This document is scheduled to be published in the Federal Register on 2026-08-04 and available online at https://www.federalregister.gov/d/2026-15812, and on https://govinfo.gov

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

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

ACTION: Final rule.

SUMMARY: This final rule modernizes the payment system for hazardous materials transportation registration fees by eliminating the option to pay by paper check and requiring electronic payment through the U.S. Department of Transportation (Department or DOT) e-Commerce internet site. This action improves processing efficiency, reduces administrative burden, and aligns payment procedures with current Government-wide electronic commerce practices.

DATES: This final rule is effective [**INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**].

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

SUPPLEMENTARY INFORMATION:

I. PHMSA Action

A. What action is PHMSA taking in this Final Rule?

PHMSA is revising 49 CFR 107.616 to eliminate the option to pay the hazardous materials transportation registration fee by paper check and require electronic payment.

B. Does this action apply to me?

Effective 30 days after publication of this final rule, persons subject to the registration requirements in 49 CFR 107.601 must pay registration fees electronically.

C. Why is PHMSA taking this action?

PHMSA is taking this action in response to commenter feedback and to advance the goals of Executive Order (E.O.) 14247 (*Modernizing Payments To and From America's Bank Account).*[1] Executive Order 14247 directs that, as soon as practicable and to the extent permitted by law, all payments to the Federal Government must be processed electronically. The Order further requires the Secretary of the Treasury to take appropriate action to eliminate the need for the Department of the Treasury's ("Treasury") physical lockbox services and to expedite the receipt of Federal payments—including fees—through electronic means.

II. Summary of Comments Received in Response to the Notice of Proposed Rulemaking

PHMSA published a notice of proposed rulemaking (NPRM), cited as *HM-268H*, to gather feedback on revising the hazardous materials registration fee payment system.[2] Please refer to the NPRM for background and discussion of the proposed change.

The following table alphabetically lists commenters to the NPRM:

Commenter Name	Docket No.
Council on Safe Transportation of Hazardous Articles, Inc. (COSTHA)	PHMSA-2025-0096-0003
Dangerous Goods Advisory Council	PHMSA-2025-0096-0005

[1] 90 FR 14001 (Mar. 25, 2025).

[2] 90 FR 28528 (Jul. 1, 2025).

Institute of Makers of Explosives	PHMSA-2025-0096-0004
National Tank Truck Carriers	PHMSA-2025-0096-0002
Nuclear Energy Institute	PHMSA-2025-0097-0002

All commenters supported the proposed amendment requiring electronic-only payment of hazardous materials transportation registration fees. COSTHA expressed support for the proposal but requested clarification on whether members must use a credit card or may continue to make electronic bank-to-bank or Automated Clearing House (ACH) payments. COSTHA noted that many members use ACH payments through the Department's e-Commerce site and that some users find ACH payments more practical and cost-effective than credit card transactions.

PHMSA is not removing the ability to make ACH payments. The electronic-only payment system will rely exclusively on digital or electronic methods for transactions related to hazardous materials transportation registration fees. Funds may be transferred through electronic networks using credit or debit cards, mobile wallets, direct bank transfers, or other digital platforms—including use of ACH payments.

III. Regulatory Analysis and Notices

A. Legal Authority

This final rule is published under the authority of the Secretary of Transportation as 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 Order 12866; Regulatory Planning and Review

Executive Order 12866 (*Regulatory Planning and Review*), as implemented by 49 CFR Part 5, subpart B, 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."[3] In arriving

[3] 58 FR 51735 (Oct. 4, 1993); 91 FR 22431 (Apr. 27, 2026); DOT Order 2100.7 (*Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities*); *see also* DOT Order 2100.6B (*Policies and Procedures for Rulemakings*).

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." Pursuant to 49 CFR part 5, subpart B, 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. In addition, 49 CFR part 5, subpart B also specifies that regulations should generally "not be issued unless their benefits are expected to exceed their costs."

