



## Loss of HazMat Exemption Raising Shipping Costs for Small Fuel Canisters

*As published in OIA WebNews 8/12/2009*

Retailers may want to bulk up their orders of 4-fluid-ounce isobutane/propane fuel canisters in the wake of a recent Department of Transportation (DOT) decision that raises the cost of small shipments dramatically. They may want to reassess their online sales of the popular canisters for the same reason.

Shipping some isobutane/propane fuel canisters direct to consumers has gotten much more expensive after DOT concluded the industry is not complying with the agency's 2002 interpretation of hazmat regulations. In an October, 2002 [interpretation letter](#) to a manager at Cascade Design's Mountain Safety Research (MSR), DOT said that "a mixture of liquefied compressed gases in a container of not more than four (4) fluid ounces capacity" could be exempted from hazardous material packaging and labeling requirements except when shipped by air, in part because the small canisters qualified as a "consumer commodity." This allowed fuel shipped in such containers to be reclassified as "other regulated material –domestic," or OSM-D, which in turn allowed FedEx, UPS and other carriers to waive hazmat fees.

When a consumer tried to ship a canister containing 4 fluid ounces of gas to Alaska by air earlier this year, however, a DOT inspector measured the canister and found it could accommodate 6 fluid ounces. Manufacturers say they've been shipping 4 fluid ounces of gas in containers of at least 6 fluid ounces to allow room for the gas to expand, but DOT has determined the larger canisters are not OSM-D compliant.

DOT has since inspected several manufacturers and retailers and ordered them to start labeling the canisters as a hazardous material. That will add \$22.50 in hazmat fees to every case of 4-fluid-ounce MSR IsoPro canisters shipped through FedEx or UPS, according to Cascade Designs. That's the same fee the small package delivery services charge the company for a case of 8-fluid-ounce IsoPro canisters, which never had ORM-D status.

Manufacturers are now working with Outdoor Industry Association to persuade DOT to reexamine their interpretation. In the meantime, dealers ordering cases of canisters containing 4-ounces of fuel instead of 8-ounces to avoid hazmat fees, need to reconsider how they do business. Cascade Designs said it may make sense for their dealers to up the size of their orders to ensure the smaller canisters travel by freight. That's because Cascade Design's freight providers charge a single hazmat fee whether a shipment contains a single canister or several cases of fuel, said a Cascade Designs spokesperson.

There is a silver lining here for brick-and-mortar retailers as consumers buying canisters online will now incur the hazmat fees. In many instances, it will be less expensive for them to buy those canisters from local stores that have been able to spread the hazmat fee across larger shipments. REI has already stopped shipping butane fuel canisters direct to consumers and is urging customers to instead buy them at its stores.