

U.S. Department
of Transportation

United States
Coast Guard



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The Honorable John Breaux
United States Senate
Washington, DC 20510-1803

DEC 01 2000

Dear Senator Breaux:

This correspondence is in response to the letter you received from Mr. Chapman H. Burguières, Jr., President of Magnum Mud Equipment Co., Inc., regarding the use of certain bulk containers for hazardous liquid cargo on board vessels.

We have reviewed Mr. Burguières' letter of September 1, 2000, and are able to provide you with the following information with respect to the issues that he has raised. The first point with respect to the discontinuation of marine portable tanks (MPTs) in favor of a Department of Transportation (DOT) specification for IM 101 (and 102) portable tanks is correct. The Coast Guard took this action primarily for two reasons. First, it allowed industry to begin using the DOT standard portable tank, which had greater worldwide availability, for the transfer of hazardous liquid cargo while the tank was on board a vessel. Second, this action reduced federal oversight and costs by removing the Coast Guard from unnecessary, direct competition with the private sector. This benefit occurred since MPTs were subject to Coast Guard review, inspection and approval while DOT specification IM 101 and 102 portable tanks are approved by authorized third party private sector approval agencies. One aspect of Mr. Burguières' letter which is in error is his comment that "just about any hazardous material" was allowed to be loaded and off-loaded (from an MPT) while on board a vessel. Actually, prior to the introduction of DOT specification tanks, MPTs were authorized to handle only about ten hazardous liquids. With the regulatory changes that authorized the use of DOT specification IM portable tanks, the number of hazardous liquids authorized to be handled was greatly increased to perhaps several hundred.

The second issue in Mr. Burguières' letter addresses differences in requirements between MPTs and DOT specification IM portable tanks for the carriage of various acid cargoes. He is correct that for some acids, (only those of higher hazard degree), DOT specification IM portable tanks are not permitted to have bottom openings. For these tanks, discharge of the cargo must be through an opening in the tank's top, typically by pressurizing the tank. The reason for prohibiting bottom openings is to reduce the likelihood of cargo loss during transportation by precluding leakage from a valve or other fitting located below the liquid level. While eliminating the bottom openings improves the general safety of these tanks during transportation, we recognize the view raised by Mr. Burguières that there have been additional safety concerns with such tanks if cargo discharge occurs by pressurization. In response to this concern, and to a specific application from another company which services the offshore oil industry, the DOT Research and Special Programs Administration (RSPA), in accordance with its procedures, has granted an exemption that allows the use of a DOT exemption tank built to essentially the

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Subj: Letter from Mr. Chapman H. Burguieres, Jr., President of Magnum Mud Equipment Co., Inc.

We are very aware of the concerns raised by Mr. Burguieres, and Coast Guard personnel have had discussions concerning them with representatives from his company, as well as discussions with other interested parties engaged in this industry. As you know, the objective of the rulemaking process is to ensure that all interested parties can provide formal input and comments prior to any final determinations being made.

We hope this information assists you understanding the various aspects of this issue, and in responding to your constituent. If you have any further questions, please contact the Senate Liaison Office at (202) 224-2913.

Sincerely,



THOMAS K. RICHEY
COMMANDER, U.S. COAST GUARD
CONGRESSIONAL AND GOVERNMENTAL
AFFAIRS STAFF
By direction