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*Office of Inspector General*

***Audit Report***

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**Safety Assurance and Compliance Program**

**Federal Railroad Administration**

**Report Number: TR-1998-210**  
**Date Issued: September 30, 1998**





# Memorandum


**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

Subject: **INFORMATION:** Report on Safety Assurance  
and Compliance Program, Federal Railroad  
Administration  
TR-1998-210

Date: September 30, 1998

From:   
Lawrence H. Weintrob  
Assistant Inspector General for Auditing

Reply to  
Attn. of: JA-1

To: Federal Railroad Administrator

We are providing this report for your information and use. Your September 30, 1998, comments to our September 11, 1998 draft report were considered in preparing this report. An executive summary of the report follows this memorandum.

In your comments to the draft report, you concurred with all five recommendations. We consider your comments and actions planned to be responsive to all recommendations. Therefore, the recommendations are considered resolved, subject to the followup provisions of Department of Transportation Order 8100.1C.

We appreciate the cooperation and assistance extended by you and your staff. If you have any questions, or require additional information, please contact me at 366-1992 or Patricia J. Thompson, Deputy Assistant Inspector General for Surface Transportation, at 366-0687.

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Attachment

# EXECUTIVE SUMMARY

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## *Safety Assurance and Compliance Program Federal Railroad Administration*

*Report No. TR-1998-210*

*September 30, 1998*

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The Federal Railroad Administration (FRA) implemented its Safety Assurance and Compliance Program (SACP) in March 1995 to leverage its limited safety inspector resources and create a “customer-focused” culture within FRA. SACP’s use of cooperative partnerships and its focus on systemic problems distinguishes it from FRA’s traditional inspection and enforcement program, which emphasized identification of specific violations and civil penalties as the primary means to obtain compliance with railroad safety regulations.

### ***Objective***

The objective of this audit was to evaluate the program’s effectiveness. We reviewed: (i) the process used to develop railroad safety profiles, (ii) the adequacy of the safety action plans developed by the railroads, and (iii) FRA’s efforts to monitor and enforce railroad compliance with safety action plans.

### ***Background***

FRA has traditionally relied on site-specific inspections and civil penalties to assure compliance with railroad safety regulations. FRA recognized, however, that site-specific inspections only assessed the condition of a specific piece of track, or equipment, or execution of an operating practice at a particular point in time. To complement FRA’s traditional safety inspection and enforcement program, FRA implemented SACP to provide a comprehensive approach in which SACP participants work with FRA to identify and correct root causes of problems across an entire railroad. SACP draws upon information developed by labor and State partnerships and FRA inspection teams to develop comprehensive, cooperatively developed solutions.

The SACP process, which focuses on cooperative partnerships and systemic safety problems, consists of three major components: the safety profile, the safety action plan, and monitoring and enforcement. During the safety profile phase, FRA reviews a railroad to identify systemic safety issues and develops a safety profile of a railroad. In response to the safety profile, a railroad prepares and implements a safety action plan to address issues identified in the safety profile. FRA monitors a railroad’s compliance with the safety action plan through continued followup with the railroad and the use of traditional site-specific inspections.

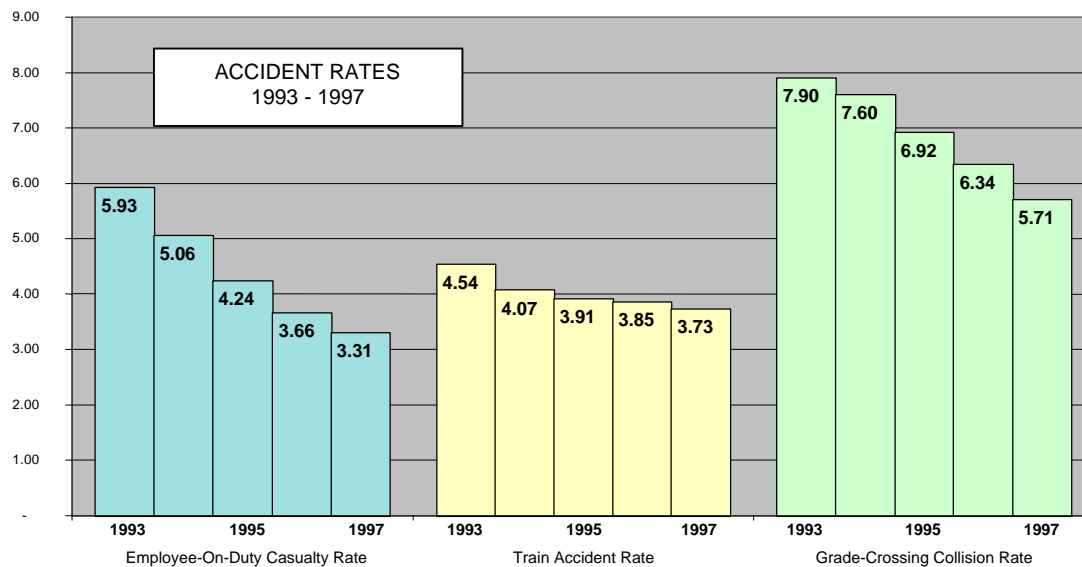
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FRA selects a railroad for SACP review based on the railroad's accident history. Although FRA's initial SACP efforts focused on Class I railroads (railroads with operating revenue of \$255 million or more), FRA has performed SACP reviews on smaller railroads (regional and short line railroads) as well. As of June 1998, FRA performed SACP reviews at all 10 Class I railroads and at 34 smaller railroads. FRA estimates 35 percent of its inspector resources are involved in SACP activities at any particular time. The shift of FRA's resources away from site-specific inspections is evident in the 23-percent decline in the number of inspections FRA conducted between 1995 and 1997. During this period, violation reports decreased 25 percent and civil penalties collected decreased 31 percent.

## Results

Railroad safety trends have improved since 1993 as indicated by the graph below. SACP was implemented in 1995. A direct causal relationship between industry safety trends and SACP or other factors, such as increased railroad infrastructure investments and technology improvements, is difficult to credibly establish. However, by focusing on root causes of railroad safety concerns, which may extend throughout an entire railroad system, SACP can address potential safety issues before they become safety problems.

**RAILROAD INDUSTRY SAFETY TRENDS <sup>1</sup>**



<sup>1</sup> FRA's Annual Accident/Incident Bulletin defines the employee on-duty casualty rate as the number of employee casualties (fatalities, injuries, or occupational illnesses) per 200,000 manhours. The train accident rate is defined as the number of train accidents per million train miles. The grade crossing collision rate is defined as the number of grade crossing collisions per million train miles.

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We reviewed 10 SACP projects as part of our audit, which included 4 SACP projects at Class I railroads and 6 SACP projects at smaller railroads. See Exhibit A. We concluded that FRA's SACP partnership and systemic approach has improved communication and cooperation among railroad management, labor, and FRA and is credited with eliminating systemic problems. For example, during FRA's 1997 CSXT SACP review, FRA found the railroad's operational efficiency test program failed to meet Federal railroad safety standards, and the railroad's train dispatching center in Jacksonville, Florida did not test for a wide range of accident prevention operating rules. A joint FRA, CSXT labor and management team was formed to review CSXT's entire operational testing program, including train dispatcher efficiency testing. At Union Pacific Railroad, working groups, which consisted of representatives from FRA and railroad labor and management, identified the causes of, and solutions to, systemic safety problems involving crew management, train dispatching, fatigue, training, culture, and inspections and testing. Subsequent to the SACP and implementation of corrective actions, employee-on-duty casualties declined.

We also concluded that the SACP process is not as comprehensive as it needs to be to achieve the desired results. FRA can strengthen its SACP by making improvements in the following areas: (i) defining SACP policies and procedures more clearly, (ii) developing better railroad safety profiles, (iii) identifying systemic safety issues in safety action plans, and (iv) monitoring and enforcing railroad compliance with safety action plans.

- ***Defining Policies and Procedures More Clearly Can Improve SACP Effectiveness.*** FRA can improve the effectiveness of its SACP process by providing clearly defined policies and procedures to its field personnel to ensure SACP activities are carried out in a consistent and effective manner. The SACP criteria, for example, did not give detailed guidelines for minimum SACP inspection requirements or for documenting and summarizing the results of key SACP activities, such as listening sessions, site-specific inspections, and analysis of FRA's safety data. In addition, the program guidance did not provide minimum requirements and standards for documenting FRA's safety audit process involving the monitoring and closeout of systemic safety issues.
- ***Improving SACP By Developing Better Railroad Safety Profiles.*** FRA's SACP profile methodology consists of conducting listening sessions, which are meetings designed to identify safety concerns of railroad management, union representatives, and railroad employees; analyzing FRA safety data to identify accident trends and leading causes of railroad accidents; conducting site-specific inspections to identify or confirm the existence of systemic safety problems; and obtaining input from State inspectors on safety problems identified at railroads under their jurisdiction.

While listening sessions were used effectively to identify systemic safety issues for railroad profiles on 5 of the 10 SACP projects we reviewed, listening sessions on the remaining 5 projects were not planned to provide comprehensive coverage of the railroads' operations. In addition, FRA's Railroad Accident/Incident Reporting System,

# EXECUTIVE SUMMARY

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which provides information on accident and injury rates, leading causes of accidents, and other data for individual railroads and the industry, was only used in developing railroad safety profiles by 8 of 46 SACP team leaders we interviewed. Furthermore, while 5 of the 10 SACP projects we reviewed had railroad safety profiles that addressed the leading accident categories identified in FRA's Railroad Accident/Incident Reporting System for those railroads, the railroad safety profiles for the remaining five SACP projects did not address any systemic issues relating to the railroad's leading accident categories.

We also found that inspections were not performed in all disciplines, were limited to specific issues or geographic areas, and did not include a review of railroad records. Additionally, the profile process can benefit from information obtained through public complaints or hotline information. FRA also needs to improve its efforts to obtain input from State inspectors who could provide independent and valuable information for development of the safety profile. For example, on the Wheeling & Lake Erie Railway project, FRA used one of two State of Ohio track inspectors during the railroad's safety profile effort. However, the inspector was not aware his inspections were part of the railroad's SACP review, and neither of the two inspectors were asked to review the railroad's safety profile or safety action plan. In addition, the Rail Safety Manager for the Pennsylvania Public Utilities Commission, which oversees rail safety in the State, indicated the Commission was not contacted for input and was not aware FRA initiated a SACP effort on this railroad.

