



Petroleum Transportation & Storage Association

COMPLIANCE BULLETIN

2006-2007 ANNUAL U.S. DOT HAZMAT REGISTRATION REQUIREMENTS & DEADLINE EXTENSION ANNOUNCEMENT

BACKGROUND: The U.S. DOT's Pipeline and Hazardous Material Safety Administration (PHMSA) requires hazardous material transporters to register and pay a fee each year in return for a certificate of operation.

Who must register and pay the fee?

HAZMAT Transporters - Any business (intrastate or interstate) shipping hazardous materials requiring a U.S. DOT placard must register each year and pay the fee. Petroleum jobbers, common carriers of petroleum products, oil heat dealers and propane suppliers who ship their products in trucks must register and pay the fee.

What happens if I don't register?

Loss of Operating Authority - If you fail to register by the deadline then you lose your authority to operate your trucks in both *intrastate* and *interstate* commerce. Your authority to operate is the certificate you receive from PHMSA once you register and pay the fee. A current certificate must be kept in the cab of each HAZMAT vehicle at all times. If you are subject to a roadside inspection or DOT audit and do not have a current certificate your authority to operate will be revoked and you could be fined up to \$32,500 per day of violation.

Why is the U.S. DOT collecting the fee?

Emergency Response Funding - The money collected from the registration program is given back to state emergency response authorities in the form of training grants for fire and police and emergency preparedness organizations.

How do I register?

Registration Options - There are several ways to register, pay the fee and receive your certificate of operation:

U.S. Mail - You may register by filling out the 2006-2007 registration application and sending it by U.S. Mail to PHMSA (along with the required fee). PHMSA generally mails new registration forms out to all registrants. If you have not yet received a form for the 2006-2007 registration year, one may be downloaded from the Internet at <http://hazmat.dot.gov/regs/register/register.htm>.

Online Registration - On-line registration is available <http://hazmat.dot.gov/regs/register/register.htm>

On-line registration allows you to fill out the registration form, pay the fee and download your operating certificate instantaneously.

Registration Over the Phone - You may register over the telephone by calling the U.S. DOT at 1 (800) 942-6990 and request an "expedited" registration. Payment must be made by credit card. After payment is made, the operator will give you a "temporary" registration number. Keep a copy of the number in each cargo tank motor vehicle cab. The temporary number will allow you to operate after

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July 1, 2006. However, you must still fill out and send in the 2006-2007 HAZMAT registration application form in order to receive your permanent Certificate of Registration. There is a \$50 fee for expedited registration.

When is the HAZMAT registration deadline?

Deadline extended this year - The annual July 1 deadline for filing HAZMAT registration forms for the 2006-2007 registration year has been extended until July 31, 2006.

Who qualifies for extension of the registration deadline?

The extension is available to any HAZMAT applicant who:

- a) has not yet completed a 2006-2007 HAZMAT registration form, and
- b) currently has a registration certificate that expires June 30, 2006.

What happens if my registration certificate expires June 30, 2006?

Automatic Extension - There will be no interruption of your authority to operate after July 1, 2006. PHMSA is extending all operating certificates for those who have not yet registered to July 31, 2006. A letter documenting the extension was mailed on June 6, 2006 to each registrant holding a certificate with an expiration date of June 30, 2006. Any person who has already received a registration certificate for a registration period that includes the 2006-2007 registration year is unaffected by this extension.

Why is the deadline being extended?

The extension is being granted to those persons who need to renew for the 2006-2007 registration year, (but have not yet done so) because of an unanticipated delay in the distribution of the annual Registration brochure. The 2006-2007 Registration brochure, which normally is sent to registrants by May 1 of each registration year, was not mailed by PHMSA until June 5, 2006. The mailing delay will not allow PHMSA sufficient time to process registration forms and mail back 2006-2007 registration certificates by June 30, 2006.

What documentation should I put in my trucks after July 1, 2006?

Certificate Documentation - If you have already received your 2006-2007 registration certificate from PHMSA, place a copy of the updated certificate in the cab of each HAZMAT motor vehicle by July 1, 2006. If you have **not** yet received a 2006-2007 registration certificate from PHMSA, keep a copy of the 2005-2006 certificate (the one that expires on June 30, 2006) in the cab of each HAZMAT motor vehicle **PLUS** a copy of the letter (which should arrive in the mail to you early next week) from PHMSA extending your certificate through July 31, 2006.

How much is the annual HAZMAT registration fee?

Two-Tiered Fee System -The annual registration fee is based on whether you operate a small business or a large business.

a) Small Business Registration Fee - For registration year 2006-2007 the fee for small businesses is \$275 for one year (2006-2007), \$525 for two years (2006-2008) and \$775 for three years (2006-2009).

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b) Large Business Registration Fee - For registration year 2006-2007 the fee for large businesses is \$1,000 for one year (2006-2007), \$1,975 for two years (2006-2008), and \$2,950 for three years (2006-2009).

How do I determine the size of my business so I know which fee to pay?

Business Size Calculation for Determining the Fee Amount - It is very likely that your business qualifies for the lower registration fee. Determining size is left up to the company applying for the registration certificate. PHMSA follows Small Business Administration (SBA) size categories to classify whether a business is large or small for the purposes of determining the amount of the annual registration fee. The SBA determines business size according to NAICS (North American Industrial Classification System) codes based on either the *number of employees* in the company or on *annual gross receipts*. The following NAICS codes and size criteria apply when calculating which fee to pay:

NAICS CODE 424710 - Petroleum Bulk Stations or Terminals: Petroleum marketers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 100 employees.

NAICS CODE 424720 - Petroleum and Petroleum Product Wholesalers (no bulk storage): Petroleum marketers in this category are considered small businesses and must pay the \$275 fee if the company employs fewer than 100 employees.

NAICS CODE 454311 - Heating Oil Dealers: Heating oil dealers are small businesses and subject to the \$275 registration fee if annual gross receipts total \$10.5 million or less.

NAICS CODE 454312 - Liquefied Petroleum Gas Dealers: LPG dealers are small businesses and subject to the \$275 registration if annual gross receipts total \$6 million or less.

PHMSA does not make business size determinations. Instead, *it is left up to individual businesses owner* to determine size categories and ultimately which fee to pay. Most petroleum marketers should qualify for the \$275 small business fee.

IMPORTANT! Due to the current registration processing delays at PHMSA, it is highly recommended that you register on-line or by telephone. If you rely on registration by mail, you may not receive your certificate of operation until after the registration deadline passes.

REMEMBER! Don't forget to photocopy your HAZMAT registration certificate of operation and keep a copy in the cab of each truck shipping a product requiring a U.S. DOT placard. Keep the original on file.

GOT QUESTIONS? CONTACT Mark S. Morgan, Esq. at (202) 364-6767 or mmorganpsa@cox.net