U.S. Department
of Transportation
**Research and
Special Programs
Administration**

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

JUN 3 0 2003

Mr. Michael W. Splane
Engineering Manager
SMI Companies
1456 Highway 317 South
Franklin, LA 70538

Ref. No.: 02-0330

Dear Mr. Splane:

This responds to your December 10, 2002 follow-up letter regarding our November 22, 2002 response, from Mike Hilder, RSPA's Office of the Chief Counsel, to an earlier letter dated September 18, 2002, concerning technical compliance of an internal discharge valve design.

The November 22, 2002 letter responded to your request to further review information you provided previously (9/18/02) with respect to the portable tanks built by your company in 1997 for Aggreko LLC and approved by Commercial Union Insurance Companies. Based on our review, we found that the discharge valve on these portable tanks located within the "companion flange" is in technical compliance with § 178.270-12(c). However, in regard to location of the shear section, we stated the following:

> There is insufficient information whether the shear section is located within 10.2 cm (4 inches) of the tank vessel, as required by 49 C.F.R. § 178.270-12(d), when measured along the length of the discharge piping. We do not agree that the 4" requirement can be read to refer to empty space between the outside of the tank vessel and the discharge piping as shown in the sketches provided with your September 18 letter.

You do not agree with our finding regarding measuring the location of the shear section and asked how we arrived at determining that the length (10.2 cm (4 inches)) must be measured along the length of the discharge piping. You also asked whether a "sandwiched shell" construction is permitted on IM type vessels; if so would the "containment vessel" be considered part of, or at least an extension of the shell of the IM-102 portable tank.

The location of the shear section on the IM 102 portable tank must be measured along the length of the discharge piping because the shell or head of the tank is best protected from the transfer of excessive moments when the entire shear section is within 4 inches of the shell or head, rather than when just the nearest point of the shear section is within that distance of the shell or head.

The term "sandwiched shell" relative to IM portable tanks is not defined in the specifications in § 178.270 of the HMR. Provided the tanks meet the specification requirements of § 178.270, there are no prohibitions to your particular design of the IM-102 portable tank, which is completely enclosed within a protective secondary containment vessel. The secondary containment vessel used to provide protection, however, is not considered part of, or extension of the shell of the IM-102 portable tank.

I hope this satisfies your inquiry

Sincerely yours,

Delmer F. Billings
Chief, Standards Development
Office of Hazardous Materials Standards

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Engrum
178.270-12
Portable Tanks
02-0330

December 10, 2002

U.S. Department of Transportation
Research and Special Programs Administration
400 7th Street SW- Room 8407
Washington, D.C. 20590

Attention: Frazer C. Hilder

Subject: Shear Sections on Aggreko IM-102 Vessels

Reference: Letter from U.S. DOT, Frazer C. Hilder to SMI Companies, Michael W. Splane transmitted by facsimile on November 22, 2002

Mr. Hilder:

Thank you for your due consideration of our letter of September 18, 2002 and the above referenced response.

We appreciate your findings on the technical compliance of our discharge valve design.

In regard to the location of the shear section, 49 CFR 178.270-12(d) requires that "A shear section must be located outboard of each internal discharge valve seat and within 10.2 cm (4 inches) of the vessel." We have been unable to find any further qualification in 49 CFR that the length in question must be measured along the length of the discharge piping. 49 CFR only stipulates that it be "within 10.2 cm (4 inches) of the vessel." The shear section on the design in question is located "within 10.2 cm (4 inches) of the vessel." We therefore do not agree with your finding and believe that the design in question is in compliance with the requirements of 49 CFR. Please help us understand how you have arrived at this additional requirement if it is to be applied.

In further regard to our letter of September 18, we have not received a reply to our question "Is a sandwiched shell construction permitted on IM type vessels?" or, paraphrased, Is a sandwiched shell construction prohibited on IM type vessels?

Thank you for your time. We look forward to hearing from you soon.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager

www.smicompanies.com 1.800.264.9894
CORPORATE OFFICE: 1456 HIGHWAY 317 SOUTH / FRANKLIN, LA 70538 / PH: 337.836.9894 / FX: 337.836.9574

U.S. Department
of Transportation
Research and
Special Programs
Administration

Office of the
Chief Counsel

400 Seventh Street, S.W.
Room 8407
Washington, D.C. 20590

Phone: (202) 366-4400
Fax: (202) 366-7041

NOV 22 200

BY FACSIMILE

Mr. Michael W. Splane
Engineering Manager
SMI Companies
1456 Highway 317 South
Franklin, LA 70538

Dear Mr. Splane:

Thank you for your September 18, 2002 letter to me in which you followed up our earlier telephone conversations and your July 8, 2002 letter to Mr. McGinnis.

We have made a further review of the information provided by you with respect to the portable tanks built by your company in 1997 for Aggreko LLC and approved by Commercial Union Insurance Companies. Based on that review:

1. It appears that the discharge valve on these portable tanks is located within the "companion flange" and is in technical compliance with the requirement in 49 C.F.R. § 178.270-12(c).

2. There is insufficient information whether the shear section is located within 10.2 cm (4 inches) of the tank vessel, as required by 49 C.F.R. § 178.270-12(d), when measured along the length of the discharge piping. We do not agree that the 4" requirement can be read to refer to empty space between the outside of the tank vessel and the discharge piping as shown in the sketches provided with your September 18 letter.

Accordingly, RSPA will not pursue any enforcement action against your company at this time. However, we may take further enforcement action if we determine that the shear section is located more than 4" from the tank vessel as measured along the length of the discharge piping. In that event, we will consider

any actions that your company takes to correct any noncompliance with the requirement in 49 C.F.R. § 178.270-12(d) that the shear section must be located within 4" of the vessel.

If you have any questions, you may contact me at the above address, by telephone at 202-366-4400, or by fax at 202-366-7041.

Sincerely,

Frazer C. Hilder
Attorney

cc: Mr. Edgar A. Whittle
Director, Codes & Standards
Contract Inspection Services
Commercial Union Insurance Companies
One Beacon Street
Boston, MA 02108

SMICOMPANIES
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corporate office
1456 Highway 317 South
Franklin, LA 70538
Ph: 337.836.9894
Fx: 337.836.9574

www.smicompanies.com

To:	Carolyn Drakeford	**Company:**	DOT Office of Hazardous Materials
From:	Mike Splane	**CC:**	
Fax:	202-366-3012	**Pages:**	11
Phone:	202-366-8553	**Date:**	1/2/03
Re:	Letter of September 18, 2002		

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply**

Miss Drakeford,

Here is the letter you requested. Sorry for the delay in getting it to you, I've been out of the office during the holidays. Please call if you have any questions or need further information.

Thanks,
Mike Splane

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September 18, 2002

U.S. Department of Transportation
Research and Special Programs Administration
400 7th Street SW- Room 8407
Washington, D.C. 20590

Attention: Mike Hilder

Subject: Internal Discharge Valves on Aggreko IM-102 Vessels

References: Letter from Southern Magic (SMI Companies), Michael Splane to U.S. DOT, Edward Mazzullo dated August 5, 1997 (Attached)
Letter from Southern Magic, Michael Splane to Commercial Union Insurance, Edgar Whittle dated August 13, 1997 (Attached)
Letter from U.S. DOT, Edward Mazzullo to Southern Magic, Michael Splane dated October 3, 1997 (Attached)
Letter from SMI Companies, Michael Splane to U.S. DOT, Gary McGinnis dated July 8, 2002 (Attached)

Mr. Hilder:

In follow up to our earlier conversation I am submitting the attached for your review.

As you know, on August 5, 1997, I submitted a letter to Mr. Edward Mazzullo asking if locating the internal discharge valve within the secondary containment vessel would meet the intent of 178.270-12(c) and therefore be an acceptable design. In this proposal there was no consideration given for the location of the valve relative to the inner pressure vessel, just that it would be internal to the containment vessel.

This issue had first come up in June of 1997 when we were in the process of completing an order of fifty of these vessels for Aggreko. Aggreko uses these to support a very seasonal generator rental business, their peak season running between May and September. Rather than wait for a reply to the above, we subsequently came up with a design to locate the internal discharge valve in a way that we felt met the requirements of 178.270-12(c).

On August 13, 1997, I submitted a letter to Mr. Edgar Whittle with Commercial Union Insurance, our approval agency, requesting that they review and approve the proposed internal discharge valve installation. This proposal was not to just install the valve internal to the containment vessel, but to install the valve within the "companion flange" as required by the specifications. In addition, the shear section was to be located within 4" of the shell as required by 178.270-12(d).

Commercial Union agreed that the proposed installation met the requirements and gave their approval of the design. We made the modifications and completed the units.

Subsequently, we received a letter from Mr. Edward Mazzullo dated October 3, 1997 stating that the request of August 5 did not meet the requirements of the specifications. However, as stated above, the design that Commercial Union approved made provisions to locate the internal discharge valve within the companion flange and the shear section within 4" of the vessel. Therefore, the reply of October 3 was not relevant to the final design.

Now, five years later, this issue has once again come to light. Currently, DOT has stated that our design does not meet the requirements of 49 CFR 178.270-12 because our "welded flange" does not meet the requirement for a "welded flange." I cannot say for sure that a definition of welded flange does not exist but I have yet to find it within 49 CFR. Nevertheless, our current design was submitted to and approved by our approval agency as required by 49 CFR. The fact that DOT now takes exception to it is a separate matter.

I realize that DOT has ruled that locating the internal discharge valve within a containment vessel does not meet the requirements. However I would like to pose a different question. Is a sandwiched shell construction permitted on IM type vessels? If so, wouldn't the "containment vessel" be considered part of or at least an extension of the shell proper and therefore anything internal to the outer shell is still internal to the IM-102 vessel? The outer and inner shells are integral to one another and the unit can not be used without the outer shell in place. I maintain that the argument stated in my letter of July 8, 2002 still has merit and ask that it be given a technical review by DOT.

Thank you for your time. We look forward to resolving this issue soon.

Please call if you have any questions or if we can provide any further information.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager

SOUTHERN MAGIC, INC.
1456 Hwy. 317 S.
Franklin, LA 70538

Phone 318-836-9894
Fax 318-836-9574
Customer Service 800-264-9894

SOUTHERN MAGIC
* ENGINEERING * MANUFACTURING * FABRICATION *

ENERGY DRIVEN [illegible]

August 5, 1997

U.S. Department of Transportation
Research and Special Programs Administration
Office of Hazardous Materials Standards
DHM-10
Attn: Mr. Edward Mazzullo

Re: Interpretation of 49 CFR 178.270-12(c)

Mr. Mazzullo,

Per 178.270-12(c), each internal discharge valve must be located within the tank, within the welded flange or within its companion flange. It is my understanding that the intent of this requirement is to insure that no external forces may be applied to the internal discharge valve that might damage or otherwise compromise its ability to prevent loss of vessel contents.

For our 2,300 Gallon IM-102 Vessels (See Attached Sketch), if we locate internal discharge valves within the secondary containment container which completely encloses the tank with 1/4" corrugated plate, the internal discharge valves will be fully protected from all external forces and thereby would meet the intent of 178.270-12(c).

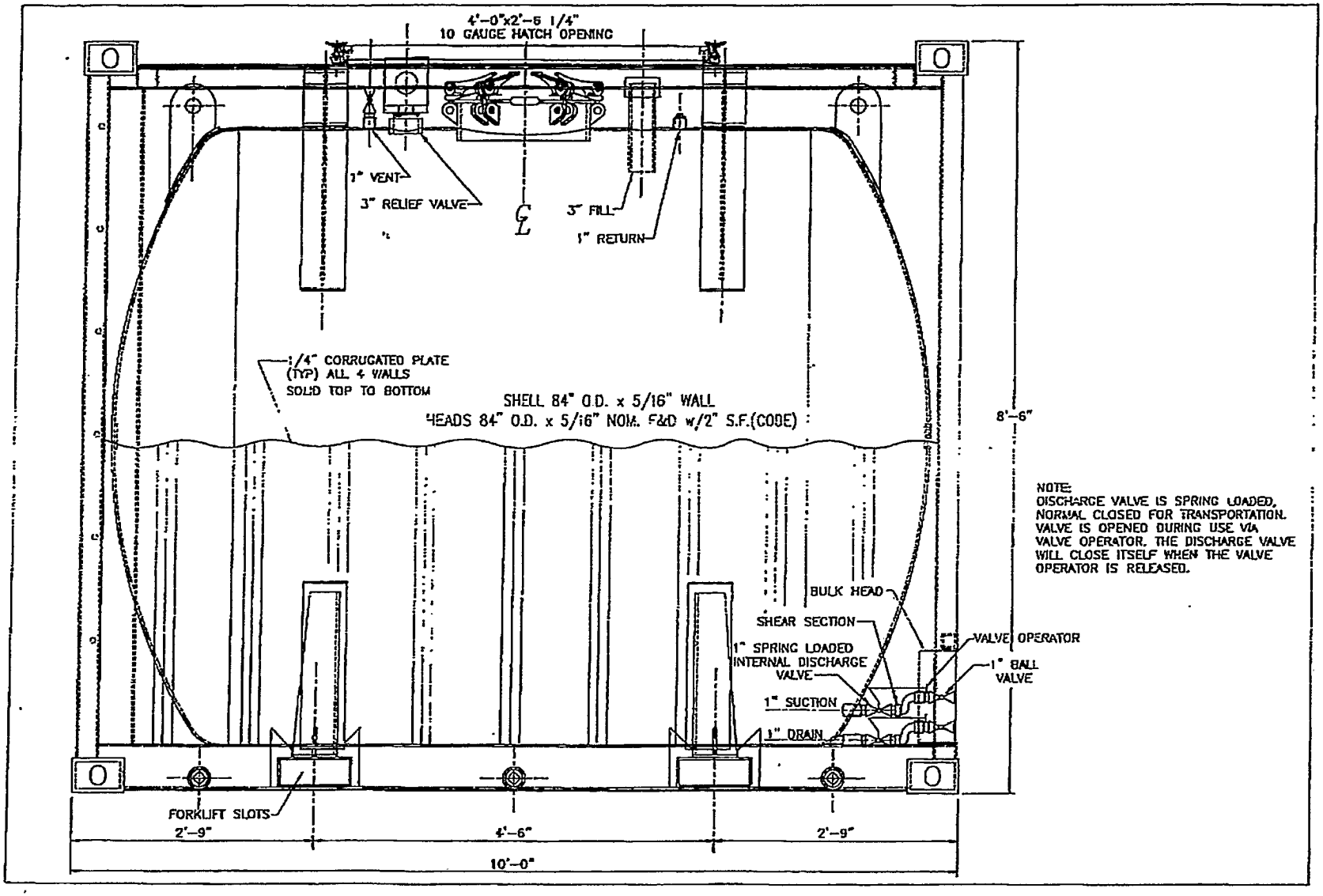
Please advise as to whether or not this does in fact meet the intent and is thereby an acceptable design.