- ***Safety Action Plans Should Include A Comprehensive List Of Systemic Safety Issues.*** FRA needs to ensure railroad safety action plans include all identified systemic safety issues. Systemic safety issues were excluded from safety action plans since FRA limited the focus of earlier SACP reviews or considered the issues to be non-systemic problems. On the CSXT and Union Pacific SACP projects, the 1995 safety action plans focused on a limited number of systemic issues since FRA wanted to concentrate its resources on issues having a significant safety impact. In response to a series of accidents at these railroads in 1997, FRA initiated new SACP reviews which addressed systemic safety issues that had been identified, but not addressed in the earlier safety action plans. During the first 10 months of 1997, for example, CSXT experienced 7 accidents that were attributable to signal failure, a systemic safety issue that was identified in the 1995 SACP review, but not included in CSXT's 1995 safety action plan. On SACP projects for the Texas Mexican Railway, Alaska Railroad, and Long Island Rail Road systemic safety issues were excluded from the safety action plans since FRA did not consider the issues to be "systemic" problems. Unless FRA includes all identified systemic safety issues in railroad safety action plans, systemic safety problems will be unaddressed. Based on the problems identified in our limited sample of 10 SACP projects, similar problems may exist at other railroads where safety action plans were prepared.
- ***Monitoring and Enforcement Efforts Need To Be Strengthened.*** FRA's monitoring and enforcement efforts would be more effective if FRA inspectors routinely followed

# EXECUTIVE SUMMARY

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up on SACP safety issues. Although FRA's policy is to take aggressive enforcement action against railroads that do not comply with safety action plans developed during the SACP process, SACP team leaders did not ensure followup inspections were performed to verify SACP corrective actions were implemented. On the Wheeling and Lake Erie Railway SACP project, for example, followup inspections were not performed on signal and train control issues contained in the safety action plan, which FRA approved in November 1997, even though FRA previously cited the railroad for signal system violations. In addition, FRA inspectors, performing site-specific inspections, were not routinely informed of SACP-identified safety issues. Without being informed of SACP issues, inspectors will not be able to identify SACP violations and take aggressive enforcement action against railroads that do not comply with safety action plans. While SACP is heavily dependent on partnership with the industry, there must be a clear understanding that FRA, the regulator, will take strong enforcement action when its "industry partner" fails to take the appropriate corrective action.

## *FRA Is Continuing To Monitor And Improve SACP*

FRA formed a SACP Process Improvement Team in January 1998, to review FRA's managerial oversight, quality control, and accountability throughout the SACP process. FRA's Acting Associate Administrator for Safety directed the team to determine if SACP goals and objectives were clearly defined, to determine how SACP policies and procedures were implemented in the field, and to identify best practices. The team is also taking action on the deficiencies brought to FRA's attention during the course of this audit. As of the completion of audit fieldwork, the team had not yet issued a report.

## *Recommendations*

We recommend the Federal Railroad Administrator:

- Establish clear and consistent methodology and documentation requirements for SACP.
- Develop comprehensive railroad safety profiles and address appropriate corrective actions in railroad safety action plans.
- Review safety action plans on all completed SACP projects and ensure all systemic safety issues are addressed.
- Implement procedures to inform inspectors of systemic safety issues addressed in railroad safety action plans and direct that followup inspections be performed.

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- Advise inspectors of FRA's intent to take aggressive enforcement action when problems identified in the SACP process have not been corrected.

## *Management Position*

FRA concurred with the report recommendations and has planned actions to address all five recommendations. FRA will amend its SACP Instruction Manual to provide guidance on methodology and documentation requirements to all FRA personnel in such areas as planning and coordination; resolution of issues and monitoring remedial actions; tracking and documentation; and determining project effectiveness. FRA will also amend its SACP Instruction Manual to require SACP Project Managers to develop comprehensive railroad safety profiles, and provide for appropriate corrective actions on all issues, whether the issue is resolved through a formal safety action plan, compliance agreement, informal agreement, or enforcement action.

In addition, FRA will instruct its SACP Project Managers for the 44 railroads cited in this report to prepare a composite listing of all systemic safety issues identified during these SACP safety audits. FRA will report to the OIG during the first quarter of 1999, the status of all identified systemic safety issues. FRA is also taking action to improve communication of SACP information to its safety inspectors so they may conduct their inspection activities in the context of the overall SACP process. Lastly, FRA will amend its SACP Instruction Manual to include updated guidelines on focused enforcement to ensure aggressive enforcement action is taken for failure to correct SACP-related safety violations.

## *Office of Inspector General Comments*

The OIG considers the actions planned by FRA to be responsive to the recommendations. Therefore, the recommendations are considered resolved, subject to the followup provisions of Department of Transportation Order 8100.1C.



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# **I. INTRODUCTION**

## **Background**

FRA implemented the SACP in March 1995 to leverage its limited safety inspector resources and to meet the Administration's call for creating a "customer-focused" culture. FRA has traditionally relied on site-specific inspections and penalties to assure compliance with railroad safety regulations. FRA recognized, however, that site-specific inspections only assessed the condition of a specific piece of track, or equipment, or execution of an operating practice at a particular point in time. SACP is intended to complement FRA's traditional safety enforcement program with a comprehensive approach in which railroad labor and management form a partnership with FRA to identify and correct root causes of systemic safety problems occurring across an entire railroad. By adopting a proactive safety approach, FRA believes it can address potential safety concerns before they become safety problems.

FRA generally selects a railroad for participation in SACP based on the railroad's accident history or other event that may direct FRA's attention to a particular railroad. Although FRA initially focused its SACP efforts on Class I railroads (railroads with operating revenue of \$255 million or more), FRA has performed SACP projects on smaller railroads (regional and shortline railroads) as well. However, FRA does not plan to perform SACP reviews of all railroads. Instead, FRA relies on its inspectors to identify root causes of defects found at smaller railroads through traditional site-specific inspections. As of June 1998, FRA performed SACP reviews at all 10 Class I railroads and 34 smaller railroads.

FRA's SACP process consists of three major components: development of a railroad safety profile to identify systemic safety issues, implementation of a safety action plan to correct problems identified, and monitoring and enforcement of a railroad's compliance with the safety action plan. According to FRA, the cornerstone of the SACP process is the safety profile methodology used to detect and focus on the root causes of a railroad's systemic safety problems. The safety profile methodology consists of listening sessions with rail labor and management, safety data analysis, inspections, and review of railroad records. Teams of inspectors typically perform the profiling efforts for each FRA safety discipline: signal and train control, motive power and equipment, operating practices, hazardous materials, and track. In addition, teams may be established for grade crossing safety issues. Responsibility for managing a SACP project is generally assigned to the FRA Regional or Deputy Regional Administrator with oversight for the railroad.

FRA presents the results of the safety profile to railroad management and labor representatives at a senior management meeting. The railroad responds to the safety issues by developing a safety action plan. Once FRA approves the plan, it becomes an informal “contract” between railroad labor and management, and FRA to remedy safety defects. FRA monitors a railroad’s compliance with the plan through its safety audit process. The safety audit process includes site-specific inspections, and continuous communication with railroad labor and management. FRA’s policy is to take aggressive enforcement action against railroads that are not in compliance with safety action plans.

### **Objective, Scope, And Methodology**

The objective of this audit was to evaluate the program’s effectiveness. We reviewed: (i) the process used to develop railroad safety profiles, (ii) the adequacy of the safety action plans developed by the railroads, and (iii) FRA’s efforts to monitor and enforce railroad compliance with safety action plans.

The audit covered SACP since implementation of the program in 1995. We judgmentally selected 10 SACP projects for review. The SACP projects were selected to provide coverage at each FRA Region, include Class I and smaller railroads, and review projects at various stages of the SACP process.

SACP projects sampled included the Long Island Rail Road, Wheeling and Lake Erie Railway, CSXT (1995 and 1997), Soo Line Railroad, Texas Mexican Railway, Union Pacific Railroad, Gateway Western Railway, Arizona & California Railway, and the Alaska Railroad. (See Exhibit A.)

We reviewed SACP procedures and records involving safety profile reports, listening sessions, senior management meetings, inspection reports, safety data from FRA’s Railroad Inspection Reporting System and Railroad Accident/Incident Reporting databases, and other documents. We also reviewed FRA procedures for developing railroad safety action plans and monitoring and enforcing railroad compliance with these plans. Documents reviewed included inspection reports, progress reports, violation reports, and records of meetings held with railroad management and labor, and FRA.

Our audit included interviews with FRA Headquarters staff, SACP project managers, team coordinators, SACP team leaders, railroad management and labor officials, and State railroad officials. We also attended various SACP events such as senior management meetings. The audit was conducted from November 1997 through August 1998 in accordance with Government Auditing Standards prescribed by the Comptroller General of the United States.

## **Prior Audit Coverage**

General Accounting Office Report RCED-97-142, “Rail Transportation: Federal Railroad Administration’s New Approach to Railroad Safety,” dated July 23, 1997, concluded that although preliminary data for 1996 showed improvement in key safety statistics, it was too early to determine if FRA’s new collaborative approach would sustain a long-term decline in accidents and fatalities. The report also noted that FRA’s collaborative approach did not systematically address workplace safety for railroad employees and the structural integrity of railroad bridges. FRA officials agreed with many portions of the report’s historical perspective, but asserted the report did not adequately reflect the more recent SACP accomplishments and potential.

Office of Inspector General (OIG) Report No. R9-FR-7-003, “Railroad Safety Program,” dated December 19, 1996, reviewed FRA’s program prior to SACP. We concluded that FRA’s inspection and enforcement of Federal railroad safety standards were not effective and did not ensure railroads complied with safety standards. FRA inspectors did not cover areas necessary to ensure compliance with safety standards and did not make followup inspections when a higher than average number of deficiencies existed. In addition, railroads cited for safety violations frequently did not certify to FRA that remedial action was taken, and FRA did not recommend maximum civil penalties for serious violations. In response to the report, FRA stated that SACP would address the OIG’s most significant concerns. FRA also stated it would ensure all guidance to field inspectors is complete, up to date, usable, and consistently applied.

