

September 18, 2020



U.S. Department
of Transportation

East Building, PHH-30
1200 New Jersey Avenue S.E.
Washington, D.C. 20590

**Pipeline and Hazardous
Materials Safety Administration**

DOT-SP 20694
(FIRST REVISION)

EXPIRATION DATE: 2024-08-31

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: NK Tech Co., Ltd
Osan-Si, South Korea

US AGENT: Hazmat Safety Consulting
Manassas, VA
2. PURPOSE AND LIMITATION:
 - a. This special permit authorizes the use of certain DOT Specification 3AA and 3AAX cylinders for the transportation in commerce of certain compressed gases, when retested by 100% Ultrasonic Examination (UE) in lieu of the internal visual and the hydrostatic retest required in 49 CFR 180.205. This special permit provides no relief from the Hazardous Materials Regulations (HMR) other than as specifically stated herein. The most recent revision supersedes all previous revisions.
 - b. The safety analyses performed in development of this special permit only considered the hazards and risks associated with transportation in commerce.
 - c. No party status will be granted to this special permit.
3. REGULATORY SYSTEM AFFECTED: 49 CFR Parts 106, 107 and 171-180.

September 18, 2020

4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR §§ 172.203(a) and 172.301(c) in that marking the special permit number is waived; and § 180.205 in that the ultrasonic examination (UE) is performed in lieu of the specified internal visual examination and hydrostatic pressure test.

NOTE: This does not relieve the holder of this special permit from securing and maintaining a valid approval for retesting cylinders from the Associate Administrator for Hazardous Materials Safety.

5. BASIS: This special permit is based on NK Tech Co., Ltd's application dated August 24, 2020, submitted in accordance with § 107.109.
6. HAZARDOUS MATERIALS (49 CFR 172.101):

Hazardous Materials Description			
Proper Shipping Name	Hazard Class/ Division	Identification Number	Packing Group
Liquefied or non-liquefied compressed gases, or mixtures of such compressed gases, classed as Division 2.1, (flammable gas) Division 2.2, (non-flammable gas), or Division 2.3, (gases which are Toxic by Inhalation (TIH)), which are authorized in the Hazardous Materials Regulations for transportation in DOT Specification 3AA and 3AAX cylinders	2.1, 2.2, or 2.3 as applicable	As Appropriate	N/A

7. SAFETY CONTROL MEASURES:

a. PACKAGING: Packagings prescribed are DOT Specification 3AA and 3AAX cylinders that are subjected to periodic retesting, re-inspection, and marking prescribed in § 180.209, except that the cylinders are examined by an ultrasonic method in lieu of the hydrostatic pressure test and internal visual inspection. Each cylinder must be subjected to an external visual examination and retested and marked in accordance with the UE procedure described herein and NK Tech Co., Ltd's July

September 18, 2020

16, 2018 application for special permit on file with the Office of Hazardous Materials Safety Approvals and Permits Division (OHMSAPD). A cylinder that has been exposed to fire or to excessive heat may not be retested under the terms of this special permit.

b. Equipment and Performance; Ultrasonic System: The ultrasonic equipment performance must conform to NK Tech Co., Ltd's application on file with OHMSAPD and as prescribed in this special permit. The UE equipment incorporates a single-channel or a multi-channel immersion system arranged to perform straight and angle beam examinations. The ultrasonic pulses must enter the cylinder wall in both longitudinal directions, both circumferential directions and normal to the cylinder wall to ensure 100 percent coverage of the cylinder wall. The system must be set-up to perform longitudinal ultrasonic angle beams from the cylinder shoulder down to the cylinder base that includes sidewall-to-base transition (SBT) area and from the cylinder base up to the cylinder shoulder. Also, the system must be set-up to perform circumferential ultrasonic angle beams in both clockwise and counterclockwise rotation around the cylinder. All defects (such as isolated pits, line corrosion, sidewall defects (e.g., cracks, folds), and line corrosion must be detected. The transducer or cylinder must be arranged so that the ultrasonic beams enter the cylinder wall and measure thickness and detect the side-wall flaws. The immersion UE system must have a high-speed board to digitize and capture each A-scan during examination of the cylinder. Gain control accuracy must be checked for a new Ultrasonic System with equipment that is calibrated in accordance with industry standards for checking gain linearity accuracy, as published in ASTM-E317. Search units of 2.25 to 10 MHz nominal frequency and 1/4-inch to 1-inch in diameter must be used during ultrasonic examination. A manual contact shear or longitudinal search unit may be used for confirmation and sizing of an indicated defect. If manual UE is used, it must be performed under direct supervision of a Senior Review Technologist (SRT) by a minimum Level II operator and in accordance with American Society of Testing Materials (ASTM) practice E-213 and this special permit.

