U.S. Department
of Transportation

**Research and
Special Programs
Administration**

JUL 9 1998

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

Terminated: Jan. 13, 1999

DOT-E 12053
(FIRST REVISION)

EXPIRATION DATE: **June 1, 2000**

(FOR RENEWAL, SEE 49 CFR SECTION 107.109)

1. GRANTEE: OZ Technology, Incorporated
Rathdrum, Idaho

2. PURPOSE AND LIMITATION:

a. This exemption authorizes the transportation in commerce of certain DOT Specification 2Q containers containing liquefied petroleum gas. This exemption provides no relief from any regulation other than as specifically stated herein.

b. The safety analyses performed in development of this exemption only considered the hazards and risks associated with transportation in commerce. The safety analyses did not consider the hazards and risks associated with consumer use, use as a component of a transport vehicle or other device, or other uses not associated with transportation in commerce.

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

4. REGULATIONS FROM WHICH EXEMPTED: 49 CFR 173.304(d)(3)(ii) in that the authorized pressures for DOT Specification 2Q containers are exceeded and 178.33a-8.

5. BASIS: This exemption is based on the application of OZ Technology, Inc. dated June 18, 1998, and additional information dated June 23, 1998, submitted in accordance with 49 CFR 107.105 and the public proceeding thereon and supplemental letter dated June 29, 1998.

6. HAZARDOUS MATERIALS (49 CFR 172.101):

| Hazardous materials description -- proper shipping name | Hazard Class/ Division | Identi- fication Number | Packing Group |
|---|---|---|---|
| Petroleum gases, liquefied | 2.1 | UN1075 | N/A |

7. PACKAGING AND SAFETY CONTROL MEASURES:

a. PACKAGING - Packaging prescribed is a DOT Specification 2Q container not exceeding 22 cubic inches water capacity. The container is not equipped with a pressure relief device. Each container must conform with US Can Company drawing number 211VCTU and with the requirements of § 178.33a except as follows:

b. TESTING - § 178.33a-8 Tests.

(1) Four containers out of each lot of 3,040 containers or less, successively produced each day, shall be pressure tested to determine the burst pressure. The containers shall be complete with ends assembled. The end that is convex to pressure must reverse before any leakage or bursting. The minimum burst pressure may not be less than 270 psig.

(2) Each such 3,040 containers or less successively produced per day shall constitute a lot. These containers must be complete with ends assembled, of the same material, size, design, construction and finish. If any of the test containers in a lot fail the pressure test, that lot must be rejected, or ten additional containers selected at random from the lot may be subjected to the pressure test. Should any of the ten additional test containers fail the test, the entire lot must be rejected.

c. OPERATIONAL CONTROLS - Containers must be shipped as follows:

(1) Filling density must be in accordance with §173.304(d)(1). In addition, the liquid portion of the gas must not completely fill the container at any temperature up to and including 130°F.

(2) Each completed container filled for shipment must have been heated until the pressure in the container is equivalent to the equilibrium pressure of the contents at 130°F without evidence of leakage, distortion, or other defect.

(3) The pressure in the container must not exceed 56 psig at 70°F and 132 psig at 130°F.

(4) Each container must be packed in strong outside packagings as prescribed in 49 CFR 173.301(k).

(5) Each outside packaging must be marked "INSIDE CONTAINERS CONFORM WITH DOT-E 12053".

(6) Each package may not exceed 66 pounds gross weight.

