Hazmat Responsibility in a 3PL Environment

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Do you currently arrange hazardous materials for transportation?
Do you currently arrange hazardous materials for transportation?
What are your biggest concerns on moving hazmat?
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Mr. Jim Becker
CEO for Becker Logistics, Inc.
Chairman of the TIA Hazmat & Environmental Subcommittee
What we will cover today

• Do you know your role as a 3PL in arranging the transportation of Hazardous Materials?
• Do you have a basic understanding of the hazardous materials regulations?
• Are you prepared to educate and assist your shipper customers?
• We hope to share with you this world of hazardous materials.
Label’s – Placard's
Emergency Response Guidebook
Emergency Response Guidebook

- Familiar with this book, are your customer?
- The four digit ID number on the placard, orange label or on the shipping papers.
- The proper shipping name of a material.
- A Placard or part of the placard.
- The DOT Guidebook is divided into four main parts
  1. Yellow pages – List materials in number order
  2. Blue pages – List Materials in alphabetic order
  4. Green top pages – Evacuation/Isolation distance
Key Terms

1. OSHA – Occupational Safety & Health Administration.
2. MSDS – OSHA’s Material Safety Data Sheet
3. HCS – OSHA’s Hazard Communication Standard
4. GHS – Globally Harmonized System
5. SDS – Safety Data Sheets
Material Safety Data Sheet

1. Chemical Identity
2. Hazardous Ingredients
3. Physical and chemical properties
4. Fire and Explosion Data
5. Reactivity data
6. Health Hazards data
7. Exposure limits data
8. Precautions for safe storage and handling
9. Need for protective gear and
10. Spill control, clean up and disposal procedures
Hazardous Material

• Defined by DOT as a substance or material is capable of posing an unreasonable risk to health, safety, and property when transported in commerce.

• Hazardous parameters set by Secretary of Transportation and Department of Transportation

• Producer responsible for testing product to determine whether it falls under any of the 9 hazardous material classes.
  • Example of test – flash point temperature test to test for flammable hazard.

• Hazardous Material ID Label (HMIL) system
Class 9 – Miscellaneous

• DOT defines as a material which presents a hazard during transportation but which does not meet the definition of any other hazard class.
  • Marine Pollutant
  • Elevated Temperature
  • Hazardous Waste
  • Hazardous Substance

• DO NOT need a Haz-Mat endorsement on CDL to haul class 9 product

• DO need proper training
Mr. Marcus Tyrance

Senior Director, Marketing & Sales

Streamline, Inc.
Shipping Hazmat via Door to Door Intermodal – Yes, you can!

<table>
<thead>
<tr>
<th>Know</th>
<th>Show</th>
<th>Go!</th>
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<tbody>
<tr>
<td>• What are you shipping?</td>
<td>• How do you properly document it?</td>
<td>• How do we get it moving?</td>
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Shipping Hazmat via Door to Door Intermodal

• **Know**
  - Proper Shipping Name (PSN)
  - UN/NA Number – UN 1203
  - Hazard Class – 1-9
  - Packing Group – 1=I, 2=II, or 3=III
  - Unit Type – PC=Pieces, BX=Boxes, PT=Pallet, BG=Bag
  - Unit Count – 10BX = 10 Boxes
  - Emergency Contact Information
    - 172.604 in 49CFR
    - Chemtrec
  - Material Safety Data Sheet (MSDS)
Shipping Hazmat via Door to Door Intermodal

• **Show**
  • Online Tendering
    • Spot
    • EDI
  • Documentation
    • STCC
    • Accurate Description
  • Prohibitions
    • Class 6 & 7
  • Shipping Papers
    • Completed by shipper
Shipping Hazmat via Door to Door Intermodal

• **Go!**
  • Assigned account manager to walk you through the process
  • Hazmat Charges – Included in your rate
  • SLIA/MITA
  • OTR=1 Hazmat Driver......Intermodal =2 Hazmat Drivers
  • Tanker Endorsements
  • Free Loading Diagrams
Helpful Hints

• Include MSDS with paperwork
• Use high-quality placards, placed high enough to be seen in a well car
• Seek support from your intermodal sales manager
  • http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49tab_02.tpl
  • https://www.shipstreamline.com/customers/knowledge_center/docs/SLIA.pdf
  • http://www.up.com/customers/shipment_quality/
Transportation of hazardous materials is governed by specific governmental regulations, i.e., Department of Transportation.

The regulations apply to all hazardous materials shipments by all modes of transportation, i.e., truck, rail, air, and water.

Shipment of hazardous materials exposes the shippers, brokers, and carriers to:

- Specific safety and security regulations
- Actual delays
- Fines and penalties
- Embarrassment to company, industry, and self
COMPLIANCE RESPONSIBILITIES
SHIPPERS AND BROKERS

Civil and criminal penalties may be assessed for violations of the following compliance functions:

- Registration
- Classification
- Documentation and shipping descriptions
- Packaging
- Marking
- Labeling
- Placarding
- Security
- Training
- Emergency response

Brokers and forwarders may be involved in several of these functions such as documentation (shipping papers) and training.
DOT INTERPRETATION LETTER

- DOT clarified application of the hazardous material regulations to persons who acts as a broker of transportation services as to whether they meet the definition of a hazmat employee.