E.O. 12866 and 49 CFR part 5, subpart B 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 final rule is not a significant regulatory action pursuant to E.O. 12866 and has not been designated 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 49 CFR part 5, subpart B. PHMSA has determined that this final rule will impose negligible burdens for shippers and carriers who will be newly required to comply with electronic registration requirements because the means to make electronic payments have become ubiquitous and easy to obtain. PHMSA estimates a small cost savings to government focused on the reduction of processing paper forms and paper checks. Based on an estimated reduction of 156 hours per year of internal labor compensated at $49.31 per hour, PHMSA estimates an internal cost savings of $7,691.87 per year in 2024 dollars, at

both three and seven percent discount rates.[4] The change to accept electronic-only payments aligns with the Treasury's initiative to eliminate the need for physical lockbox services and expedite receipt of payments through electronic means. This change will improve government efficiency for American taxpayers and result in additional unquantified cost savings accruing to the Treasury.[5]

C. Executive Orders 14192 and 14219

PHMSA has determined that this final rule is an E.O. 14192 (*Unleashing Prosperity Through Deregulation*) deregulatory action.[6] PHMSA finds the total costs of the rule on the regulated community will be less than zero. This final rule does not implicate any of the factors identified in section 2(a) of E.O. 14219 (*Ensuring Lawful Governance*) indicative of a regulation that is "unlawful . . .[or] that undermine[s] the national interest."[7]

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

PHMSA has analyzed this final rule in accordance with the principles and criteria contained in E.O. 14156 (*Declaring a National Energy Emergency*) and E.O. 14154 (*Unleashing American Energy*).[8] The President has declared a national emergency to address America's inadequate energy development production, transportation, refining, and generation capacity and asserted a Federal policy to unleash American energy by ensuring access to abundant supplies of reliable, affordable energy from (inter alia) the

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[4] Quantified cost savings are based on General Schedule grade GS-7 step 5 pay of $63,381 per year, with wages representing 61.8 percent of compensation for government workers. PHMSA estimated an internal labor cost of three hours per week to process paper forms and checks based on interviews with employees involved in the process. *See*: OPM, *General Schedule (GS) Salary Calculator*, available at: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule-gs-salary-calculator/; *see also* BLS, *Employer Costs for Employee Compensation Summary* (Mar. 20, 2026), available at: https://www.bls.gov/news.release/ecec.nr0.htm.

[5] *See* E.O. 14247, *Modernizing Payments To and From America's Bank Account* (Mar. 25, 2025), outlining the risks and costs of maintaining paper-based payments to the Federal Government.

[6] 90 FR 9065 (Feb. 6, 2025).

[7] 90 FR 10583 (Feb. 25, 2025).

[8] 90 FR 8433 (Jan. 29, 2025); 90 FR 8353 (Jan. 29, 2025).

removal of "undue burden[s]" on the identification, development, or use of domestic energy resources. PHMSA finds this final rule to be consistent with 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.

In addition, this final 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."[9] Because this final rule is not a significant action under E.O. 12866, it will not have a significant adverse effect on supply, distribution, or energy use; accordingly, OIRA has not designated this final rule as a significant energy action.

E. Executive Order 13132: Federalism

PHMSA analyzed this final rule in accordance with the principles and criteria contained in E.O. 13132 (*Federalism*) and the Presidential Memorandum (*Preemption*) published in the *Federal Register* on May 22, 2009.[10] 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;

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[9] 66 FR 28355 (May 22, 2001).

[10] 64 FR 43255 (Aug. 10, 1999); 74 FR 24693 (May 22, 2009).

(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

(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 final rule does not address any of the covered subject items listed 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 a Final Regulatory Flexibility Analysis (FRFA) for a final rule that has been subject to a notice-and-comment rulemaking under the APA unless the agency head certifies that the final rule 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*) obliges agencies to establish procedures promoting compliance with the Regulatory Flexibility Act.[11] DOT posts information on a dedicated webpage to help small businesses understand and navigate Federal regulatory

[11] 67 FR 53461 (Aug. 16, 2002).

processes.[12] PHMSA developed this final rule in accordance with E.O. 13272 and DOT implementing guidance to ensure compliance with the Regulatory Flexibility Act. PHMSA has concluded that the incremental costs of the final rule will be negligible and certifies that the final rule will not have a significant impact on a substantial number of small entities.