c. Standard References:

(1) UE Reference Cylinder: A cylinder or cylinder section must be used as a standard reference and must have similar acoustic properties, surface finish, and

September 18, 2020

metallurgical condition as the cylinders under test. The standard reference must have a known minimum design wall thickness (t_m) which is less than or equal to the cylinder under test. The standard reference for cylinders that are less than or equal to 6 inches in diameter must have the same nominal diameter as the cylinder being tested.

Cylinders greater than 6 inches in diameter must conform to the allowable size ranges shown in the following table:

Standard Reference	Size Range of Cylinders Being Retested by UE	
	Minimum (OD-Inches)	Maximum (OD-Inches)
7	6.30	10.50
7.50	6.75	11.25
9.00	8.10	13.50
9.25	8.33	13.88
10.00	9.00	15.00
12.00	10.80	18.00
14.00	12.60	21.00
14.25	12.83	21.38
18.00	16.20	27.00
22.00	19.80	33.00
24.00	21.60	36.00

Prior to placing the simulated defects, such as minimum wall thickness, the average minimum wall thickness for the standard reference must be determined by means of an independent method.

(2) The standard reference must be prepared to include the following artificial defects:

- (i) Simulated defect for reduction in wall thickness (area corrosion). A simulated defect for area corrosion must be machined into the inside surface of the cylinder. A minimum of two different thickness steps must be machined into the inside cylinder wall. The dimensions must be as follows:

September 18, 2020

(A) For DOT Specification 3AA cylinders, the simulated defect must be less than or equal to 0.7 square inch (in²) in area and have a depth that is less than or equal to 1/20 of the design minimum wall thickness (t_m). The remaining wall thickness is equal to or greater than t_m .

(B) For DOT Specification 3AA and 3AAX cylinders with an outside diameter of 18 inches or larger, the simulated defect must be less than or equal to 1.5 square inches in area and have a depth that is less than or equal to 1/20 of the design minimum wall thickness (t_m). The remaining wall thickness is equal to or greater than t_m .

(ii) Simulated defect for an isolated pit. A flat bottom hole (FBH) must be machined into the inside surface of the cylinder to simulate an isolated pit. The dimensions must be as follows:

(A) For DOT Specification 3AA cylinders with a diameter less than or equal to 4 inches, the FBH must be 1/8-inch in diameter and 1/3 of t_m depth.

(B) For DOT Specification 3AA cylinders with diameter greater than 4 inches, the FBH must be 1/4-inch diameter and 1/3 of t_m depth.

(C) For DOT Specification 3AA and 3AAX cylinders with an outside diameter of 18 inches or larger, the FBH must be less than or equal to 1/2-inch in diameter and 1/3 of t_m depth.

(iii) Simulated defect for line corrosion in the sidewall-to-base transition (SBT). A circumferential notch must be machined into the surface of the cylinder to simulate SBT line corrosion. The notch must be 0.10 of t_m depth, 1 inch in length and less than or equal to 0.02 inch in width.

(iv) Simulated defect for longitudinal sidewall crack (LSC). A longitudinal notch must be machined into the surface of the cylinder to simulate LSC line corrosion. The dimensions of the LSC notch for DOT 3BN and cylinders manufactured under DOT-SP

September 18, 2020

9001, DOT-SP 9370, DOT-SP 9421, DOT-SP 9706, DOT-SP 9791, DOT-SP 9909, DOT-SP 10047, DOT-SP 10869, and DOT-SP 11692 must be 0.06 of t_m depth, 1 inch in length and less than or equal to 0.02 inch in width. DOT Specification 3A and 3AA cylinders are not required to be standardized for LSC.