- DOT stated that a broker of transportation services performing any hazardous materials function(s) is a hazmat employee under the HMR.
• A few highlights of the DOT letter:
  - "hazmat employee" is any person who is employed on a full-time, part-time, or temporary basis and who in the course of such employment directly affects hazardous materials safety”
  - “a person who performs duties that are regulated under the HMR is considered to be a hazmat employee”
  - “A broker is considered a hazmat employee under § 171.8 if he or she performs a function of an offeror or carrier”
  - “Functions of an offeror include physical transfer of the hazardous materials to a carrier; preparing shipping papers; reviewing shipping papers; signing hazardous materials certifications on shipping papers”
• Brokers, forwarders, and other third parties performing hazardous materials functions may both be liable for compliance

- Each party that performs a hazardous materials regulated function must do so in compliance with the regulations

• For example:

- The manufacturer/shipper applies packaging marks and labels to the package containing the hazardous material

- The broker prepares and issues the bill of lading for the shipment of the material

- An incorrect label affixed by the manufacturer and an incomplete or incorrect bill of lading issued by the broker would each be a violation of the regulations

- The shipper as well as the broker would each be assessed with a violation (joint liability) applicable to the function each performed
The DOT regulates various pre-transportation functions to ensure that shipments of hazardous materials are prepared for transportation to minimize the risk of a safety or security incident.

These regulations apply to shippers, brokers, and carriers that offer and perform a transportation regulatory function, or transport a hazardous material:

- Failure to comply may affect safety or security

Some pre-transportation functions may be performed by brokers such as:

- Preparing a bill of lading shipping paper
- Certifying compliance of the shipment with the regulations
DOT ENFORCEMENT

• Civil penalties:
  • Violations resulting from mistakes, i.e., unintentional
  • Penalty amounts up to:
    • $75,000/day/violation
    • $450/day/min for training violation
    • $175,000 violation: death, severe illness or injury, property damage

• Criminal penalties:
  • Knowing, willful, intentional, or reckless
  • Not a mistake
  • Penalty amounts up to:
    • $500,000 per violation for company
    • $250,000 per violation for individual and/or up to 5 years in prison
    • Up to 10 years for HM release: death or bodily injury
DEPARTMENT OF TRANSPORTATION
REGISTRATION

• Registration and fee requirements of the DOT apply to certain shippers, brokers, and carriers who offer for transportation or transport certain hazardous materials:

  - Placarded shipments
    Small quantities of dangerous hazardous materials such as:
    Radioactive materials
    Certain explosives
    Poisonous by inhalation materials

• Persons required to register must file a registration statement with the DOT (3 year registration is allowed) and are assessed a registration fee
  - DOT F 5800.2 registration statement

• Each registrant must keep a copy of the registration statement and DOT Certificate of Registration for three years
Hazardous material employers must instruct and train each of their hazmat employees in the application of the regulations to the work being performed.

No hazmat employee may perform any hazardous material function (preparing and issuing a shipping papers) unless trained in the functional compliance requirements of the employees’ work.

Types of training required by DOT include general awareness of the regulations, function specific detailed training on specific hazardous materials work activities, safety and security.

Separate training required for air and water shipments of hazardous materials.
DEPARTMENT OF TRANSPORTATION
EMPLOYEE TRAINING

• Employees of a broker are required to receive hazardous materials training if they perform a function of a hazmat employee such as employees that prepares hazardous materials for transportation or are responsible for safety of transporting hazardous materials.

• If none of the functions of an offeror (or carrier) are performed by the broker, and provided the broker performs only specific duties not included among those functions of an offeror or carrier (e.g., making a phone call to a carrier), the broker is not required to register or to train his employees.
Brokers meeting the definition of a "person who offers or offeror" for one or more of the hazardous materials requiring a security plan specified in the HMR must develop and implement a security plan that addresses:

- Personnel security
- Unauthorized access
- En route security

Note: A broker who contracts with a carrier to transport a shipment on behalf of the original shipper is not considered an offeror for purposes of the HMR unless it also performs one or more pre-transportation functions to prepare the shipment for transportation in commerce.
SHIPPER KNOWLEDGE

Brokers should implement procedures to better understand their knowledge of the shipper’s compliance with the DOT regulations

- Brokers should determine if the manufacturer/shipper is:
  - Registered with the DOT?
    - Obtain a copy of the DOT Certificate of Registration
    - Determine expiration date on Certificate

- Trained in the regulations?
  - Who are the employees that were trained?
  - Are all mandatory courses completed?
  - Is training current for each course?

- Compliant with emergency response regulations
  - What emergency response telephone number is used?
Brokers may rely on hazardous materials information, i.e., safety data sheet or a shipping description, obtained from the manufacturer/shipper unless the broker has knowledge that the information may not be correct.

Determine if the information provided by the manufacturer/shipper is consistent with the information on the safety data sheet and the bill of lading?

- Review the safety data sheet for key hazardous materials data
- Review the transportation regulatory section

Brokers should verify their carrier’s compliance with the DOT regulations by determining:

- Carrier registration with the DOT
  - Review current Certificate of Registration

- Hazardous materials training
  - What employees were trained?
  - Where all DOT mandatory courses presented?
  - Is training current for each employee?

- Availability of emergency response (ER) information
  - ER telephone number provided?
  - ER Guidebook with drivers?
The DOT Hazardous Materials Regulations authorize the use of the IMDG Code (Vessel Hazardous Materials Regulations) as an equivalent to the HMR, when:

• all or part of the transportation is by vessel; and

• the shipment complies with the conditions, limitations, and additional requirements of the DOT

A hazardous material being imported into or exported from the United States may be offered and accepted for transportation and transported by motor vehicle within a single port area when packaged, marked, classed, labeled, placarded, documented, stowed and segregated in accordance with the IMDG Code
A broker is an offeror if a broker performs one or more pre-transportation functions to prepare a hazardous materials shipment.

Employees of a broker are required to receive hazardous materials training if they perform a function of a hazmat employee.

A broker must register with the DOT’s Hazardous Materials Registration Program if they perform a function of an offeror and otherwise meet criteria requiring registration.

A broker must develop and implement a security plan if the broker performs a function of an offeror for one or more of the hazardous materials requiring a security plan.
Questions?