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Dated: January 22, 2009.

By Order of the Maritime Administrator.

Leonard Sutter,

Secretary, Maritime Administration.

[FR Doc. E9–1992 Filed 1–29–09; 8:45 am]

BILLING CODE 4910–81–P

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA–2009–0017 (PDA–34(R))]

Common Law Tort Claims Concerning Design and Marking of DOT Specification 39 Compressed Gas Cylinders

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

ACTION: Public notice and invitation to comment.

SUMMARY: Interested parties are invited to comment on an application by AMTROL, Inc., for an administrative determination as to whether Federal hazardous material transportation law preempts State common law tort claims alleging that the manufacturer of DOT specification 39 compressed gas cylinders should have designed the cylinders to resist rusting over time and/or provided additional warnings of the potential rusting over time, beyond requirements in the Hazardous Materials Regulations (HMR) for the manufacture, marking, and labeling of these cylinders.

DATES: Comments received on or before March 16, 2009, and rebuttal comments received on or before April 30, 2009, will be considered before an administrative determination is issued by PHMSA's Chief Counsel. Rebuttal comments may discuss only those

issues raised by comments received during the initial comment period and may not discuss new issues.

ADDRESSES: The application and all comments received may be reviewed in the Docket Operations Facility (M–30), U.S. Department of Transportation, West Building Ground Floor, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590. The application and all comments are available on the U.S. Government Regulations.gov Web site: <http://www.regulations.gov>.

Comments must refer to Docket No. PHMSA–2009–0017 and may be submitted to the docket in writing or electronically. Mail or hand deliver three copies of each written comment to the above address. If you wish to receive confirmation of receipt of your comments, include a self-addressed, stamped postcard. To submit comments electronically, log onto the U.S. Government Regulations.gov Web site: <http://www.regulations.gov>. Use the Search Documents section of the home page and follow the instructions for submitting comments.

A copy of each comment must also be sent to (1) Stephen J. Maassen, Esq., Hoagland, Fitzgerald, Smith & Pranaitis, P.O. Box 130, Alton, IL 62002, counsel for Amtrol, Inc., and (2) Rex Carr, Esq., The Rex Carr Law Firm, LLC, 412 Missouri Avenue, East St. Louis, IL 62201–3016, counsel for survivors and next of kin to Kenneth Elder, Jr. A certification that a copy has been sent to these persons must also be included with the comment. (The following format is suggested: "I certify that copies of this comment have been sent to Mr. Maassen and Mr. Carr at the addresses specified in the **Federal Register**.")

Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing a comment submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in the **Federal Register** published on April 11, 2000 (70 FR 19477–78), or you may visit <http://www.dot.gov>.

A subject matter index of hazardous materials preemption cases, including a listing of all inconsistency rulings and preemption determinations, is available through the home page of PHMSA's Office of Chief Counsel, at <http://phmsa.dot.gov/legal>. A paper copy of the index will be provided at no cost upon request to Mr. Hilder, at the address and telephone number set forth in **FOR FURTHER INFORMATION CONTACT** below.

FOR FURTHER INFORMATION CONTACT:

Frazer C. Hilder, Office of Chief Counsel (PHC–10), Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, 1200 New Jersey Avenue, SE., Washington, DC 20590; telephone No. 202–366–4400; facsimile No. 202–366–7041.

SUPPLEMENTARY INFORMATION:

I. Application for a Preemption Determination

AMTROL, Inc. has applied for a determination that Federal hazardous material transportation law, 49 U.S.C. 5101 *et seq.*, preempts State common law tort claims relating to the design and marking or labeling of DOT specification 39 compressed gas cylinders. AMTROL contends that these common law tort claims impose requirements that are not substantively the same as requirements in the HMR for the design and marking or labeling of a cylinder that has been marked and certified as qualified for use in transporting hazardous material.

