



DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

49 CFR Part 107

[Docket No. PHMSA-2025-0096 (HM-268H)]

RIN 2137-AG10

Hazardous Materials: Modernizing Payments to and From America's Bank Account

ACTION: Notice of Proposed Rulemaking (NPRM)

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), Department of Transportation (DOT)

SUMMARY: PHMSA proposes to modernize the payment system for hazardous materials registration to require electronic submissions via the Department of Transportation (DOT) e-Commerce Internet site and eliminate the option to pay using a paper check. This revision is intended to increase government efficiency by eliminating the burdens associated with processing paper checks from the regulatory community.

DATES: Comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments identified by the Docket Number PHMSA-2025-0096 using any of the following methods:

E-Gov Web: <https://www.regulations.gov>. This site allows the public to enter comments on any Federal Register notice issued by any agency. Follow the online instructions for submitting comments.

Mail: Docket Management System: U.S. Department of Transportation, 1200 New Jersey Avenue SE, West Building Ground Floor, Room W12-140, Washington, D.C. 20590-0001.

Hand Delivery: U.S. DOT Docket Management System: West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Fax: 1-202-493-2251.

Instructions: Please include the docket number PHMSA-2025-0096 at the beginning of your comments. If you submit your comments by mail, submit two copies. If you wish to receive confirmation that PHMSA received your comments, include a self-addressed stamped postcard. Internet users may submit comments at <https://www.regulations.gov>.

Note: Comments are posted without changes or edits to <https://www.regulations.gov>, including any personal information provided. There is a privacy statement published on <https://www.regulations.gov>.

Privacy Act: In accordance with 5 U.S.C. § 553(c), DOT solicits comments from the public to inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to <https://www.regulations.gov>, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at <https://www.dot.gov/privacy>.

Confidential Business Information: Confidential Business Information (CBI) is commercial or financial information that is both customarily and actually treated as private by its owner. Under the Freedom of Information Act (FOIA, 5 U.S.C. § 552), CBI is exempt from public disclosure. It is important that you clearly designate the comments submitted as CBI if: your comments responsive to this document contain commercial or financial information that is customarily treated as private; you actually treat such information as private; and your comment is relevant or responsive to this notice. You may ask PHMSA to provide confidential treatment to information you give to the agency by taking the following steps: (1) mark each page of the original document submission containing CBI as “Confidential”; (2) send PHMSA, along with the original document, a second copy of the original document with the CBI deleted; and (3)

explain why the information that you are submitting is CBI. Submissions containing CBI should be sent to Yul B. Baker Jr., Office Hazardous Materials Safety, Pipeline and Hazardous Materials Safety Administration (PHMSA), 2nd Floor, 1200 New Jersey Avenue SE, Washington, D.C. 20590-0001, or by email at yul.baker@dot.gov. Any materials PHMSA receives that is not specifically designated as CBI will be placed in the public docket.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>. Follow the online instructions for accessing the docket.

Alternatively, you may review the documents in person at the street address listed above.

FOR FURTHER INFORMATION CONTACT: Yul B. Baker Jr., Transportation Regulation Specialist, 1200 New Jersey Avenue, SE Washington, D.C. 20590, 202-366-8553, yul.baker@dot.gov.

I. GENERAL DISCUSSION

In accordance with Executive Order (E.O.) 14247, “Modernizing Payments To and From America’s Bank Account,”¹ PHMSA proposes to revise a payment provision for its registration and fee program at Title 49, Chapter I, Part 107, Subpart G of the Code of Federal Regulations (CFR). Specifically, PHMSA proposes to revise § 107.616 “Payment procedures” to require electronic only payment and eliminate the option to pay registration fees using a paper check.

E.O. 14247 provides that, as soon as practicable and to the extent permitted by law, all payment to the Federal Government must be processed electronically. E.O. 14247 further states that the Secretary of the Treasury must take appropriate action to eliminate the need for the Department of the Treasury’s (“Treasury”) physical lockbox services, and to expedite requirements to receive the payment of Federal receipts, including fees, through electronic means.

¹ 90 FR 14001 (Mar. 25, 2025).

