EXPIRATION DATE: October 31, 2005

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: Lockheed Martin Space Systems Company
   Sunnyvale, CA

2. PURPOSE AND LIMITATION:

   a. This emergency exemption authorizes the one-time
      transportation in commerce of a Divert and Altitude Control
      System (DACS) assembly containing Division 2.2, 2.3, and 6.1
      materials. The DACS assembly is a part of the Terminal High
      Altitude Area Defense (THAAD) missile system. This
      exemption provides no relief from the Hazardous Materials
      Regulations (HMR) other than as specifically stated herein.

   b. The safety analyses performed in development of this
      exemption only considered the hazards and risks associated
      with transportation in commerce. The safety analyses did
      not consider the hazards and risks associated with uses not
      associated with transportation in commerce.

   c. Shipment of the DACS assembly is limited to support of
      the THAAD missile program for the Department of the Army.

3. REGULATORY SYSTEM AFFECTED: 49 CFR Parts 106, 107 and 171-
   180.

4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR § 172.301(c) in
   that marking the exemption number on the DASC assembly is
   waived; §§ 173.302, 173.226, and 173.336 in that the use of
   non-DOT specification packaging is not authorized, except as
   specified herein.
5. **BASIS:** This exemption is based on the emergency application of Lockheed Martin Space Systems Company dated June 3, 2005 and additional information dated June 28, 2005 submitted in accordance with § 107.117 and a determination that it is necessary for immediate national security.

6. **HAZARDOUS MATERIALS (49 CFR § 172.101):**

<table>
<thead>
<tr>
<th>Proper Shipping Name</th>
<th>Hazard Class/Division</th>
<th>Identification Number</th>
<th>Packing Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helium, compressed</td>
<td>2.2</td>
<td>UN1046</td>
<td>N/A</td>
</tr>
<tr>
<td>Methylhydrazine</td>
<td>6.1</td>
<td>UN1244</td>
<td>I, Hazard Zone A</td>
</tr>
<tr>
<td>Dinitrogen tetroxide</td>
<td>2.3</td>
<td>UN1067</td>
<td>Hazard Zone A</td>
</tr>
</tbody>
</table>

7. **SAFETY CONTROL MEASURES:**

a. **PACKAGING** - Packaging prescribed is the Divert and Altitude Control System (DACS) assembly which includes three non-DOT specification cylinders containing Division 2.2, 2.3, and 6.1 materials. Packaging must be as described in the application for exemption on file with the Office of Hazardous Materials Exemptions and Approvals (OHMEA) and as follows:

(1) Methylhydrazine and Dinitrogen tetroxide cylinders must be designed and tested in accordance with Boeing Specification RC5305 on file with the OHMEA. The maximum expected operating pressure (MEOP) must be 1050 psig and the minimum design burst pressure of the cylinder must be 1.5 times MEOP. The cylinders are not authorized to be refilled.

(2) Helium cylinder is a carbon fiber composite aluminum lined cylinder with a MEOP of 10,000 psig. Each cylinder must be proof pressure tested to at least 16,050 psig before shipment.
Each cylinder must be equipped with a burst disk type pressure relief device rated at 25,467 psig at 72°F.

c. OPERATIONAL CONTROLS -

(1) As described in the application for exemption, the three cylinders must be shipped within the DACS assembly framework which is then enclosed in a protective case. The case must then be inserted inside a gas tight steel cylinder which is mounted inside a climate controlled truck.

(2) The steel containment cylinder must have a leak detection system mounted inside. The cylinder must be checked for leaks every four hours during transport.

(3) Transportation of the DACS assembly must be by private of contact carrier in exclusive use of Lockheed Martin Space Systems Company followed by an escort car. The escort car must contain trained personnel and emergency equipment.

(4) One-time transportation is authorized from Troy, Alabama to Santa Cruz, California.

8. SPECIAL PROVISIONS:

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

b. A current copy of this exemption must be maintained at each facility where the package is offered or reoffered for transportation.

c. The marking requirements of § 172.301(c) are waived.

9. MODES OF TRANSPORTATION AUTHORIZED: Motor vehicle.
10. MODAL REQUIREMENTS: A current copy of this exemption must be carried aboard each motor vehicle used to transport packages covered by this exemption.

11. COMPLIANCE: Failure by a person to comply with any of the following may result in suspension or revocation of this exemption and penalties prescribed by the Federal hazardous materials transportation law, 49 U.S.C. 5101 et seq:

- All terms and conditions prescribed in this exemption and the Hazardous Materials Regulations, 49 CFR Parts 171-180.

- Persons operating under the terms of this exemption must comply with the security plan requirement in Subpart I of Part 172 of the HMR, when applicable.

- Registration required by § 107.601 et seq., when applicable.

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

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

12. REPORTING REQUIREMENTS: Shipments or operations conducted under this exemption 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
exemption must notify the Associate Administrator for Hazardous Materials Safety -- OHMEA, in writing, of any incident involving a package, shipment or operation conducted under terms of this exemption.

Issued in Washington, D.C.

[Signature]
Robert A. McGuire  
Associate Administrator for Hazardous Materials Safety

JUL 12 2005
DATE

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


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

PO: CWFreeman