



Petroleum Transportation & Storage Association

REGULATORY ALERT

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U.S. DOT INCREASES CIVIL AND CRIMINAL PENALTIES FOR HAZMAT TRANSPORTATION VIOLATIONS

BACKGROUND: The U.S. DOT's Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a final rule today that increases the amount of civil and criminal penalties for federal HAZMAT transportation violations. Congress mandated the penalty increase last year as part of the federal highway authorization bill.

APPLICABILITY: This regulatory change applies to both intrastate and interstate petroleum marketers who transport product in cargo tank vehicles or transports.

PENALTY SCHEDULE:

Civil Penalties

- The maximum civil penalty is increased from \$32,500 to \$50,000 for a knowing violation. This penalty increases to \$100,000 if the violation results in a death, severe injury to any person or substantial destruction of property. These penalties are assessed on a per violation basis.
- The minimum civil penalty is reduced from \$275 to \$250. The minimum civil penalty for violation of any training requirement is increased to \$450.
- The minimum civil penalty for violations related to failure to develop or adhere to a written security plan or provide security training is increased to \$450 for each day of the violation period.

Criminal Penalties

Criminal penalties now apply to both reckless and willful violations of hazardous materials laws or regulations, orders, or special permits as well as to knowing violation of the prohibition against tampering with a marking, label, placard or shipping paper.

- The maximum criminal penalty of 5 years in jail and a fine of \$250,000 for an individual and \$500,000 for a corporation remains the same. However, if the violation involves the release of a hazardous material that results in death or bodily injury to a person, the maximum prison sentence is increased to 10 years.

Got Questions? Contact Mark S. Morgan Esq. (202) 364-6767 or mmorganptsa@cox.net