

February 15, 2011



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 15163
(FIRST REVISION)

EXPIRATION DATE: December 31, 2012

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: Peninsula Airways Inc.
Anchorage, AK
FAA Certificate #PNSA044A
2. PURPOSE AND LIMITATION:
 - a. This special permit authorizes the transportation in commerce of certain cylinders of compressed gases with a subsidiary hazard of Division 5.1, when other means of transportation are impracticable, 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 gases meeting Division 5.1 only within the State of Alaska.
 - 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)(4), and (5) and § 173.304(f)(3), (4), and (5) in that each

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cylinder must be placed in a rigid outer packaging that is capable of passing the Flame Penetration Resistance Test and the Thermal Resistance Test, and § 172.301(c) in that the marking requirements are waived except as provided herein.

5. BASIS: This special permit is based on the application of Peninsula Airways, Inc. dated September 30, 2010 submitted in accordance with § 107.105 and the public proceeding thereon, additional information from FAA dated February 8, 2011 and additional information of February 11, 2011.
6. HAZARDOUS MATERIALS (49 CFR § 172.101):

Hazardous Materials Description			
Proper Shipping Name	Hazard Class/Division	Identification Number	Packing Group
Air, refrigerated liquid, (cryogenic liquid)	2.2	UN1003	N/A
Compressed gas, oxidizing, n.o.s.	2.2	UN3156	N/A
Liquefied gas, oxidizing, n.o.s.	2.2	UN3157	N/A
Nitrogen trifluoride, compressed	2.2	UN2451	N/A
Nitrous oxide	2.2	UN1070	N/A
Oxygen, compressed	2.2	UN1072	N/A
Receptacles, small, containing gas or gas cartridges (oxidizing) without release device, not refillable and not exceeding 1 L capacity	2.2	UN2037	N/A

7. SAFETY CONTROL MEASURES:

a. PACKAGING - Cylinders as required by § 173.302(f)(1), 173.304(f)(1) or 173.316 as appropriate, with a capacity of up to 281 cubic feet (based on oxygen compression ratio).

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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 that is excepted from the packaging requirements of Subparts L and M of Part 178.

(iii) For emergency medical services, the requirement for a flame or fire resistant blanket and rigid outer package is waived.

(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.

(3) The transportation of cylinders of oxidizing gases may not exceed the quantities described in the Hazardous Materials Table, 49 CFR 172.101, Column (9A).

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.

9. OPERATIONAL CONTROLS:

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

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b. Cylinders of oxidizing gases may be carried on aircraft if no passengers (see 49 CFR 171.8) are carried on the aircraft and the pilot is provided with written instructions on the characteristics and proper handling of the hazardous materials.

c. For the purpose of this section "impracticable" means transportation is not physically possible or cannot be performed by routine and frequent means of other transportation due to extenuating circumstances. Extenuating circumstances include: conditions precluding highway or water transportation, such as a frozen vessel route; road closures due to catastrophic weather or volcanic activity; or a declared state of emergency. The desire for expedience of a shipper, carrier, or consignor, is not relevant in determining whether other means of transportation are impracticable.

d. 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.

e. Operations Manual: Operations must be conducted in accordance with the conditions and limitations specific in 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.

f. The crewmember(s) must have access to the cylinder(s) and have at least one fire extinguisher readily available for use by the crewmember(s) unless placed in a Class C cargo compartment.

g. Any other hazardous materials transported on board must comply with 49 CFR 175.78 for stowage compatibility.

h. The granting of this special permit does not grant the authority to use foreign controlled airspace or airports outside of the United States.

i. In lieu of providing information to an FAA or DOT representative during a review of the activity conducted under the authority of the special permit the following transport information may be submitted to FAA on a semi-annual basis:

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- 1) Date of Transport
- 2) Number of Shipments
- 3) Number/Size/Type/ Proper Shipping Name of compressed gases transported under the authority of this special permit.

Federal Aviation Administration
Hazardous Material Office (ADG-200)
Washington, DC

10. MODES OF TRANSPORTATION AUTHORIZED: Cargo aircraft only.
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.

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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.:



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: HERZOG