

Aviation Group Client Update

Date: May 2, 2013

Contact: Lisa A. Harig, Partner
Washington DC Office
lhurig@mklawdc.com
+1 703 247 5487

Lindsay W. McGuire, Associate
New York Office
lmcguire@mklawny.com
+1 516 364 1095

PHMSA ANNOUNCES TEMPORARY REDUCTION OF REGISTRATION FEES

Last month, the Pipeline and Hazardous Materials Safety Administration (PHMSA) published a [Final Rule](#) temporarily reducing the amount of the annual registration fee by 50% due to an unexpended balance that has accumulated in the Hazardous Materials Emergency Preparedness Fund (the “HMEP Fund”). The Final Rule was issued without a prior notice of proposed rulemaking under the good cause exemption in the Administrative Procedures Act.

PHMSA’s grant program, including HMEP Grants, is funded by registration fees collected from HazMats shippers and carriers. Three main factors influence the amount of funds collected and expended in a given year: (1) the number of persons that will register with PHMSA; (2) the total amount of grants requested in applications and for which funds will be obligated; and (3) the activities that will not be actually completed so that funds will later be “de-obligated.”

Whenever the collection of fees exceeds the money needed by the HMEP Fund, resulting in a surplus, the law requires PHMSA to adjust fees to reduce the unexpended balance. Currently there is an unexpended balance in the HMEP Fund. As a result, PHMSA is lowering the registration fees for registration year 2013-2014 for all persons that transport or offer for transportation in commerce certain categories and quantities of hazardous materials (“HazMat”). After the 2013-2014 registration year, the registration fees will return to 2012-2013 registration year levels.

For registration year 2013-2014, the following fees will apply:

- For a small business or not-for-profit organization, the fee will be \$125 plus a \$25 processing fee.
- For all other businesses, the fee will be \$1300 plus a \$25 processing fee.

Additionally, PHMSA is making an editorial change to § 107.612 to clarify the appropriate fee amounts; there are no substantive changes other than the addition of the fees for 2013–2014 and for 2014–2015 and later.

If you have any questions regarding the Final Rule or the reduced registration fees, please contact our office.

* * * * *

McBreen & Kopko’s Aviation Group represents air carriers, fixed base operators (FBOs), airport managers, aviation service providers, and business aircraft owners and operators on a wide range of aviation issues including regulatory matters, commercial transactions, aircraft finance matters, and bankruptcy and creditors’ rights.