



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

June 8, 2026

Mr. David J. Terrazas
Soquel Creek Water District
5180 Soquel Dr.
Soquel, CA 95073

Reference No. 25-0095

Dear Mr. Terrazas:

This is in response to your June 12, 2025 letter requesting clarification of the Hazardous Materials Regulations (HMR; 49 CFR Parts 171-180) applicable to placarding requirements. You ask whether government employees using government vehicles solely for non-commercial activities are subject to placarding requirements under the HMR, which may trigger obligations under the California Vehicle Code?

No. As provided in § 171.1(d)(5), the HMR do not apply to the transportation of hazardous materials in a motor vehicle, aircraft, or vessel operated by a Federal, state, or local government employee solely for noncommercial Federal, state, or local government purposes. Therefore, a state agency—such as the Soquel Creek Water District—that transports hazardous materials for non-commercial purposes, using its own personnel and vehicles, is not engaged in transportation in commerce and thus is not subject to the requirements of the HMR, including placarding under Part 172, Subpart H.

Although state and local governments may establish requirements at fixed facilities, non-Federal placarding requirements that differ from those in the HMR may be preempted under 49 U.S.C. § 5125¹. Preemption determinations are made on a case-by-case basis and this Letter of Interpretation does not constitute a formal preemption determination. However, the absence of a determination under 49 CFR 107.209(d) concerning a specific state requirement does not imply that the requirement is—or is not—preempted under the Federal hazardous materials transportation law.

I hope this information is helpful. Please contact us if we can be of further assistance.

Sincerely,

Arthur Pollack
Acting Chief, Regulatory Review and Reinvention Branch
Standards and Rulemaking Division

¹ <https://www.govinfo.gov/content/pkg/USCODE-2023-title49/html/USCODE-2023-title49-subtitleIII-chap51-sec5125.htm>

From: David Terrazas <davidt@soquelcreekwater.org>
Sent: Monday, July 14, 2025 2:31 PM
To: PHMSA Pipelinesafety <PHMSA.Pipelinesafety@dot.gov>
Cc: David Terrazas <davidt@soquelcreekwater.org>
Subject: Request for Written Regulatory Interpretation

You don't often get email from davidt@soquelcreekwater.org. [Learn why this is important](#)

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Good Afternoon Office of Standards & Rulemaking:

This is a follow up to my voice mail message from today and the attached correspondence sent June 12, 2025.

The purpose of this message is to request a status update regarding our request for a

written interpretation regarding the applicability of 49 CFR Section 171.1(d) to Soquel Creek Water District's internal, non-commercial distribution of bulk sodium hypochlorite to District-facilities using District-owned vehicles.

Thank you for your assistance and anticipated response.

Sincerely,

David J. Terrazas | Human Resources Manager
Soquel Creek Water District | 5180 Soquel Dr., Soquel CA 95073 | www.soquelcreekwater.org
phone 831-475-8501 x131 | cell: 831-281-4391 | email: davidt@soquelcreekwater.org

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June 12, 2025

U.S. DOT Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration (PHMSA)
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590-0001

Re: Request for Written Regulatory Interpretation on Applicability of 49 CFR
§171.1(d) to Government Transport of Sodium Hypochlorite

Dear Director of Office of Standards and Rulemaking:

On behalf of Soquel Creek Water District (SqCWD or District), I am requesting a written interpretation regarding the applicability of 49 CFR §171.1(d) in consideration of relevant State and Federal laws surrounding the transportation of hazardous materials by a state, or local government employee solely for non-commercial Federal, state, or local government purposes (See 49 CFR §171.1(d)(5)). Specifically, we are seeking guidance on whether SqCWD's vehicles are subject to placarding requirements based on the District's internal, non-commercial distribution of bulk sodium hypochlorite (NaOCl) to District-facilities using District-owned vehicles.

As background, SqCWD is a California special district (local governmental agency), providing water production and distribution services to its customers in Santa Cruz County, California. The District receives bulk sodium hypochlorite (NaOCl) deliveries at their headquarters in Soquel, California. District staff then transports this material using a District-owned vehicle equipped with a 550-gallon tank to various District operational sites. All transport is conducted by District employees for internal, non-commercial purposes. 49 CFR §171.1(d) appears to exempt government employees transporting hazardous materials for non-commercial purposes from the Federal Hazardous Materials Regulations (HMR), including placarding requirements. Accordingly, SqCWD believes that it is not subject to placarding obligations and thereby relieving the District from California law which requires SqCWD employees to hold commercial driver's licenses (CDL's) with hazardous materials (HazMat) and/or tank endorsements.

Federal representatives from PHMSA have verbally confirmed this interpretation in past conversations with District staff. However, feedback from California Highway Patrol (CHP) is unclear. This has led to SqCWD uncertainty about whether California law applies in this context where HMR exempts the District from vehicle placarding requirements. In particular, 13 CCR §1160.2(b) and related provisions in the California Vehicle Code have generated confusion when analyzed aside Federal preemption laws. 49 U.S. Code § 5125 (E) states that a hazardous materials transportation security regulation or directive issued by the Secretary of Homeland Security, is preempted when it regards "*the ... maintaining, marking, maintaining ... a package,*

container, or packaging component that is represented, marked, certified, or sold as qualified for use in transporting hazardous material in commerce." This language surrounding preemption appears to indicate that SqCWD is only required to follow Federal law in placarding requirements specifically.

SqCWD's concern is that failure to comply with applicable state placarding requirements can result in fines and liability even if the Federal law prevails. Our analysis nonetheless has led to the conclusion that SqCWD can operate without vehicle placards because the (1) hazardous materials are transported by a (2) district employee and not a contractor and the (3) transportation is done for non-commercial purposes. 49 CFR §171.1(d). This conclusion is notably predicated on the transportation of sodium hypochlorite (NaOCL), a hypochlorite, classified as a corrosive 8, and we are aware that the conclusion may change based on the type of hazardous material.

Therefore, SqCWD respectfully requests PHMSA's written regulatory interpretation whether SqCWD's vehicles are subject to vehicle placarding requirements based on the above. If PHMSA disagrees with our conclusion in lieu of the state regulations or for any other reason, we request additional guidance so that SqCWD can safely transport this sodium hypochlorite while adhering to all relevant laws and regulations.

Thank you for your assistance and anticipated response.

Sincerely,

A handwritten signature in black ink, appearing to read 'David J. Terrazas', with a long horizontal flourish extending to the right.

David J. Terrazas
Human Resources Manager
Soquel Creek Water District