## II. FINDING AND RECOMMENDATIONS

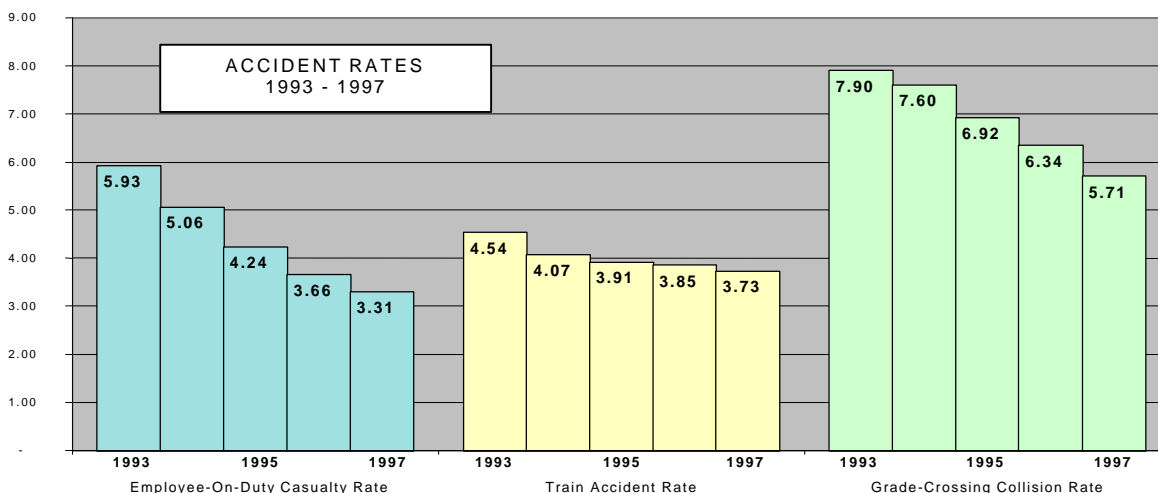
### **Finding. Effectiveness of SACP Process**

Although railroad safety trends have improved since 1993, a direct causal relationship between industry safety trends and SACP, or other factors, such as increased railroad infrastructure investments and technology improvements, is difficult to credibly establish. We concluded that FRA's SACP partnership and systemic approach has, however, been effective in improving communication and cooperation among railroad management, labor, and FRA and is credited with eliminating systemic problems. We also concluded that the SACP process is not as comprehensive as it needs to be to achieve the desired results. FRA can strengthen its SACP by making improvements in the following areas: (i) defining SACP policies and procedures more clearly; (ii) developing better railroad safety profiles, (iii) identifying systemic safety issues in safety action plans, and (iv) monitoring and enforcing railroad compliance with safety action plans. To improve the effectiveness of SACP, FRA formed a SACP Process Improvement Team in January 1998 to review FRA's managerial oversight, quality control, and accountability throughout the SACP process.

### **Railroad Industry Safety Trends Continue to Improve**

As indicated by the graph below, railroad safety trends have continued to improve since 1993. SACP was implemented in 1995. Because so many factors affect accident statistics, a direct causal relationship between these continued improvements and SACP, or any other infrastructure or technology improvements<sup>2</sup>, is difficult to establish.

#### **RAILROAD INDUSTRY SAFETY TRENDS**



<sup>2</sup> According to testimony by the President of the Association of American Railroads before the Senate Committee on Commerce, Science and Transportation on February 25, 1998, the railroad industry has invested \$100 billion in its infrastructure since 1990. Information released by the Association of American Railroads indicates that additional investments in rail technology advances that could effect safety have also been made.

Our analysis of pre-SACP and post-SACP safety data (Exhibit B) for the three railroads in our sample that submitted safety action plans before 1997 (Exhibit C) show that, while some areas of safety improved, others declined. For example, in 1996, the first year after CSXT submitted its safety action plan, railroad-related fatalities and grade crossing collisions declined, but both the train accident and employee on-duty casualty rates increased. In 1997, CSXT showed further improvement in grade crossing collisions, while railroad-related fatalities, train accident rate, and employee on-duty casualty rate all increased.

### **SACP Has Improved Communication and Cooperation to Address Safety Issues**

To improve the effectiveness of its safety enforcement program, FRA concluded that those individuals most affected by rail issues would need to become more involved in the safety improvement process. We interviewed senior representatives from the Brotherhood of Railroad Signalmen, Brotherhood of Locomotive Engineers, and United Transportation Union; management officials at seven railroads where FRA had performed SACP projects; and a representative of the Association of American Railroads. All agreed that SACP has been a positive factor in getting railroad labor and management and FRA to work together to address safety issues. As part of its SACP efforts, FRA has also established continuing partnerships with railroad labor and management to identify and resolve systemic safety issues. On SACP projects for CSXT (1997) and Union Pacific, safety issues identified in the railroads' safety action plans were being addressed through joint partnership arrangements between railroad labor, management, and FRA.

For example, as a result of the SACP effort for CSXT (1997), a joint safety issue resolution management process was developed that included railroad labor and management, and FRA membership on an executive committee, functional oversight teams and safety action teams. The safety action teams are appointed by a functional oversight committee to resolve specific safety issues. The safety action team is dissolved once the functional oversight committee accepts a recommendation. Twenty-three safety action teams had been formed as of April 1, 1998. For example, FRA found the railroad's operational efficiency test program failed to meet Federal railroad safety standards. FRA also found that the railroad's train dispatching center in Jacksonville, Florida did not test for a wide range of accident prevention operating rules. To address these issues, a joint FRA, CSXT labor and management team was formed to review CSXT's entire operational testing program, including train dispatcher efficiency testing.

At Union Pacific Railroad, six working groups were formed to address deficiencies identified during FRA's 1997 SACP review of this railroad. FRA initiated the review in response to five major train collisions between June and August 1997 that resulted in the deaths of five employees and two trespassers. The working groups, which consisted of representatives from FRA and the railroad's labor and management, were responsible for identifying the causes of, and solutions to, systemic safety problems involving crew management, train dispatching, fatigue, training, culture, and inspections and testing. An analysis of staffing levels by one working group provided evidence that the number of Union Pacific employees was not

adequate to handle current and projected levels of traffic. In response, Union Pacific began hiring over 1,000 employees to address this issue.

### **Defining Policies and Procedures More Clearly Can Improve SACP Effectiveness**

FRA's SACP policies and procedures were contained in several memoranda and documents. In October 1995, FRA's Associate Administrator for Safety issued two memoranda to Regional and Deputy Regional Administrators to provide guidelines for SACP. The first memorandum provided guidance regarding FRA's initial SACP senior management meetings. The second memorandum supplemented the previous guidelines and described the sequence of activities, duties, responsibilities, and procedures associated with SACP. The following year, the Federal Railroad Administrator issued FRA's Report to Congress that contained an overall description of the SACP process and incorporated guidelines for routine site-specific safety inspections and allocating inspector resources. In April 1997, the Federal Railroad Administrator issued guidance on SACP inspection and enforcement activities to all safety personnel in the Offices of Safety and Chief Counsel.

The procedures contained in the three documents need to be clearly defined and provide better guidance concerning specific methodologies and documentation requirements for carrying out SACP activities. For example, the documents did not give detailed guidelines for minimum SACP inspection requirements or methods for selecting inspection sites. In addition, the procedures did not contain adequate guidelines for documenting and summarizing the results of key SACP activities, such as listening sessions, site-specific inspections, and analysis of FRA's safety data. Standard guidelines were not established for safety profile reports and safety action plans. Minimum requirements and standards for documenting FRA's safety audit process involving the monitoring and closeout of systemic safety issues was also lacking.

### **Improving SACP By Developing Better Railroad Safety Profiles**

The cornerstone of the SACP safety profile is its methodology for detecting and focusing on the root causes of systemic safety issues. The safety profile methodology consists of listening sessions with railroad management, union representatives, and railroad employees; analysis of FRA safety data; site-specific inspections of railroads; and input from State inspectors. The process used by SACP teams to develop safety profiles can be effective in identifying systemic safety issues.

The process of developing railroad safety profiles can be improved by adequately planning and documenting listening sessions to provide comprehensive coverage of the railroads' operations, analyzing accident information from FRA's safety databases in developing railroad safety profiles, improving the use of site-specific inspections to identify systemic safety issues, and obtaining input from State inspectors who could provide independent and valuable information for development of the safety profile.

### **Listening Sessions Should Be Improved**

FRA's report to Congress, "Enhancing Rail Safety Now and Into the 21st Century," (Report to Congress) states that listening sessions with railroad management and labor are an important element of the safety profile process since they serve as a starting point for identifying safety issues. Although SACP team leaders indicated they held listening sessions for each of the SACP projects we reviewed, the planning and documentation of listening sessions can be improved.

On 5 of the 10 SACP projects we reviewed, listening sessions included formal meetings with union representatives, senior management, and labor. These sessions were typically well planned and documented. On the Soo Line project, FRA conducted over 60 listening sessions with union representatives and railroad labor. The listening sessions were held at locations throughout the railroad's operating area, based on input from union representatives. These sessions were effective in identifying several systemic safety issues, such as the need for signal regulations training and the lack of management participation in the railroad's safety program. The SACP team maintained detailed documentation of listening session dates and locations, as well as summaries of safety issues identified.

Listening sessions for the remaining five SACP projects were not adequately planned to provide comprehensive coverage of the railroads' operations. According to SACP team leaders, the listening sessions were basically informal, one-on-one discussions with union representatives, railroad employees, and management. On the Texas Mexican Railway project, for example, SACP team leaders stated one-on-one interviews were conducted with employees during inspections or by telephone. However, the sessions were not well planned and coordinated to ensure maximum participation of key personnel. In addition, none of the listening sessions were documented. Without adequate planning and documentation of listening sessions, FRA cannot be assured the listening sessions provided comprehensive coverage of the railroads' operations, or identified systemic safety issues to be considered for the railroads' safety profiles.



## SACP Teams Should Make Greater Use of Safety Data

FRA has two databases that are available to SACP team leaders for developing railroad safety profiles. The first database, FRA's Railroad Accident/Incident Reporting System, contains information on train accidents, highway-rail accidents, and other casualties reported by the railroads. The second database, FRA's Railroad Inspection Reporting System, contains information from inspection reports submitted by FRA and State inspectors. This information can be used to determine the inspection history of a railroad, including the locations, dates, type of inspections performed, and defects found.

FRA's Report to Congress specifies that the analysis of safety data, in conjunction with listening sessions, serves as a starting point in identifying safety problems. FRA's April 1997 guidance, "The Safety Assurance and Compliance Program: Guidance on Inspection and Enforcement," further states that inspectors need to make greater use of FRA's accident and injury data to gain better insight into the types of violations causing large numbers of accidents and injuries. FRA's accident/incident database identifies five major accident categories which include Track, Roadbed, and Structures (Track); Signal and Communication (Signal); Mechanical and Electrical Failures (Mechanical); Train Operations-Human Factors (Train Operations); and Miscellaneous.

We reviewed accident data for the railroads in our sample to determine the category with the highest percentage of accidents for each railroad, and whether the leading accident categories were addressed in the railroads' safety profiles. The accident data was obtained from FRA's Railroad Accident/Incident Reporting System for the period January 1990 through October 1997. Our review disclosed that 5 railroad safety profiles contained issues relating to the leading accident category for the railroads. For each of these railroads, the leading accident category involved Train Operations. (See chart below.)

