

August 20, 2010



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 14922
(SECOND REVISION)

EXPIRATION DATE: September 30, 2010

1. GRANTEE: Peninsula Airways Inc. (PenAir)
Anchorage, AK
2. PURPOSE AND LIMITATION:
 - a. This emergency special permit authorizes the transportation in commerce of certain cylinders of compressed oxygen, when no other practical means of transportation exist, without their outer packaging being capable of passing the Flame Penetration and Resistance Test and the Thermal Resistance Test. This special permit provides no relief from the Hazardous Materials Regulations (HMR) other than what is specifically stated herein. The most recent revision supersedes all previous revisions.
 - b. This special permit authorizes the transportation of cylinders of compressed oxygen solely and specifically intended for human health care and veterinary services only.
 - c. The safety analyses performed during the development of this special permit only considered the hazards and risks associated with the transportation in commerce.
 - d. No party status will be granted to this special permit.
3. REGULATORY SYSTEM AFFECTED: 49 CFR Parts 106, 107 and 171-180.
4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR § 173.302(f)(3) and (f)(4) in that each cylinder must be placed in a rigid outer packaging that is capable of passing the Flame Penetration Resistance Test and the Thermal Resistance Test, except as provided herein.

August 20, 2010

5. BASIS: This emergency special permit is based on the application of Peninsula Airways Inc. (PenAir) dated October 1, 2009, submitted in accordance with § 107.117 and a determination that it is necessary to prevent significant economic loss. Additional information dates May 15, 2010 submitted in accordance with § 107.105 and the public proceeding thereon.
6. HAZARDOUS MATERIALS (49 CFR § 172.101):

Hazardous Materials Description			
Proper Shipping Name	Hazard Class/ Division	Identification Number	Packing Group
Oxygen, compressed	2.2	UN1072	N/A

7. SAFETY CONTROL MEASURES:

a. PACKAGING - Cylinders as required by § 173.302(f)(1) with a capacity of up to 281 cubic feet

b. Each cylinder:

(1) With a capacity of 116 cubic feet or less must be:

(i) Fully covered with a fire resistant blanket that is secured in place; and

(ii) Placed in a rigid outer packaging or an ATA 300 Category 1 shipping container.

(2) With a capacity of more than 116 cubic feet must be:

(i) Secured within a frame;

(ii) Fully covered with a fire resistant blanket that is secured in place; and

(iii) Fitted with a securely attached metal cap of sufficient strength to protect the valve from damage during transportation.

August 20, 2010

8. SPECIAL PROVISIONS:

a. A current copy of this special permit must be maintained at each facility where the package is offered for transportation.

b. A current copy of this special permit must be carried aboard each aircraft used to transport packages covered by this special permit.

c. Each outer packaging must be plainly and durably marked "DOT-SP 14922" as required by § 172.301(c).

9. OPERATIONAL CONTROLS:

a. Authorized Aircraft: The aircraft must be owned and operated by Peninsula Airways Inc.

b. Transportation under the terms of this special permit is authorized only within the state of Alaska when no other practical means of transportation exist to remote communities where ground or vessel transportation is unavailable.

c. Peninsula Airways Inc. is required to provide additional training regarding the function specific responsibilities of those employees involved in meeting the terms of this special permit.

d. Operations Manual: Operations must be conducted in accordance with the conditions and limitations specific in Peninsula Airways' certificate holder's operations manual accepted and approved by the FAA. It does not waive any FAA airworthiness operating requirements or the need to obtain FAA operating authorizations.

e. The crewmember(s) must have access to the cylinder(s) and at least one fire extinguishers must be readily available for use by the crewmember(s) unless stowed in a Class C cargo compartment or its equivalent.

f. The compressed oxygen may not be transported in the same aircraft with other hazardous materials except Division 2.2 with no subsidiary risk, Class 9 and ORM-D materials.

August 20, 2010

g. The granting of this Special Permit does not grant the authority to use foreign controlled airspace or airports outside of the United States.

10. MODES OF TRANSPORTATION AUTHORIZED: Passenger-carrying aircraft and cargo aircraft only.

a. For passenger-carry aircraft:

(1) A cylinder with a capacity of more than 116 cubic may not be transported by passenger-carrying aircraft; and

(2) A maximum of 6 cylinders in each cargo compartment may be transported by passenger-carrying aircraft unless in a Class C cargo compartment or equivalent.

b. For cargo aircraft:

Each cylinder with a maximum of 281 cubic feet capacity may only be transported in a Class B aircraft cargo compartment (see 14 CFR 25.857(b)) or its equivalent (i.e., an accessible cargo compartment equipped with a fire or smoke detection system, but not a fire suppression system) or a Class C cargo compartment or equivalent.

11. Transitional Requirements:

a. Within 30 days of receipt of the special permit the grantee must provide the following:

(1) A detailed program plan indicating the process, plans and milestones that will be followed to bring the grantee into compliance with the HMR; or

(2) A justification as to why it will not be possible to transition to outer packagings that meet the requirements of the HMR.

b. For cylinders with a capacity of less than 116 cubic feet, the outer packaging must be in compliance with the requirements in § 173.302(f)(3) and (f)(4) for a rigid outer packaging that is capable of passing the Flame Penetration Resistance Test and the Thermal Resistance Test no later than September 30, 2010.

August 20, 2010

c. A quarterly update of package transition activities (actual vs. scheduled milestones for required under paragraph 11.a.) must be provided by the grantee to the Office of Hazardous Materials Special Permits and Approvals by January 1, April 1, July 1, and October 1 of each year this special permit is in effect.

d. As outer packagings become available in sufficient quantities that meet the requirements of 173.302(f)(3) and (f)(4), they must be used to the maximum extent practical in lieu of the provisions authorized by this special permit.

12. 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

August 20, 2010

"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.

13. 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.:



for Dr. Magdy El-Sibaie
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: LAVALLE/sln