We are currently manufacturing fifty of these vessels. We are a small company and have a substantial amount of money tied up in this project. Your timely response is therefore a necessity and will be greatly appreciated.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager
SMI



SOUTHERN MAGIC
★ ENGINEERING ★ MANUFACTURING ★ FABRICATION ★

SOUTHERN MAGIC, INC.
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Franklin, LA 70538

Phone 318-836-9894
Fax 318-836-9574
Customer Service 800-264-9894

ENERGY DRIVEN TOWARD EXCELLENCE

August 13, 1997

Commercial Union Insurance
One Beacon Street
Boston, Mass. 02108
Attn: Edgar Whittle

RE: IM-102 Internal Discharge Valve

Mr. Whittle,

The attached sketches show our proposed internal discharge valve installation on the IM-102 vessels we are manufacturing. Per 178.270-12(c), an internal discharge valve must be located inside the tank, within the welded flange or within its companion flange (See Sketch 1). Since these tanks have threaded fittings instead of flanged nozzles, allowable by both ASME Section VIII, Div. 1 and IM-101/102, the term flange does not apply and must therefore be replaced with fitting. With this, the 1" 90^{O} Ell is the "welded flange" and the 1" shear section is the "companion flange" (See Sketches 2 and 3).

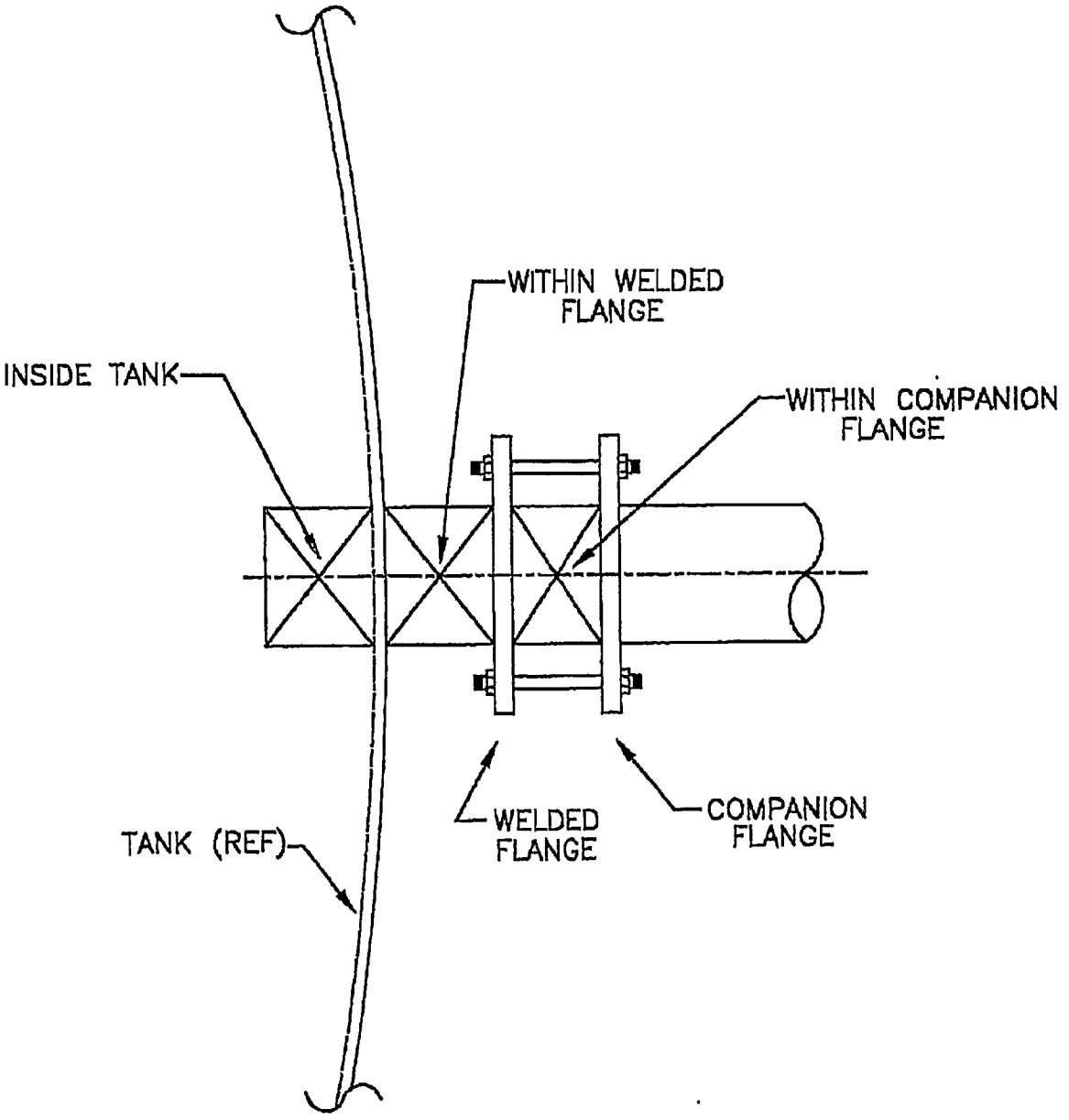
The shear section is located outboard of the internal discharge valve seat and within 4" of the vessel as required by 178.270-12(d) (See Sketches 2 and 3).

We are sitting on tanks that are otherwise complete. This situation has existed for too long already. It has placed a severe burden on our cash flow and cost our customer in lost sales. We have to resolve this issue quickly. Commercial Union has to make the call on this proposal. Based on recent experience, a differal to DOT will cost us at least another 2 to 3 weeks for any indication and a written response from DOT will be at least 6 to 8 weeks; I am still awaiting their written response to my exemption request submitted on June 5. We do not have this kind of time, in fact, at this point time has run out.

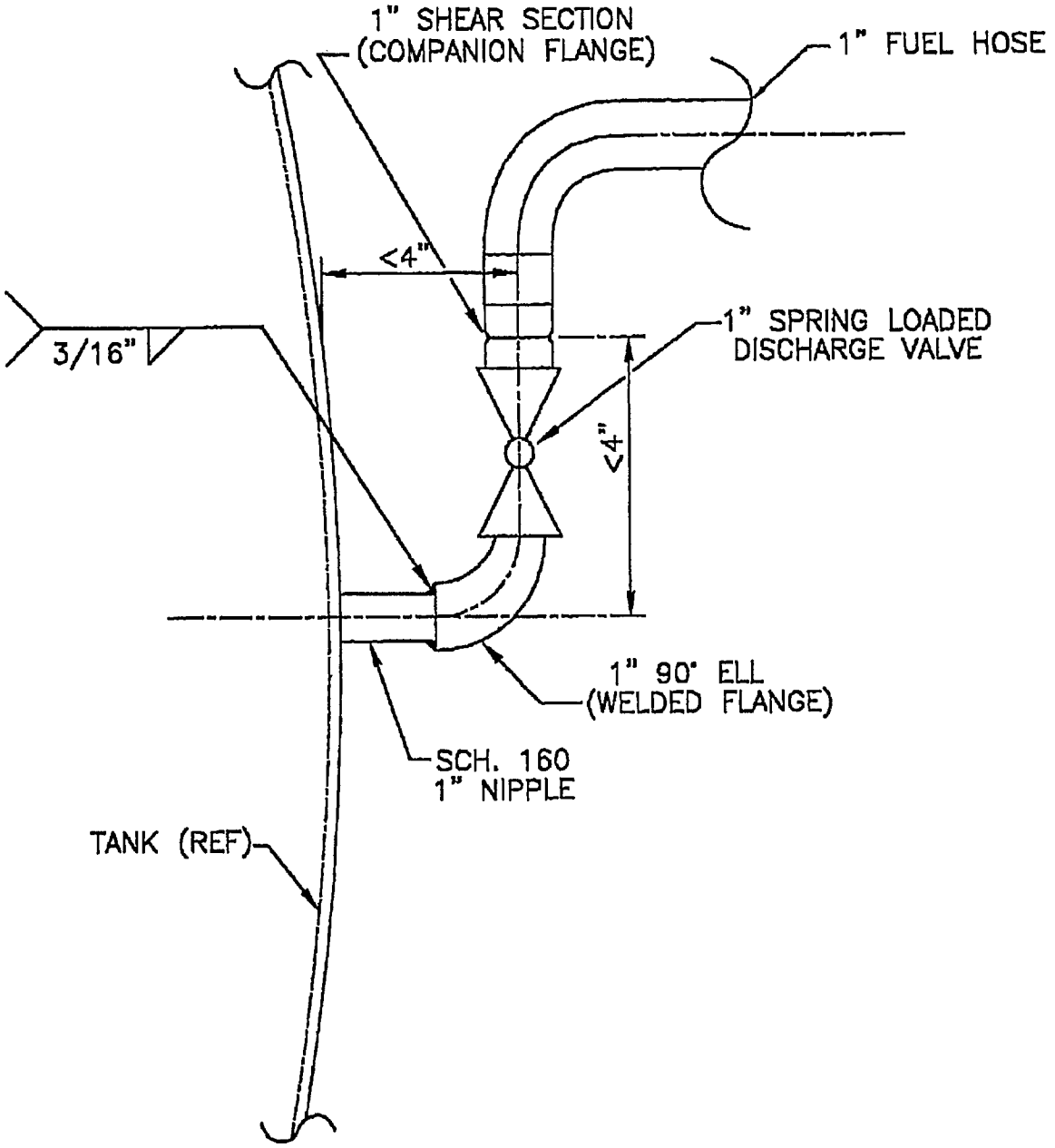
Please call if you have any questions. We need a quick decision.

Sincerely,

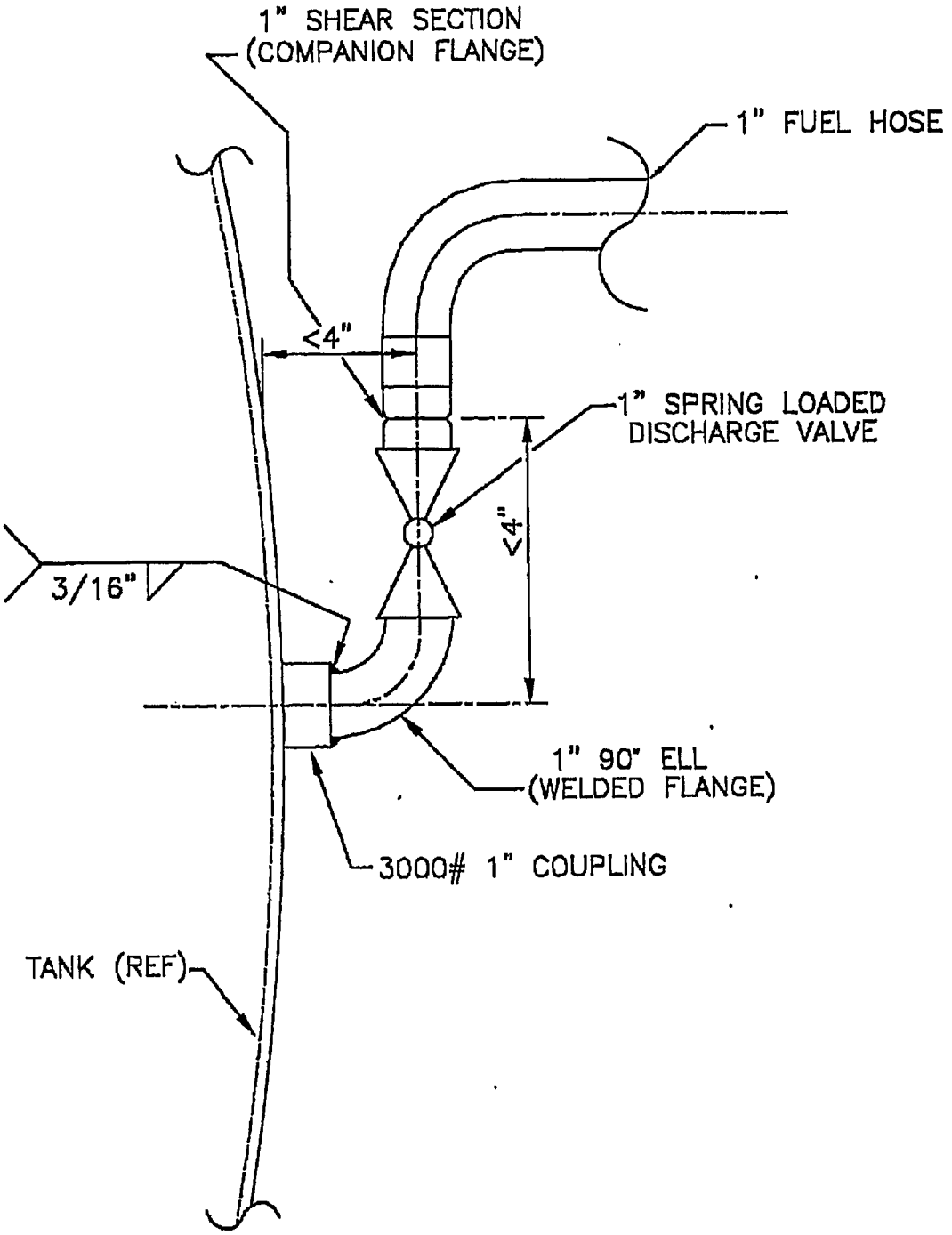
Michael W. Splane
Engineering Manager
SMI



SKETCH 1
PLAN VIEW
TYPICAL FLANGE NOZZLE
SCALE: NTS



SKETCH 2
PLAN VIEW
1" DRAIN
SCALE: NTS



SKETCH 3
PLAN VIEW
1" SUCTION
SCALE: NTS

U.S.Department
of Transportation
**Research and
Special Programs
Administration**

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

OCT 3 1997

Mr. Michael W. Splane
Southern Magic, Inc.
1456 Highway 317 S.
Franklin, LA 70538

Dear Mr. Splane:

This is in response to your letter dated August 5, 1997 regarding the requirements in § 178.270-12(c) for an internal discharge valve on a 2,300 gallon IM 102 steel portable tank.