In its original application dated June 26, 2007, AMTROL stated that it was a defendant in a products liability lawsuit, *Elder v. AMTROL, Inc., et al.*, No. 042–08718, brought in the Circuit Court of the City of St. Louis, Missouri. According to AMTROL, a DOT specification 39 cylinder manufactured by AMTROL in 1995 had ruptured "on January 24, 2003, when Plaintiffs" decedent placed the rusted cylinder under 170 degree water." With its application, AMTROL provided a copy of the transcript of a deposition at which the Elders' expert witness testified (at p. 60) that "the bottom of the tank ruptured * * * as a result of the thinned and rusted area on the bottom of the tank." This witness testified (at pp. 63 and 64) that the cylinder "could be better designed to prevent rusting and corrosion and include warnings" and "at a minimum I would say there needs to be warnings for rust," even though he acknowledged (at p. 68) that the cylinder complied with the specification "as nearly as I can tell."

The Elders' expert witness also took the position (at p. 69) that the specification requirements in the HMR deal[] with the transportation of the container. [They do] not deal specifically with the use of the container after it's already in the hands of a technician. It's intended to be used for the transportation of the container with a hazardous material. So just because it meets this particular regulation doesn't mean it is necessarily safe, reasonably safe for its intended use.

In response to a question seeking his opinion of "what should be done * * *

to design this cylinder to account for corrosion,” the witness replied (at pp. 77–78):

If you know where your product has been used, Florida versus, say Arizona, you can determine what the corrosion rate is for these various parts of the country. And it might vary from a tenth of a millimeter per year or it could be a quarter of a millimeter per year for a rusting or corrosion rate. And therefore if you determine these areas of sale, then you might combine that with what you expect in terms of how long the cylinder is in the hands of someone whether it's six months or a year, or two years, or in this case nine years. You could anticipate what your corrosion rate is and whether you needed to make that wall thickness one millimeter, one and a half, or two millimeters or whether you wanted to use a different paint or protect the paint that's on there in some manner. So there's a variety of things that can be done and considered depending on how and who the cylinder is sold to.

AMTROL cited PHMSA's prior decisions in Inconsistency Ruling (IR) Nos. 7–15, 49 FR 46632 (Nov. 27, 1984), and Preemption Determination (PD) No. 2, 58 FR 11176 (Feb. 23, 1993). It specifically referred to the discussion in the general preamble to IRs 7–15 that, in the areas of packaging design and construction, and the marking and labeling of packages, “the need for national uniformity is so crucial and the scope of Federal regulation is so pervasive that it is difficult to envision any situation where State or local regulation would not present an obstacle to the accomplishment and execution of the HMTA and the regulations issued thereunder.” 49 FR at 64433.

In a responding letter dated July 12, 2007, the Elders' counsel opposed AMTROL's application and stated that “the thrust of plaintiffs' position [is] that the specification required by DOT dealt with and was required to deal with a cylinder that was qualified for use in transporting hazardous material” but

The journey had long ended, years before the technician put the contents of the cylinder to use. He was not using the cylinder in a transportation mode; he was simply using the cylinder as an end-user on the job after its journey had ceased. The regulation in question was not intended to cover any use of the cylinder after it had been transported in interstate commerce. The use to which a cylinder might be put by the technicians using them are outside the purview of the regulations. [A] State common law requirement that the products being used on the job be safe for their intended use does not interfere with the DOT regulation. The state common law does not seek to impose its requirement where the cylinder in question clearly, at the time of its manufacture and transportation, complied with the DOT specifications.

The Elders' counsel asked PHMSA to find that the Federal hazardous material transportation law and the HMR “do not preempt the opinions pertaining to so-called covered areas of 49 USCA § 5125, with regard to labeling and design of specification DOT 39 non-refillable cylinders.”

In a September 11, 2007 letter to AMTROL's counsel, PHMSA's Assistant Chief Counsel for Hazardous Materials Safety Law noted that the State of Missouri had not yet “adopted a requirement for the cylinder manufacturer to take these additional actions [in the Elders' common law claims], either by law regulation, or judicial decision” and, accordingly, “[i]t would be premature for the Chief Counsel to make a determination whether a potential requirement affecting the transportation of hazardous material, which has not yet been adopted or come into effect, would be preempted.” However, this letter also discussed the adoption of DOT specification 39 into the HMR in 1971, including the specific requirements that the cylinder “must be shipped in strong outside packagings” that “provide protection for the complete cylinder” and must be marked (1) “NRC” for “non-reusable container” and (2) with the statement that “Federal law forbids transportation if refilled” plus a statement of the maximum civil and criminal penalties applicable at the date of manufacture. These marking requirements are presently set forth at 49 CFR 178.65(i)(2).

