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# Transportation/Hazardous Materials: U.S. Pipeline and Hazardous Materials Safety Administration Addresses Question Regarding Crude Oil Bill of Lading

## Arkansas Environmental, Energy, and Water Law Blog

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The United States Department of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA") responded in a February 24<sup>th</sup> letter to a query requesting clarification of the Hazardous Materials Regulations ("HMR") in regards to a bill of lading ("BOL").

The PHMSA was provided with both a sample BOL for a crude oil rail shipment and an outline of the roles of several parties involved in the shipment.

Mr. Elliot Aplan stated in an email to PHMSA that:

... Company A owns the crude oil and railcars. Company C owns the crude oil loading unit train terminal in Wyoming. Company C has a contractor, Contractor 1, who provides moving and loading services at the loading terminal. Contractor 1 arranges for Company A's crude to be loaded into Company A's railcars and prepares the railcars for shipment, including preparing shipping papers. Contractor 1 signs the certification indicating everything was done in accordance with the regulations.

Mr. Aplan asked if PHMSA "takes exception with listing Company A as the shipper on the BOL."

PHMSA responds in the negative. The agency concludes that Company A may be listed as the shipper on the BOL. It states:

... Under the HMR, any person performing functions of an offeror, as defined in § 171.8, must take responsibility for performing those functions in accordance with the applicable requirements. Based on your description, Contractor 1, at the direction of or through contractual arrangement with Company C, performs offeror (shipper) functions, such as preparing the railcars for shipment and signing the certification. Listing Company A as the shipper on the BOL does not necessarily relieve Contractor 1 or Company C of its offeror responsibilities. The degree of regulatory liability is usually determined on a case-by-case basis and is dependent on the facts of the specific situation.

[Click here to download a copy of the letter and the sample BOL.](#)