You describe an internal discharge valve which is located on the exterior of a 2,300 gallon IM 102 steel portable tank. The tank is completely enclosed with 1/4" corrugated plate (diagram enclosed), which protects the internal discharge valve from all external forces. You asked if this arrangement meets the requirements in § 178.270-12(c).

The answer is no. For an IM 102 steel portable tank, each internal discharge valve must be self-closing, located inside (on the interior) the tank, within the welded flange or within its companion flange. An internal discharge valve which is located outside the tank, even though it is within a 1/4" corrugated plate which completely surrounds the tank, does not meet the requirements in § 178.270-12(c).

I hope this information is helpful. If we can be of further assistance, please contact us.

Sincerely,

Edward T. Mazzullo
Director, Office of Hazardous
Materials Standards

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July 8, 2002

U.S. Department of Transportation
Research and Special Programs Administration
400 7th Street SW
Washington, D.C. 20590

Attention: Gary McGinnis

Subject: Exit Briefing Dated 6/12/02 – Report Control #02415013

Reference: SMI Companies Letter Dated April 24, 2002 with Attachments

Mr. McGinnis:

SMI Companies wants to thank you for your consideration of the above referenced letter of April 24th and resolution on most of the items discussed therein.

However, we do not agree with the findings in the above referenced exit briefing of June 12th.

Nowhere in 49 CFR is it stated that a welded flange is one that is welded directly to the tank shell. In fact, it is much more typical in tank manufacturing that flanges be part of a nozzle weldment than it is for the flange to be welded directly to the shell. Nevertheless, the fact that "welded flange" is not defined leaves it subject to interpretation. Exercising good engineering judgement and our interpretation of "welded flange", we found the design utilized to be in compliance with the requirements. In addition, the approval agency, also using good engineering judgement, agreed that the design is in compliance with the requirements of 49 CFR 178.270-12.

That argument notwithstanding, nowhere in 49 CFR does a definition of "shell" exist, nor is a "sandwiched shell" construction prohibited in IM type tanks. The design in question consists of an inner pressure retaining shell and an outer protective shell. The internal discharge valve in question is contained completely within this outer protective shell. Since this outer shell is part of the "shell" in the sandwiched construction utilized, the location of the internal discharge valve is in compliance with the requirements of 49 CFR 178.270-12.

We request resolution of this issue at your earliest convenience and would like to thank you in advance for said consideration.

Please call if you any questions or if we can provide any further information.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager

DRAFT

U.S. Department
of Transportation

**Research and
Special Programs
Administration**

Office of the
Chief Counsel

400 Seventh Street, S.W.
Room 8407
Washington, D.C. 20590

Phone: (202) 366-4400
Fax: (202) 366-7041

BY FACSIMILE

Mr. Michael W. Splane
Engineering Manager
SMI Companies
1456 Highway 317 South
Franklin, LA 70538

Dear Mr. Splane:

Thank you for your September 18, 2002 letter to me in which you followed up our earlier telephone conversations and your July 8, 2002 letter to Mr. McGinnis.

We have made a further review of the information provided by you with respect to the portable tanks built by your company in 1997 for Aggreko LLC and approved by Commercial Union Insurance Companies. Based on that review, it appears that:

1. The discharge valve on these portable tanks is located within the "companion flange" and is in technical compliance with the requirement in 49 C.F.R. § 178.270-12(c).

2. There is insufficient information whether the shear section is located within 10.2 cm (4 inches) of the tank vessel, as required by 49 C.F.R. § 178.270-12(d), when measured along the length of the discharge piping. We do not agree that the 4" requirement can be read to refer to empty space between the outside of the tank vessel and the discharge piping as shown in the sketches provided with your September 18 letter.

Accordingly, RSPA will not pursue any enforcement action against your company at this time. However, we may take

further enforcement action if we determine that the shear section is located more than 4" from the tank vessel as measured along the length of the discharge piping. In that event, we will consider any actions that your company takes to correct any noncompliance with the requirement in 49 C.F.R. § 178.270-12(d) that the shear section must be located within 4" of the vessel.

If you have any questions, you may contact me at the above address, by telephone at 202-366-4400, or by fax at 202-366-7041.

Sincerely,

Frazer C. Hilder
Attorney

cc: Mr. Edgar A. Whittle
Director, Codes & Standards
Contract Inspection Services
Commercial Union Insurance Companies
One Beacon Street
Boston, MA 02108

Smith, Doug S.

From: McGinnis, Gary
Sent: Thursday, November 21, 2002 2:04 PM
To: Hilder, Mike
Cc: Smith, Doug S.; LaMagdelaine, Ray; O'Connell, John
Subject: RE: Letter to SMI

After talking to Charlie Hochman I know understand what Phil has determined. It appears that we have to drop the case on a technicality.

-----Original Message-----
From: Hilder, Mike
Sent: Thursday, November 21, 2002 9:46 AM
To: Mazzullo, Ed; McGinnis, Gary
Cc: Olson, Philip
Subject: Letter to SMI

If my draft letter to SMI (attached) is ok, I would like to get it off today, or tomorrow at the latest, because I will not be in the office next week.

Thanks.

Memorandum

U.S Department
of Transportation
Research and
Special Programs
Administration

Date: JUL 24 2002

Subject: Referral No. 02-021-ITM-HQ
SMI Companies, Inc.
Franklin, Louisiana

From: John J. O'Connell, Jr., DHM-40
for Director, Office of Hazardous Materials Enforcement

To: Edward H. Bonekemper, III, DCC-10
Assistant Chief Counsel, Hazardous Materials Safety,
Research and Technology Law Division

Attached is an enforcement report prepared by Gary McGinnis based on an inspection at subjects Franklin, Louisiana facility. This report is related to Commercial Union report, case number 02-022-ITC-HQ and should be assigned to the same attorney. Commercial Union was the certifying agency for the Inter modal Tanks manufactured by SMI Companies, Inc.

Assessment Considerations

A. Nature and Circumstances

The nature and circumstances of the violation are discussed in detail in the violations section of the inspector's report.

B. Extent and Gravity

In support of the violations the inspector interviewed employees of SMI Companies, obtained detailed drawings of the tanks, obtained Certificates of Compliance for the tanks, and obtained an opinion from the Office of Hazardous Materials Technology on the compliance of the tanks.

Violation Number 1:

The violation involves the manufacture, marking, and sale of IM 102 tanks which failed to be equipped with an internal valve on the bottom outlet as required by 49 CFR 178.270-12(a). An Inter modal Tank is a bulk packaging used to ship hazardous materials via highway, rail, and water. The internal valve is a safety feature which is intended to activate and shut down the flow of the hazardous material should damage be done to the bottom outlet during handling and transportation. Since bottom outlets protrude

from the shell of the tank they are susceptible to shearing if bumped. Failure to include the internal valve reduces the safety of the packaging. Since an Inter modal Tank is a bulk packaging the effect of a failure can be extensive.

C. Degree of Culpability

SMI Companies, Inc. is a large company who reports transportable vessels as one of their four main products. They have an in-house engineering staff and are perfectly capable of understanding the requirements of 49 CFR § 178.270-12. However, and more importantly, after writing the enforcement report, Mr. McGinnis discovered that Mr. Splane had written to Standards for a clarification of the regulations regarding this very same matter. In a letter dated October 3, 1997, Mr. Edward T. Mazzullo, Director, Office of Hazardous Materials Standards, answered Mr. Splane's question. He clearly stated that Mr. Splane could not configure his IM 102 tanks in the manner Mr. McGinnis observed. A copy of Mr. Mazzullo's letter is attached to this referral. This information clearly establishes knowledge and culpability.

D. History of Prior Offenses

A search of the UNISHIP data base indicates that SMI Companies, Inc. has no prior violations of the Hazardous Materials Regulations.

E. Financial Considerations

A Dun & Bradstreet Business Information Report for SMI Companies, Inc. was ordered by the inspector. It will be forwarded under separate cover as soon as it is received.

F. Other Matters as Justice May Require

No corrective measures have been submitted to the Office of Hazardous Materials Enforcement for consideration in this matter.

Recommendations

I recommend a Notice of Probable Violation be issued for the violations cited in Mr. McGinnis' report. The baseline penalty for this violation number 1 is $16,800.

The total penalty assessed is $16,800.

Attachments

#

cc: DHM-41.5

Penalty Calculations
SMI Companies, Inc.
Franklin, Louisiana
02-021-ITM-HQ

Violation number 1:

There is no penalty for the violation listed in the penalty guide. Additionally, a search of records indicates that we have not had a similar violation in recent years. Therefore, I have made the analogy between certifying a UN package and certifying an IM tank. Since IM 102 tanks are normally used to ship PG III materials, I started with that penalty and stepped up to the penalty for PG II packaging based on the fact that this is a bulk package and the effect of a failure would be greater for that reason alone. The penalty I settled on was $8,400. However, based on the increased culpability and the absolute knowledge of the respondent I have recommended doubling the penalty to $16,800.

D&B Business Information Report

ATTN: **McGinnis,G,DHM41.5,JAK,x4700** Report Printed: JUN 14 2002

BUSINESS SUMMARY

Southern Magic Inc
Smi
1456 Hwy 317 South
Franklin, LA 70538

Telephone:	337 836-9894
Fax:	337 836-9574
Chief executive:	Benny Splane, President
Year started:	1988
Employs:	120
Financial statement date:	DEC 31 2001
Sales F:	$10,526,644
Net worth F:	$2,131,330
History:	CLEAR
Financing:	SECURED
Financial condition:	GOOD

D-U-N-S® Number:	61-107-5110
SIC:	3441 1721
Line of business:	Structural steel fabrication of ASME coded shop tanks and pressure vessels
D&B Rating:	**3A3** Formerly 3A2
Financial strength:	3A is **$1 to 10 million.**
Composite credit appraisal:	3 is **fair.**

D&B PAYDEX®:

12-Month D&B PAYDEX: 66
When weighted by dollar amount, payments to suppliers average 19 days beyond terms.

Based on trade collected over last 12 months.

SUMMARY ANALYSIS

D&B Rating:	**3A3**
Financial strength:	3A indicates **$1 to 10 million.**
Composite credit appraisal:	3 is **fair.**

The Rating was changed on June 10, 2002 because D&B's file shows increased slowness in the company's payment record. This credit rating was assigned because of D&B's assessment of the company's financial ratios and its cash flow. For more information, see the D&B Rating Key.

Below is an overview of the company's rating history since 07/23/92:

D&B Rating	Date Applied
3A3	06/10/02
3A2	03/19/98
1A2	01/15/97
1A3	03/12/96
1A2	03/07/96
1R3	10/20/95
BA3	11/16/93
BB3	07/31/93

--	07/03/93
BA3	07/23/92

The Summary Analysis section reflects information in D&B's file as of June 10, 2002.

CUSTOMER SERVICE

If you have questions about this report, please call our Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. If you are outside the U.S. contact your local D&B office.

*** Additional Decision Support Available ***

Additional D&B products, monitoring services and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. or visit our website at www.dnb.com.

HISTORY

The following information was reported **02/05/2002:**

Officer(s): BENNY SPLANE, PRESIDENT
ROGER MOORE, VICE PRESIDENT

DIRECTOR(S): THE OFFICER(S)

Originally chartered as Southern Magic Fabrication Inc. Name changed by charter amendment Apr 20 1994.

Business started 1988 by the officers. 50% of capital stock is owned by Benny Splane. 50% of capital stock is owned by Roger Moore.

BENNY SPLANE born 1957. 1976-88 self-employed as contract welder in Franklin, LA; discontinued successfully. 1988-present active herr.

ROGER MOORE born 1957. 1978-86 employed by McDermott, Franklin, LA. 1986-88 self-employed as contract welder in Franklin, LA; discontinued successfully. 1988-present active here.

BUSINESS REGISTRATION

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF JUN 07 2002:

Registered Name: SMI COMPANIES, INC.

Business type:	CORPORATION
Corporation type:	PROFIT
Date incorporated:	JAN 12 1990
State of incorporation:	LOUISIANA
Filing date:	JAN 12 1990
Registration ID:	34347094D
Federal ID:	721157923
Status:	ACTIVE
Where filed:	SECRETARY OF STATE/CORPORATIONS DIVISION, BATON ROUGE, LA
Filing agent:	BENJAMIN R. SPLANE, HIGHWAY 317 SOUTH, CENTERVILLE, LA, 705220000 Agent appointed: JAN 12 1990
Principals:	ALLAN L. DURAND, INCORPORATOR, 225 LA RUE FRANCE, LAFAYETTE, LA, 705080000

BENJAMIN R. SPLANE, PRESIDENT, DIRECTOR, HIGHWAY 317 SOUTH, CENTERVILLE, LA, 705220000
EDWARD H. HAY, SECRETARY-TREASURER, DIRECTOR, 611 MARY HUGHES DR., HOUMA, LA, 703630000
ROGER D. MOORE, DIRECTOR, HIGHWAY 317 SOUTH, CENTERVILLE, LA, 705220000

OPERATIONS

02/05/2002

Description: Structural steel fabrication for industrial and oil field industries (ASME coded and computer aided design of "Turn Key" mechanical packages) on pressure vessels, custom assemblies and skids.

Terms are net 30 days. Has 100 account(s). Sells to industrial concerns. Territory : South Central United States.

Nonseasonal.

Employees: 120 which includes officer(s). Employees will fluctuate depending on the amount of work available.

Facilities: Owns 30,000 sq. ft. in a one story steel building. The facility is located on 10 acres with 18500 sq ft of paint, mechanical, electrical, prep area and warehouse space.

Location: Suburban business section on main highway.

SIC & NAICS

SIC:
Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

34410000	Fabricated structural metal
34410102	Ship sections, prefabricated metal
17210300	Industrial painting

NAICS:
332312 Fabricated Structural Metal Manufacturing (pt)
332312 Fabricated Structural Metal Manufacturing (pt)
238320 Painting and Wall Covering Contractors

D&B PAYDEX

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on up to 55 payment experiences as reported to D&B by trade references.

3-Month D&B PAYDEX: 62
When weighted by dollar amount, payments to suppliers average 21 days beyond terms.

Based on trade collected over last 3 months.

12-Month D&B PAYDEX: 66
When weighted by dollar amount, payments to suppliers average 19 days beyond terms.

Based on trade collected over last 12 months. When dollar amounts are not considered, then approximately 70% of the company's payments are within terms.

