas liquids — including ethane, propane, butane and pentane — than other crude, making it more flammable.

Quarterman’s agency issued a warning last week cautioning that Bakken crude may be more flammable than traditional heavy crude, and it announced regulators would be expanding the scope of testing to assess whether oil shipments are being properly classified under rules for hazardous-materials transport.

Foxx said the testing would continue in the coming weeks. Meanwhile, the National Transportation Safety Board is proceeding with its investigations into the two U.S. accidents.

Concerns that Bakken crude may be more flammable and volatile than other sources of crude oil leaves energy producers and regulators in a difficult spot. Extracting oil from the Bakken formation helps the nation’s energy security but is also straining the existing pipeline transport system. About two-thirds of oil produced in North Dakota’s booming fields is shipped by rail.

The Association of American Railroads called in 2011 for stronger standards for the DOT-111 tanker cars that carry a majority of oil hauled by rail in North America. This fall, the industry group went even further and recommended that the new rules be applied retroactively. Because the cars have useful lives of three to four decades, tens of thousands would need to be retired or retrofitted to meet the new standards.

Quarterman said her agency has the authority to mandate needed changes for existing infrastructure and set standards for new pipelines and rail cars. She said the agency would use that power after Transportation Department testing is more conclusive about what changes are needed.

“We have the authority with respect to existing infrastructure, so we are going to use it to our advantage,” she said.