PHMSA has historically used the lockbox system for collecting checks for its registration program fee payments. The Treasury has indicated that it will soon no longer be servicing the PHMSA lockbox because of the continually decreasing number of check payments using the system. The increased use of electronic payments made online to PHMSA versus mailed paper checks greatly minimizes the need to maintain a lockbox. To meet the Treasury's lockbox closure initiative, PHMSA is proposing that payments for hazardous materials registration fees will only be accepted electronically moving forward.

Currently, § 107.616(a) instructs each person subject to the registration requirements to either mail their payment in full to the U.S. Department of Transportation or submit the statement and payment electronically through the Department's e-Commerce Internet site. Section 107.616(b) also instructs a person to make a payment by certified check, cashier's check, personal check, or money order in U.S. funds and drawn on a U.S. bank that is payable to the U.S. Department of Transportation" or by completing an authorization for payment by credit card or other electronic means of payment acceptable to the Department.

Consistent with the requirements and Treasury's efforts to implement E.O. 14247, PHMSA proposes to revise the payment method for the registration program and fee in § 107.616 to electronic only. PHMSA does not expect the proposed revisions to have any adverse impact on safety.

II. REGULATORY ANALYSIS AND NOTICES

A. Legal Authority

This proposed rulemaking is published under the authority of the Secretary of Transportation set forth in the Federal Hazardous Materials Transportation Laws (49 U.S.C. § 5101 *et seq.*) and delegated to the PHMSA Administrator pursuant to 49 CFR § 1.97.

B. Executive Orders 12866; Regulatory Planning and Review

Executive Order (E.O.) 12866 (“Regulatory Planning and Review”),² as implemented by DOT Order 2100.6B (“Policies and Procedures for Rulemaking”), requires agencies to regulate in the “most cost-effective manner,” to make a “reasoned determination that the benefits of the intended regulation justify its costs,” and to develop regulations that “impose the least burden on society.” DOT Order 2100.6B specifies that regulations should generally “not be issued unless their benefits are expected to exceed their costs.” In arriving at those conclusions, E.O. 12866 requires that agencies should consider “both quantifiable measures . . . and qualitative measures of costs and benefits that are difficult to quantify” and “maximize net benefits . . . unless a statute requires another regulatory approach.” E.O. 12866 also requires that “agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating.” DOT Order 2100.6B directs that PHMSA and other Operating Administrations must generally choose the “least costly regulatory alternative that achieves the relevant objectives” unless required by law or compelling safety need.

E.O. 12866 and DOT Order 2100.6B also require that PHMSA submit “significant regulatory actions” to the Office of Information and Regulatory Affairs (OIRA) within the Executive Office of the President’s Office of Management and Budget (OMB) for review. This proposed rule is a not significant regulatory action pursuant to E.O. 12866; it also has not designated this proposed rule as a “major rule” as defined by the Congressional Review Act (5 U.S.C. § 801 *et seq.*).

PHMSA has complied with the requirements in E.O. 12866 as implemented by DOT Order 2100.6B and made a preliminary determination that the proposed rule for electronic-only payments will not generate significant economic costs but will enhance efficiency. PHMSA anticipates a small, but not significant, cost savings to government due to the change to

² 58 FR 51735 (Oct. 4, 1993).

electronic-only payment in the amended 49 CFR § 107.616, primarily as a result of no longer having to dedicate resources to processing paper forms and checks. For regulated parties that have previously chosen to pay by mailing in a check with their registration statement, PHMSA expects the cost of adjusting to the electronic system would be negligible.

C. Executive Orders 14192 and 14219

This proposed rule, if finalized as proposed, is expected to be an E.O. 14192 deregulatory action.³ PHMSA seeks data that would be helpful to generate an estimate of the cost savings from this rule. PHMSA’s initial estimates are that the total costs of the rule on the regulated community will be less than zero. Nor does this proposed rule does implicate any of the factors identified in section 2(a) of E.O. 14219 indicative of a regulation that is “unlawful . . . [or] that undermine[s] the national interest.”⁴

D. Energy-Related Executive Orders 13211, 14154, and 14156

PHMSA has analyzed this proposed rulemaking in accordance with the principles and criteria contained in E.O. 14156 (“Declaring a National Energy Emergency”)⁵ and E.O. 14154 (“Unleashing American Energy”).⁶ Respectively, the President has declared a national emergency to address the United States’s inadequate energy development production, transportation, refining, and generation capacity and asserts a Federal policy to unleash American energy by ensuring access to abundant supplies of reliable, affordable energy from (inter alia) the removal of “undue burden[s]” on the identification, development, or use of domestic energy resources. PHMSA preliminarily finds this proposed rule is consistent with each of E.O. 14156 and E.O. 14154 because it will not hinder or unduly burden the transportation or production of energy or energy-related products.