### LEADING ACCIDENT CATEGORIES ADDRESSED IN RAILROAD SAFETY PROFILES

Railroad	Top Accident Category	Accidents Per Category	Total Accidents	Percentage of Total
Union Pacific	Train Operations	1,428	3,809	37%
CSXT (1997)	Train Operations	557	1,640	34%
CSXT (1995)	Train Operations	373	979	38%
Gateway Western	Train Operations	25	63	40%
Arizona & California	Train Operations	3	4	75%

For the five railroad safety profiles that did not contain any systemic issues relating to the

leading accident category for the railroad, the leading accident category for 4 of the 5 railroads involved Track. (See chart below.)

**LEADING ACCIDENT CATEGORIES NOT ADDRESSED  
IN RAILROAD SAFETY PROFILES**

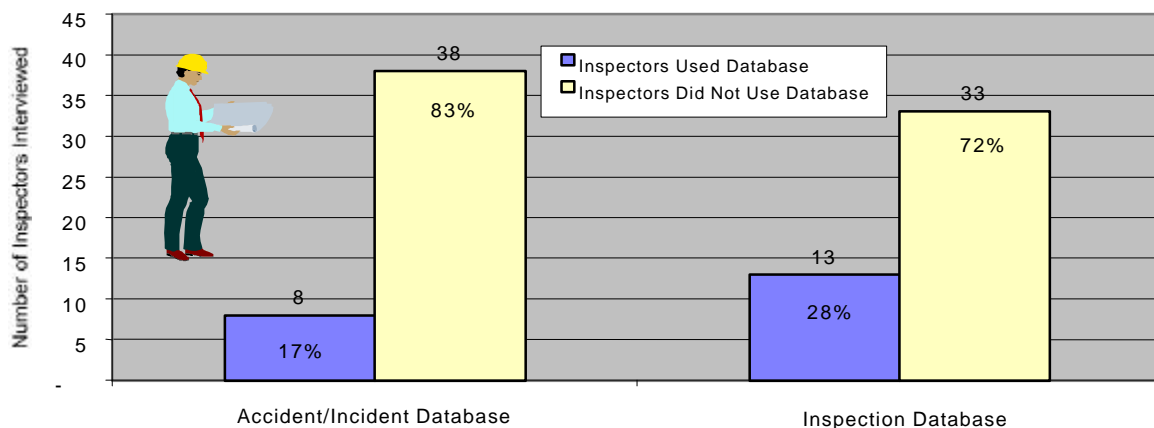
Railroad	Top Accident Category	Accidents Per Category	Total Accidents	Percentage of Total
Soo Line Railroad	Track	300	787	38%
Long Island Rail Road	Train Operations	78	203	38%
Alaska Railway	Track	16	42	38%
Wheeling & Lake Erie	Track	15	39	38%
Texas Mexican Railway <sup>1</sup>	Track	9	20	45%

Note: 1) FRA did not prepare a safety profile for the Texas Mexican Railway.

As indicated above, the leading accident category for the Soo Line involved Track, Roadbed, and Structures, which accounted for 38 percent of the railroad’s total accidents. However, no systemic track issues were addressed in the railroad’s safety profile. The SACP team leader responsible for the track discipline stated he did not use the accident/incident data to identify safety profile issues because he believed the SACP effort for this railroad was to focus only on railroad labor concerns.

Our interviews with 46 SACP team leaders further disclosed only 8 team leaders used FRA’s Railroad Accident/Incident Reporting System, and only 13 team leaders used FRA’s Railroad Inspection Reporting System for developing railroad safety profiles. (See chart below.)

**USE OF FRA SAFETY DATABASES**



SACP team leaders who did not use these databases indicated the analysis of safety data was not necessary, the data was irrelevant, or they never received the database information from FRA Headquarters. On the Gateway Western Railway project, for example, SACP team

leaders for motive power and equipment, and operating practices stated the review of accident/incident data was not necessary since they were familiar with their railroad's accident and inspection histories.

### **Consistency in Use of Site-Specific Inspections Can Be Improved**

The intent of SACP is to provide a comprehensive approach to identify and correct safety issues across an entire railroad system. FRA describes the SACP as a "systems" approach to safety, that will examine track, hazardous materials compliance, equipment, signals, and operating practices at railroads. In addition, SACP incorporates a thorough review of railroad records, such as shipping papers, railroad inspections, and other documentation required by the railroad or Federal regulations. However, SACP teams did not perform inspections in each discipline on 4 of the 10 SACP projects we reviewed, limited inspections to specific issues or geographic areas, and did not review railroad records.

On the Soo Line and CSXT (1995) SACP projects, for example, inspections were not performed in all disciplines. For those disciplines where SACP team leaders did not perform inspections, the team leaders indicated they relied on their teams' experience with the railroad.

On other SACP projects, inspections sometimes focused on limited issues or geographical areas. On the Alaska Railroad project, the hazardous materials team leader performed safety inspections to verify issues raised by labor representatives concerning the lack of hazardous material railcar documentation. While performing these inspections, the team leader identified another potential hazardous material issue relating to tank car defects. However, he did not evaluate these defects as part of the railroad's safety profile, since he believed the purpose of the SACP inspections was to verify issues raised by union representatives. In another example, on the Union Pacific SACP project, inspections focused on the operating practices and motive power and equipment disciplines in response to accidents that occurred in 1997. Although Union Pacific operates over 36,000 miles of track and is one of the largest haulers of chemicals, the safety profile efforts only had limited focus on track, signal, and hazardous materials disciplines.

We also found that 11 of 46 SACP team leaders we interviewed did not review railroad records to identify safety profile issues for their railroads. For example, on the Union Pacific SACP project, the motive power and equipment team leader did not consider the review of railroad records a priority, and on the Gateway Western Railway SACP project, the hazardous materials team leader believed the railroad's records contained too many inaccuracies.

## **Profile Process Can Benefit From Increased Participation**

FRA's Report to Congress states railroad management and labor work with FRA and the States to develop railroad safety profiles. FRA's outreach efforts under SACP do not typically extend to the public and interest groups. We recognize it could be difficult to obtain input from such a geographically dispersed and diverse group. Nonetheless, information obtained through public complaints and hotline inquiries should be considered during FRA's safety profile process. The report also indicates it is crucial for FRA to continue to encourage the maximum practicable State involvement in all SACP activities. However, State inspectors were not always asked by FRA to provide input for their railroads' safety profiles or were not aware FRA initiated a SACP project for their railroad.

On the Gateway Western Railway project, for example, the SACP team leader for track indicated information on track conditions was requested from State inspectors, and that the Manager of Railroad Safety for the Missouri Division of Transportation attended the senior management meeting on Gateway Western Railway's safety profile. On the Wheeling & Lake Erie Railway project, however, the State of Ohio track inspector FRA used during the railroad's safety profile effort was not aware his inspections were part of the railroad's SACP review, and neither of the State's two inspectors were asked to review the railroad's safety profile or safety action plan. In addition, the Rail Safety Manager for the Pennsylvania Public Utilities Commission, which oversees rail safety in the State, indicated the Commission was not contacted for input and was not aware FRA initiated a SACP effort on this railroad.

## **Safety Action Plans Should Include A Comprehensive List Of Systemic Safety Issues**

FRA's Report to Congress specifies that railroads respond to safety profiles by submitting safety action plans to FRA for approval. The safety action plan, negotiated by FRA and railroad management with participation from railroad labor and the States, becomes a "contract" between FRA, railroad management, and labor to remedy safety defects. Safety action plans include long-term measures to correct concerns, interim measures to ensure safety, and an implementation schedule.

Systemic safety issues were excluded from safety action plans since FRA limited the focus of earlier SACP reviews or considered the issues to be non-systemic problems. On the CSXT and Union Pacific SACP projects, the 1995 safety action plans focused on a limited number of systemic issues since FRA wanted to concentrate its resources on issues having a significant safety impact. In response to a series of accidents in 1997, FRA initiated new SACP reviews of these railroads that identified systemic safety issues that were not addressed in the earlier safety action plans. On SACP projects for the Texas Mexican Railway, Alaska Railroad, and Long Island Rail Road, systemic safety issues were excluded from the safety action plans since FRA did not consider the issues to be "systemic" problems. Unless FRA includes all identified systemic safety issues in railroad safety action plans, systemic safety problems will be

unaddressed. Based on the problems identified in our limited sample of 10 SACP projects, similar problems may exist at other railroads where safety action plans were prepared. Details follow.

**CSXT.** During the profile development for the 1995 CSXT safety profile, an FRA signal and train control specialist identified safety issues from three FRA Regions based on listening sessions with railroad employees, local labor officials, and State inspectors. The specialist noted that FRA and State signal and train control inspectors observed numerous incidents of vegetation interference with the normal functioning of signal warning systems. The specialist indicated signal pole line maintenance had been minimal for the past 5 years. In many locations, the signal pole lines needed repairs and vegetation removed to allow the proper functioning of the signal system and visibility of fixed signals. However, FRA did not include this issue in the railroad's safety profile. According to FRA's Director, Office of Safety Enforcement, railroad safety profiles developed during SACP's initial implementation in 1995 focused on a limited number of issues and concentrated resources on those issues having significant safety impact. Consequently, maintenance of signal pole lines was not addressed in the railroad's safety action plan.

Between June and July 1997, CSXT experienced five major accidents that involved one fatality and hazardous material releases. In response to these accidents, FRA initiated a second SACP review at this railroad. FRA again found many sections of pole lines were not maintained in compliance with FRA regulations. Of all signal system components inspected by FRA, pole lines had the highest incidence of defects and were in most need of repair or replacement. Many poles deteriorated to the point that they needed to be rebuilt or replaced as soon as possible. FRA found numerous unsecured signal line wires, thick vegetation interfering with wires, and broken poles. The 1997 SACP review also found that CSXT signal maintainers had reported these problems for some time and that the defective pole line conditions had the potential for causing or contributing to serious accidents, including collisions. During the first 10 months of 1997, CSXT experienced 7 accidents that were attributable to signal failure. FRA required this problem to be addressed in CSXT's 1998 safety action plan and recommended CSXT survey all signal pole lines on its system and repair or replace substandard signal pole lines.

**Union Pacific.** FRA's 1995 safety profile of Union Pacific indicated that, in order to keep the process moving forward, FRA only identified one significant safety issue to which Union Pacific had to respond, involving malfunctions of rail grade crossing warning devices. The profile also identified 15 other safety concerns that had to be rectified, but did not require a safety action plan at that time. Instead, FRA expected Union Pacific management to develop internal remedies in consultation with employees. In response to the profile, Union Pacific informed FRA of corrective actions taken on each of the localized issues.

Between June and August 1997, Union Pacific experienced five major train collisions that resulted in the deaths of five employees and two trespassers. In response to these accidents, FRA initiated a second SACP review of Union Pacific. FRA found that three issues not included in the railroad's 1995 safety action plan -- crews left waiting for return transportation, insufficiently trained engine service crews, and mechanical inspections not being adequately

performed -- were identified as systemic safety problems and required to be addressed in the railroad's 1998 safety action plan.