(v) The calibration ring for a DOT Specification 3AA cylinder (ton cylinder) with two openings must include a simulated defect for a longitudinal sidewall crack (LSC). A longitudinal notch must be machined into the internal surface of the tube or the representative ring to simulate LSC line corrosion. The dimensions of the LSC notch for DOT-3AA cylinders that are "H" stamped must be 0.10 of t_m depth, 2 inches in length and less than or equal to 0.02 inch in width.

(3) A certification statement, signed by an NK Tech Co., Ltd Senior Review Technologist (SRT), must be available for all standard references at each site where retesting is performed. The certification statement must include a standard reference drawing for each size and type of cylinder. A standard reference drawing must include dimensions and the locations of each simulated defect.

d. Ultrasonic Examination (UE) system Standardization (Calibration). Prior to retesting a cylinder, the cylinder class (DOT specification or special permit) must be identified. The UE system must be standardized for testing the identified cylinder by using a standard reference. The standard reference must be similar (material of construction, size, wall thickness, etc.) to the identified cylinders to be tested. Standardization of the UE system must be performed by using an appropriate standard reference as described in paragraph 7.c. of this special permit. The standardization of the UE system is as follows:

(1) A standard reference with a machined simulated defect made to represent area corrosion must be placed in the UE system. The UE system must be standardized to indicate rejection for an area equal to or greater than the machined surface for that class of cylinder (e.g., 0.70 in² for DOT 3AA). Where the wall thickness is reduced below t_m , a straight ultrasound beam must be used to measure the wall thickness of the machined area.

September 18, 2020

(2) A standard reference with a machined FBH made to represent an isolated pit must be placed in the UE system. The FBH must be detected by a minimum of two shear wave beams that strike the FBH from opposite sides (e.g., the first shear wave direction is from top to bottom of the cylinder and the second shear wave direction is from the bottom to top). The UE gain must be increased until the signal from FBH is maximized at 80 percent of the screen height.

(3) A standard reference with a machined notch made to represent SBT line corrosion must be placed in the UE system. The notch must be detected by a minimum of one shear wave beam. The UE gain must be increased until the signal from the notch is maximized at 80 percent of the screen height.

(4) A standard reference with a machined notch to represent a longitudinal sidewall crack (LSC) must be placed in the UE system. The notch must be detected by a minimum of two shear wave beams that strike the LSC from opposite directions (e.g., the first shear wave direction is clock wise and second shear wave direction is counter-clock wise). The UE gain must be increased until the signal from the notch is maximized at 80 percent of the screen height.

e. Test Procedures.

(1) During the test, each cylinder must be examined by the standardized (calibrated) UE system using the set-up as described in paragraph 7.d.

(2) For each cylinder tested, all 5 scan passes must be performed as they are described in paragraph 7.d.

(3) Alternatively, for retesting only DOT Specification 3AA and 3AAX and specification cylinders, the UE system that is set-up to perform 5 scan passes may perform 3 scan passes that consist of a 100% wall thickness scan, one longitudinal angle beam (descending from the cylinder shoulder down to SBT) and one circumferential (clockwise), angle beam scan when the results do not yield a rejectable flaw. If a cylinder flaw is detected during a test, all 5 scan passes must then be conducted on that cylinder.

September 18, 2020

(4) A copy of the operating test procedure (as approved and acknowledged in writing by OHMSAPD) for performing ultrasonic examination of cylinders under the terms of this special permit must be at each facility performing ultrasonic examination. At a minimum, this procedure must include:

(i) A description of the test set-up; test parameters; transducer model number, frequency, and size; transducer assembly used; system standardization procedures and threshold gain used during the test; and other pertinent information.

(ii) Requirement for the equipment standardization to be performed at the end of the test interval (cal-out), after 200 cylinders or four hours, whichever occurs first. This cal-out can be considered the cal-in for the next interval during continuous operation. Cylinders examined during the interval between cal-in and cal-out must be quarantined until an acceptable cal-out has been performed. An acceptable cal-out occurs when the calibration cylinder is examined and all required features are revealed without changing examination settings. If an acceptable cal-out does not occur, if any equipment that affects the UE results are replaced or altered (such as a search unit or coaxial cable etc.), or when a loss of power occurs, all cylinders examined since the last successful calibration must be reexamined. Additionally, standardization of test equipment shall be performed at the beginning of each work shift, when the cylinder under test has dimensions that exceed the allowable ranges of the standard reference, when there is a change of operator(s), if any equipment that affects the UE results are replaced or altered (such as a search unit or coaxial cable etc.) or when a loss of power occurs, and at the end of each work shift.

