EXPIRATION DATE: October 31, 1998
See Appendix A for PTE Expiration date(s)

(FOR RENEWAL, SEE 49 CFR SECTION 107.109)

1. GRANTEE: Consolidated Rail Corporation (Conrail)
   Philadelphia, Pennsylvania

(See Appendix A to this document for a list of additional grantees)

2. PURPOSE AND LIMITATION: This exemption authorizes the
   transportation in commerce of certain explosives 1.3G and,
   1.4 and flammable solid, in flagging kits of specified
   construction not subject to the Department's Hazardous
   Materials Regulations. This exemption provides no relief
   from any regulation other than as specifically stated
   herein.

3. REGULATORY SYSTEM AFFECTED: 49 CFR Parts 105, 107 and 171-
   180.

4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR Parts 100 through
   177 except as provided in this exemption.

5. BASIS: This exemption is based on the application of
   Consolidated Rail Corporation's dated September 23, 1996 and
   supplemental information dated November 15, 1996, submitted
   in accordance with 49 CFR 107.109.

6. HAZARDOUS MATERIALS (49 CFR 172.101):

<table>
<thead>
<tr>
<th>Hazardous materials description -- proper shipping name</th>
<th>Hazard Class/Division</th>
<th>Identification Number</th>
<th>Packing Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signals, railway track, explosive</td>
<td>1.3G</td>
<td>UN0191</td>
<td>II</td>
</tr>
<tr>
<td>Fusee (railway)</td>
<td>4.1</td>
<td>NA1325</td>
<td>II</td>
</tr>
</tbody>
</table>
7. **PACKAGING AND SAFETY CONTROL MEASURES:**

   a. Flagging kit identified as PPSC #50026-2 in Attachment 1 to the application. Each kit may not contain more than 36 Signals, railway track, explosives and 12 fusees (railway); or


8. **SPECIAL PROVISIONS.**

   a. The packages described in paragraph 7 must be transported only on maintenance-of-way or other railroad motor vehicles such as car department and signal maintainers motor vehicles.

   b. Not more than 6 flagging kits may be transported at any one time on any motor vehicle.

   c. All signals, railway track, explosive and fusees must be kept in closed flagging kits whenever they are not being used on the railroad right-of-way. Personnel may not open the flagging kits during such time as they are driving the vehicle or when it is located on other than railroad property.

   d. Flagging kits must be locked or stored in a locked compartment on the vehicle when same is left unattended on property other than railroad property.

   e. A copy of this exemption must be kept on file and be made available to any state and/or local regulatory body which requires or requests a copy of same.

9. **MODES OF TRANSPORTATION AUTHORIZED:** Motor vehicle.

10. **MODAL REQUIREMENTS:**

    A 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. Section 5101 et seq.
All terms and conditions prescribed in this exemption and the Hazardous Materials Regulations, 49 CFR Parts 171-180.

Registration required by 49 CFR 107.601 et seq., when applicable.

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

12. REPORTING REQUIREMENTS: The carrier is required to report any incident involving loss of packaging contents or packaging failure to the Associate Administrator for Hazardous Materials Safety (AAHMS) as soon as practicable. (49 CFR 171.15 and 171.16 apply to any activity undertaken under the authority of this exemption.) In addition, the holder(s) of this exemption must inform the AAHMS, in writing, of any incidents involving the package and shipments made under the terms of this exemption.

Issued at Washington, D.C.:

Marilyn J. Morris
Associate Administrator
for Hazardous Materials Safety

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

Attention: DHM-31.

The original of this exemption is on file at the above office. Photo reproductions and legible reductions of this exemption are permitted. Any alteration of this exemption is prohibited.

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