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amts ($)	Largest High Credit ($)	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%)			
Top industries:								
Whol metal	7	192,750	100,000	31	61	8	-	-
Whol industrial equip	6	47,000	30,000	50	6	33	-	11
Nonclassified	3	7,650	7,500	1	99	-	-	-
Misc equipment rental	2	101,000	100,000	100	-	-	-	-
Short-trm busn credit	2	25,100	25,000	100	-	-	-	-
Mfg alum sheet/foil	1	20,000	20,000	50	50	-	-	-
Mfg paint/allied prdt	1	15,000	15,000	50	50	-	-	-
Whol const/mine equip	1	5,000	5,000	50	50	-	-	-
Ret mail-order house	1	2,500	2,500	50	50	-	-	-
Mfg industry furnaces	1	2,500	2,500	100	-	-	-	-
OTHER INDUSTRIES	29	16,750	2,500	66	33	-	-	1
Other payment categories:								
Cash experiences	1	1,000	1,000					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					
Placed for collections:								
With D&B	0	0						
Other	0	N/A						
Total in D&B's file	55	436,250	100,000					

The highest **Now Owes** on file is $100,000

The highest **Past Due** on file is $30,000

The aggregate dollar amount of the 55 payment experiences in D&B's file equals 49.7% of this company's average monthly sales. In Dun & Bradstreet's opinion, payment experiences exceeding 10% of a company's average monthly sales can be considered representative of payment performance.

PAYMENT DETAILS

Detailed payment history

Date Reported (mm/yy)	Paying Record	High Credit ($)	Now Owes ($)	Past Due ($)	Selling Terms	Last Sale Within (months)
05/02	Ppt	1,000	1,000	0	N30	1 mo
	Ppt	750	0	0	N30	1 mo
	Ppt	500	0	0		2-3 mos
	Ppt	250	0	0	1/2 10 N30	1 mo
	Ppt	100	0	0		6-12 mos
	Ppt	50	0	0		2-3 mos
	Ppt	50	0	0		4-5 mos
	Ppt-Slow 30	2,500	1,000	250	N30	1 mo
	Ppt-Slow 30	250	0	0		2-3 mos
	Ppt-Slow 60	100	0	0	N30	2-3 mos
	Slow 25	100,000	100,000	30,000	1 10 N30	1 mo

	Slow 30	7,500	0	0		4-5 mos
	Slow 30	750	0	0		4-5 mos
	Slow 30	500	500	500		
	Slow 30	250	0	0		6-12 mos
	Slow 30-60	1,000	100	100		2-3 mos
	Slow 120	250	250	250		
	(018)	1,000	0	0	Cash account	6-12 mos
04/02	Ppt	25,000	20,000	0		1 mo
	Ppt	10,000	0	0	N30	6-12 mos
	Ppt	1,000	50	0	N30	1 mo
	Ppt	1,000	750	0		
	Ppt	1,000	1,000	0		1 mo
	Ppt	250	250	0		1 mo
	Ppt	100	50	0		1 mo
	Ppt	50	0	0		1 mo
	Ppt-Slow 15	750	50	0		1 mo
	Ppt-Slow 30	15,000	1,000	0	N30	1 mo
	Ppt-Slow 30	5,000	2,500	2,500	N30	1 mo
	Ppt-Slow 30	2,500	0	0		6-12 mos
	Slow 10	7,500	5,000	5,000		1 mo
	Slow 20	10,000	1,000	1,000		1 mo
	Slow 20	750	500	0		1 mo
	Slow 30	1,000	250	0		1 mo
	Slow 30	500	0	0	N30	4-5 mos
03/02	Ppt	35,000	35,000	0	N30	1 mo
	Ppt	1,000	0	0	N30	6-12 mos
	Ppt-Slow 30	1,000	50	0		1 mo
	Ppt-Slow 60	30,000	25,000	25,000	1/2 10 N30	1 mo
	Slow 15	100	0	0		6-12 mos
02/02	Ppt	250	0	0		6-12 mos
01/02	Ppt	100,000	80,000	0		1 mo
	Ppt-Slow 60	30,000	10,000	10,000	N30	1 mo
12/01	Ppt-Slow 120	10,000	0	0		4-5 mos
	Slow 30	1,000	1,000		N30	
11/01	Ppt	2,500	0	0		6-12 mos
	Ppt-Slow 30	20,000	0	0		6-12 mos
10/01	Slow 30	750	0	0	N30	6-12 mos
	Slow 30	100	0	0		6-12 mos
08/01	Ppt	500	0	0		1 mo
07/01	Ppt	2,500	0	0	N30	6-12 mos
	Ppt	250	0	0	N30	6-12 mos
05/01	Ppt	2,500	0	0	N30	2-3 mos
04/01	Ppt	500	0	0		6-12 mos
03/01	Ppt	100	0	0	N30	6-12 mos

Payments Detail Key: red = 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

STATEMENT UPDATE

06/10/2002

Fiscal statement dated DEC 31 2001:

Assets		Liabilities	
Cash	121,188	Accts Pay	454,481
Accts Rec	1,215,789	Notes Pay	148,789
Inventory	133,034	Line Of Credit	1,029,649
Deposit	341,972	Accruals	168,073
Work In Process	1,600,985	Deferred Taxes Liabilities	392,781
Employee Loan	24,118		
Prepaid	30,918		
Other Curr Assets	27,364		
Curr Assets	**3,495,368**	**Curr Liabs**	**2,193,773**
Fixt & Equip	1,802,135	L.T. Liab-Other	1,052,247
Other Assets	79,847	CAPITAL STOCK	84,025
		COMMON STOCK	1,053
		RETAINED EARNINGS	2,046,252
Total Assets	**5,377,350**	**Total**	**5,377,350**

Annual sales $10,526,644; cost of goods sold $7,031,448. Gross profit $3,495,196; operating expenses $3,067,736. Operating income $427,460; other income $(176,383); net income $251,077.

Accountant: Darnall, Sikes & Frederick. Extent of audit, if any, not indicated.

FINANCE

02/05/2002

Three-year statement comparative:

	Fiscal Dec 31 1997	Fiscal Dec 31 1998	Fiscal Dec 31 1999
Current Assets	2,024,191	2,559,736	2,997,213
Current Liabs	778,479	686,864	1,351,020
Current Ratio	2.6	3.73	2.22
Working Capital	1,245,712	1,872,872	1,646,193
Other Assets	1,104,321	1,238,767	1,837,282
Net Worth	1,357,954	2,292,406	2,058,156
Sales	7,357,532	8,565,041	8,565,041
Long Term Liab		819,233	1,425,319
Net Profit (Loss)	371,373	607,520	607,520

Fiscal statement dated DEC 31 2000:

Assets		Liabilities	
Cash	374,819	Accts Pay	438,283
Inventory	98,166	Notes Payable-Short Term	1,617,310

Accounts Rec-Customers	1,829,146	L.T. Liab-(1yr)	49,908
Costs & Est Earnings In Excess	1,376,380	Other Curr Liabs	58,861
Employee Loans	15,510		
Other rec	14,620		
Prepaid	46,043		
Curr Assets	**3,754,684**	**Curr Liabs**	**2,164,362**
Fixt & Equip	1,858,149	Long-Term Debt-Net	1,150,921
Other Assets	50,403	Loans from stockholders	30,394
		Def. Credits/Income	310,448
		COMMON STOCK	1,000
		ADDIT. PD.-IN CAP	80,078
		RETAINED EARNINGS	1,926,033
Total Assets	**5,663,236**	**Total**	**5,663,236**

From DEC 31 1999 to DEC 31 2000 annual sales $9,024,526; cost of goods sold $6,009,316. Gross profit $3,015,210; operating expenses $2,887,214. Operating income $127,996; other expenses $190,310; net income before taxes $(62,314). (net loss) $62,314.

MAR 22 2000 Prepared from statement(s) by Accountant: Darnall, Sikes & Frederick.

ACCOUNTANT'S OPINION
The Financial Statement Was Reviewed By The Accountant.

Statement item explanations were not provided.

On February 5, 2002, attempts to contact the management of this business have been unsuccessful. Inside sources confirmed operation and location.

As of February 5, 2002, a search of Dun & Bradstreet's Public Record Database found no open liens or judgements to which this company was named defendant or debtor. Public records received hereafter will be entered into the Database.

KEY BUSINESS RATIOS

Statement date: DEC 31 2001
Based on this number of establishments: 11

Firm		**Industry Median**	
Return of Sales:	2.4	Return of Sales:	2.8
Current Ratio:	1.6	Current Ratio:	1.9
Assets / Sales:	51.1	Assets / Sales:	48.5
Total Liability / Net Worth:	152.3	Total Liability / Net Worth:	120.7

BANKING

St Mary Bank, Main St, Franklin, LA.

PUBLIC FILINGS

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

SUITS

Status: **Pending**
CASE NO.: 104986

Plaintiff:	JOSEPH CROSBY
Defendant:	SOUTHERN MAGIC INC
Where filed:	ST MARY PARISH DISTRICT COURT, FRANKLIN, LA
Date status attained:	11/05/1999
Date filed:	11/05/1999
Latest Info Received:	01/28/2000
Suit amount:	**$2,682**
Status:	**Pending**
CASE NO.:	102618
Plaintiff:	TOP HAND OF ACADIANA INC
Defendant:	SOUTHERN MAGIC INC
Where filed:	ST MARY PARISH DISTRICT COURT, FRANKLIN, LA
Date status attained:	09/18/1998
Date filed:	09/18/1998
Latest Info Received:	01/26/1999

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

UCC FILINGS

Collateral:	All General intangibles(s) and proceeds
Type:	Original
Sec. party:	M C BANK & TRUST COMPANY
Debtor:	SMI COMPANIES, INC.
Filing number:	51-18452
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	04/13/2000
Latest Info Received:	05/09/2000
Collateral:	General intangibles(s) and proceeds
Type:	Original
Sec. party:	M C BANK & TRUST COMPANY
Debtor:	SOUTHERN MAGIC, INC.
Filing number:	51-16883
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	10/12/1999
Latest Info Received:	11/22/1999
Collateral:	General intangibles(s) and proceeds
Type:	Original
Sec. party:	M C BANK & TRUST COMPANY
Debtor:	SOUTHERN MAGIC, INC.
Filing number:	51-15514
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	04/09/1999
Latest Info Received:	05/17/1999
Collateral:	Equipment
Type:	Original
Sec. party:	SAFECO CREDIT COMPANY, INC.
Debtor:	SOUTHERN MAGIC, INC.
Filing number:	09-982890
Filed with:	CADDO COUNTY CLERK OF COURTS, SHREVEPORT, LA
Date filed:	11/29/1999
Latest Info Received:	12/13/1999
Type:	Amendment
Sec. party:	SAFECO CREDIT COMPANY, INC.
Debtor:	SMI COMPANIES, INC.
Filing number:	09-986489
Filed with:	CADDO COUNTY CLERK OF COURTS, SHREVEPORT, LA

Date filed:	04/03/2000
Latest Info Received:	05/09/2000
Original UCC filed date:	11/29/1999
Original filing no.:	09-982890
Collateral:	Specified Equipment and proceeds
Type:	Original
Sec. party:	INGERSOLL RAND AIR CENTER, NEW ORLEANS, LA
Assignee:	ASSOCIATES COMMERCIAL CORPORATION, DALLAS, TX
Debtor:	SOUTHERN MAGIC FABRICATION INC
Filing number:	51-4790
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	12/29/1993
Latest Info Received:	01/24/1994
Collateral:	Unspecified
Type:	Original
Sec. party:	ASSOCIATES LEASING INC ASSOCIATES LEASING INC
Debtor:	SMI and OTHERS
Filing number:	55-986005
Filed with:	TERREBONNE PARISH CLERKS OFFICE, HOUMA, LA
Date filed:	10/29/1996
Latest Info Received:	11/11/1996
Type:	Assignment
Assignee:	ASSOCIATES LEASING INC ASSOCIATES LEASING INC
Debtor:	SOUTHERN MAGIC INC and OTHERS
Filing number:	55-986005
Filed with:	TERREBONNE PARISH CLERKS OFFICE, HOUMA, LA
Date filed:	10/29/1996
Latest Info Received:	11/11/1996
Original UCC filed date:	10/29/1996
Original filing no.:	55-986005
Type:	Continuation
Sec. party:	M C BANK & TRUST COMPANY
Debtor:	SOUTHERN MAGIC, INC.
Filing number:	51-18401
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	04/04/2000
Latest Info Received:	05/09/2000
Original UCC filed date:	08/21/1995
Original filing no.:	51-7395
Type:	Continuation
Sec. party:	M C BANK & TRUST COMPANY
Debtor:	SOUTHERN MAGIC FABRICATION, INC.
Filing number:	51-14021
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	09/03/1998
Latest Info Received:	10/21/1998
Original UCC filed date:	11/10/1993
Original filing no.:	51-4633
Type:	Termination
Sec. party:	ST MARY BANK & TRUST CO, THE, FRANKLIN, LA
Debtor:	SOUTHERN MAGIC FABRICATION INC
Filing number:	51-2061
Filed with:	ST MARY PARISH CLERKS OFFICE, FRANKLIN, LA
Date filed:	12/17/1991
Latest Info Received:	01/09/1992
Original UCC filed date:	04/11/1991
Original filing no.:	51-1369

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date

this report was printed.

GOVERNMENT ACTIVITY

Activity summary

Borrower (Dir/Guar):	NO
Administrative debt:	NO
Contractor:	NO
Grantee:	NO
Party excluded from federal program(s):	NO

Possible candidate for socio-economic program consideration

Labor surplus area:	YES (2002)
Small Business:	YES (2001)
Woman-owned:	N/A
8(A) firm:	N/A
Minority-owned:	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

INSPECTION / INVESTIGATION REPORT

U. S. Department of Transportation
Research and Special Programs Administration
Office of Hazardous Materials Enforcement

Name and Address	
SMI Companies, Inc. 1456 Highway 317 South Franklin, LA 70538 (337) 836-9894	**Inspection Date(s)** 03/28/2002 - 06/11/2002 **DOT Registration(s)** N/A

Type of Operation MFG IM Portable tanks	**DOT Exemption(s)** DOT-E12626
Business Organization **Small Business** No [ ] Individual [ ] Partnership [X] Corporation **State** LA **Date** 01/12/1990	**Principal Office (if different)** Same

Person(s) Interviewed

Name	Title	Custodian of Record
Michael Splane	Engineering Manager	Yes

Inspector #1 Gary P. McGinnis 7/22/02 **Code** DHM-41.5 **Title** Hazardous Materials Enforcement Specialist	No Further Action Ticket Warning Letter [X] Enforcement Report Other:
Inspector #2 **Code** **Title**	**Signature** **Name** R. LaMagdelaine **Title** Chief, Special Investigations **Date** JUL 22 2002

Summary of Inspection

This report is based on an inspection at SMI Companies and subsequent review of drawings and other information by the Office of Hazardous Materials Technology.