(5) A copy of the most recent approved operating test procedure must be made available to a DOT representative when requested. Any change to the written procedures or in UE equipment (software or hardware), other than as supplied by the original equipment manufacturer, must be submitted to and approved by AAHMS prior to implementation.

September 18, 2020

(6) The equipment may not allow testing of a cylinder unless the system has been properly standardized (calibrated).

(7) The rotational speed of a standard reference must be such that all simulated defects are adequately detected, measured, and recorded.

(8) The rotational speed of the cylinder under UE must not exceed the rotational speed used during the standardization.

(9) The pulse rate must be adjusted to ensure a minimum of 10% over-lapped for each helix.

(10) The area of ultrasonic examination (UE) coverage must be 100% of the cylindrical section. The coverage must extend at least three inches into the sidewall-to-base transition taper.

(11) The external surface of the cylinder to be examined must be free of loose material such as scale and dirt.

f. Acceptance/Rejection Criteria. A cylinder must be rejected based on any of the following:

(1) The measured wall thickness is less than the design minimum wall thickness for the area described in the standardization section of paragraph 7.d. The minimum design wall thickness must be obtained from the cylinder drawing or the cylinder manufacturer, or it can be calculated using a maximum allowable stress of 73,000 psi for the area described in paragraph 7.d.

(2) If any of the flaws such as the isolated pit, circumferential line corrosion, or longitudinal sidewall crack (LSC), which meet the rejection criteria and produce a signal with an amplitude which crosses the reference threshold set in the standardization paragraph (paragraph 7.d.).

g. Rejected cylinders: When a cylinder is rejected, the retester must stamp a series of X's over the DOT specification number and marked service pressure, or stamp "CONDEMNED" on the shoulder, top head, or neck using a steel stamp, and must notify the cylinder owner, in writing, that the cylinder is rejected and may not be filled with hazardous material for transportation in commerce.

September 18, 2020

(1) Alternatively, at the direction of the owner, the retester may render the cylinder incapable of holding pressure.

(2) If a condemned cylinder contains hazardous materials and the testing facility does not have the capability of safely removing the hazardous material, the retester must stamp the cylinder "CONDEMNED" and affix conspicuous labels on the cylinder(s) stating: "UE REJECTED DOT-SP 20694. RETURNING TO ORIGIN FOR PROPER DISPOSITION". The retester may only offer the condemned cylinders for transportation by a motor vehicle operated by a private carrier to a facility, identified to, and acknowledged in writing with OHMSAPD that is capable of safely removing the hazardous material. A current copy of this special permit must accompany each shipment of condemned cylinders transported for the disposal of hazardous material.

h. Marking. Each cylinder passing retests under the provisions of this special permit must be marked as prescribed in accordance with § 180.213. In addition:

(1) Each cylinder must be marked "UE" in characters not less than 1/4" high for a cylinder with a diameter equal to or greater than 4 inches and 1/8" for a cylinder with a diameter less than 4 inches. The marking must be at a location close to the retester's marking.

(2) For cylinders shipped in bundles or in ISO frames an exterior tube one each side of the bundle or ISO frame must be marked "DOT-SP 20694" in letters and numbers that are at least 2 inches in height and displayed on a contrasting background. Further, the current retest date must be marked on the rear or side of the bundle or ISO frame at approximately eye level. In the event that the retest dates of bundled or ISO framed cylinders differ, the oldest retest date, meaning the date resulting in the earliest retest, shall be displayed.

i. UE Report. A report must be generated for each cylinder that is examined. The UE report must include the following:

(1) UE equipment, model and serial number;