8. SPECIAL PROVISIONS:

a. Persons who receive the packages covered by this exemption may reoffer them for transportation provided no modifications or changes are made to the packages, all terms of this exemption are complied with and a current copy of this exemption is maintained at each facility from which such reoffering occurs.

b. Shippers using the packaging covered by this exemption must comply with all provisions of this exemption, and all other applicable requirements contained in 49 CFR Parts 171-180.

c. OZ Technology, Incorporated's existing inventory of approximately 180,000 empty DOT 2Q containers which are not marked with an exemption number may be charged in accordance with the terms of this exemption and shipped under this exemption until October 31, 1998. All DOT 2Q containers manufactured after the issuance of this exemption must be marked UN1075 and DOT-E 12053.

d. OZ Technology, Incorporated's existing inventory of approximately 120,000 boxes which are marked UN1954 instead of UN1075 and are not marked with the exemption number may be shipped under this exemption until October 31, 1998. All boxes manufactured after the issuance of this exemption must be marked UN1075 and "INSIDE CONTAINERS CONFORM WITH DOT-E 12053".

e. Test data obtained under paragraph 7.b., §178.33a-8 Tests, of this exemption, must be kept on file and be made available upon request by the OHMEA. Additionally, the following information must be submitted to OHMEA:

(1) Burst test results for the first 20 lots tested under paragraph 7.b. of this exemption.

(2) Lading temperature and pressure test data for the first 20 lots to verify that each completed container has been heated until the pressure in the container is equivalent to the equilibrium pressure of the contents at 130°F without evidence of leakage, distortion, or other defect and that the pressure in the container does not exceed 132 psig at 130°F as specified in paragraphs 7.c.(2) and 7.c.(3) of this exemption. A description of the quality assurance controls used to assume compliance with the requirements of paragraph 7.c.(2).

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

10. MODAL REQUIREMENTS: A copy of this exemption must be carried aboard each cargo vessel 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.

Each "Hazmat employee", as defined in 49 CFR 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 49 CFR 172.700 through 172.704.

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.:

Alan I. Roberts
Associate Administrator
for Hazardous Materials Safety

JUL 9 1998
(DATE)

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

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

"BY FACSIMILE"

January 13, 1999

Mr. Don Harkins
Managing Director
OZ Technology, Inc.
N. 10900 Howell Road
Rathdrum, Idaho 83658

Termination of Exemption DOT-E 12053
OZ Technology, Inc.

Dear Mr. Harkins:

I hereby terminate DOT-E 12053 issued to OZ Technology, Inc (OZ), in accordance with 49 C.F.R. 107.121(b). On December 2, 1998, I issued a letter informing OZ that the Research and Special Programs Administration (RSPA) proposed to terminate the exemption and provided OZ an opportunity to show cause within 30 days why the exemption should not be terminated. Based on a return receipt, OZ received this letter on December 10, 1998. RSPA has received no response from OZ regarding the proposed termination. RSPA is terminating DOT-E 12053 for the following reasons:

(1) OZ provided RSPA with inaccurate information in its exemption application concerning the pressure of its product HC-12a at 130 degrees F. RSPA would not have granted the exemption if OZ had provided the accurate pressure information. On October 19, 1998, OZ reported to RSPA that the pressure inside the DOT specification 2Q containers at 130 degrees F. is 141 psig. RSPA had granted the exemption based on OZ' representation that the pressure of its product at 130 degrees F. was 132 psig.

(2) OZ knowingly violated the terms of DOT-E 12053. DOT-E 12053 specified that the maximum pressure of the lading in the container at 130 degrees F. must not exceed 132 psig. Although required by the exemption to report temperature and pressure data to RSPA, OZ failed to include this information in the "Water Bath Report" that it submitted to RSPA. After RSPA notified OZ that this information must be provided, OZ submitted a second water bath report on October 19, 1998.

IMPORTANT- PLEASE READ

In this second report, OZ's own data for 20 days from June 6, 1998 through July 28, 1998, including July 6, 1998, showed that the pressure of its product was 141 psig at 130 degrees F. On July 6, 1998, OZ offered cases of HC-12a for transportation in commerce. OZ knew that it offered cans of HC-12a with pressures higher than authorized by the exemption for transportation in commerce and therefore knowingly violated the terms of the exemption.

Each of these reasons constitutes a sufficient basis to terminate DOT-E 12053, and the exemption is therefore terminated effective January 13, 1999.

Sincerely,

Alan I. Roberts
Associate Administrator for
Hazardous Materials Safety

CERTIFIED MAIL - RETURN RECEIPT REQUESTED