SMI manufactures IM 102 and exemption portable tanks. SMI is an ASME certified metal fabrication facility.

Name and Address	
SMI Companies, Inc. 1456 Highway 317 South Franklin, LA 70538 (337) 836-9894	**Inspection Date(s)** 03/28/2002 - 06/11/2002 **DOT Registration(s)** N/A

Violation Number:	1	**Number Discovered:**	*
49 CFR Section:	178.270-12(a), 171.2(c)		
Exhibit Number	1-8		

Manufacturing, and selling IM 102 portable tanks when filling and discharge connections located below the normal liquid level of the tank were not equipped with an internal discharge valve in violation of 49 CFR 178.270-12(a) and 171.2(c).

EVIDENCE

On March 28, 2002, Inspector McGinnis of the Office of Hazardous Materials Enforcement conducted a hazardous materials compliance inspection at SMI Companies, (SMI) Franklin, Louisiana. The inspector met with Mr. Michael Splane, Engineering Manager. As part of that inspection, a review of the design of the IM 102 portable tanks built by SMI for Aggreko was conducted. The inspector obtained drawings and calculations for these tanks. The information was provided to the Office of Hazardous Materials Technology for an engineering review to determine if the design met the requirements of the Hazardous Materials Regulations. (Exhibits 4 and 6)

SMI designed and built IM 102 portable tanks for Aggreko, specifically for the transportation of diesel fuel. The drawing and calculations for this design were submitted to Commercial Union Insurance for approval as an IM 102 portable tank. The drawings and calculations for these tanks specifically identify them as IM 102 portable tanks. (Exhibits 4 and 6) The tanks are manufactured with two openings in the bottom of the IM tank. (Exhibit 6) One is for attaching a fuel line (discharge/supply line) to a generator. The other is for the return of unburned fuel from the generator. Neither opening was provided with an internal discharge valve as required by 49 C.F.R. 178.270-12(a). (Exhibit 2 and 6) SMI attached the valves to a piped flange. (Exhibits 2 and 3) SMI stated in a letter dated April 24, 2002, that due to the unique construction of this tank and it being mounted inside a secondary containment vessel, it would not be practical to place the valve inside the tank. SMI further explained that the welded flange nozzle typically used on IM portable tanks was replaced with a nozzle weldment composed of a threaded coupling and pipe nipple welded to the tank. The valve is mechanically connected to this weldment utilizing pipe thread instead of bolts. A companion flange (pipe nipple) is then mechanically connected (threaded) to the valve. (Exhibit 3) According to SMI's drawing, this results in each valve being located 2 inches outside the wall of the tank. (Exhibit 6)

The Office of Hazardous Materials Enforcement requested an engineering review of these tanks by the Office of Hazardous Materials Technology. All information obtained as part of the inspection was turned over to Mr. Phil Olson, Engineer for review. On June 11, 2002, Mr. Phil Olson, of the Office of Hazardous Materials Technology determined that SMI's arrangement of a valve between two flanges located on the end of a pipe did not comply with the requirements of 49 CFR 178.270-12(a). (Exhibits 2, 3, and 6) The valves must be located

Name and Address	Inspection Date(s) 03/28/2002 - 06/11/2002
SMI Companies, Inc. 1456 Highway 317 South Franklin, LA 70538 (337) 836-9894	DOT Registration(s) N/A

Violation Number:	1	**Number Discovered:**	*
49 CFR Section:	178.270-12(a), 171.2(c)		
Exhibit Number	1-8		

within the tank, within the welded flange of the tank, or within its companion flange.

In a letter dated July 8, 2002, Mr. Michael Splane stated that since there is no definition of "shell" in the regulations, the outer wall of the secondary containment could be considered the shell and therefore the valves are located internally and meets the regulations. (Exhibit 8) The valves are required to be located in the tank not between a tank and a secondary containment vessel.

By manufacturing, marking, and selling portable tanks as IM 102 portable tanks, when openings below the liquid level were not equipped with an internal valve, SMI Companies violated 49 CFR 178.270-12(a) and 171.2(c).

INSPECTION / INVESTIGATION REPORT

U. S. Department of Transportation
Research and Special Programs Administration
Office of Hazardous Materials Enforcement

Name and Address	
SMI Companies, Inc. 1456 Highway 317 South Franklin, LA 70538 (337) 836-9894	**Inspection Date(s)** 03/28/2002 - 06/11/2002 **DOT Registration(s)** N/A

Carriers Used:

Is Shipper a Private Carrier No
Is Shipper Interstate: No
Does Shipper offer by Air: Yes
Does Shipper offer by Water: No

Mode:	Name and Address:
	Not a shipper

Customers (Consignees):

Packaging:	Name and Address:
IM 102	Aggreko New Iberia, LA

Container Suppliers:

Type:	Name and Address:	Container/Configuration:

INSPECTION / INVESTIGATION REPORT

U. S. Department of Transportation
Research and Special Programs Administration
Office of Hazardous Materials Enforcement

Name and Address	
SMI Companies, Inc. 1456 Highway 317 South Franklin, LA 70538 (337) 836-9894	**Inspection Date(s)** 03/28/2002 - 06/11/2002 **DOT Registration(s)** N/A

OHME Files — **Exhibit Number:**

No previous violations.

AAHMS Files — **Exhibit Number:8**

Holder of exemption DOT-E 12626

Additional Information

INSPECTION / INVESTIGATION REPORT

U. S. Department of Transportation
Research and Special Programs Administration
Office of Hazardous Materials Enforcement

Name and Address	
SMI Companies, Inc. 1456 Highway 317 South Franklin, LA 70538 (337) 836-9894	**Inspection Date(s)** 03/28/2002 - 06/11/2002 **DOT Registration(s)** N/A

Exhibit Summary:

Respondent: SMI, Inc **City, State:** Franklin, LA

#	Evidence	Obtained
1	Exit Briefings	part of the inspection
2	E-Mail determination of engineering analysis	Phil Olson, DHM-20
3	Letter from SMI dated April 24, 2002	SMI Companies, Inc. Franklin, LA
4	Apliiction from SMI, Franklin, LA to CGU Insurance	SMI Companies, Inc., Franklin, LA
5	IM 102 Portable Tank Certificates for Aggreko Tanks	SMI Companies, Inc., Franklin, LA
6	Drawings for Aggreko Tanks	SMI Companies, Inc., Franklin, LA
7	Exemption DOT-E 12626	Office of Hazardous Materials Exemtions and Approvals
8	Letter dated July 8, 2002	SMI Companies, Franklin, LA

U.S Department
of Transportation

Research and
Special Programs
Administration

400 Seventh Street, S.W.
Washington, DC 20590

02 JUL -8 PM 2:25
HEADQUARTERS

EXIT BRIEFING

Date: 06/12/2002 Report Control #: 02415013

Company Name: SMI Companies

Address: Franklin, LA

NAME OF INDIVIDUALS RECEIVING BRIEFING:

Name: Michal W. Splaine Title: Engineering Mgr

Name: ______________________ Title: ______________

This has been a compliance inspection conducted in accordance with Title 49 U.S.C. Section 5121(c). This exit briefing addresses only the areas noted, and it is not a finding of general compliance in any other areas covered by the Hazardous Materials Regulations that were subject to the inspection.

During the course of the inspection the following probable violations of 49 CFR and/or quality control items were noted:

Section: 178.270-12(a)

Explanation: Manufacturing, marking, and selling portable tanks as specification IM 102 portable tanks when the tanks did not have an internal discharge valve located inside the tank, within the welded flange, or within its companion flange.

Report Control #: 02415013

This document is not a final report. The information gathered at this inspection and any probable violations noted will be reviewed prior to finalizing the report. Probable violation(s) may be removed or others may be added during this review. In addition, quality control items may be revised to become probable violations during this review.

Upon determination that a probable violation exists, the Associate Administrator for Hazardous Materials Safety is authorized to impose certain sanctions, including warning letters, compliance orders, and civil penalties. In addition, court actions, including injunctive or criminal proceedings, may be initiated. Title 49 U.S.C. Sections 5123 and 5124 provide for civil and criminal penalties for violation of the Hazardous Materials Regulations.

A civil penalty of not more than $27,500, but not less than $250, per violation may be imposed through administrative proceedings initiated by the Office of Chief Counsel of the Research and Special Programs Administration. When a criminal violation has been determined by a court, a fine, or imprisonment for not more than 5 years, or both, may be imposed for each violation.

The inspector does not determine which sanction, if any, may be imposed and cannot provide information concerning what proceedings will be initiated or sanctions imposed.

Documentation of corrective action submitted in writing to the inspector within 30 days of the inspection may be considered for mitigation should the sanction imposed result in the issuance of a notice proposing a civil penalty. However, any documented corrective action would not eliminate or preclude the initiation of a civil penalty proceeding, a finding of violation, or assessment of a civil penalty.

The Small Business and Agricultural Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement activities. The Ombudsman will annually evaluate these activities and rate each agency's responsiveness to small business. If you wish to comment on the inspection and related activities of the Research and Special Programs Administration, call 1-888-REG-FAIR (1-888-734-3247).

I certify that I received the above briefing as it appears on this form. I understand that by signing this form I am in no way expressing agreement with its contents. I am only acknowledging that I have reviewed it and have received a copy.

Gary P. McGinnis
Signature of Inspectors(s)

Signature of Representative(s)

Date: 6/12/2002

Date: 6/25/02

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 1
PAGE NUMBER 2 of 2

McGinnis, Gary

From: Olson, Philip
Sent: Tuesday, June 11, 2002 2:43 PM
To: McGinnis, Gary
Cc: LaMagdelaine, Ray; Hochman, Charles; Olson, Philip
Subject: RE: SMI and Aggreko tanks

Gary:

I have reviewed the additional information you provided to me on the SMI and Aggreko tanks that are marked as DOT Specification IM 102.

The letter of Michael Splane dated 4/24/2002 responds to 5 items that you cited with a notice of probable violation.

I do not concur with the respondent's argument on the first item relating to Section 178.270-12 which requires an internal discharge valve located inside the tank, within the welded flange or within its companion flange. The response refers to a SKETCH 2 attachment which shows a self closing valve between two flanges on the end of a pipe. This is not in conformance with the intent of the HMR on the location of an internal valve. The term "welded flange" means a flange welded directly to the shell of the tank, not welded to the end of a pipe. The term "companion flange" means the flange that bolts to a flange that is welded directly to the shell of the tank. Thus the configuration of the piping and valve does not conform to the intent of 178.270-12 to require an internal valve on an IM 102 portable tank.

The arguments presented in Mr. Splane's letter on the other 4 issues of these tanks are acceptable interpretations of the HMR for Specification IM 102. The secondary containment should not be regarded as a freight container. The insulation system has been properly certified by the Designated Approval Agency as required by the HMR.

If further assistance is needed, please advise. I am returning the documents you provided for my review.
Phil Olson

-----Original Message-----
From: McGinnis, Gary
Sent: Monday, April 29, 2002 3:56 PM
To: Olson, Philip
Cc: LaMagdelaine, Ray; Hochman, Charles
Subject: SMI and Aggreko tanks

I provided you with some information to try and determine if the Aggreko tanks made by SMI (Southern Magic, Inc) met the requirements for a specification IM 102 portable tank.

I need a determination so I ca pursue further investigation and write my report. I have received some information from SMI which may help you . Please let me know when we can discuss these tanks. I need a written opinion of these tanks when you get a chance.

Thanks

Gary

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 2
PAGE NUMBER 1 of 1

SMICOMPANIES
ENGINEERING • MANUFACTURING • FIELD SERVICES

April 24, 2002

U.S. Department of Transportation
Research and Special Programs Administration
400 7th Street SW
Washington, D.C. 20590

Attention: Gary McGinnis

Subject: Compliance Inspection at SMI Companies on March 27, 2002

Mr. McGinnis:

Attached please find for your review SMI Companies' response to the issues cited in your exit briefing from the above mentioned compliance inspection.

We are confident that the arguments presented within provide sufficient justification for the design in question. We do not agree with the probable violations cited.

These units were designed in accordance with all requirements of 49 CFR 178.270 and 178.272 utilizing valid engineering principals and practices. This design fully meets the letter of the law and goes well beyond the intent.

Please call if you have any questions or need any further information.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager

Enclosures

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 3
PAGE NUMBER 1 of 6

Item 1: 178.270-12

No valves on the bottom or top nozzles:

178.270-12 states "all tank nozzles, except those provided for filling and discharge connections below the normal liquid level of the tank, relief devices, thermometer wells, and inspection openings, must be fitted with manually operated stop valves *located as near the shell as practicable* either internal or external to the shell."

On the particular design concerned, the primary tank (IM-102 vessel) is completely enclosed within a protective secondary containment vessel. Each nozzle (other than the manway, which does not require one) *is fitted with a manually operated valve as close to the tank shell as practicable.* The fact that the IM-102 vessel is completely enclosed within a secondary containment vessel makes it impractical to locate most of the valves immediately on the tank shell. They would not be accessible from the exterior of the containment vessel. Instead, the valves are located within a recessed bulkhead located on the secondary containment vessel (See Sketch 1 attached). The tank nozzles are connected to the bulkhead with flexible wire braided hoses located within the containment vessel. The valves are located immediate to, and protected within the recessed bulkhead.

No internal valve on the discharge nozzle:

178.270-12 states "Each filling and discharge connection located below the normal liquid level of the tank must be equipped with an internal discharge valve."

"Each internal discharge valve *shall be self-closing*, located inside the tank, within the welded flange *or within its companion flange*."

The design in question *does have a spring-loaded (self-closing) internal discharge valve on the discharge nozzle* (See Sketch 2 attached).

A traditional flanged tank nozzle with manual valve is represented by Sketch 3. The typical nozzle is composed of a length of pipe and flange welded to the tank. A valve is then mechanically connected to this "weldment" utilizing bolts or stud bolts and a companion flange, which may be connected to other pipe and/or fittings.

On this design, the "welded flange" nozzle is replaced with a nozzle weldment composed of a threaded coupling and pipe nipple welded to the tank. The valve is mechanically connected to this "weldment" utilizing pipe threads instead of bolts. A "companion flange" (pipe nipple) is then mechanically connected (threaded) to the valve.