**Texas Mexican Railway.** FRA inspections conducted during the 1997 Texas Mexican Railway safety profile found 530 defects at the railroad's 35 grade crossings. Although FRA identified safety issues that needed to be addressed by the railroad, FRA did not prepare a safety profile for the railroad or require the railroad to submit a safety action plan. According to the SACP project manager, a safety profile was not prepared because the Texas Mexican Railway was not a Class I railroad. He also believed the issues were too small to include in a safety action plan and that a written plan might have caused the issues to be taken out of proportion. However, in response to issues developed during the SACP review, the railroad voluntarily submitted a formal safety action plan that included replacing wiring and adding batteries and battery capacity to its entire grade crossing system.

**Alaska Railroad.** The July 1996 safety profile indicated FRA did not encounter systemic issues that required the attention of senior management, but identified other safety issues that required action by the railroad. The profile identified these issues as local concerns that would be easily corrected at other levels within the railroad. The profile also noted that FRA did not require a corrective action plan for local safety issues, based on the railroad's responsiveness when concerns were referred to management. However, interviews with labor representatives, railroad management officials, and a management consultant for the railroad indicated that the profile did not address systemic safety problems that existed at the railroad.

According to labor representatives, the profile did not address the fundamental problem of low morale that resulted from lower level supervisors' unresponsiveness to labor's concerns. Labor representatives stated that immediate and second level supervisors used FRA regulations as disciplinary tools, which led to low morale and caused a poor attitude toward safety. The labor representatives stated that this problem, which has existed at the railroad for many years, was discussed at the listening session with FRA, but not addressed in the profile. The labor representatives stated that they were very disappointed in SACP partnership and believed it had not been successful because lower level management had not bought into it. They indicated it was difficult to get lower level management to address basic safety prevention issues and had to bring the issues to upper management to get action.

Railroad management officials also agreed the safety profile did not address the systemic safety problem at the railroad-- failure to get everyone to "buy-in" on safety. Railroad officials hired a management consulting firm to determine the reason for rising injuries in the second half of 1996 and 1997, and found that 77 percent of the injuries were due to human behavior and were preventable. In January 1997, a consultant conducted an employee perception study of the railroad's safety management system and identified several systemic safety weaknesses that did not appear in the railroad's safety profile. These weaknesses included an authoritarian style of management inconsistent to promoting proper safety behavior throughout all departments and the perception that the railroad's safety management system was reactive rather than proactive.

In May 1997, the Federal Railroad Administrator and Regional Administrator,

Region 8, met with railroad employees and labor representatives to identify their safety concerns. These discussions identified several safety issues, which included employee intimidation in reporting personal injuries and the failure to act on safety concerns reported to railroad management. In July 1997, the Regional Administrator and Principal Regional Inspector met with the railroad's labor representatives and management to follow up on the railroad's commitments to resolve the issues raised at the May 1997 meeting. A meeting was also held with the railroad's Chief Executive Officer to discuss what FRA perceived to be a lack of effective communication between middle management and labor, which FRA believed interfered with the resolution of safety and other problems. Despite these concerns and the involvement of the Federal Railroad Administrator, FRA still did not require the railroad to prepare a formal safety action plan to address these issues.

**Long Island Rail Road.** For the Long Island Rail Road project, the entire safety profile effort focused on signal and grade crossing issues in response to a request from railroad management in November 1995. The railroad's request was based on a reported scandal involving grade crossing activation failures and an alleged coverup by signal department management. As a result, the railroad's safety profile and subsequent action plan did not provide broad, comprehensive coverage of potential safety issues in other areas. According to FRA, listening sessions were not conducted in other areas since the railroad was in the midst of negotiating collective bargaining agreements with most of its labor organizations. FRA believed, therefore, that neither the railroad nor employee representatives would be able to devote the time and attention required for a full-scale SACP review.

However, FRA subsequently addressed track safety issues in response to labor representative complaints. During August and September 1996, a series of four letters was sent from the United Transportation Union to the Federal Railroad Administrator. The letters pointed out that weekly visual track inspections were inadequate; many repeat errors existed at the same locations under track supervision; budgetary concerns had priority over maintenance; and defects existed under different LIRR sub-divisions.

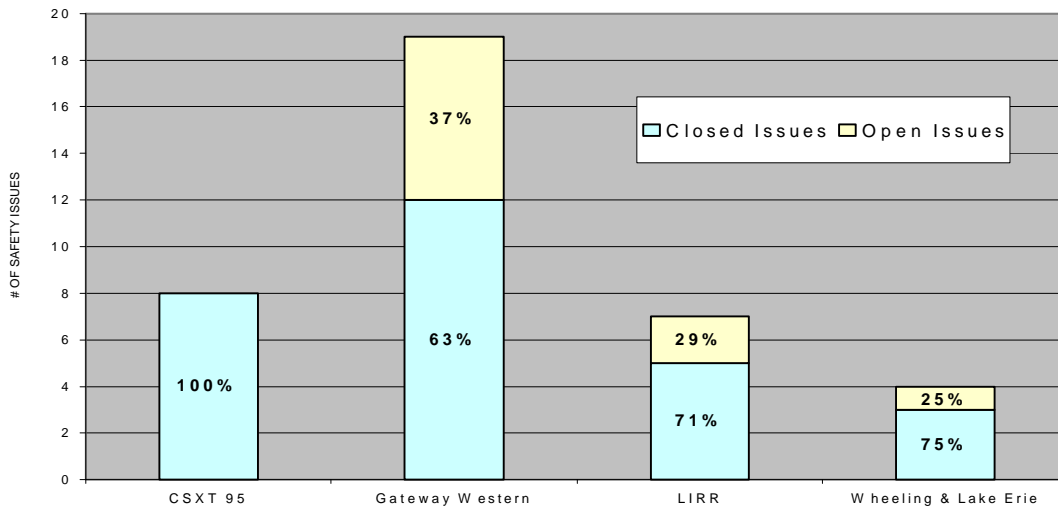
In response to the complaints made by the United Transportation Union, FRA scheduled a meeting in November 1996 with the railroad's track supervisors, foremen and inspectors to discuss the track issues raised by the union. FRA's track inspections on the railroad verified the union's concerns regarding maintenance problems in the railroad's track division. FRA also sent staff to assist the Long Island Rail Road in providing training to its Engineering Department on track safety standards and their proper application.

## Monitoring and Enforcement Efforts Need to Be Strengthened

FRA’s Report to Congress states that the safety audit process is the primary tool used by FRA to monitor a railroad’s compliance with its safety action plan. As part of this process, FRA performs safety inspections to determine the extent and significance of a railroad’s compliance with the safety action plan. FRA also monitors railroad compliance with safety action plans through continuous communication between SACP team leaders, railroad management and labor. FRA’s policy is to take aggressive enforcement action against railroads that are not in compliance with safety action plans.

To evaluate FRA efforts to monitor a railroad’s compliance with its safety action plan, we reviewed four SACP projects that had safety action plans approved by FRA prior to 1998. According to SACP team leaders we interviewed, all required corrective actions were taken by one of the four railroads and more than 60 percent of the required actions were completed by the other three railroads. (See chart below.)

**SAFETY ACTION PLAN STATUS**



However, on the Wheeling and Lake Erie Railway and Gateway Western Railway projects, SACP team leaders did not adequately monitor the railroads’ compliance with the safety action plans to ensure corrective actions were implemented. On the Wheeling and Lake Erie Railway SACP project, followup inspections were not performed on signal and train control issues contained in the safety action plan approved by FRA in November 1997. In the signal and train control discipline, FRA recommended the railroad bring its signal system into compliance with Federal regulations, with special attention to relay testing, insulation resistance testing, monthly grade crossing signal testing, and two year traffic control signal testing. However, no followup inspections were performed even though FRA previously cited the railroad in 1996 for failure to maintain records for the testing of insulation resistance and relays of highway



grade crossing devices. On the Gateway Western Railway SACP project, the railroad indicated it began implementing corrective action to address issues contained in its safety action plan. However, FRA's SACP team leader for motive power and equipment, stated no followup action had been performed by FRA and that he was not aware of corrective actions taken by the railroad.

### **Inspectors Need to Be Informed of SACP Issues**

FRA's April 1997 guidance states that traditional site-specific inspections are critical to the success of the SACP. The site-specific inspections support SACP by monitoring each railroad's compliance with its safety action plan and verifying that SACP resolutions of systemic problems have been achieved. However, FRA had not implemented procedures to ensure inspectors performing site-specific inspections were aware of safety action plan issues.

According to FRA's April 1997 guidance, FRA's Office of Safety will maintain a matrix that shows what agreements exist between FRA, States, railroad management and labor. FRA intended the matrix to be maintained in a central network file that could be accessed both in the field and FRA Headquarters. However, FRA has only developed matrix information for the Union Pacific SACP project. FRA officials from the Office of Safety conceded that procedures had not been implemented to keep inspectors informed of safety action plan issues. They indicated FRA intended to develop a computerized information system to make the matrix information available to field inspectors, but funding for the system was not available.

In June 1997, FRA formed a SACP Audit Team to devise an audit trail and record keeping procedures to facilitate management, tracking and evaluation of SACP projects and other safety partnership initiatives. The team recognized the need for improved communication of SACP issues in its report dated October 7, 1997, and developed a "Partnership Issue Tracking and Status Report" to help SACP project managers and SACP team leaders record and organize relevant information about safety issues identified and addressed through SACP projects. The team's recommendations were being implemented on a test basis at the time of this report.

