

Topic #5:

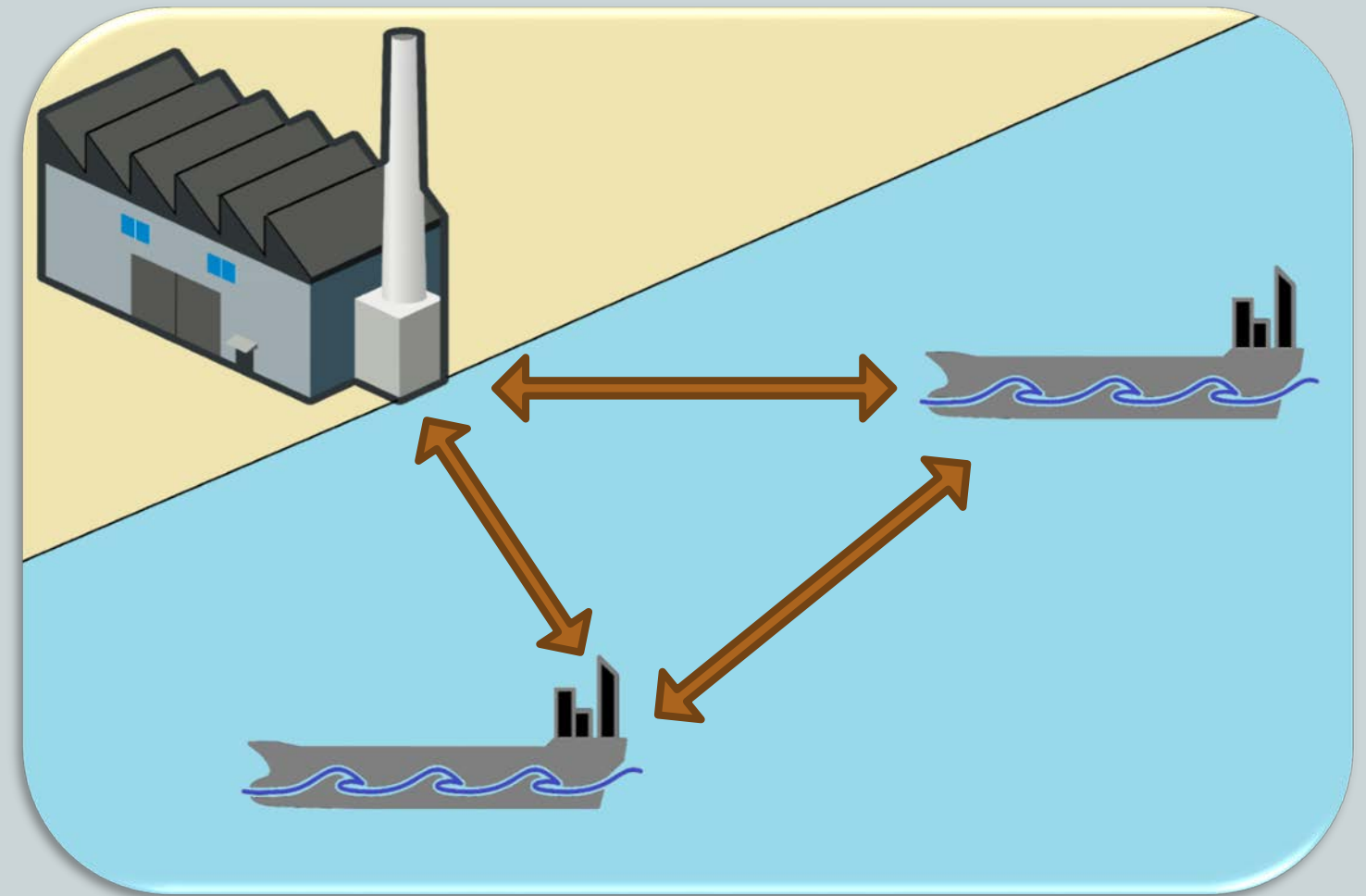
Bulk Product Transfer Facilities

Background Information

What are Bulk Product Transfer Facilities?

A bulk product transfer facility is any port or dock facility that is used to transfer bulk quantities of any substance between ships or between a ship and an onshore facility.

Bulk product transfer only applies to the transfer of loose materials like liquids, salt, or grain. The transfer of goods stored in containers, in crates, or on pallets is not considered bulk product transfer.



Transfers of loose bulk product in the direction of any arrow above could be considered bulk product transfer. Graphic by Ian Yue, DNREC.

What does the Coastal Zone Act say about Bulk Product Transfer Facilities?

The Act (and existing regulations) excludes three types of coastal zone facilities from the definition of “bulk product transfer facility” for regulation purposes:

- Bulk product transfer facilities in operation on June 28, 1971
- Docking facilities or piers used for a single, permitted industrial or manufacturing facility, in which the bulk product being transferred is raw material used to manufacture other products or is a finished product being transported for delivery
- Port of Wilmington docking facilities

Otherwise, the Act prohibits bulk product transfer facilities in the coastal zone unless granted a conversion permit to build such a facility on one of the 14 heavy industry use sites. To apply for a conversion permit, two conditions must be met:

- (1) The site must have had a docking facility or pier used for a single industrial or manufacturing facility on or before June 28, 1971, and
- (2) The facility must only be used to:
 - (a) import products necessary for and fully utilized in the operation of one or more coastal zone facilities
and/or
 - (b) export products produced by one or more coastal zone facilities

The only exceptions to the two conditions above are:

- Grain can be transferred anywhere, regardless of origin or destination
- A conversion permit cannot be granted for bulk transfer of liquefied natural gas

Topic #5:

Bulk Product Transfer Facilities

Preliminary Recommendations

What did the Regulatory Advisory Committee recommend?

How did the Committee come up with its preliminary recommendations?

The Regulatory Advisory Committee determined that bulk product transfer requirements could be largely met through reporting requirements. Business, labor, and shipping expertise on the Committee helped inform options to consider. The Committee deliberated options over two meetings and made preliminary recommendations in October 2018.



Startup Stock Photos / Pexels (CC0 1.0)

The Committee made several preliminary recommendations about record-keeping:

- Bulk product transfer records (such as quantity transferred, final destination of products, and export dates) should be kept at the facility
- Bulk product transfer records for grain only need to state quantities transferred and import and export dates
- Annual summaries of the above two records should be submitted to DNREC

The Committee recommended permits be issued for bulk transfer of “product categories” (for example, all rock products) instead of individual products (for example, 2-inch landscape rock). Product categories would minimize the need for permit modifications or new permits for minor, related changes. To begin operations for bulk transfer of a new “product category,” a permit modification or a new permit may be required, given the potential implications for Offsets (Topic #3) or Financial Assurance (Topic #4).



Don O'Brien / Flickr (CC BY 2.0)

For the full set of the Committee’s preliminary recommendations on bulk product transfer facilities, see the Preliminary Recommendations Packet.