This "internal discharge valve" is "self-closing" and "located within the companion flange" and, therefore does meet of the requirements of 178.270-12.

Item 2: 178.270-11(d)(3)

Utilizing a reduced capacity relief valve without indicating the service to be used on the tank certificate:

178-11(d)(3) does allow for a reduction in venting capacity for tanks in dedicated service provided the hazardous materials for which the tank is intended are listed on the approval certificate. These tanks are in dedicated diesel service. This is not indicated on the approval certificate.

However, *178-11(d)(3) is not utilized for a reduction in venting capacity*, 178-11(d)(4) is. Credit is taken for a 3" stagnant air space between the internal IM-102 vessel and the external secondary containment vessel (See attached heat transfer calculations sheets 4 and 5 of 6).

This insulation system meets the requirements of 178-11(d)(5). It has been approved by the approval agency, remains effective at all temperatures up to 1200°F, and is jacketed with a ¼" carbon steel secondary containment vessel (melting point greater than 1200°F).

Item 3: 178.270-13

Not certifying an IM-102 in accordance with Annex II of the International Convention for Safe Containers:

These vessels are used to transport and supply diesel fuel in support of the customer's rental generator fleet. Most of the customer's rental fleet (compressors, generators, temperature control equipment, etc.) is mounted in modified ISO containers or in containers designed similar in external appearance to ISO containers.

Therefore, for marketing and aesthetic reasons, the secondary containment vessel of this unit is designed to look like an ISO freight container. However, these units are not used for international transportation. They are not offered up for transportation as ISO freight containers and are not certified as such.

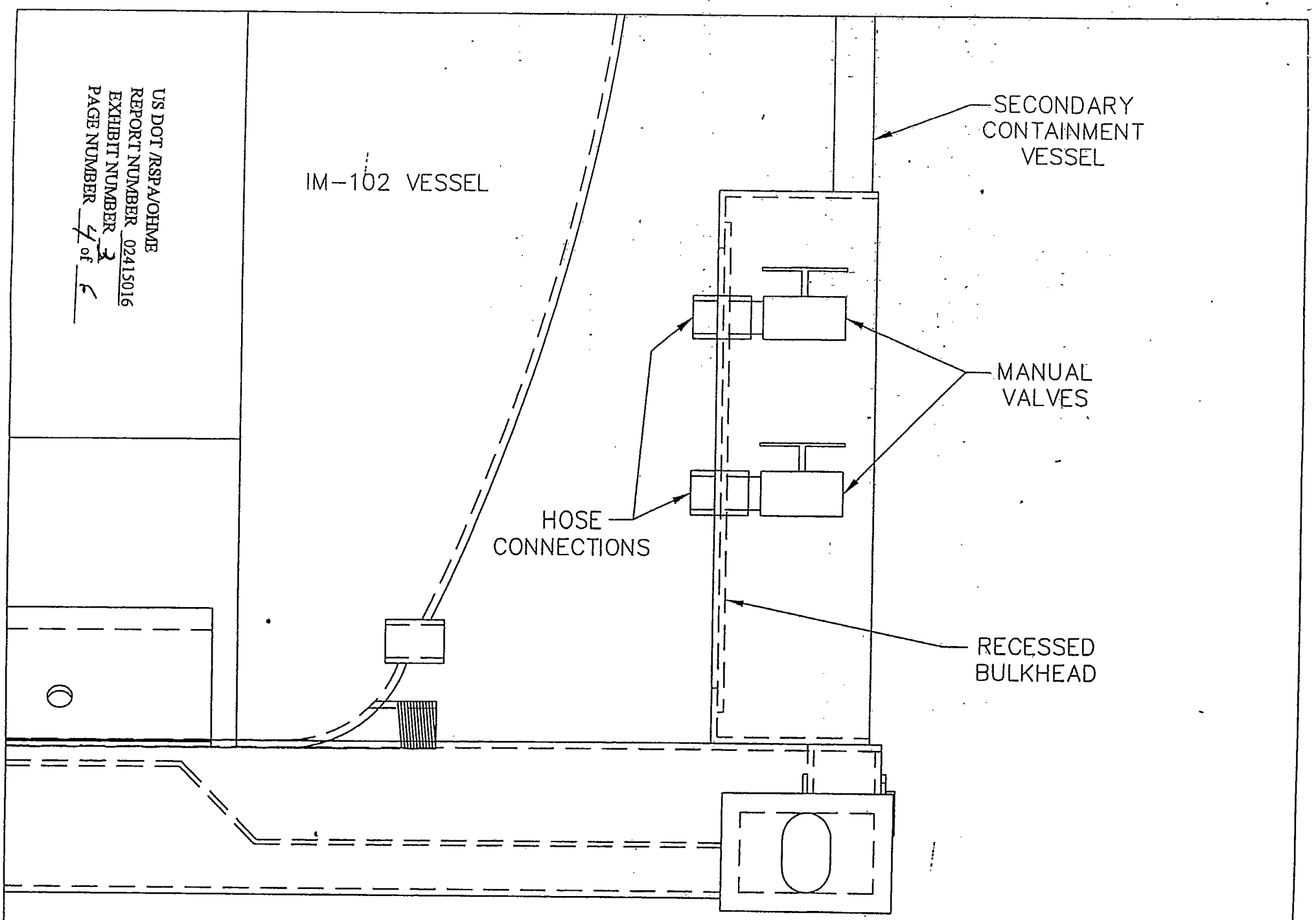
By definition of 49 CFR 450.1, the International Convention for Safe Containers applies only to containers used in international transportation.

Item 4: 173.32a(b)(5)(ii)

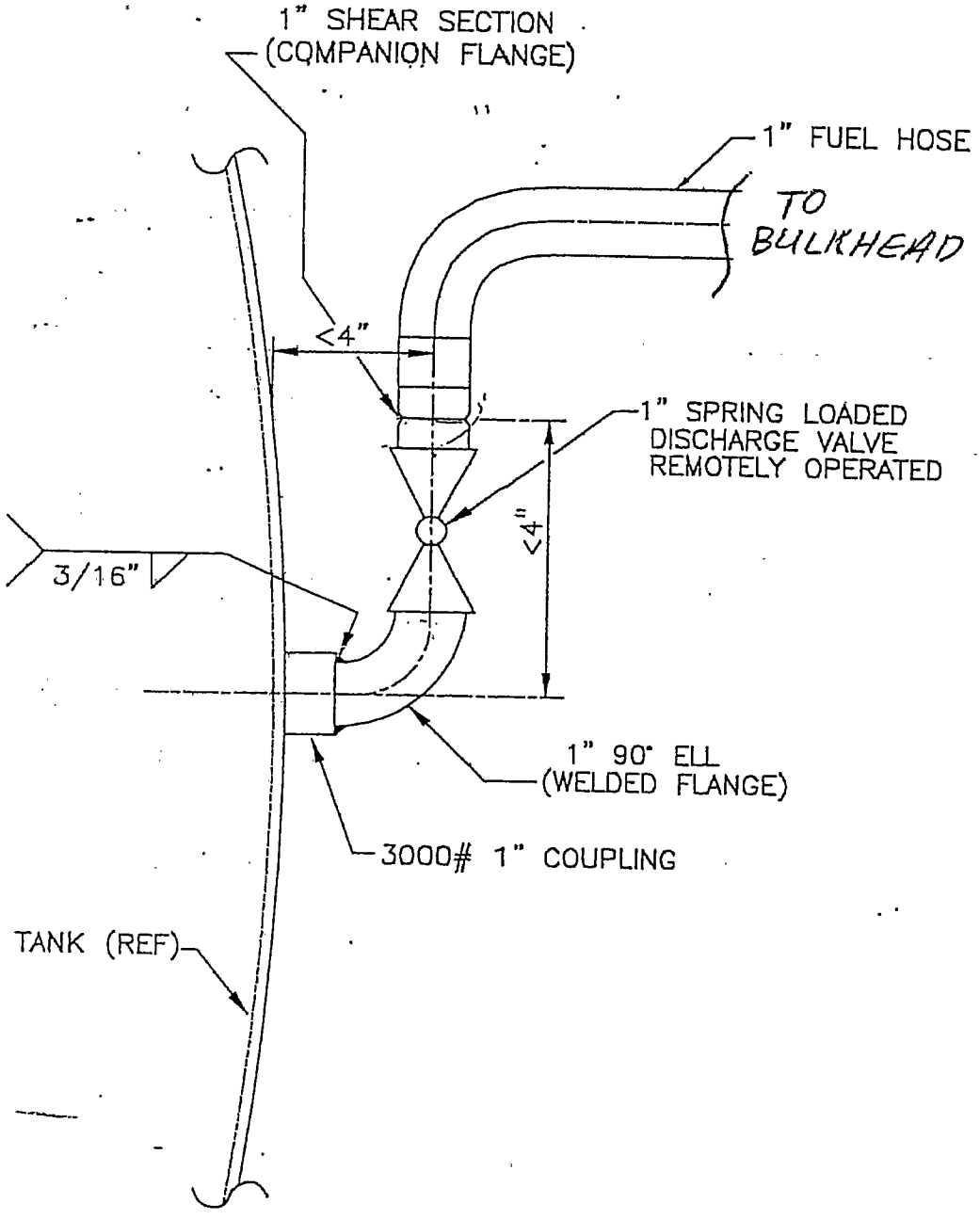
Corrected during compliance inspection.

Item 5: 178-270-13

Provide certified drawings and calculations. – See attached drawings and calculations for SMI job C97008. This was the first set of tanks for which this particular internal discharge valve design was used (see sheet 3 of 3, detail 7), and credit taken for the insulating value of the dead air space between the tank and containment vessel (see supplemental calculations pages 1 and 2 of 2).



SKETCH 1 – CROSS SECTION VIEW AT BULKHEAD



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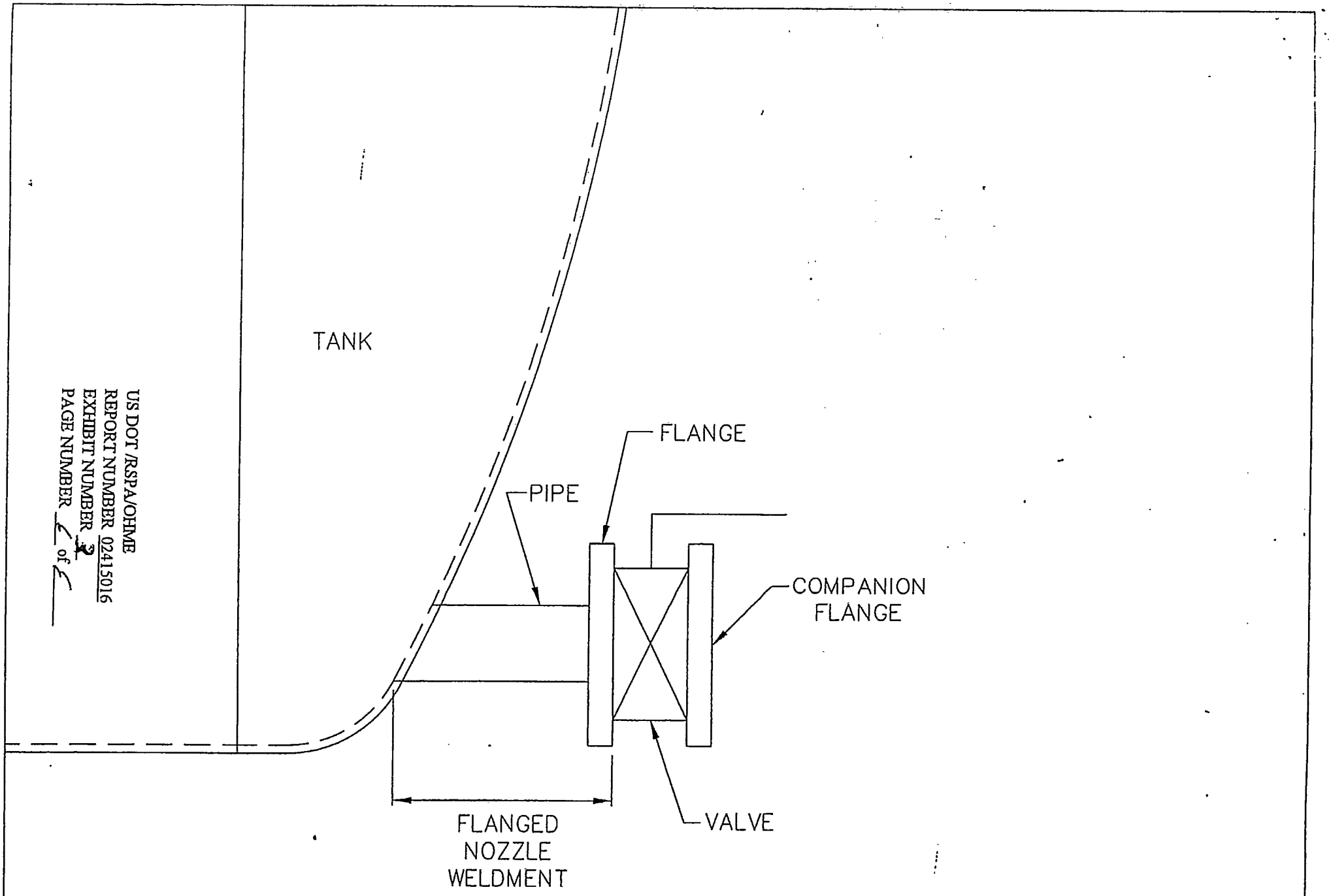
Sketch 2



SKETCH 3 – TYPICAL FLANGED TANK NOZZLE

Report Date: 10/30/99

Southern Magic, Inc.

