

COMPLIANCE BULLETIN

December 10, 2007

SHIPPING PAPER REQUIREMENTS FOR BIO-DIESEL AND ETHANOL BLENDS

BACKGROUND: The federal HAZMAT regulations requires a person who offers hazardous materials for transportation to describe the material on a shipping paper (bill of lading, product transfer documents) pursuant to 49 CFR 172.

The U.S. Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) recently issued a letter of interpretation on the proper shipping names for bio-diesel and ethanol when mixed with diesel fuel and gasoline, respectively. The new DOT interpretation would have required petroleum marketers to change shipping paper entries for biodiesel and ethanol blends, neither of which could be shipped under the "diesel fuel" or "gasoline" shipping names. Instead, shippers would be required to label diesel fuel/biodiesel and gasoline/ethanol blends as "diesel fuel solution" and "flammable liquid" respectively.

PMAA challenged the changes and the DOT agreed to exempt certain biodiesel fuel blends up to B-5 from the "diesel fuel solution" shipping paper name. The DOT is currently considering a request by PMAA to allow blends up to B-20 to use the proper shipping name for diesel fuel.

However, PHMSA did not make any changes to the proper shipping name for ethanol blends. Instead, the agency will issue a final rulemaking by the end of January establishing new shipping names for ethanol blends over 10 percent. It is likely that PHMSA will maintain the "gasohol" shipping name for blends **up to** 10 percent ethanol and establish a new shipping name and UN number for blends **over** 10 percent ethanol. If this occurs, new placards will be required for any blend over E-20.

PMAA will provide additional information when the change is made available.

COMPLIANCE: The following authorized hazardous materials shipping information are required when transporting bio-diesel and ethanol blends (please note that the shipping name for ethanol blends of E-10 and greater will likely change in the next 30 days):

- **Biodiesel blends up to B-5**

"Diesel Fuel 3, NA1993 PG III" **or**
"Diesel Fuel 3, UN1202 PG III" **or**
"Gas Oil 3, UN1202 PG III"

- **Biodiesel Blends over B-5**

"Diesel Fuel Solution 3, NA1993 PG III" **or**
"Diesel Fuel Solution 3, UN1202 PG III" **or**
"Gas Oil Solution 3, UN1202 PG III"

Page 2. PMAA Compliance Bulletin

- **Ethanol Blends up to E-10**

“Gasohol 3, NA1203 PG II”, **or**
“Flammable liquid, n.o.s. (ethanol, gasoline) 3, UN 1993 PG II”

- **Ethanol Blends up to E-20**

“Gasohol 3, NA1203 PG II”, **or**
“Flammable liquid, n.o.s. (ethanol, gasoline) 3, UN 1993 PG II”

- **E-85 Blends**

“Flammable liquid, n.o.s. (ethanol, gasoline) 3, UN 1993 PG II”

Commercial Shipping Names: Common shipping names such as “B-2”, “B-20”, “E-10”, “E-20”, “E-85” etc., may be placed **following** the basic descriptions listed above but, with enough space to the right of the description to be clearly separate.

Multiple Deliveries: The use of permanent shipping papers for multiple deliveries is allowed.

Got Questions? Contact Mark S. Morgan, Esq., Regulatory Counsel 202 364-6767 or mmorganpta@cox.net