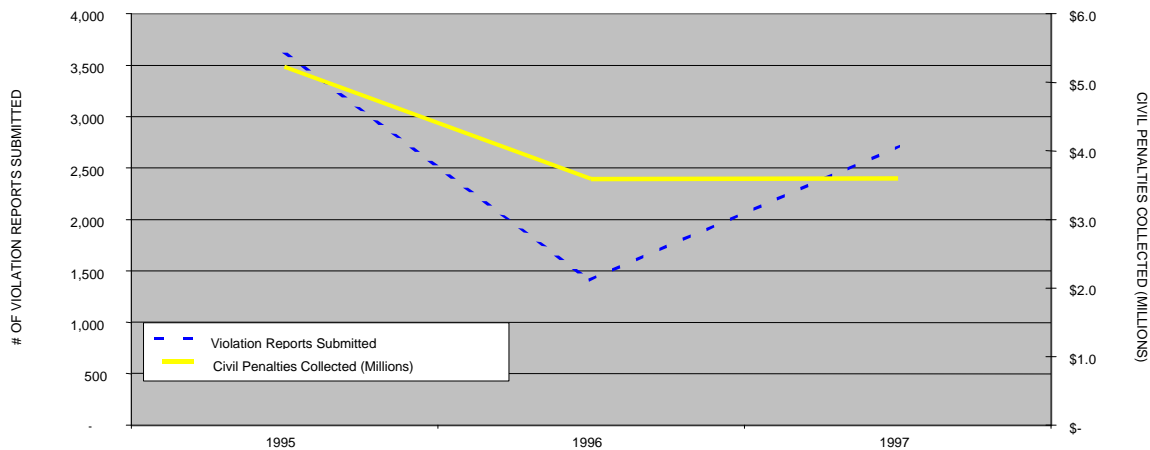
### **Enforcement Actions Can Be Improved**

FRA's 1997 guidance states that enforcement of Federal railroad safety laws is a very important part of SACP. The guidance further states that when a railroad has failed to follow through on specified action items in its safety action plan, any noncompliance that results is an especially strong candidate for enforcement action. Violations related to noncompliance of safety action plans must be clearly marked as SACP violations. The guidance noted however, that, because SACP entailed a certain amount of enforcement forbearance during the SACP safety audit, inspectors might have developed the erroneous impression that SACP called for refraining from use of enforcement tools in nearly all cases. In addition, the Director of the Railroad Division for the Texas Railroad Commission stated in testimony before a National Transportation Safety Board panel that, at the inception of SACP, the Commission understood

that FRA did not want any violations written.

Since Fiscal Year (FY) 1995, the number and dollar amount of civil penalty enforcement cases have decreased significantly. Violation reports submitted to the FRA Chief Counsel's office decreased from 3,605 in FY 1995 to 2,713 in FY 1997, a 25 percent reduction. Civil penalties collected during the same period declined from \$5.2 million in FY 1995 to \$3.8 million in FY 1997, a 27 percent reduction. (See chart below.)

### VIOLATION REPORTS AND CIVIL PENALTIES COLLECTED 1995-1997



Identification of SACP violations is important because FRA's civil penalty process allows for adjustment or compromise based on a wide variety of mitigating factors. Without identification of SACP violations, FRA's Chief Counsel's office may reduce civil penalties during the negotiation process, unaware violations may be related to SACP.

FRA also states its enforcement policy is to take a strong negotiating position where penalties are assessed for SACP related violations. However, for the single enforcement case with SACP violations, the proposed civil penalty assessment of \$45,500 was settled for \$31,325. The case involved a total of 13 hazardous materials violations cited against Consolidated Rail Corporation on three separate violation reports. According to FRA's Chief Counsel's office, the civil penalty assessment was negotiated downward since the railroad argued that the violations were not exactly the same as the compliance issue identified in the SACP review. The Chief Counsel's office believed that, under the circumstances, the negotiated settlement of 70 percent, which was slightly higher than FRA's average settlement amount, was reasonable.

Although the basis of SACP is to foster cooperation between stakeholders, the potential for FRA civil penalty sanctions is an important element of SACP. Without aggressive enforcement action against those railroads found to be in noncompliance with safety action plans, SACP could become less effective in correcting safety deficiencies.

### **FRA Is Continuing To Monitor And Improve SACP**

In January 1998 FRA formed a SACP Process Improvement Team to improve managerial oversight, quality control, and accountability throughout the entire SACP process. The team, which includes Regional Administrators, Deputy Regional Administrators, and FRA Headquarters staff from the Office of Safety and Chief Counsel's Office, has been tasked to review and reevaluate the SACP process. The Acting Associate Administrator for Safety directed the team to evaluate current SACP directives to determine if goals, objectives, policies, and procedures are clearly defined and to investigate how SACP policies and procedures have been implemented in the field. The Acting Associate Administrator for Safety has also asked the team to analyze and evaluate the roles, responsibilities, and relationships of key SACP participants, such as project managers and SACP team leaders, and to examine the evolution of the SACP process to identify best practices. The team is also taking action on the deficiencies brought to FRA's attention during the course of the audit.

In May 1998, we attended a meeting of the SACP Process Improvement Team during which the team discussed implementation of a new "Partnership Issue Tracking and Status Report." FRA developed the report to help SACP project managers and team leaders record and organize relevant information about safety issues identified and addressed through SACP projects. The team also discussed the use of a standard data package (which contains information on a railroad's accident and inspection history) to assist SACP project managers and SACP team leaders in developing railroad safety profiles. Records from the team's previous meeting in April 1998 indicated that the team was also reviewing SACP documentation requirements, training, enforcement, and resource allocation issues. As of the end of the audit, the team had not yet issued a report.

### **Recommendations**

We recommend the Federal Railroad Administrator:

1. Establish clear and consistent methodology and documentation requirements for SACP.
2. Develop comprehensive railroad safety profiles and address appropriate corrective actions in railroad safety action plans.
3. Review safety action plans on all completed SACP projects and ensure all systemic safety issues are addressed.
4. Implement procedures to inform inspectors of systemic safety issues addressed in railroad

safety action plans and direct that followup inspections be performed.

5. Advise inspectors of FRA's intent to take aggressive enforcement action when problems identified in the SACP process have not been corrected.

### **Management Position**

FRA concurred with the report recommendations and has planned actions to address all five recommendations. A summary of the corrective actions for each recommendation is highlighted below. A copy of FRA's complete response is included as an appendix to this report.

FRA concurred with Recommendation No. 1 and will amend its SACP Instruction Manual to provide guidance on methodology and documentation requirements to all FRA personnel in such areas as planning and coordination; resolution of issues and monitoring remedial actions; tracking and documentation; and determining project effectiveness. To address Recommendation No. 2, FRA will amend its SACP Instruction Manual to require SACP Project Managers to develop comprehensive railroad safety profiles, and provide for appropriate corrective actions on all issues, whether the issue is resolved through a formal safety action plan, compliance agreement, informal agreement, or enforcement action.

In response to Recommendation No. 3, FRA will instruct its SACP Project Managers for the 44 railroads cited in this report to prepare a composite listing of all systemic safety issues identified during these SACP safety audits. FRA will report to the OIG during the first quarter of 1999, the status of all identified systemic safety issues. FRA is taking action to address Recommendation No. 4 by implementing steps to improve communication of SACP information to its safety inspectors so they may conduct their inspection activities in the context of the overall SACP process. To address Recommendation No. 5, FRA will amend its SACP Instruction Manual to include updated guidelines on focused enforcement to ensure aggressive enforcement action is taken for failure to correct SACP-related safety violations.

### **Audit Comments**

The OIG considers the actions planned by FRA to be responsive to the recommendations. Therefore, the recommendations are considered resolved, subject to the followup provisions of Department of Transportation Order 8100.1C.

**SACP PROJECTS SAMPLED**

<b>Class<sup>1</sup></b>	<b>Railroad</b>	<b>FRA Region<sup>2</sup></b>	<b>Location</b>
Regional	Long Island Rail Road	1	Cambridge, MA
Regional	Wheeling and Lake Erie Railway	2	Philadelphia, PA
Class I	CSXT (1995)	3	Atlanta, GA
Class I	CSXT (1997)	3	Atlanta, GA
Class I	Soo Line Railroad	4	Chicago, IL
Regional	Texas Mexican Railway	5	Hurst, TX
Class I	Union Pacific Railroad	6	Kansas City, MO
Regional	Gateway Western Railway	6	Kansas City, MO
Short line	Arizona & California Railway	7	Sacramento, CA
Regional	Alaska Railroad	8	Vancouver, WA

Notes: 1) Based on Association of American Railroads classification.

2) Railroads may operate in more than one FRA Region.

**EXHIBIT B**

**ANALYSIS OF ACCIDENT STATISTICS**  
**CALENDAR YEARS 1994 - 1997**

<b>Railroad/Safety Action Plan (SAP)</b>	<b>Year</b>	<b>Railroad related fatalities</b>	<b>Total railroad casualties</b>	<b>Employee-on-duty casualties</b>	<b>Employee-on-duty casualty rate</b>	<b>Train accidents</b>	<b>Train accident rate</b>	<b>Grade crossing Collisions</b>
<b>CSXT (1995)</b>	1994	127	1,190	706	2.42	133	1.65	540
SAP: 10/95	1995	139	973	503	1.73	134	1.61	596
	1996	101	948	582	2.05	163	1.95	481
	1997	111	1,006	608	2.15	258	3.08	469
<b>Gateway Western</b>								
	1994	1	14	11	4.60	10	11.37	10
SAP: 4/96	1995	2	17	16	5.69	7	6.78	7
	1996	3	24	17	6.11	6	5.98	8
	1997	1	12	5	2.01	4	4.41	6
<b>LIRR</b>								
	1994	10	890	693	11.27	35	4.30	5
SAP: 8/96	1995	17	760	584	10.12	30	3.66	11
	1996	9	754	508	8.90	39	4.77	10
	1997	18	724	451	7.72	22	2.70	4

Source: FRA Accident/Incident Bulletin, CY 1997

**RAILROAD SAFETY ACTION PLANS**  
**SACP PROJECTS SAMPLED**

Railroad	Required by FRA		Date Approved
	Yes	No	
Alaska Railroad		✓	-
Arizona & California Railway	✓		6/9/98
CSXT (1995)	✓		10/31/95
CSXT (1997)	✓		4/20/98
Gateway Western Railway	✓		4/25/96
Long Island Rail Road	✓		8/9/96
Soo Line	✓		3/13/98
Texas Mexican Railway		✓	2/3/98 *
Union Pacific (1997)	✓		2/24/98
Wheeling & Lake Erie Railway	✓		11/18/97

\* submitted voluntarily




U.S. Department  
of Transportation  
**Federal Railroad  
Administration**

# Memorandum

Date: **SEP 30 1998**

Reply to Attn. of:

Subject: **RESPONSE: Draft Report on the Safety Assurance and Compliance Program,**  
Federal Railroad Administration, Project No. 728-005-2000 ,

From: Jolene M. Molitoris   
Federal Railroad Administrator

To: Lawrence H. Weintrob  
Assistant Inspector General for Auditing

Attached is the response of the Federal Railroad Administration (FRA) to the draft report on FRA's Safety Assurance and Compliance Program (SACP). We agree in principle with the recommendations made in the report.

Because of its innovative nature, SACP was, from its inception, intended to be a dynamic process. It is still a relatively new program that continues to evolve. While FRA has established guidelines and parameters for the program, the most recent SACP projects contain a number of new elements that were not present in the initial SACP safety audits. Given the evolving nature of SACP, FRA fully appreciates the need to closely monitor the evolution of the program and periodically re-examine policies, procedures and practices to maintain a high degree of accountability, consistency and effectiveness.