PHMSA's Assistant Chief Counsel also referred to the consideration that, because the DOT specification 39 cylinder was nonreusable, it would not be “subject to cyclic stresses resulting from refilling” (quoting from the 1970 notice of proposed rulemaking, 35 FR 18879). He stated that “specification 39 cylinders have always been intended for a single use; there has never been any intent that these cylinders have the strength or durability of cylinders manufactured to other specifications which are authorized for repeated refillings over many years and subject to periodic requalification through inspection and pressure testing.” He also stated that “[r]equirements affecting the design, manufacturing, and marking of a cylinder (or other packaging) marked as meeting a DOT specification must be distinguished from requirements affecting the use of that cylinder or other packaging.” He quoted the discussion in the preamble to PHMSA's rulemaking on the “Applicability of the Hazardous Materials Regulations for Loading,

Unloading, and Storage,” 70 FR 20018, 20024–25 (Apr. 15, 2005), that:

DOT specification packagings, such as * * * cylinders, are subject to DOT regulation at all times that the packaging is marked to indicate that it conforms to the applicable specification requirements [which means that,] [u]nder the Federal hazmat law, a non-Federal entity may impose requirements on DOT specification packagings only if those requirements are substantively the same as the DOT requirements.

PHMSA's Assistant Chief Counsel stated that the agency

would have a concern with any State law, regulation, or judicial decision that imposed additional manufacturing and marking requirements on any DOT specification packaging, including a specification 39 cylinder. It would be impractical and burdensome for a manufacturer of these cylinders to have to vary their design, manufacturing process, and markings to accommodate additional and possibly conflicting requirements that varied from State to State—especially requirements for additional wording that indicates or implies that the cylinder is suitable for refilling with a hazardous material and continued use over many years, in conflict with the specific markings required by the HMR. These required markings are part of the safety requirements in the DOT specification for these cylinders and must not be compromised.

He concluded by stating that he “express[ed] no opinion on the responsibility or liability of any person who loads, stores, or unloads a DOT specification 39 cylinder, or any other DOT specification packaging, that no longer meets the requirements of the DOT specification, when that packaging is no longer in transportation in commerce.

In a September 11, 2008 letter, AMTROL renewed its application for a determination whether Federal hazardous material transportation law preempts the Elders' product liability claims “based on allegations of defect with regard to ‘covered subjects’ of labeling and design of [DOT] specification cylinders.” AMTROL stated that it is now in a Chapter 11 bankruptcy proceeding pending in the United States Bankruptcy Court for the District of Delaware, *In Re Amtrol Holdings, Inc.*, Case No. 06–11446, in which the Elders have filed claims based on the same theories as previously alleged in their Missouri action.

AMTROL explained that the bankruptcy judge has found that the Elders' claims are not preempted by 49 U.S.C. 5125, so that there is now a “judicial decision imposing additional manufacturing and marking

requirements” on DOT specification 39 cylinders, and “the matter is ripe for a determination of whether the Plaintiffs’ Claims now pending in the Bankruptcy Court” are preempted. AMTROL stated that the Bankruptcy Court “failed to follow the directive of the DOT, set out in the [Assistant Chief Counsel’s] September 11 letter * * * [which] made it clear that if a lawsuit ruling imposed additional manufacturing and [marking] requirements in one state or local jurisdiction, it would be preempted.” It also stated that “[e]nforcement of the state requirement would mean that specification 39 non-reusable cylinders would no longer be governed and controlled by specifications set out by Department of Transportation Regulations at 49 CFR 178.65, and that AMTROL, Inc. would be subject to potential lawsuit[s] even under circumstances where, as here, it had complied with all such regulations.”

