
Skid Tank Regulations

Federal and state enforcement authorities are increasingly handing out costly citations to petroleum marketers for improperly transporting portable skid tanks back and forth from construction sites, farms and other commercial user locations. Typically, skids are transported empty on a flatbed truck and then filled with product after delivery to the end user. When the end user is finished with the skid tank, it is shipped back to the marketer's tank yard in the same manner it was delivered. Since skid tanks at this point may only contain a small amount of fuel mixed with residue that is unsuitable for use in motor vehicles or other equipment, many marketers consider them "empty" for purposes of complying with federal Hazardous Materials Regulations (HMR). Unfortunately, "empty" can be a relative term. Skid tanks deemed empty by marketers are often treated as containing hazardous materials by roadside inspectors. This difference of opinion over what constitutes "empty" is likely to result in marketers being cited for failure to comply with the HMR accompanied by a hefty fine and probable out of service order.

While a marketer may deem a skid tank empty of usable product the fuel/residue mixture is still classified as a hazardous material under the HMR and must be properly placarded, accompanied by a shipping paper and transported by a CDL driver with a HAZMAT endorsement. This is true regardless of the amount of residue left in the tank. There are no limited quantity exceptions for product remaining in skid tanks. Any amount of hazardous material transported in a skid tank is sufficient to trigger compliance with the HMR. Only when the skid tank is cleaned and purged of vapors is it considered truly "empty" under section 49 CFR 173.29 of the HMR and no longer subject to federal regulation.

The costs for assuming a skid tank is empty when it is not are high, particularly when transporting multiple tanks on the same truck. Under the HMR, a person who violates a requirement applicable to the transportation of hazardous materials is liable for a civil penalty of not more than \$55,000 and not less than \$250 for each violation. The maximum civil penalty is \$110,000 if the violation results in death, serious illness or severe injury to any person or substantial destruction of property, and a minimum \$495 civil penalty applies to a violation relating to HAZMAT training. When the violation is a continuing one, each day of the violation constitutes a separate offense.

Avoiding Citations and Out of Service Orders

Marketers can avoid unnecessary and costly citations by ensuring that the following DOT requirements are met when transporting skid tanks that have not been cleaned and purged of product:

Placards - Skid tanks must be placarded unless they have been cleaned of all residue and purged of vapors (49 CFR 172.29). Skid tanks must be placarded on all four sides when being transported (49 CFR 172.504). There is an exception to this rule when the gross aggregate capacity of the tank(s) is less than 1000 gallons - then only two sides need be placarded (49 CFR 172.514(c)).

Shipping Papers - Skid tanks containing only residue must still be accompanied by shipping papers that comply with U.S. DOT HAZMAT regulations. Use the same format on skid tank shipping papers as used with fuel being transported by cargo tank truck or transport. The quantity on the shipping paper - usually designated in gallons or by truckload should be noted as "residue". Residue is the substance left in a tank that is not suitable for powering any engine or equipment due to its impurities. Any amount remaining in the tank above a residue must be designated in gallons.

Driver Qualifications - Only a driver with a current CDL and HAZMAT endorsement may transport skid tanks containing fuel or residue.

The Bottom Line - if a skid tank has not been cleaned and purged, then it must be transported as if it were full and subject to all applicable federal hazardous materials transportation regulations. A good rule of thumb is to always treat skid tanks as containing product when transporting between customer and tank yard.