To this end, we appreciate the efforts of the Office of the Inspector General's (OIG) audit of FRA's SACP. We look upon the findings and recommendations contained the OIG's Report as constructive tools to help ensure the continued effectiveness of the safety program. It is important to note that FRA initiated its own internal review of the SACP. Because of the review conducted by FRA's SACP Quality Improvement Team, which began in January 1998, FRA is in a position to take action on all of OIG's recommendations. Our response is based on the recommendations from the *Safety Assurance and Compliance Program Quality Improvement Team Draft Report*, September 2, 1998, which we provided to your staff.

Attachment



**FEDERAL RAILROAD ADMINISTRATION  
STATEMENT ON OFFICE OF INSPECTOR GENERAL REPORT  
U.S. DEPARTMENT OF TRANSPORTATION**

**INTRODUCTION**

When the Federal Railroad Administration (FRA) first implemented the Safety Assurance and Compliance Program (SACP) in the beginning of 1995, it represented a fundamentally new approach to working with railroads to ensure regulatory compliance and accelerate safety improvements. The approach was based on President Clinton's directive to Federal regulatory agencies that inspection and enforcement programs be results oriented. Federal agencies were instructed to study methods and techniques used by the Nation's most successful organizations and adapt them to the regulatory arena.

As a result of the Presidential mandate, FRA devised a series of innovative safety initiatives to complement its traditional rulemaking and safety enforcement programs. These new programs were based on the premise that all segments of the railroad community share an interest in promoting railroad safety, including management, labor and Federal and State agencies. FRA endeavoured to harness the collective knowledge, experience and energy of all major rail industry stakeholders to work together in partnership to enhance railroad safety. SACP is a safety partnership initiative designed to complement the Agency's safety inspection program.

The Office of Inspector General (OIG), in its September 1998 Draft Report on the SACP process, has noted that railroad safety trends have improved since 1993. While it observes that a direct causal relationship between industry safety trends and SACP is difficult to credibly establish, the OIG Report states that by focussing on root causes of railroad safety concerns, SACP can address potential safety issues before they become safety problems.

The OIG Report remarked that the train accident rate<sup>1</sup> declined from 4.54 in 1993 to 3.73 in 1997, a drop of 17.8 percent, the employee-on-duty casualty rate<sup>2</sup> declined from 5.93 in 1993 to 3.31, a drop of 44.2 percent, and the grade crossing collision rate<sup>3</sup> declined from 7.90 in 1993 to 5.71 in 1997, a drop of 27.7 percent. We appreciate the OIG's recognition of the significant strides FRA has made in this area.

When SACP was first conceived, FRA representatives were directed to establish safety partnerships with rail labor and management on individual carriers to address the root causes of systemic safety concerns, including safety concerns outside the framework of existing regulations, in a cooperative, non-confrontational atmosphere. Given that for nearly one hundred

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<sup>1</sup> The number of train accidents per million train miles.

<sup>2</sup> The number of employee casualties (fatalities, injuries, or occupational illnesses) per 200,000 person hours.

<sup>3</sup> The number of grade crossing collisions per million train miles.

years, relationships in the railroad industry involving management, labor and government were often adversarial, FRA soon realized that nothing short of a cultural transformation would be necessary to optimize the effectiveness of the safety partnership process. Within two years of its inception, SACP was broadened to encompass cultural issues that effected the safety of the railroad industry.

Because of its innovative nature, SACP was, from its inception, intended to be a dynamic process. Furthermore, it is still a relatively new program that continues to evolve. While FRA has established guidelines and parameters for the program, the most recent SACP projects contain a number of new elements that were not present in the initial SACP safety audits. Given the evolving nature of SACP, FRA fully appreciates the need to closely monitor the evolution of the program and periodically re-examine policies, procedures and practices to maintain the high degree of accountability, consistency and effectiveness. To this end, we appreciate the efforts of the OIG to thoroughly review how SACP is working. We look upon the findings and recommendations contained in the OIG's Report as constructive tools to help ensure the continued effectiveness of the safety program.

Early in 1998, FRA initiated its own internal review of the SACP, which was conducted by the SACP Quality Improvement Team (SACP Team). That team, which looked at all aspects of the SACP as it is being implemented, submitted its draft report to FRA's Acting Associate Administrator for Safety in early September 1998. OIG staff received a copy of that draft report about the same time FRA received OIG's draft report. Based on the work of the SACP Team and the recommendations made in its report, FRA is prepared to take action on all of OIG's recommendations for improvement in the SACP process.

### **OIG RECOMMENDATIONS AND THE STATUS OF CORRECTIVE ACTIONS**

**Recommendation No. 1:** Establish clear and consistent methodology and documentation requirements for SACP.

**Response:** Concur. FRA recognizes the importance that all of FRA's SACP efforts be conducted and documented in generally the same manner so that the Agency can maintain effective management oversight of the program and can ensure consistency and quality in individual SACP projects. FRA's SACP Team made recommendations similar to OIG's on the need for consistent methodology and documentation and went on to recommend very specific procedures to ensure that consistency. While the ultimate procedures FRA adopts may vary somewhat from what the SACP team has recommended, FRA will amend its SACP General Instruction Manual to provide guidance to all Agency personnel on the methodology and documentation requirements for SACP projects.

Based on the recommendations of the SACP Team, FRA will spell out in its guidance the process to be used for conducting SACP projects, the ways in which proper communication (both inside and outside the Agency) will be ensured, and the proper methods of tracking SACP issues

and documenting results. To some extent, these methods are already in use, at least on some projects. FRA will act to regularize their use. We set forth below how FRA's new guidance will address the major issues in conducting a SACP project.

### **Project Origin**

FRA has decided that it will conduct ongoing partnership efforts on the largest Class I railroads (Union Pacific, Burlington Northern Santa Fe, CSX Transportation, and Norfolk Southern Railroads). These railroads encompass a significant portion of the trackage and rail traffic within the country and have operations that are so dispersed that a multi-regional perspective will always be necessary to ensure FRA has an accurate picture of their safety and compliance issues. The initiation of other SACP projects—which will more closely resemble the original SACP model of an audit of finite duration—will depend on the need for such an effort. The leading indicator of such a need is the existence of a significant safety problem that a partnership approach and root cause analysis are likely to help remedy. The safety problem may be revealed by a number of factors, including the occurrence of accidents or injuries, conditions found in inspections, information provided by complainants or in listening sessions, or analysis of inspector and/or accident data.

### **Issue Identification and Selection**

FRA will use a variety of sources to determine what issues require attention on a specific railroad. These sources include inspection data, accident/incident data, and information gleaned from listening sessions with labor, management, and other stakeholders. (See the discussion of how profiles are developed under Recommendation No. 2, below.)

Having developed a full list of safety issues on a given railroad, FRA must then determine which of those actually merit attention using the SACP process. FRA's SACP Project Manager will look at matters such as the seriousness of the issue in terms of actual safety consequences, the perception of the issue's importance on the part of affected groups, the resources available to FRA to address the issue, and whether another method may be better suited to addressing the issue. Using these criteria, and with input from FRA's labor and management partners, the SACP Project Manager determines which issues will be addressed. For multi-regional efforts, the SACP Project Manager must consult with affected FRA regional administrators and Headquarters staff in making this determination.

### **Planning**

FRA will now require that each SACP Project Manager develop a thorough project plan at the outset of a new project. Once an ongoing partnership effort is underway, the SACP Project Manager will be required to review the plan periodically (at least annually). Among the issues to be addressed in the plan are:

- Why the project is needed and likely scope of project.
- SACP model to be used: audit (finite)? Ongoing partnership? Elements of both models?
- Issues to be addressed.
- Likely resource requirements.
- Desired outcome(s) of the project.
- How and when the project will be accomplished.
- How the benefits of the project will be measured.
- With whom, where, and when the project will need to be coordinated, including other government agencies, organizations, contractors, public.
- Status and results - how they will be reported and who will receive the reports (i.e., monthly issues report, audit report, PITS form, etc.).
- Monitoring plan.
- Stakeholders from labor and management.
- Listening sessions (scope, who, what, where, when).
- Project structure, including whether and how to establish a steering committee comprised of stakeholders.

Depending on the size of the project and issues that will be addressed, some elements may be inappropriate.

### **Structure and Responsibilities**

The SACP Team recommended specific responsibilities for the SACP Project Manager and Team Leaders of each project. The SACP Project Manager, for example, has extensive duties in the areas of developing the project plan, communication within and outside of FRA, coordination with regional administrators on resource needs and enforcement matters, and reporting. Team Leaders have specific duties within their general areas of responsibility.

### **Internal Coordination**

On projects that span regional areas of responsibility, or are systemic in nature, coordination in the planning, execution, evaluation, and monitoring of the project must be made between the affected regions. This coordination will be the responsibility of the SACP Project Manager. During the planning phase and periodically during the course of the project, the SACP Project Manager and the affected regional administrators will agree on the scope, implementation, and structure of the various teams needed to accomplish the project goals.

Projects that are conducted exclusively within one region will be the responsibility of the SACP Project Manager appointed by the regional administrator. Team leaders and additional support will be determined jointly between the regional administrator, designated SACP Project Manager, and regional staff.

## **Resolution of Issues and Monitoring Remedial Actions**

Although SACP efforts are designed to address systemic issues, they are also useful in addressing issues that do not pervade an entire railroad system. In general, issues should be resolved at the lowest possible level. There is no need to involve higher levels of railroad or FRA management if an issue can effectively be resolved at the local or regional level.

Methods of resolving safety issues will depend on the seriousness of the concern and the level of cooperation. The more serious the safety issue, the greater the need for a formal means of resolution. The lower the level of cooperation, the greater the need for more forceful action to guarantee a resolution.

**Formal safety action plans.** When, in the judgment of the SACP Project Manager (in consultation with the regional administrators and Headquarters staff), there are serious safety hazards, a greater level of formality is required to document the commitments made to address those hazards. Ordinarily, FRA will require a railroad Safety Action Plan, which details the corrective steps to be taken and the timing of each step. In spite of a Safety Action Plan, FRA may decide at any time to take more direct enforcement actions to correct serious hazards. A railroad manager and FRA's SACP Project Manager should sign the Safety Action Plan once it has been approved by FRA.

**Compliance agreements.** When widespread noncompliance with the safety laws is revealed during the course of a SACP project, the SACP Project Manager should consider whether a compliance agreement would help ensure the necessary cooperation. A compliance agreement includes a railroad's commitment to take specific actions to remedy noncompliance and FRA's absolute right to issue an unopposed compliance order or, if warranted, emergency order containing exactly the same conditions as the actions agreed to be taken by the railroad at any time if, in FRA's sole judgment, the situation requires such action. The advantage of the compliance agreement is that it gives the railroad the opportunity to remedy problems in very specific ways without being the subject of a mandatory order. At the same time, FRA retains the right to issue a mandatory order without the possibility of being challenged in court or having to go through a long administrative hearing prior to issuance.