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 or final 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 final 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

PHMSA has analyzed this rule pursuant to the National Environmental Policy Act (NEPA; 42 U.S.C. § 4321 *et seq*.) and has determined it is categorically excluded under 23 CFR 771.117(c)(20), which applies to the promulgation of rules, regulations, and directives. Under Section 9 of DOT Order 5610.1D, PHMSA may apply a categorical exclusion (CE) established in another Operating Administration's procedures. PHMSA followed the requirements outlined in DOT Order 5610.1D to apply the Federal Highway Administration's CE to this deregulatory action. PHMSA has determined no unusual

[12] DOT, *Rulemaking Requirements Related to Small Entities* (last accessed Sept 3, 2024), available at: https://www.transportation.gov/regulations/rulemaking-requirements-concerning-small-entities.

circumstances are present under 23 CFR 771.117(b). PHMSA's Categorical Exclusion Determination memo for this action is available on PHMSA's website.[13]

I. Executive Order 13175

PHMSA analyzed this final rule according to the principles and criteria in E.O. 13175 (*Consultation and Coordination with Indian Tribal Governments*) and DOT Order 5301.1A (*Department of Transportation Tribal Consultation Policies and Procedures*).[14] E.O. 13175 requires agencies to assure meaningful and timely input from Tribal government 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 final 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 final rule will not significantly or uniquely affect Tribal communities, much less impose substantial compliance costs on 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) require that PHMSA provide interested members of the public and affected agencies with an opportunity to comment on information collection

[13] DOT, PHMSA, *Implementing Procedures* (Aug. 28, 2025), https://www.phmsa.dot.gov/planning-and-analytics/environmental-analysis-and-compliance/implementing-procedures.

[14] 65 FR 67249 (Nov. 9, 2000).

and recordkeeping requests. This rulemaking will not create, amend, or rescind any existing information collections.

K. Executive Order 13609 and International Trade Analysis

E.O. 13609 (*Promoting International Regulatory Cooperation*) requires agencies consider whether the impacts associated with significant variations between domestic and international regulatory approaches are unnecessary or may impair the ability of American business to export and to compete internationally.[15] In meeting shared challenges involving health, safety, labor, security, environmental, and other issues, international regulatory cooperation can identify approaches that are at least as protective as those that are or would be adopted in the absence of such cooperation. International regulatory cooperation can also reduce, eliminate, or prevent unnecessary differences in regulatory requirements.

Similarly, the Trade Agreements Act of 1979 (Pub. L. No. 96-39), as amended by the Uruguay Round Agreements Act (Pub. L. No. 103-465), prohibits Federal agencies from establishing any standards or engaging in related activities that create unnecessary obstacles to the foreign commerce of the United States. For purposes of these requirements, Federal agencies may participate in the establishment of international standards, so long as the standards have a legitimate domestic objective, such as providing for safety, and do not operate to exclude imports that meet this objective. The statute also requires consideration of international standards and, where appropriate, that they be the basis for U.S. standards.

PHMSA engages with international standards setting bodies to protect the safety of the American public. PHMSA has assessed the effects of this final rule and has

[15] 77 FR 26413 (May 4, 2012).

determined that its regulatory amendments will not cause unnecessary obstacles to foreign trade.

L. Cybersecurity and Executive Order 14028

Executive Order 14028 (*Improving the Nation's Cybersecurity*) directed the Federal Government to improve its efforts to identify, to deter, and to respond to "persistent and increasingly sophisticated malicious cyber campaigns."[16] PHMSA has considered the effects of the final rule and has determined that its regulatory amendments would not materially affect the cybersecurity risk profile for affected entities.

M. Privacy Act Statement

In accordance with 5 U.S.C. § 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, including any personal information the commenter provides, to www.regulations.gov, as described in the system of records notice (DOT/ALL-14 FDMS), which can be reviewed at http://www.dot.gov/privacy. DOT's complete Privacy Act Statement in the *Federal Register* published on April 11, 2000, or on DOT's website at http://www.dot.gov/privacy.

List of Subjects in 49 CFR Part 107

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

In consideration of the foregoing, PHMSA amends 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:

[16] 86 FR 26633 (May 17, 2021).

Authority: 49 U.S.C. 5101-5128, 44701; Pub. L. No. 101-410 section 4; Pub. L. No. 104-121, Section 212-213; Pub. L. No. 104-134 Section 31001; Pub. L. No. 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 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 July 31, 2026, under the authority delegated in 49 CFR 1.97.

Paul J. Roberti
Administrator,
Pipeline and Hazardous Materials Safety Administration
[FR Doc. 2026-15812 Filed: 8/3/2026 8:45 am; Publication Date: 8/4/2026]