September 18, 2020

- (2) Transducer specification, size, frequency, and manufacturer;
- (3) Specification of each standard reference used to perform UE. The standard reference must be identified by serial number or other stamped identification marking;
- (4) Cylinder serial number and type;
- (5) Cylinder manufacturer and cylinder owner name;
- (5) UE technician's name and certification level;
- (6) Examination Date;
- (7) Location and type of each defect on the cylinder (e.g., longitudinal line corrosion 5 inches from base);
- (8) Dimensions (area, depth and remaining wall thickness) and brief description of each defect;
- (9) Acceptance/rejection results; and
- (10) The UE report must be on file at each test facility, and copies made available to a DOT official when requested.

j. Personnel Qualification: Each person who performs retesting, and evaluates and certifies retest results must meet the following qualification requirements:

- (1) Project Manager/Director of Product Technology is the senior manager of NK Tech Co., Ltd responsible for compliance with DOT regulations including this special permit. Additionally, the project manager must ensure that each operator and senior review technologist maintains the required certifications described herein.
- (2) The personnel responsible for performing cylinder retesting under this special permit must be qualified to an appropriate Ultrasonic Testing Certification Level (Level I, II, or III) in accordance with the American Society for Nondestructive Testing (ASNT) Recommended Practice SNT-TC-1A depending upon the assigned responsibility as described below:

September 18, 2020

(i) System startup and calibration must be performed by a Level II operator. A Level II operator may review and certify test results. However, written procedures for accepting/rejecting a cylinder must be provided by the senior review technologist. Based upon written criteria, the Level II Operator may authorize cylinders that pass the retest to be marked in accordance with paragraph 7.h. A person with Level I certification may perform a system startup, check calibration, and perform ultrasonic testing under the direct guidance and supervision of a Senior Review Technologist or a Level II Operator, either of whom must be physically present at the test site in order to be able to observe testing conducted under this special permit.

(ii) Senior Review Technologist (SRT) is a person who provides written UE procedure, supervisory training, examinations (Level I and II) and technical guidance to operators, and reviews and verifies the retest results. The SRT must prepare and submit the reports required in paragraph 7.i. and annually verify that the UE program is being operated in accordance with the requirements of this special permit. An SRT must have a thorough understanding of the DOT Regulations (49 CFR) pertaining to the requalification and reuse of DOT cylinders that are authorized under both this special permit and ASNT Recommended Practice SNT-TC-1A and must possess:

(A) A Level III certification from ASNT in Ultrasonic Testing;

(B) A Professional Engineer (PE) License with a documented experience for a minimum of 2 years' experience in Non-Destructive Evaluation (NDE) of pressure vessels or pipelines using the ultrasonic examination technique; or

(C) A PhD degree in a discipline of Engineering/Physics with documented evidence of experience in Non-Destructive Evaluation (NDE) of pressure vessels or pipelines using the ultrasonic examination technique or research/thesis work and authoring/co-

September 18, 2020

authoring of technical papers published, in recognized technical journals, in the fields of ultrasonic testing methods.

The most recent copies of certification (e.g., ASNT Level III, P.E.) must be available for inspection at each requalification facility.

k. OPERATIONAL CONTROLS.

(1) Neck Thread Inspection: The external neck threads and flange/sleeve of each tube with a diameter greater than or equal to 18 inches and mounted on tube trailers or modules must be inspected in accordance with CGA Pamphlet C-23. This inspection must be periodically repeated at least once every ten years.

(2) The marking of the retester's symbol on the cylinders certifies compliance with all the terms and conditions of this special permit and the HMR.

(3) Each facility approved by OHMSAPD to test cylinders under the terms of this special permit must have a resident operator with at least an ASNT Level II Certification in UT.

(4) The UE equipment and operating procedures identified in this special permit are only authorized for use when the approved SRT is available (or alternatively available by telephone or other electronic means) at each facility operating under the special permit.

(5) Notwithstanding the requirements of a RIN approval for notification of address and personnel changes, any change in Project manager or SRT, with appropriate documentation (i.e., ANST certification), must be immediately submitted to and acknowledged in writing by OHMSAPD.

8. SPECIAL PROVISIONS:

a. The ultrasonic examination (UE) data, results, and additional technical information deemed pertinent in successful application of the UE must be recorded and kept at each facility for a minimum of 5 years after completion of UE. For any rejected cylinder, the defect causing the rejection must be fully characterized and profiled. That is, the specific type of defect should be identified (i.e.