AMTROL advised that the order of the Bankruptcy Court denying AMTROL’s objection to the Elders’ claims is currently on appeal to the United States District Court for the District of Delaware, and it has provided copies of the transcript of the hearing before the bankruptcy judge on March 26, 2008, the Bankruptcy Court’s April 1, 2008 memorandum opinion, AMTROL’s notice of appeal, and the Elders’ notice of appeal from the Bankruptcy Court’s April 1, 2008 order with regard to other issues.

In a September 17, 2008 response, Counsel for the Elders stated that the Bankruptcy Court “cannot under any circumstances make law for the State of Missouri” but is “required to interpret the law of the State of Missouri where the death took place when ruling on issues appropriately within its jurisdiction.” He stated that the Bankruptcy Court

reviewed the law and found that preemption did not apply “because the HMTA applied to transportation, not end use.” (Memorandum Opinion, p. 10). It pointed out examples showing that Congress intended to regulate transportation, not use. It did not impose any additional manufacturing and working requirements on a DOT 39 cylinder. It concluded: “The DOT declined to opine and, consistent with the court’s conclusion, distinguished between use and transportation.” (Memorandum Opinion, p. 12).

The order of that court in no way adopts new requirements affecting the transportation in interstate commerce.

The following materials are available in the public docket of this proceeding:

—AMTROL’s original June 26, 2007 application including a copy of the transcript of the November 17, 2006

deposition of the Elders’ expert witness;
 —the Elders’ July 12, 2007 response to AMTROL’s application;
 —the September 11, 2007 letter of PHMSA’s Assistant Chief Counsel for Hazardous Materials Safety Law;
 —DOT’s December 11, 1970 notice of proposed rulemaking, 35 FR 18879, and August 24, 1971 final rule, 36 FR 16579, “Cylinder Specifications”;
 —the transcript of the March 26, 2008 hearing in the Bankruptcy Court;
 —the Bankruptcy Court’s April 1, 2008 memorandum opinion and order;
 —AMTROL’s April 11, 2008 Notice of Appeal from the Bankruptcy Court’s April 1, 2008 order and April 21, 2008 Designation of the Record and Statement of Issues to be Presented;
 —the Elders’ Notice of Appeal from the Bankruptcy Court’s April 1, 2008 order;
 —AMTROL’s September 11, 2008 reapplication;
 —the Elders’ September 17, 2008 response to AMTROL’s reapplication; and
 —AMTROL’s October 3, 2008 reply letter.

II. Federal Preemption

Section 5125 of 49 U.S.C. contains express preemption provisions relevant to this proceeding. As amended by Section 1711(b) of the Homeland Security Act of 2002 (Pub. L. 107–296, 116 Stat. 2320), 49 U.S.C. 5125(a) provides that a requirement of a state, political subdivision of a state, or Indian tribe is preempted—unless the non-Federal requirement is authorized by another Federal law or DOT grants a waiver of preemption under § 5125(e)—if

- (1) Complying with a requirement of the State, political subdivision, or tribe and a requirement of this chapter, a regulation prescribed under this chapter, or a hazardous materials transportation security regulation or directive issued by the Secretary of Homeland Security is not possible; or
- (2) The requirement of the State, political subdivision, or tribe, as applied or enforced, is an obstacle to accomplishing and carrying out this chapter, a regulation prescribed under this chapter, or a hazardous materials transportation security regulation or directive issued by the Secretary of Homeland Security.

These two paragraphs set forth the “dual compliance” and “obstacle” criteria that PHMSA’s predecessor agency, the Research and Special Programs Administration (RSPA), had applied in issuing inconsistency rulings (IRs) prior to 1990, under the original preemption provision in the Hazardous Materials Transportation Act (HMTA).

Public Law 93–633 § 112(a), 88 Stat. 2161 (1975). The dual compliance and obstacle criteria are based on U.S. Supreme Court decisions on preemption. *Hines v. Davidowitz*, 312 U.S. 52 (1941); *Florida Lime & Avocado Growers, Inc. v. Paul*, 373 U.S. 132 (1963); *Ray v. Atlantic Richfield, Inc.*, 435 U.S. 151 (1978).

