

May 18, 2006



U.S. Department
of Transportation

400 Seventh Street, S.W.
Washington, D.C. 20590

**Pipeline and
Hazardous Materials
Safety Administration**

DOT-SP 10688
(NINTH REVISION)

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: (See individual authorization letter)
2. PURPOSE AND LIMITATION:
 - a. This special permit authorizes the transportation in commerce of gasoline in non-DOT Specification polyethylene containers, overpacked as indicated in paragraph 7, on small, passenger-carrying aircraft within the State of Alaska. This special permit provides no relief from the Hazardous Materials Regulations (HMR) other than as specifically stated herein.
 - b. The safety analyses performed in development of this special permit only considered the hazards and risks associated with transportation in commerce.
 - c. Unless stated herein, this special permit consists of the special permit authorization letter issued to the grantee together with this document.
3. REGULATORY SYSTEM AFFECTED: 49 CFR Parts 106, 107 and 171-180.
4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR § 175.310(c) in that polyethylene containers are not authorized except as specified herein.
5. BASIS: This special permit is based on the application of Peninsula Airways, Inc. d/b/a/ PenAir dated August 18, 2003, submitted in accordance with § 107.109.

May 18, 20066. HAZARDOUS MATERIALS (49 CFR § 172.101):

Hazardous Materials Description			
Proper Shipping Name	Hazard Class/ Division	Identification Number	Packing Group
Gasoline	3	UN1203	II

7. SAFETY CONTROL MEASURES:

a. PACKAGING - Packaging prescribed is a non-DOT specification polyethylene container having a capacity of not more than 20 liters (5.3 US gallons) overpacked as indicated below:

(1) Packed inside a plywood box having sides and top of at least 0.50" thickness and bottom of at least 0.625" thickness. Each box will contain an absorbent pad compatible with the lading.

(2) If transported in a float cargo compartment, the container must be securely attached to a plywood sheet of at least 0.50" thickness. The plywood must be secured to the bottom of the float cargo compartment. Each compartment will contain an absorbent pad(s) compatible with the lading.

b. The general arrangement of the components must be as depicted in photographs submitted as part of the application, and on file at the Office of Hazardous Materials Special Permits and Approvals (OHMSPA). Each polyethylene inner receptacle must be airtight, and filled so as to provide sufficient outage to prevent any leakage due to changes in ambient pressure and temperature.

8. SPECIAL PROVISIONS:

a. A person who is not a holder of this special permit who receives a package covered by this special permit may reoffer it for transportation provided no modifications or change are made to the package or its contents and it is reoffered for transportation in conformance with this special permit and the HMR.

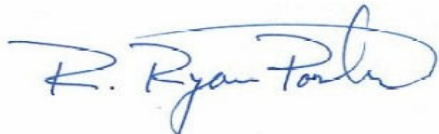
- b. A current copy of this special permit must be maintained at each facility where the package is offered or reoffered for transportation.
 - c. All provisions of § 175.310 apply except as set forth in paragraph 7 above.
 - d. The polyethylene used must be of a type which is compatible with the lading and fully in compliance with requirements of § 173.24(d).
 - e. Packagings permanently marked 'DOT-E 10688', prior to October 1, 2007 may continue to be used under this special permit for the remaining service life of the packaging or until the special permit is no longer valid. Packagings marked on or after October 1, 2007 must be marked 'DOT-SP 10688'.
 - f. Shipping papers displaying 'DOT-E 10688' may continue to be used until October 1, 2007, provided the special permit remains valid.
9. MODES OF TRANSPORTATION AUTHORIZED: Passenger-carrying aircraft.
10. MODAL REQUIREMENTS: A current copy of this special permit must be carried aboard each aircraft used to transport packages covered by this special permit.
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 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.:

A handwritten signature in blue ink, appearing to read "R. Ryan Taylor", is written over a horizontal line.

for Robert A. McGuire
Associate Administrator
for Hazardous Materials Safety

Address all inquiries to: Associate Administrator for Hazardous Materials Safety, Pipeline and Hazardous Materials Safety Administration, Department of Transportation, Washington, D.C. 20590. Attention: PHH-31.

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: DBurger/sln