CUSTOMER
AGGREKO
NEW IBERIA, LA

PROJECT
2,300 GALLON IM-102 ENVIRO-TANKS

VESSEL DESCRIPTION
2,300 GALLON IM-102
Vessel Number: 99153-001 -025
Drawing Number: 99153
ASME Code stamped: No
Vessel designed per the ASME Boiler & Pressure Vessel Code,
Section VIII, Division 1. 1998 Edition
with Advanced Pressure Vessel, Version 7.00a

JOB NUMBER
C99153

NAMEPLATE INFORMATION
MAWP: 14.50 PSI and 6.00 PSI external pressure at 200 F
MDMT: 0 F at 14.50 PSI

Serial Number(s): 99153-001 THRU -025
National Board Number(s): NONE

Year built: 1999
Radiography: None
Postweld heat treated: No
Lethal service: No

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 4
PAGE NUMBER 1 of 3

Engineering Manager Michael W. Esslinger date: 10/30/99

Q.C. Manager Jack Lucia date: 10/30/99

Report Date: 2/26/

Southern Magic, Inc.
1456 Hwy. 317 S.
Centerville, LA 70522

CUSTOMER
AGGREKO
NEW IBERIA, LA

PROJECT
2,300 GAL. IM-102 VESSELS

VESSEL DESCRIPTION
84" O.D. X 78" S.S.
Vessel Number: TK590 - TK639
Drawing Number: 95071800 - 1802

Vessel designed per the ASME Boiler & Pressure Vessel Code, Section VIII, Division 1. 1995 Edition, 1995 Addenda with Advanced Pressure Vessel, Version 6.10b

JOB NUMBER
C97008

NAMEPLATE INFORMATION
MAWP: 15.00 PSI at 200 F
MDMT: 0 F at 15.00 PSI

Serial Number(s): C97008-590 thru 639
National Board Number(s): N/A

Year built: 1997
Radiography: None
Postweld heat treated: No
Lethal service: No

CU 169 0Dec97

These Updated Calcs. Replace Original Code Calcs. Pg. 16.

CU Approved

US DOT /RSPA/OHME
REPORT NUMBER 02415016 A
EXHIBIT NUMBER 4
PAGE NUMBER 2 of 3

Engineering Manager Michael W. Byrne date: 2/26/9

Q.C. Manager Michael W. Byrne date: 2/26/9

Authorized Inspector _____ date: __/__/__

SMICOMPANIES
ENGINEERING • MANUFACTURING • FIELD SERVICES

December 13, 1999

CGU Insurance
One Beacon Street
Boston, MA 02108-3100
Attn: Ed Whittle

RE: Application for Approval of Specification IM-102 Portable Tank

REF: SMI Drawings 99153 Sheets 1 - 5

Mr. Whittle:

Enclosed please find one copy each of SMI drawings 99153 sheets 1 - 5 and vessel design calculations for "2,300 Gallon IM-102 Enviro-Tank" design. A copy of each is being sent to Mr. Terrell Alexander and Mr. Mark Baggett.

This design has not been previously examined by nor judged unacceptable by any approval agency.

Manufacturer's serial numbers to be assigned to this design under our current contract with Aggreko will be 99153-001 through -025.

Please note that the tank shell loadings per 178.270-4(b)(1) & (2) due to the saddle attachments have been considered per WRC 107 as rectangular nozzles with appropriate stresses imposed. The loadings per 178.270-4(b)(3) are less than those already considered in the vessel calculations and will not be considered separately.

Please call if you have any questions.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager
SMI

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 4
PAGE NUMBER 3 of 3

CC: Terrell Alexander
Mark Baggett

300 YEARS OF COMMITMENT
Commercial Union Insurance Companies

CONTRACT INSPECTION SERVICES

One Beacon Street
Boston, MA 02108-3100
617-725-7309 Fax- 617-725-6094
Youngsville, LA 1-800-245-9536
Baton Rouge, LA 1-800-434-9781

Certificate Number: 169-99-101
Job Number: C-00101
Date: 06-29-00

Certificate of Compliance

Code Acceptance: DOT CFR 49 Part 173.32 rev. as of 10/1/1999.
Company: AGGREKO, INC.
For: IM-102 Steel Portable Tanks Ser# C00101-004 2,335 gal. Diesel Tank
TKE5-49

CERTIFICATION OF INSPECTION PER DOT, 49 CFR 173.32

ALL TESTING CONDUCTED TO THE ABOVE STEEL PORTABLE TANK IS PERFORMED IN ACCORDANCE WITH DOT 49 CFR PART 173.32 EDITION 10-1-99. A LEGAL HYDROSTATIC TEST WAS CONDUCTED AND WITNESSED BY A REGISTERED APPROVAL AGENCY.

APPROVAL CERTIFICATE NUMBER: IM-9602

THESE NUMBERS CAN BE VERIFIED WITH THE OFFICE OF HAZARDOUS MATERIALS EXEMPTION AND APPROVALS
US DOT (RSPA) 400 SEVENTH ST. S.W. WASHINGTON D.C. 20590
1-202-366-4535.

TESTING MEDIA: Water
MAWP: 14.5 psi
TEST PRESSURE: 22 psig TEST DATE: 6 / 07 / 00
TEST RESULTS: No adverse conditions noted - Accepted
VISUAL INSPECTION: No adverse conditions noted - Accepted
MANUFACTURE'S AND APPROVAL AGENCY PLATE ATTACHED: 06/19/00

Date: 062800 Certified By: John M. Baggett

Contract Inspection Services Codes and Standards Inspector - John M. Baggett

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 5
PAGE NUMBER 1 of 4

300 YEARS OF COMMITMENT
Commercial Union Insurance Companies

Contract Inspection Services

APPLICATION FOR APPROVAL OF SPECIFICATION IM-102 PORTABLE TANKS

Issued by authority delegated by the U. S. Department of Transportation Identification No. IM-9602

MANUFACTURE'S NAME: SOUTHERN MAGIC INC.

ADDRESS: 1456 Hwy. 317 South, Franklin, LA 70538

OWNER: AGGREKO, INC.

ADDRESS: 4607 West Admiral Doyle Drive, New Iberia, LA. 70560

CFR 49 Part 173.32a

(a) Application for approval.

(1) An Owner or Manufacturer of an IM Portable Tank shall apply for approval to any approval agency designated to approve that tank in accordance with the procedures in Subpart E, Part 107.

(2) Each application for approval must contain the following information:

(i) Three complete copies of all engineering drawings, calculations, and test data necessary to insure that the design complied with the relevant specification.

(ii) The Manufacturer's Serial Number(s) assigned to each portable tank.

(iii) A statement as to whether the design type has been examined by any approval agency previously and judged unacceptable. Affirmative statements must be documented with the name of the approving agency, reason for non-acceptance, and the nature of modifications made to the design type.

Portable tanks description:

DESIGN CODE: CFR 49 Part 178.270 \ ASME Section VIII Div. I (not stamped)

(1) US DOT Specification number: IM-102 (2) Country of manufacture: USA

(3) Manufacturer's name: Southern Magic Inc. (4) Date of manufacture: 11/99

(5) Manufacturer's serial numbers: C00101-001 through C00101-015.

(6) Identification of USA/DOT approval agency: Commercial Union Insurance Company.
Approval number: IM-9602.

(7) Maximum allowable working pressure, in bar or psig: 14.5psig / 6psi vacuum

(8) Test pressure, in bar or psig: 22psig - Date of test: 11/29/99

(9) Total measured water capacity at 20*C (68*F), in liters or gallons: 2.335 gallons

(10) Maximum allowable gross weight, in kg or lbs: 28.300 lbs Tare wt: 11.700 lbs

(11) Equivalent minimum shell & head thickness in mild steel, in mm or inches: .2204 inches

(12) Tank material and Specification number: ASTM A-36 / SA-36

(13) Metallurgical design temperature range, in *C and *F: -17.8*C to 93.3*C / 0*F to 200*F

(c)(3) Corrosion allowance, in mm or in: 0.0315 inches

Safety relief device: 2" Knunkle 337K, Set pressure: 15psi, Total capacity: 1982 scfm

Overall dimensions: Length 10' Width 8' Height 8'6" **Tank dimensions:** OAL 9'0" OD 7'

Drawing Number: 00101 Rev.0 pages 1 through 5

Manufacturer's Statement: I hereby affirm that the portable tanks above have not been examined previously by any registered approval agency and judged unacceptable. In addition, the above portable tanks are in compliance with the ASME Section VIII, Div. I Code (not stamped), DOT CFR 49 and all applicable code requirements.

Southern Magic Representative — Date 5/12/00

Contract Inspection Services Representative — Date 060200

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 5 of ____
PAGE NUMBER 2 of 4

CONTRACT INSPECTION SERVICES

One Beacon Street
Boston, MA 02108-3100
617-725-7309 Fax- 617-725-6094
Youngsville, LA 1-337-856-6377
Baton Rouge, LA 1-800-434-9781

Certificate Number: 169-99-153(a)
Job Number: C-99186
Date: 02-29-99

CERTIFICATE OF INSPECTION

Code Acceptance: DOT CFR 49 Part 178.270-13 rev. as of 10/1/1999.
Company: AGGREKO, INC.
For: IM-102 Steel Portable Tanks Ser# C99186-045 2335 gal. Diesel Tank

CERTIFICATION OF INSPECTION PER DOT, 49 CFR 173.32

ALL TESTING CONDUCTED TO THE ABOVE STEEL PORTABLE TANK WAS PERFORMED IN ACCORDANCE WITH DOT 49 CFR PART 178.270-13 EDITION 10-1-99. A LEGAL HYDROSTATIC TEST WAS CONDUCTED AND WITNESSED BY A REGISTERED APPROVAL AGENCY.

APPROVAL CERTIFICATE NUMBER: IM-9602

THESE NUMBERS CAN BE VERIFIED WITH THE OFFICE OF HAZARDOUS MATERIALS EXEMPTION AND APPROVALS
US DOT (RSPA) 400 SEVENTH ST. S.W. WASHINGTON D.C. 20590
1-202-366-4535.

TESTING MEDIA: Water
MAWP: 14.5 psi
TEST PRESSURE: 22 psig TEST DATE: 2/18/00
TEST RESULTS: No adverse conditions noted - Accepted
VISUAL INSPECTION: No adverse conditions noted - Accepted
MANUFACTURE'S AND APPROVAL AGENCY PLATE ATTACHED: 3/30/00

Date: 033000 Certified By: John M Baggett

Contract Inspection Services Codes and Standards Inspector(s) - John M. Baggett / E. Jay Verrett

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 5
PAGE NUMBER 3 of 4

COMMERCIAL UNION INSURANCE COMPANY
CONTRACT INSPECTION SERVICES

One Beacon Street
Boston, MA 02108-3100
617-725-7309 Fax- 617-725-6094
Baton Rouge, LA 1-800-434-9781

Certificate Number: 169-99-153(a)
Job Number: C-99186
Date: 02-29-00

CERTIFICATE OF COMPLIANCE

Code Acceptance: CFR 49 Part 178.270 rev. as of 10/1/1999.
Company: AGGREKO, INC.
For: IM-102 Steel Portable Tanks drawing #s 99186 pages 1 through 5 revision #1.

(1) US DOT Specification number.	IM-102
(2) Country of manufacture.	USA
(3) Manufacturer's name.	Southern Magic Inc.
(4) Date of manufacture.	11/1999
(5) Manufacturer's serial numbers.	99186-026 through 99186-045
(6) Identification of USA/DOT approval agency and approval number.	Commercial Union Ins. Company IM-9602
(7) Maximum allowable working pressure, in bar or psig.	14.5 psig
(8) Test pressure, in bar or psig	22 psig
(9) Total measured water capacity at 20*C (68*F), in liters or gallons.	2335 gallons
(10) Maximum allowable gross weight, in kg or lbs.	28,500 lbs
(11) Equivalent minimum shell thickness in mild steel, in mm or inches.	.157 inches
(12) Tank material and Specification number.	ASTM A-36 / SA-36
(13) Metallurgical design temperature range, in *C and *F.	-17.8*C to 93.3*C / 0*F to 200*F
(c)(3) Corrosion allowance, in mm or in.	0.03125 inches
Additional test - CFR 49:178.270-13 (c)(1)(2)	Ser.# 99153-001 ***

Date: 033000 Certified By: John M Baggett

Contract Inspection Services Codes and Standards Inspectors - **John M. Baggett / E. Jay Verrett**

***Note: The 99186 series is the same design as the approved 99153 series.

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REPORT NUMBER 02415016
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3 3/8"		CPLG. 2" 3000# SA-105 THR'D (W/PLUG)
		(GUSSET) SEE DETAIL 4 ON DWN NO# 95071802
		(GUSSET) SEE DETAIL 5 ON DWN NO# 95071802
9'-10 1/2" x 7'-10 1/2" SQ		1/4" BOTTOM PLATE
9'-10 1/2" x 7'-10 1/2" SQ		3/16" TOP PLATE
	45°	ANGLE 1 1/4 x1 1/4 x1/4"
4'-5 3/8 x 2'-11 5/8"		10 GAUGE HATCH COVER (AS PER DETAIL)
		10 GAUGE PLATE (FIELD DETERMINE)
		1/2 x 6" NITRILE RUBBER (SEE SECTION C-C)
		1/8" x 1" FB
CUT PER DETAIL		1/4" PLATE PER DETAIL
		3/8" PLATE (SEE DETAIL 3)
		ISO CORNER CASTING
		3" CLOSE NIPPLE
		1/2"x 1" NITRILE RUBBER
		10 GAUGE PLATE (AS PER DETAIL)
LAYOUT		3/8" PLATE (PER SECTION C-C)
2"	SQ	1/4" x 2" FB
	SQ	3/8" x 4" FB (CUT PER SECTION A-A)
2' - 0 1/2"	SQ	3/8" x 4" FB
0'-5 7/8"	45° O.E.	3 x 3 x 1/4" TUBING
0' x 6 1/2"	45° O.E.	3 x 3 x 1/4" TUBING
	–	1/2" 3000# COUPLING
	–	1/2" x 1/4" BUSHING
	–	1/4" S/80 CLOSE NIPPLE
	–	1/4" BALL VALVE (APOLLO-BRASS)

MATERIAL IS FOR (1) VESSEL. (50 REQ'D TOTAL)

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 6
PAGE NUMBER 1 of 3

NOTE:
UNLESS SPECIFIED, ALL FILLET WELDS TO BE EQUAL IN SIZE TO THE THINNEST MEMBER.

IIG FROM 2x2x1/8" TO 2x3x1/4"
15 & 17.
& 85 TO B.O.M.