Subsection (b)(1) of 49 U.S.C. 5125 provides that a non-Federal requirement concerning any of the following subjects is preempted—unless authorized by another Federal law or DOT grants a waiver of preemption—when the non-Federal requirement is not “substantively the same as” a provision of Federal hazardous material transportation law, a regulation prescribed under that law, or a hazardous materials security regulation or directive issued by the Department of Homeland Security:

- (A) The designation, description, and classification of hazardous material.
- (B) The packing, repacking, handling, labeling, marking, and placarding of hazardous material.
- (C) The preparation, execution, and use of shipping documents related to hazardous material and requirements related to the number, contents, and placement of those documents.
- (D) The written notification, recording, and reporting of the unintentional release in transportation of hazardous material.
- (E) The designing, manufacturing, fabricating, inspecting, marking, maintaining, reconditioning, repairing, or testing a package, container, or packaging component that is represented, marked, certified, or sold as qualified for use in transporting hazardous material.¹

To be “substantively the same,” the non-Federal requirement must conform “in every significant respect to the Federal requirement. Editorial and other similar *de minimis* changes are permitted.” 49 CFR 107.202(d).²

The 2002 amendments and 2005 reenactment of the preemption provisions in 49 U.S.C. 5125 reaffirmed Congress’s long-standing view that a

¹ Subparagraph (E) was editorially revised in Sec. 7122(a) of the Hazardous Materials Transportation Safety and Security Reauthorization Act of 2005, which is Title VII of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109–59, 119 Stat. 1891 (Aug. 10, 2005). Technical corrections to cross-references in subsections (d), (e), and (g) were made in Public Law 110–244, Sec. 302(b), 122 Stat. 1618 (June 6, 2008).

² Additional standards apply to preemption of non-Federal requirements on highway routes over which hazardous materials may or may not be transported and fees related to transporting hazardous material. See 49 U.S.C. 5125(c) and (f). See also 49 CFR 171.1(f) which explains that a “facility at which functions regulated under the HMR are performed may be subject to applicable laws and regulations of state and local governments and Indian tribes.”

single body of uniform Federal regulations promotes safety (including security) in the transportation of hazardous materials. More than thirty years ago, when it was considering the HMTA, the Senate Commerce Committee “endorse[d] the principle of preemption in order to preclude a multiplicity of State and local regulations and the potential for varying as well as conflicting regulations in the area of hazardous materials transportation.” S. Rep. No. 1102, 93rd Cong. 2nd Sess. 37 (1974). When Congress expanded the preemption provisions in 1990, it specifically found:

(3) Many States and localities have enacted laws and regulations which vary from Federal laws and regulations pertaining to the transportation of hazardous materials, thereby creating the potential for unreasonable hazards in other jurisdictions and confounding shippers and carriers which attempt to comply with multiple and conflicting registration, permitting, routing, notification, and other regulatory requirements,

(4) Because of the potential risks to life, property, and the environment posed by unintentional releases of hazardous materials, consistency in laws and regulations governing the transportation of hazardous materials is necessary and desirable,

(5) In order to achieve greater uniformity and to promote the public health, welfare, and safety at all levels, Federal standards for regulating the transportation of hazardous materials in intrastate, interstate, and foreign commerce are necessary and desirable.

Public Law 101–615 § 2, 104 Stat. 3244. (In 1994, Congress revised, codified and enacted the HMTA “without substantive change,” at 49 U.S.C. Chapter 51. Pub. L. 103–272, 108 Stat. 745 (July 5, 1994).) A United States Court of Appeals has found uniformity was the “linchpin” in the design of the Federal laws governing the transportation of hazardous materials. *Colorado Pub. Util. Comm’n v. Harmon*, 951 F.2d 1571, 1575 (10th Cir. 1991).

III. Preemption Determinations

Under 49 U.S.C. 5125(d)(1), any person (including a State, political subdivision of a State, or Indian tribe) directly affected by a requirement of a State, political subdivision or tribe may apply to the Secretary of Transportation for a determination whether the requirement is preempted. The Secretary of Transportation has delegated authority to PHMSA to make determinations of preemption, except for those concerning highway routing (which have been delegated to the Federal Motor Carrier Safety Administration). 49 CFR 1.53(b).