September 18, 2020

isolated pits, line corrosion or SBT crack) and the specific size of the defect should be determined (i.e., length, depth, width, diameter, area, etc.). The record includes cylinder type, size, minimum design wall thickness, age, etc. of the rejected cylinder.

b. Shippers (offerors) may use the cylinders specified and tested in accordance with the provisions of this special permit for the transportation in commerce of those hazardous materials specified herein, provided no modifications or changes are made to the cylinders. All terms of this special permit and other applicable requirements contained in 49 CFR Parts 100-185 must be met.

c. In order to authorize a cylinder for a special filling limit (+ marking) stated in § 173.302a(b), the cylinder must meet the following:

(1) The cylinder must meet the requirement of § 173.302a(b)(1).

(2) The wall thickness of the cylinder is equal to or greater than the design minimum wall thickness as it is described in the accept/reject criteria of this special permit for each cylinder type.

d. Transportation of Division 2.1 (flammable gases) and Division 2.3 (gases which are poisonous by inhalation) are not authorized aboard cargo vessel or aircraft unless specifically authorized in the Hazardous Materials Table (§ 172.101).

e. Transportation of oxygen is only authorized by aircraft when in accordance with § 175.501.

f. Upon approval of this special permit, NK Tech Co., Ltd may continue to requalify cylinders as described herein. However, PHMSA will visit the NK Tech Co., Ltd facility at which time NK Tech Co., Ltd must demonstrate that the ultrasonic system performs as stated in the application.

9. MODES OF TRANSPORTATION AUTHORIZED: Motor vehicle, rail freight, cargo vessel, passenger-carrying aircraft, and cargo aircraft, as currently authorized by the regulations for the hazardous materials being transported.

September 18, 2020

10. MODAL REQUIREMENTS: None, other than as required by the HMR.
11. COMPLIANCE: Failure by a person to comply with any of the following may result in suspension or revocation of this special permit and penalties prescribed by the Federal hazardous materials transportation law, 49 U.S.C. 5101 et seq:
- o All terms and conditions prescribed in this special permit and the Hazardous Materials Regulations, 49 CFR Parts 171-180.
 - o Persons operating under the terms of this special permit must comply with the security plan requirement in Subpart I of Part 172 of the HMR, when applicable.
 - o Registration required by § 107.601 et seq., when applicable.

Each "Hazmat employee", as defined in § 171.8, who performs a function subject to this special permit must receive training on the requirements and conditions of this special permit in addition to the training required by §§ 172.700 through 172.704.

No person may use or apply this special permit, including display of its number, when this special permit has expired or is otherwise no longer in effect.

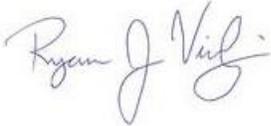
Under Title VII of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)– "The Hazardous Materials Safety and Security Reauthorization Act of 2005" (Pub. L. 109-59), 119 Stat. 1144 (August 10, 2005), amended the Federal hazardous materials transportation law by changing the term "exemption" to "special permit" and authorizes a special permit to be granted up to two years for new special permits and up to four years for renewals.

12. REPORTING REQUIREMENTS: Shipments or operations conducted under this special permit are subject to the Hazardous Materials Incident Reporting requirements specified in 49 CFR §§ 171.15 - Immediate notice of certain hazardous materials incidents, and 171.16 - Detailed hazardous materials incident reports. In addition, the grantee(s) of

September 18, 2020

this special permit must notify the Associate Administrator for Hazardous Materials Safety, in writing, of any incident involving a package, shipment or operation conducted under terms of this special permit.

Issued in Washington, D.C.:



for William Schoonover
Associate Administrator for Hazardous Materials Safety

Address all inquiries to: Associate Administrator for Hazardous Materials Safety, Pipeline and Hazardous Material Safety Administration, U.S. Department of Transportation, East Building PHH-30, 1200 New Jersey Avenue, Southeast, Washington, D.C. 20590.

Copies of this special permit may be obtained by accessing the Hazardous Materials Safety Homepage at http://hazmat.dot.gov/sp_app/special_permits/spec_perm_index.htm. Photo reproductions and legible reductions of this special permit are permitted. Any alteration of this special permit is prohibited.

PO: Andrew Eckenrode/NICKS