³ 90 FR 9065 (Jan. 31, 2025).

⁴ 90 FR 10583 (Feb. 19, 2025).

⁵ 90 FR 8353 (Jan. 29, 2025).

⁶ 90 FR 8353 (Jan. 29, 2025).

However, this proposed rule is not a “significant energy action” under E.O. 13211 (“Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use”), which requires Federal agencies to prepare a Statement of Energy Effects for any “significant energy action.” Because this proposed rule is not a significant action under E.O. 12866, it will not have a significant adverse effect on supply, distribution, or energy use; and OIRA has therefore not designated this proposed rule as a significant energy action.

E. Executive Order 13132: Federalism

PHMSA analyzed this proposed rulemaking in accordance with the principles and criteria contained in E.O. 13132 (“Federalism”)⁷ and the Presidential Memorandum (“Preemption”) published in the Federal Register on May 22, 2009.⁸ E.O. 13132 requires agencies to assure meaningful and timely input by State and local officials in the development of regulatory policies that may have “substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government.” The Federal Hazardous Materials Transportation laws contain an express preemption provision at 49 U.S.C. § 5125(b) that preempts state, local, and tribal requirements on certain covered subjects, unless the non-federal requirements are “substantively the same” as the federal requirements, including the following:

- (1) The designation, description, and classification of hazardous material;
- (2) The packing, repacking, handling, labeling, marking, and placarding of hazardous material;
- (3) The preparation, execution, and use of shipping documents related to hazardous material and requirements related to the number, contents, and placement of those documents;
- (4) The written notification, recording, and reporting of the unintentional release in transportation of hazardous material; and

⁷ 64 FR 43255 (Aug. 10, 1999).

⁸ 74 FR 24693 (May 22, 2009).

(5) The design, manufacture, fabrication, inspection, marking, maintenance, recondition, repair, or testing of a packaging or container represented, marked, certified, or sold as qualified for use in transporting hazardous material in commerce.

This proposed rulemaking does not address any of the covered subject items above that would preempt state, local, and Tribal requirements not meeting the “substantively the same” standard. Therefore, the consultation and funding requirements of E.O. 13132 do not apply.

F. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. § 601 et seq.) requires Federal agencies to conduct an Initial Regulatory Flexibility Analysis (IRFA) for a proposed rule subject to notice-and-comment rulemaking under the APA unless the agency head certifies that the proposed change in the rulemaking will not have a significant economic impact on a substantial number of small entities. E.O. 13272 (“Proper Consideration of Small Entities in Agency Rulemaking”)⁹ obliges agencies to establish procedures promoting compliance with the Regulatory Flexibility Act. DOT posts its implementing guidance on a dedicated webpage.¹⁰ This proposed rule was developed in accordance with E.O. 13272 and DOT implementing guidance to ensure compliance with the Regulatory Flexibility Act and that the potential impacts of the rulemaking on small entities has been properly considered. The number of entities currently paying registration fees with paper checks is currently less than 1,000 per year, and PHMSA believes the majority of small businesses would be able to make electronic payments without incurring significant costs. PHMSA certifies the proposed rule (if finalized) will not have a significant impact on a substantial number of small entities.

⁹ 67 FR 53461 (Aug. 16, 2002).

¹⁰ DOT, “Rulemaking Requirements Related to Small Entities,” <https://www.transportation.gov/regulations/rulemaking-requirements-concerning-small-entities> (last accessed Sept 3, 2024).

G. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act (UMRA, 2 U.S.C. § 1501 et seq.) requires agencies to assess the effects of Federal regulatory actions on State, local, and Tribal governments, and the private sector. For any proposed rule that includes a Federal mandate that may result in the expenditure by state, local, and Tribal governments, in the aggregate of \$100 million or more (in 1996 dollars) in any given year, the agency must prepare, amongst other things, a written statement that qualitatively and quantitatively assesses the costs and benefits of the Federal mandate.