Section 5125(d)(1) requires notice of an application for a preemption

determination to be published in the **Federal Register**. Following the receipt and consideration of written comments, PHMSA publishes its determination in the **Federal Register**. See 49 CFR 107.209(c). A short period of time is allowed for filing of petitions for reconsideration. 49 CFR 107.211. A petition for judicial review of a final preemption determination must be filed in the United States Court of Appeals for the District of Columbia or in the Court of Appeals for the United States for the circuit in which the petitioner resides or has its principal place of business, within 60 days after the determination becomes final. 49 U.S.C. 5127(a).

Preemption determinations do not address issues of preemption arising under the Commerce Clause, the Fifth Amendment or other provisions of the Constitution, or statutes other than the Federal hazardous material transportation law unless it is necessary to do so in order to determine whether a requirement is authorized by another Federal law, or whether a fee is “fair” within the meaning of 49 U.S.C. 5125(f)(1). A state, local or Indian tribe requirement is not authorized by another Federal law merely because it is not preempted by another Federal statute. *Colorado Pub. Util. Comm’n v. Harmon*, above, 951 F.2d at 1581 n.10.

In making preemption determinations under 49 U.S.C. 5125(d), PHMSA is guided by the principles and policies set forth in Executive Order No. 13132, entitled “Federalism.” 64 FR 43255 (Aug. 10, 1999). Section 4(a) of that Executive Order authorizes preemption of State laws only when a statute contains an express preemption provision, there is other clear evidence Congress intended to preempt state law, or the exercise of state authority directly conflicts with the exercise of Federal authority. Section 5125 contains express preemption provisions, which PHMSA has implemented through its regulations.

IV. Public Comments

All comments should be directed to whether 49 U.S.C. 5125 preempts the Elders’ common law tort claims against AMTROL, Inc. in their lawsuit in the Circuit Court of the City of St. Louis, Missouri and in the claims filed in the United States Bankruptcy Court for the District of Delaware. Comments should specifically address the preemption criteria discussed in Part II above, including:

(1) The meaning of a State “requirement” in 49 U.S.C. 5125 and whether that term must be construed to include State common law tort claims,

in light of the Supreme Court’s holding in *Riegel v. Medtronic*, ___ U.S. ___, 128 S.Ct. 999, 1007 (2008), “that common-law causes of action for negligence and strict liability do impose ‘requirement[s].’”

(2) Whether common law tort claims relating to the design and marking or labeling of a DOT specification 39 cylinder by the cylinder’s manufacturer are “about” the designing, manufacturing, or marking of “a package, container, or packaging component that is represented, marked, certified, or sold as qualified for use in transporting hazardous material in commerce.”

(3) Whether and how common law tort claims relating to the design and marking or labeling of a DOT specification 39 cylinder by the cylinder’s manufacturer affect transportation of the cylinder when filled with a compressed gas.

(4) The manner in which the Elders’ decedent was using the DOT specification 39 cylinder which ruptured, including (a) the identity of the owner of this cylinder; (b) the date on which this cylinder was last refilled and who refilled it; and (c) whether this cylinder was permanently located at the site of the rupture or whether the decedent had transported this cylinder to the location where he was “preparing to use the cylinder to fill a refrigerator with coolant,” according to the April 1, 2008 memorandum opinion of the Bankruptcy Court.

Issued in Washington, DC, on January 15, 2009.

David E. Kunz,
Chief Counsel.

[FR Doc. E9–1993 Filed 1–29–09; 8:45 am]

BILLING CODE 4910–60–P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35214]

Shawnee Terminal Railroad Co.— Corporate Family Exemption— Alabama Railroad Co., and Alabama & Florida Railway Co., Inc

Shawnee Terminal Railroad Co. (STR), Alabama Railroad Co. (ALAB), and Alabama & Florida Railway Co., Inc. (A&F), have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for a transaction within a corporate family. The transaction involves the consolidation of ALAB, A&F, and STR, with STR as the surviving corporate entity. Under an agreement and plan of consolidation,