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SUBJECT: *U.S. DOT HAZMAT Registration Fee*

ISSUE: *PHMSA Reduces HAZMAT Fee for 2013-2014 Registration Year*

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Executive Summary - The U. S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) issued a final rule that temporarily reduces the annual HAZMAT fee paid by marketers who haul petroleum products in both intrastate and interstate transportation. The reduction is necessary because PHMSA has accumulated unexpended funds beyond the maximum amount stipulated by law. The fee reduction is effective for the upcoming 2013-2014 registration period only. PHMSA will make refunds directly to marketers who pre-paid the 2013-2014 fee in advance through multiple year registration.

U.S. DOT CUTS HAZMAT FEE BY 50 PERCENT FOR 2013-2014 REGISTRATION PERIOD

The U. S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) issued a final rule that **temporarily** reduces the annual HAZMAT fee paid by marketers who haul petroleum products in both intrastate and interstate transportation. PHMSA collects annual HAZMAT registration fees and redistributes them to state and local emergency responders in the form of grants. PHMSA said the fee reduction is necessary due to an accumulation of unexpended funds beyond the statutory maximum amount the agency is allowed to collect through HAZMAT registration. Unexpended funds accumulate when states do not spend their total annual HAZMAT grant earmarked for emergency response training and equipment. The statutory limit on fee collection is \$28.3 million per year. PHMSA is refunding approximately \$13 million through 2013-2014 registration fee reduction/refund.

Reduced Registration Fee

Specifically, PHMSA is reducing the 2013-2014 HAZMAT registration fee for small business registrants to \$125 (plus a \$25 processing fee). For all other businesses, the 2013-2014 registration fee is reduced to \$1,300 (plus a \$25 processing fee). The fee reduction is effective for the 2013-2014 registration year only. After the 2013-2014 registration year, the annual HAZMAT fees will return to \$275 (plus a \$25 processing fee) for small businesses and \$2,575 (plus a \$25 processing fee) for all other businesses. Most petroleum marketers qualify as a small business for purposes of HAZMAT registration. PHMSA will include the reduced fee structure in the 2013-2014 registration packet that will be mailed to current registrants later this month.

Direct Refund to Multiyear Registrants

PHMSA will issue a refund to those marketers who have already prepaid their 2013-2014 registration through the multiyear registration option available to all registrants. The final rule did not specify the process by which multiyear registrants obtain a refund for the 2013-2014 registration year. However,

PHMSA told PMAA that the process would likely involve a simple and brief online application establishing identity and proof of prepayment for the 2013-2014 registration year. PHMSA intends to send a letter to all those who prepaid for the 2013-2014 registration year explaining the process necessary to collect the refund.

Bottom Line – Marketers should keep an eye out in the mail for the PHMSA 2013-2014 registration packet explaining the reduced fees and a separate PHMSA letter to multiyear registrants explaining the refund process for prepaid fees.