**Informal agreements.** Formal agreements are not necessary in the absence of serious safety hazards or systemic safety concerns. However, FRA has found it useful to enter into informal understandings to resolve less serious and local safety related issues. Such understandings or informal agreements should always be clearly documented. Documentation can be in the form of minutes of meetings that show the commitments that the railroad made, an exchange of letters between the SACP Project Manager and railroad, or a very brief summary of the issue and planned action signed by all team representatives. These documents will help avoid misunderstanding about the timing and

substance of the commitments that have been made, and provide a yardstick for measuring success.

**Enforcement Tools.** Of course, especially where serious noncompliance and little or no railroad cooperation coincide, strong enforcement action is usually warranted and is perfectly appropriate under the “focused enforcement” principle of SACP.

### **Tracking and Documentation**

FRA sees the need to standardize the methods it uses to track issues and document major developments and results in SACP projects. Prior to the formation of the SACP Team, a separate FRA group had developed the Partnership Issue Tracking and Status (PITS) Report as a way of tracking each SACP issue. The form shows the nature of the issue, who is involved, what the goal is, and the status. The SACP Team revised this report slightly and developed a separate report (Monthly Issue Report) that summarizes the current status of each SACP project and highlights important matters. The SACP Team has recommended that the PITS form be used for every issue even on the small, local SACP efforts, while the Monthly Issues Report be used only on the largest SACP projects.

In addition to tracking issues on a current basis, FRA intends to regularize how its documentation of SACP projects is accomplished. For each project, FRA will develop and maintain the following documentation:

- Project plan.
- PITS Reports.
- Monthly Issues Reports (Class I railroads only)
- Safety Action Plans, compliance agreements, and informal agreements, as appropriate.
- Narrative status report (final reports on finite audit projects; as necessary on ongoing projects).
- Inspection reports using a source code unique to the project.
- Listening session notes or reports.

With these documents, the history and results of each project will be available. Together, these methods will provide FRA with ready access to SACP information and a sound record of SACP achievements.

### **Program Effectiveness**

The SACP Team has also recommended that FRA use methods that enable it to measure the effectiveness of SACP projects. FRA will examine the railroad’s safety record for a specific period of time and its safety performance in relation to similar railroads. The following guidelines will be used to determine program effectiveness:

- SACP Project Managers will include performance measures in their respective project plans.
- To facilitate monitoring, validation, and determining effectiveness, the remedial action chosen (Safety Action Plan, compliance agreement, or informal agreement) will include specific goals and, when appropriate, measurable criteria.
- Achievement of goals and/or specific criteria will be verified through FRA's follow-up discussions with senior railroad management and rail labor and, where appropriate, follow-up inspections.
- A SACP issue/project will be closed out by the SACP Project Manager, in consultation with stakeholders and FRA officials with whom the manager is coordinating, upon verification that goals and criteria have been achieved or a determination that other means will be used to address the issue.

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**Recommendation No. 2:** Instruct FRA inspectors to develop comprehensive railroad safety profiles and to address appropriate corrective actions in railroad safety action plans.

**Response:** Concur. (FRA concurs with the understanding that SACP Project Managers, not FRA inspectors, develop safety profiles and ensure appropriate corrective actions). FRA will amend its SACP Instruction Manual to require **SACP Project Managers** to develop a comprehensive railroad safety profile at the outset of a SACP project and, with regard to ongoing projects, to analyze relevant sources of information periodically to determine how that profile is changing. FRA will also require that SACP Project Managers provide for appropriate corrective actions on all issues, whether the issue is resolved through a formal safety action plan, compliance agreement, informal agreement, or enforcement action.

The SACP Project Manager develops a safety profile of the railroad at the outset of the project as part of the process of issue identification and selection. The SACP Project Manager will construct the profile using the following information sources:

- data from routine inspections.
- accident/incident data.
- the investigation of complaints, accidents and injuries, false proceeds, and false grade crossing warning device activations.
- listening sessions with labor, management, and other stakeholders
- railroad records and reports.
- inspector input.
- labor/management meetings.

To facilitate the SACP Project Manager's analysis of the Agency's data, FRA's Office of Safety Analysis will submit a quarterly data package including the following information to each SACP Project Manager:

- accident/incident summary data.
- comparison with similar railroads on accident/incident rates.
- breakdown of accidents and casualties by discipline (human failures, track, etc.).
- top five accident/incident causes by discipline.
- injuries and fatalities by craft, with top five causes by craft.
- inspection defect ratios by discipline with top five identified in each discipline.

Based on all of the information available, the SACP Project Manager may have a wide range of safety issues that might be addressed. However, because FRA cannot possibly address every such issue, the manager must be selective in determining which issues the project will address. In making that determination and consulting the stakeholders and FRA colleagues, the SACP Project Manager will use the following criteria:

- defect rates: above average for the industry and/or Class of railroad?
- accidents or injuries: frequency or severity unusual?
- potential safety risk posed by issue.
- perception of importance of issue on the part of affected groups.
- resources necessary to address the issue: are they available?
- other methods of addressing the issue: would they be better suited? (E.g., imminent hazard may require immediate remedy; small issue might be resolved with a letter and response).
- need for root cause analysis: is the cause obvious?
- likely usefulness of partnership approach.

Having determined which issues are to be addressed in the project, the SACP Project Manager ensures that each is tracked using the Partnership Issue Tracking and Status Report. The SACP Project Manager, in consultation with FRA senior managers and Team Leaders, makes sure that corrective action occurs on each issue selected. In determining how to resolve each issue, the SACP Project Manager chooses the method that best fits: formal safety action plan, informal agreement, compliance agreement, or enforcement action.

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**Recommendation No. 3:** Review safety action plans on all completed SACP projects and ensure all systemic safety issues are addressed.



**Response:** Concur. FRA will instruct SACP Project Managers for the 44 railroads cited in the OIG Report (10 Class I and 34 smaller railroads) to prepare a composite listing of systemic safety issues identified during these railroad safety audits. FRA's regional administrators will look closely at the 34 smaller railroads, after consulting with the SACP Project Managers for those railroads. FRA's Headquarter's Project Coordinator will track the closeouts/open status for the systemic issues identified for the 10 largest railroad systems, after consulting with the SACP Project Managers for those railroads. FRA will report the status of all identified systemic safety issues from these early SACP safety audits to the OIG during the first quarter of 1999.

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**Recommendation No. 4:** Implement procedures to inform inspectors of systemic safety issues addressed in railroad safety action plans and direct that follow-up inspections be performed.

**Response:** Concur. FRA agrees that it is important to communicate SACP information to the safety inspectors so they may conduct their inspection activities in the context of the overall SACP process. FRA also believes that follow-up inspections are an important part of ensuring that corrective action has been taken on SACP issues.

During its internal review of SACP, FRA recognized that few formalized communication procedures were established for the original SACP projects. Experience with those projects demonstrated that when field personnel are left uninformed on significant SACP issues, the overall effectiveness of the project is adversely impacted. Specifically, poor communication hinders the identification of systemic problems, consistent enforcement by the Office of Safety and Office of Chief Counsel, and may unnecessarily prolong the duration of a SACP project.

FRA is hoping to provide all inspectors ready access to SACP information via the Internet. FRA is taking steps that will: (1) Improve two-way communication capabilities. (2) Establish a link between FRA's web site and an accident/incident/inspection report web page. (3) Give high priority to expeditious incorporation of SACP information, such as narrative reports, Monthly Issues Reports (MIR), and Partnership Issue Tracking and Status (PITS) Reports, into FRA's Internet web site. (4) Give high priority to the development and implementation of a common Internet complaint data base to ensure access to accurate and timely SACP complaint information.

Development of such a comprehensive computer linkage will take some time. Meanwhile, however, FRA will take several steps to improve communication within the Agency on SACP issues. FRA's SACP Project Managers will produce a Monthly Issues Report for Class I railroad safety audits or multi-regional projects. All senior FRA officials and staff that are in need of such information will receive this monthly report. Class I railroad SACP Project Managers will attend regional administrators' meetings to facilitate discussion of their respective SACP projects. Regional administrators will communicate and share Monthly Issues Reports with regional staff

and appropriate state directors. Regions will provide systemic complaint information to SACP Team Leaders and/or SACP Project Managers. SACP Team Leaders on Class I railroad safety audits will attend discipline-specific specialists meetings and participate in discipline-specific conference calls to discuss SACP initiatives, problems, and progress. They will also communicate through the timely sharing of pertinent information with appropriate staff directors and regional specialists. Regional specialists will keep appropriate FRA and state inspectors fully apprized of SACP activities and provide notice to the SACP Project Manager of significant enforcement actions. As necessary, the SACP Project Manager or Team Leader will coordinate with regional personnel on conducting follow-up inspections, and the resulting information will be used to determine the need for further action on the issue.

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**Recommendation No. 5:** Advise inspectors of FRA's intent to take aggressive enforcement action when problems identified in the SACP process have not been corrected.

**Response:** Concur. FRA recognized the importance of aggressive enforcement action in cases where SACP commitments go unfulfilled or are not properly implemented. That is why the Agency developed its Focused Enforcement Policy in 1997 (the policy is described in FRA's *The Safety Assurance and Compliance Program: Guidance on Inspection and Enforcement*). The Focused Enforcement Policy was discussed with field, headquarters and State personnel during FRA's Multi-Regional Conferences in 1997.

The SACP Team has recommended that the policy be slightly amended to ensure that aggressive enforcement action is taken for failure to correct SACP-related safety violations when appropriate at any stage of the SACP process, but that enforcement action not be taken automatically for minor or inconsequential violations in connection with implementation of a safety action plan. FRA will amend its SACP General Instruction Manual to include up-dated guidelines on Focused Enforcement.

The SACP Project Manager, regional administrators, and appropriate Headquarters staff will determine to what extent enforcement action will be taken, based on violations detected as a part of SACP team inspections. The SACP Project Manager will inform the Office of Chief Counsel in writing as to which violations that have arisen during SACP team inspections or follow-up monitoring deserve especially aggressive handling, why that is so, and what handling is recommended. Regional specialists will ensure that all violations arising from a SACP review are marked "SACP Violations" on the transmittal sheet to the Office of Chief Counsel. Information involving compliance activities will be shared among SACP Project Managers, regional personnel, and the Office of Chief Counsel. The Office of Chief Counsel will include SACP Project Managers in the scheduling of settlement conferences with major railroads. Once a year, the SACP Project Manager and an Office of Chief Counsel attorney will analyze how well the previous year's enforcement activity focused on truly important safety issues with respect to the major railroad to which they are assigned, and recommend how that focus might be improved.