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Wrong parties charged in Lac-Mégantic disaster

Four parties have been charged with criminal negligence related to the Lac-Mégantic derailment. But failed public policy is the real culprit.

By Greg Gormick

The government of Quebec has [charged](#) three railway workers and a bankrupt railway with criminal negligence causing death in the July 6 [derailment and explosion at Lac-Mégantic](#). They're charging the wrong parties.

That tragic accident really resulted from decades of failed federal and provincial transportation policies, and the public spending decisions that flowed from them. Government itself is responsible for Lac-Mégantic and numerous other recent failings of our national railway system.

Since the Second World War, both levels of government in Canada have funded the rail industry's competitors lavishly, never making them repay a reasonable percentage of the public funds that provide the infrastructure and services on which they depend. This applies particularly to the highways and the users that inflict the most wear and tear on them, namely heavy trucks. While the trucking industry persistently says it pays its fair share of public highway costs, numerous studies prove it doesn't.

In Canada, the railways have not been so fortunate. The privately owned rail freight industry is expected to take care of its own capital needs. It does so through the revenues it generates from hauling freight and the dollars invested by shareholders, who expect a return on their investment. This self-financing treadmill has had serious consequences.

In the face of publicly funded competition, it has resulted in traffic being diverted from rail to truck. One result has been the abandonment of light-density lines, where the traffic no longer covers the maintenance and service costs. On the remaining lines, the physical and human assets are constantly squeezed to wring out profits to maintain the infrastructure and service, while also keeping investors happy.

Under these conditions, should anyone be surprised if some railways — especially smaller, less profitable short lines — wind up cutting corners to the point of negatively affecting safety?

Other examples of the rail industry's inability to fully sustain itself in the face of government-funded competition abound. A current one is the difficulty the railways are still having in moving western Canada's 2013 bumper grain crop.

As the railways have pointed out, the crop was unusually large and the severity of this past winter complicated operations. Because they can't afford to have assets sitting idle, most of the surge capacity that once existed in the rail system has vanished and what remains was taxed to the limit by the grain volume and the weather.

The government response has been ill-informed legislation ordering the railways to move the grain, as if this will make line capacity or additional rolling stock suddenly sprout. The solutions have to be planned and there have to be the funds to sustain them in the long run, if this is what is required in the national interest.

The answer is the adoption of transportation policies that recognize the large capital needs and the benefits of a well maintained and efficient rail system. You can't fund one form of transportation and starve another if you

expect sustained performance that consistently meets the economy's needs. That means a reasonable level of public investment.

This is exactly what is happening in the U.S. The American railway system went through all the safety and performance difficulties we are witnessing in Canada today; their national objective is to prevent it from occurring again. Under a series of interlocking national and state rail plans, the U.S. is aiming to get as much freight off the public highway system and onto the rails as possible. Each of the co-ordinated rail plans released so far has emphasized the economic, environmental and social benefits of doing so. A key advantage is reduced public highway spending.

But lofty plans are nothing without money. To make it happen, U.S. legislators have endorsed public-private partnerships for improvements that will generate huge benefits for the public and the railways themselves. It's all about getting the biggest bang for the public's transportation buck.

Only by following the U.S. example can Canada hope to have a rail system that will function efficiently, effectively and safely. It will prevent future tragedies like Lac-Mégantic and service meltdowns that harm the rail-dependent sectors of our economy, such as the grain industry.

Charging railway workers for systemic safety problems and passing punitive legislation commanding that railways perform better when they don't have the resources to do so is just counter-productive political grandstanding and buck passing. Canada can and must do better if it is to be globally competitive.

Greg Gormick is a Toronto transportation writer and policy adviser. His clients have included CN, CP, VIA and numerous elected officials and government transportation agencies.

http://www.thestar.com/opinion/commentary/2014/05/18/wrong_parties_charged_in_lacmgantic_disaster.html