

<http://www.thestar.com/opinion/commentary/2015/09/28/tory-budget-surplus-came-at-cost-to-public-safety.html>

Tory budget surplus came at cost to public safety

‘Is it worth government compromising its responsibility to protect the public for the sake of a trivial and meaningless budgetary surplus?’

-
-
-

+ reddit this!



Paul Chiasson / THE CANADIAN PRESS

Smoke rises from railway cars carrying crude oil after derailing in Lac-Mégantic, Que., in July 2013.

By: Bruce Campbell Published on Mon Sep 28 2015

The Harper government is touting its \$1.9-billion surplus for 2014-15 as an indication of sound fiscal management. But to get there it made major cuts to vital public services, which in some cases compromised public safety.

Starving the rail regulatory budget is a case in point. The government cut the rail safety division budget by 20 per cent between 2010 and 2014. It froze the transportation of dangerous goods (TDG) budget at a pitifully low \$14 million and dismantled its team of professional engineers with unique expertise in this field.

These cuts were undertaken as oil-by-rail shipments soared from 500 tank carloads in 2009 to 160,000 tank carloads in 2013.

At the time of [the Lac-Mégantic disaster](#) in July 2013, there were only 16 inspectors for the transportation of dangerous goods by rail in Canada – the same number there had been for the previous 10 years.

As the oil-by-rail boom unfolded, holding the line on the number of inspectors meant the ratio went from one safety inspector for every 31 tank car loads of crude oil to one inspector per 10,000 tank car loads.

How did squeezing the rail transport regulatory budget play into this tragic event?

Canadians expect their governments to take the necessary regulatory measures to protect their health, safety and environment. They do not trust corporations to regulate themselves.

Most corporations, on the other hand, have a knee-jerk aversion to rules that cut into profits and interfere with business. They relentlessly push governments to deregulate their activities.

Deregulation is the process of reducing or eliminating existing regulations, preventing the development of new regulations, allowing corporations to regulate themselves, and diminishing the capacity of government agencies to develop, administer and enforce regulatory regimes.

Canadians only discover the extent to which deregulation has taken hold when a tragic event such as Lac-Mégantic occurs, revealing a deeply flawed rail safety regime in which a series of regulatory failures multiplied the chances of a catastrophe.

The Harper government has aggressively deregulated, devolving ever-more freedom to companies to make their own judgments of risk versus profits. The new company-led Safety Management System was supposed to complement traditional regulatory oversight, but without adequate regulatory resources, the companies were effectively regulating themselves.

The government's policy bible, the 2012 Cabinet Directive on Regulatory Management, while paying lip service to health, safety and the environment, in practice made short-term costs to business (red tape) the sole test for determining whether a proposed regulation was accepted.

Corporate interests have greatly influenced the Harper government's rail regulatory regime. The oil industry lobbied furiously to ensure the ballooning flow of oil by rail was not disrupted, nor its costs increased, by more and tougher regulations.

In 2008, rail industry lobbyists rewrote the rail operating rules with Transport Canada's blessing, paving the way for companies to run their freight trains with just a single operator.

Several years later, the industry lobby exerted its influence to make sure the Montreal, Maine and Atlantic Railway, a company with an atrocious safety record, could run its unit oil trains through Lac-Mégantic and other communities with a single operator. This occurred despite union objections and resistance within Transport Canada itself.

In the months leading up to the accident, lobbyists repeatedly petitioned politicians and bureaucrats, arguing that strengthened regulations for the transportation of oil were unnecessary.

The government failed to heed repeated warnings about unsafe tank cars and the volatility of the oil inside them.

It ignored cautions by the National Research Council regarding single-person train operations; and yes, it deprived Transport Canada of the regulatory resources needed to cope with the oil-by-rail boom.

Reports of flaws in the rail regulatory regime from the auditor general and others were not heeded.

In the aftermath of Lac-Mégantic, the federal government has taken preliminary steps to try to restore public confidence in the rail regulatory regime.

However, it has also sought to obscure the full extent of regulatory failure – a failure that originates not in the mistake of one exhausted train operator, but in the collusion between powerful corporate interests and an ideological fixation on deregulation as the pathway to a strong economy.

The government would like the Transportation Safety Board report to be the last word on Lac-Mégantic. But there are too many unanswered questions, too many loose ends.

Unless they are resolved there is a danger – as memories and media attention fade – that the myth of the “good corporate citizen” will be resurrected as a justification for letting shareholders determine the balance between safety and profit.

Is it worth government compromising its responsibility to protect the public for the sake of a trivial and – most economists agree – meaningless budgetary surplus?

***Bruce Campbell** is executive director of the Canadian Centre for Policy Alternatives. He was recently awarded the Law Foundation of Ontario's Community Leadership in Justice award based on his work on the Lac-Mégantic disaster.*