This proposed rule does not impose unfunded mandates under UMRA because it does not result in costs of \$100 million or more (in 1996 dollars) per year for either State, local, or Tribal governments, or to the private sector.

H. National Environmental Policy Act

The National Environmental Policy Act (NEPA, 42 U.S.C. § 4321 et. seq.) requires that Federal agencies assess and consider the impact of major Federal actions on the human and natural environment.

PHMSA analyzed this proposed rule in accordance with NEPA and has preliminarily determined that the rulemaking will not adversely affect safety and, therefore, will not significantly affect the quality of the human and natural environment. The public is invited to comment on the impact of the proposed action.

I. Executive Order 13175

PHMSA analyzed this proposed rule according to the principles and criteria in E.O. 13175 (“Consultation and Coordination with Indian Tribal Governments”)¹¹ and DOT Order 5301.1A (“Department of Transportation Tribal Consultation Policies and Procedures”). E.O. 13175 requires agencies to assure meaningful and timely input from Tribal government

¹¹ 65 FR 67249 (Nov. 9, 2000).

representatives in the development of rules that significantly or uniquely affect Tribal communities by imposing “substantial direct compliance costs” or “substantial direct effects” on such communities or the relationship or distribution of power between the Federal government and Tribes.

PHMSA assessed the impact of the proposed rule and determined that it will not significantly or uniquely affect Tribal communities or Indian Tribal governments. The rulemaking’s regulatory amendments have a broad, national scope; therefore, this proposed rule will not significantly or uniquely affect Tribal communities, much less impose substantial compliance costs on Native American Tribal governments or mandate Tribal action. For these reasons, PHMSA has concluded that the funding and consultation requirements of E.O. 13175 and DOT Order 5301.1A do not apply.

J. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. § 3501 et seq.) and its implementing regulations at 5 CFR 1320.8(d) requires that PHMSA provide interested members of the public and affected agencies with an opportunity to comment on information collection and recordkeeping requests. This proposed rulemaking will not create, amend, or rescind any existing information collections.

K. Cybersecurity and Executive Order 14028

E.O. 14028 (“Improving the Nation's Cybersecurity”)¹² directed the Federal government to improve its efforts to identify, deter, and respond to “persistent and increasingly sophisticated malicious cyber campaigns.” PHMSA has considered the effects of the proposed rule and has determined that its regulatory amendments would not materially affect the cybersecurity risk profile for affected entities.

List of Subjects in 49 CFR Part 107

¹² 86 FR 26633 (May 17, 2021).

Administrative practice and procedure, Hazardous materials transportation, Packaging and containers, Penalties, Reporting and recordkeeping requirements.

In consideration of the foregoing, PHMSA proposes to amend 49 CFR Chapter I as follows:

PART 107—HAZARDOUS MATERIALS PROGRAM AND PROCEDURES

1. The authority citation for part 107 continues to read as follows:

Authority: 49 U.S.C. 5101-5128, 44701; Pub. L. 101-410 Section 4; Pub. L. 104-121 Sections 212-213; Pub. L. 104-134 Section 31001; Pub. L. 114-74 Section 701 (28 U.S.C. 2461 note); 49 CFR 1.81 and 1.97; 33 U.S.C. 1321.

2. Revise § 107.616 to read as follows:

§ 107.616 Payment procedures.

(a) Each person subject to the requirements of this subpart must submit the registration statement and payment electronically in full through the Department's e-Commerce Internet site. Access to this service is provided at <https://www.phmsa.dot.gov/registration/registration-overview>. A registrant required to file an amended registration statement under § 107.608(c) of this subpart must submit it through the same Internet site.

(b) Payment must be made by completing an authorization for payment by credit card or other electronic means of payment acceptable to the U.S. Department of Transportation as part of an Internet registration as provided in paragraph (a) of this section.

(c) Payment must correspond to the total fees properly calculated in the "Amount Due" block of the DOT form F 5800.2. A person may elect to register and pay the required fees for up to three registration years by filing one complete and accurate registration statement.

Issued in Washington, D.C., on June 26, 2025, under the authority delegated in 49 CFR § 1.97.

Benjamin D. Kochman,
Acting Administrator

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