& N7
TAP FROM 1/4" TO 5/16"

WELDING SYMBOLS
C-C

STRUCTION

5" TO 5 1/2"
ru 81 ON B.O.M.
G FROM 2x2x1/4" TO 2x3x1/8"
5 & 17.
ON DETAIL 1
DETAIL 6
DESCRIPTION

AGGREKO INC.
4607 WEST ADMIRAL DOYLE DRIVE
NEW IBERIA LOUISIANA 70560

2,300 GALLON IM-102 DIESEL VESSEL

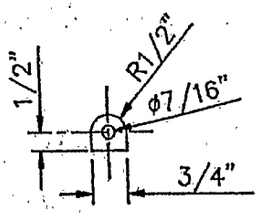
DATE:	5/13/96	DRAWING NO.	95071800-REV 4
SCALE:	1"=1'-0"	JOB NO.	C-97008
DRWN BY:	KIM'BO	P.O. NO.	
SHT.	1 OF 3	CHECKED BY:	

TITLE
ELEVATION, END VIEW & DETAILS

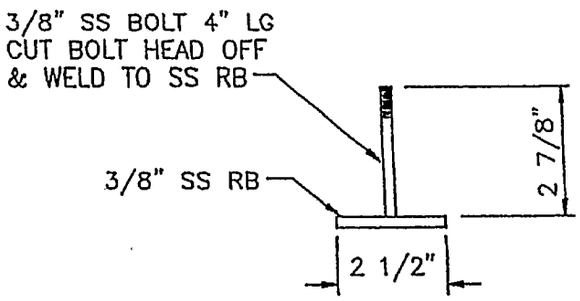
ANGERS CONSULTING ENGINEERS
NEW IBERIA LOUISIANA 70560

SOUTHERN MAGIC INC.
1456 Hwy. 317 S. FRANKLIN, LA 70538
ENGINEERING MANUFACTURING FABRICATION

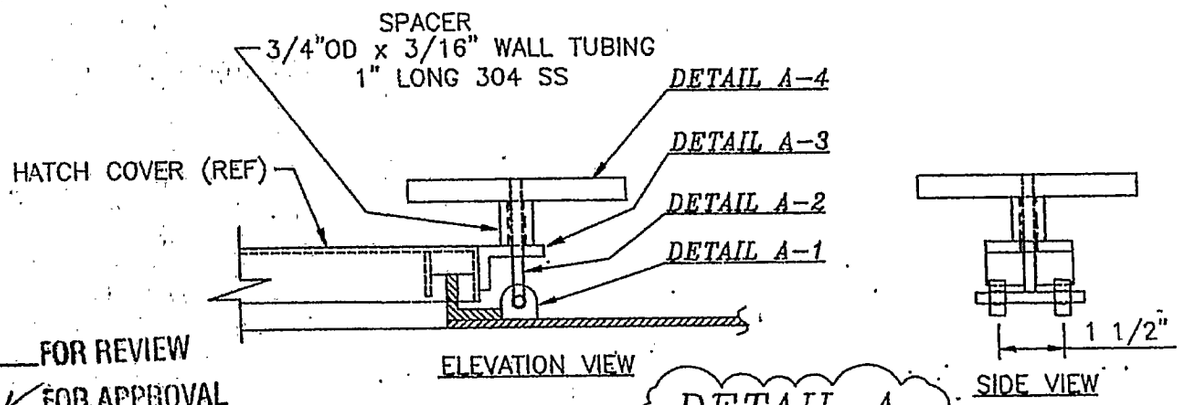
See Enforcement file (Gary McGinnis) for entire document.



DETAIL A-1
NTS



DETAIL A-2
NTS



ELEVATION VIEW

SIDE VIEW

DETAIL A
4

___FOR REVIEW
✓FOR APPROVAL
___BID PURPOSES ONLY
___APPROVED FOR CONSTRUCTION
___CERTIFIED
___AS BUILT
___FOR INFORMATION ONLY

SMI

DATE: 08/25/97 BY: [illegible]

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 6
PAGE NUMBER 2 of 3

CU

AGGREKO INC.
4607 WEST ADMIRAL DOYLE DRIVE
NEW IBERIA LOUISIANA 70560

2,300 GALLON IM-102 DIESEL VESSEL

DATE:	5/13/96	DRAWING NO.	95071801-REV 4
SCALE:	1"=1'-0"	JOB NO.	C-97008
DRWN BY:	[illegible]	P.O. NO.	
SHT.	2 OF 3	CHECKED BY:	

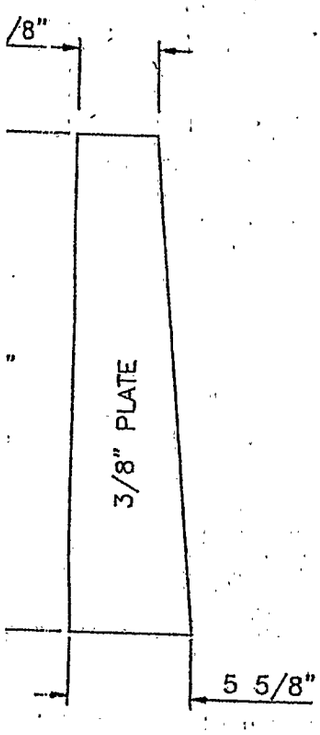
TITLE
ELEVATION, END VIEW & DETAILS

ANGERS CONSULTING ENGINEERS
NEW IBERIA LOUISIANA 70560

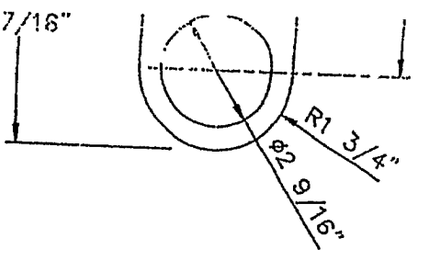
SOUTHERN MAGIC INC.
1456 Hwy. 317 S. FRANKLIN, LA 70538
ENGINEERING MANUFACTURING FABRICATION

See Enforcement file (Gary McGinnis) for the entire document.

DETAIL 4
GUSSET
SCALE: 3"=1'-0"
(8 REQ'D)



OF PART NO.8



DETAIL 10
FUEL GAUGE BRACKET
SCALE: 3"=1'-0"
(1 REQ'D)

___FOR REVIEW
_✓_FOR APPROVAL
___BID PURPOSES ONLY
___APPROVED FOR CONSTRUCTION
___CERTIFIED
___AS BUILT
___FOR INFORMATION ONLY

SMI

DATE: 08/25/97 BY: Kim Bo

NOTE:
GUSSETS (DETAILS 4,5) TO BE INSTALLED AFTER TANK IS IN PLACE FOR PROPER FIT.

US DOT /RSPA/OHME
REPORT NUMBER 02415016
EXHIBIT NUMBER 6
PAGE NUMBER 3 of 3

CU Approved By

AGGREKO INC.
4607 WEST ADMIRAL DOYLE DRIVE
NEW IBERIA LOUISIANA 70560

2,300 GALLON IM-102 DIESEL VESSEL

DATE:	9/28/95	DRAWING NO.	95071802-REV 4
SCALE:	1"=1'-0"	JOB NO.	C-97008
DRWN BY:	KSM'BO	P.O. NO.	37693
SHT.	3 OF 3	CHECKED BY:	

TITLE
ELEVATION, END VIEW & DETAILS

ANGERS CONSULTING ENGINEERS
NEW IBERIA LOUISIANA 70560

SOUTHERN MAGIC INC.
1456 Hwy. 317 S. FRANKLIN, LA 70538
ENGINEERING MANUFACTURING FABRICATION

See Enforcement file (G McGinnis) for the entire document.

U.S. Department
of Transportation
**Research and
Special Programs
Administration**

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

AUG 29 2001

DOT-E 12626
(FIRST REVISION)

EXPIRATION DATE: April 30, 2003

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: SMI Companies (SMI)
Franklin, LA

2. PURPOSE AND LIMITATIONS:

a. This exemption authorizes the manufacture, marking, sale and use of a non-DOT specification portable tank equipped with an external bottom discharge valve conforming with all regulations applicable to a IM 101 specification portable tank, except as specified herein, for the transportation in commerce of the materials authorized by this exemption. 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.

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

4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR § 173.243(c) in that a non-DOT specification tank is not authorized, except as specified herein.

5. BASIS: This exemption is based on the application of SMI Companies dated January 22, 2001, submitted in accordance with § 107.105 and the public proceeding thereon and an additional letter dated July 26, 2001.

AUG 29 2001

6. HAZARDOUS MATERIALS (49 CFR § 172.101):

Proper Shipping Name/ Hazardous Materials Description	Hazard Class/ Division	Identification Number	Packing Group
Corrosive liquid, toxic, n.o.s.	8	UN2922	II
Corrosive liquid, acidic, organic, n.o.s.	8	UN3265	II
Corrosive liquid, basic, inorganic, n.o.s.	8	UN3266	II
All corrosive liquids authorized for portable tanks in §§ 173.241(c) and 173.242(c)	8	as appropriate	II & III
Corrosive liquid, flammable, n.o.s.	8	2920	II
Fluoroboric acid	8	1775	II
Formic acid	8	1779	II
Hydrochloric acid	8	1789	II
Hydroflouric acid, with not more than 60% strength	8	1790	II

7. SAFETY CONTROL MEASURES:

a. PACKAGING -

(1) Packaging prescribed is a non-DOT specification steel portable tank which is designed, constructed and certified in conformance with the ASME Code, including the ASME Code "U" stamp. The tank design conforms with the requirements of a DOT Specification IM 101 steel portable tank except that the tank has a bottom outlet fitted with three serially-mounted closures consisting of an external discharge valve attached to the bottom flange of the tank, a butterfly valve, and a cam-lock cap at the end of the discharge line. The tank is mounted in an ISO frame. Each tank conforms to drawing numbers 97070622, Revision 0, Sheets 1 and 2, dated 1/19/01, and to photographs and specifications contained in the exemption application on file with Office of Hazardous Materials Exemptions and Approvals. The tank design criteria are as follows:

Material of construction -	SA 516 Grade 70
Wall thickness -	0.375 inches
Design pressure -	58 psig
Length -	5'-0" (maximum)
Diameter -	5'-6" (nominal)
Capacity -	1050 gallons
Rotational molded liner -	1/4" Polyethylene
Pressure relief valve -	One 3" on top center
Pressure relief capacity -	8879 SCFM

b. TESTING -

(1) Each tank must be tested, retested and reinspected in accordance with requirements for DOT Specification IM 101 steel portable tanks contained in §§ 178.270, 178.271 and 173.32b, including approval by a Designated Approval Agency; and

(2) The polyethylene lining for each tank is tested at least once a year using equipment and procedures prescribed by the lining manufacturer or installer. Degraded or defective areas of the liner must be removed and the portable tank shell below the defect must be inspected. If the minimum thickness of the tank shell is below 0.375 inches, the portable tank must be removed from service.

c. OPERATIONAL CONTROLS - The external valve attached to the bottom flange of the tank must be spring-loaded and air-operated. Both external valves must be closed and the end of the bottom discharge line must be capped during transportation.

8. SPECIAL PROVISIONS:

a. In accordance with the provisions of Paragraph (b) of § 173.22a, persons may use the packaging authorized by this exemption for the transportation of the hazardous materials specified in paragraph 6 only in conformance with the terms of this exemption.

b. A person who is not a holder of this exemption, but 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 offered for transportation in conformance with this exemption and the HMR.

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

d. Each packaging manufactured under the authority of this exemption must be either (1) marked with the name of the manufacturer and location (city and state) of the facility at which it is manufactured or (2) marked with a registration symbol designated by the Office of Hazardous Materials Exemptions and Approvals for a specific manufacturing facility.

e. A current copy of this exemption must be maintained at each facility where the package is manufactured under this exemption. It must be made available to a DOT representative upon request.

f. MARKING: -

(1) Each tank must be durably marked on two sides near the middle in letters at least 2 inches high on a contrasting background "DOT-E 12626".

(2) Each portable tank authorized by this exemption may not be identified or otherwise be represented as a DOT Specification IM 101 portable tank.

g. This exemption is limited to portable tanks used for transportation in support of offshore oil and gas exploration and production in the Gulf of Mexico within the jurisdiction of the United States of America.

h. Transportation in international commerce is not authorized

9. MODES OF TRANSPORTATION AUTHORIZED: Motor vehicle and cargo vessel.

10. MODAL REQUIREMENTS: A current copy of this exemption must be carried aboard each cargo vessel, or motor vehicle used to transport packages covered by this exemption.

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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:

- o All terms and conditions prescribed in this exemption and the Hazardous Materials Regulations, Parts 171-180.
- 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 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: 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. (Sections 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 also inform the AAHMS, in writing, as soon as practicable of any incidents involving the package and shipments made under this exemption.

Issued in Washington, D.C.

A. Suzanne Hedgepeth

Robert A. McGuire
Associate Administrator for
Hazardous Materials Safety

AUG 29 2001
(DATE)

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REPORT NUMBER 02415016
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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.

Copies of exemptions may be obtained from the AAHMS, U.S. Department of Transportation, 400 7th Street, S.W., Washington, DC 20590-0001, Attention: Records Center, 202-366-5046.

PO: DBURGER/AM

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Is this exemption germane to the discussion in all of these letters?

Are we addressing both FM 101 & 102 Tanks w/this exemption. Initially, it was my understanding that question would concern these(?)

SMICOMPANIES
ENGINEERING • MANUFACTURING • FIELD SERVICES

July 8, 2002

U.S. Department of Transportation
Research and Special Programs Administration
400 7th Street SW
Washington, D.C. 20590

Attention: Gary McGinnis

Subject: Exit Briefing Dated 6/12/02 – Report Control #02415013

Reference: SMI Companies Letter Dated April 24, 2002 with Attachments

Mr. McGinnis:

SMI Companies wants to thank you for your consideration of the above referenced letter of April 24th and resolution on most of the items discussed therein.

However, we do not agree with the findings in the above referenced exit briefing of June 12th.

Nowhere in 49 CFR is it stated that a welded flange is one that is welded directly to the tank shell. In fact, it is much more typical in tank manufacturing that flanges be part of a nozzle weldment than it is for the flange to be welded directly to the shell. Nevertheless, the fact that "welded flange" is not defined leaves it subject to interpretation. Exercising good engineering judgement and our interpretation of "welded flange", we found the design utilized to be in compliance with the requirements. In addition, the approval agency, also using good engineering judgement, agreed that the design is in compliance with the requirements of 49 CFR 178.270-12.

That argument notwithstanding, nowhere in 49 CFR does a definition of "shell" exist, nor is a "sandwiched shell" construction prohibited in IM type tanks. The design in question consists of an inner pressure retaining shell and an outer protective shell. The internal discharge valve in question is contained completely within this outer protective shell. Since this outer shell is part of the "shell" in the sandwiched construction utilized, the location of the internal discharge valve is in compliance with the requirements of 49 CFR 178.270-12.

We request resolution of this issue at your earliest convenience and would like to thank you in advance for said consideration.

Please call if you any questions or if we can provide any further information.

Sincerely,

Michael W. Splane

Michael W. Splane
Engineering Manager

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