DEC 1 2 2005

U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

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

DOT-SP 14238

EXPIRATION DATE: November 30, 2007

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: Dreaming and Challenging Company, Ltd. (DACC Ltd)
Changwon, Korea
(U.S. Agent: Cobalt Global Technologies, Inc.
Corona, CA)

2. PURPOSE AND LIMITATIONS:

a. This special permit authorizes the manufacture, marking, sale and use of non-DOT specification fully wrapped carbon-fiber reinforced aluminum lined cylinders for the transportation in commerce of the materials authorized by this special permit. This special permit provides no relief from the Hazardous Materials Regulations (HMR) other than as specifically stated herein.

b. The safety analyses performed in development of this special permit 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 §§ 173.302a(a)(1), 173.304a(a), and § 180.205 in that non-DOT specification cylinders are not authorized except as prescribed herein.

NOTE: This does not relieve the holder of this exemption from securing an approval for manufacturing cylinders from the Associate Administrator for Hazardous Materials Safety.

5. BASIS: This special permit is based on the application of DACC Ltd. dated August 29, 2005 submitted in accordance with § 107.105 and the public proceeding thereon.

6. HAZARDOUS MATERIALS (49 CFR § 172.101):

Hazardous Material Description			
Proper Shipping Name	**Hazard Class/ Division**	**Identi-fication Number**	**Packing Group**
Air, compressed (containing up to 39% by volume oxygen content)	2.2	UN1002	N/A
Argon, compressed	2.2	UN1006	N/A
Carbon Dioxide, compressed	2.2	UN1013	N/A
Compressed gas, n.o.s.	2.2	UN1956	N/A
Compressed gas, oxidizing, n.o.s.	2.2	UN3156	N/A
Helium, compressed	2.2	UN1046	N/A
Hydrogen, compressed	2.1	UN1049	N/A
Liquefied gas, n.o.s.	2.2	UN3157	N/A
Methane, compressed *or* Natural gas, compressed	2.1	UN1971	N/A
Nitrogen, compressed	2.2	UN1066	N/A
Nitrous Oxide, compressed	2.2	UN1070	N/A
Oxygen, compressed	2.2	UN1072	N/A

7. SAFETY CONTROL MEASURES:

a. PACKAGING - Prescribed packaging is a fully wrapped carbon-fiber reinforced aluminum lined cylinder made in conformance with the Basic Requirements for Fully Wrapped Carbon-Fiber Reinforced Aluminum Lined Cylinders (DOT-CFFC) Fourth Revision), dated November 2000.

b. TESTING - Cylinders must be reinspected and hydrostatically retested at least once every five years. Testing must be performed in accordance with § 180.205, DOT-CFFC-13 and the latest edition of CGA pamphlet C-6.2 "Guidelines for Visual Inspection and Re-qualification of Fiber Reinforced High Pressure Cylinders", except as specifically noted herein:

(1) Cylinders must be volumetrically tested by the water jacket method suitable for the determination of the cylinder expansion for a minimum test time of one minute after the pressure has stabilized in the cylinder.

(2) A maximum permanent expansion to total expansion ratio does not apply. The cylinder must be condemned if the elastic expansion exceeds the rejection elastic expansion (REE) as marked on the cylinder.

(3) Retest markings must be applied on a label securely affixed to the cylinder and overcoated with epoxy, near the original test date. Metal stamping of the composite surface is prohibited. Reheat treatment of rejected cylinders is not authorized.

(4) Cylinders with fiber damage (cuts, abrasions, etc.) that exceed Level 1 type damage as defined in C-6.2 and meet the following depth and length criteria are considered to have Level 2 damage:

(i) Depth - Damage that upon visual inspection is seen to penetrate the outer fiberglass layer but does not expose the carbon layer beneath, or that has a measured depth of greater than 0.005 inches and less than 0.045 inches for cylinders with an outside diameter greater than 7.5 inches or less than 0.035 inches for cylinders 7.5 inches or less in outside diameter;

(ii) Length - Damage that has a maximum allowable length of:

Region	Direction of fiber damage	Maximum length of damage
Cylinder sidewall and domes	Transverse to fiber direction (longitudinal direction)	20% of the length of the straight sidewall section of the cylinder
Cylinder sidewall and domes	In the direction of the fiber (circumferential direction)	20% of the length of the straight sidewall section of the cylinder

(5) Cylinders with damage that meet the Level 2 criteria must be rejected. Retesters must contact the cylinder manufacturer in the event that damage is questionable based on this criteria. Repair of rejected cylinders is authorized for Level 2 type damage. Repairs must be made in accordance with CGA pamphlet C-6.2, prior to the hydrostatic pressure test. Repairs must be evaluated after the hydrostatic test.

(6) Cylinders that have direct fiber damage that penetrates through the outer fiberglass layer and into the carbon layer, or that have a measured damage depth of greater than the Level 2 maximum stated in (5)(a) above are considered to have Level 3 type damage. Cylinders that have damage with depth meeting Level 2, but length exceeding the Level 2 maximum are considered to have Level 3 type damage. Cylinders with Level 3 type damage are not authorized to be repaired, and must be condemned.

(7) A hydrostatic retest may be repeated as provided for in § 180.205(g), only two such retests are permitted. Pressurization prior to the official hydrostatic test for the purpose of a systems check must not exceed 85% of the required test pressure.

c. OPERATIONAL CONTROLS -

(1) Cylinders manufactured under this exemption are not authorized for use fifteen (15) years after the date of manufacture.

(2) Cylinders may not be used for underwater breathing purposes.

(3) Cylinders used in oxygen service must conform with § 173.302(b)(1) thru (4). Cylinders used in nitrous oxide service must conform with § 173.304a(a).

(4) A cylinder that has been subjected to fire may not be returned to service.

(5) Transportation of flammable gases is not authorized aboard aircraft or cargo vessel.

(6) Transportation of oxygen is only authorized when in accordance with § 172.102(c)(2) Special Provision A52 and §§ 175.85(h) and (i).

(7) Cylinders must be packaged in accordance with § 173.301(a)(9).

8. SPECIAL PROVISIONS:

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

b. A person who is not a holder of this special permit, but receives a package covered by this special permit, 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 special permit and the HMR.

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

d. Each packaging manufactured under the authority of this special permit 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 Special Permits and Approvals for a specific manufacturing facility.

e. A current copy of this special permit must be maintained at each facility where the package is manufactured under

this special permit. It must be made available to a DOT representative upon request.

f. The cylinders described in this special permit are authorized only for normal transportation as an article of commerce i.e., the movement of hazardous materials packages from consignor to consignee.

9. MODES OF TRANSPORTATION AUTHORIZED: Motor vehicle, rail freight, cargo vessel, cargo aircraft only, and passenger-carrying aircraft.

10. MODAL REQUIREMENTS: A current copy of this special permit must be carried aboard each cargo vessel, aircraft or motor vehicle used to transport packages covered by this special permit. The shipper must furnish a copy of this special permit to the air carrier before or at the time the shipment is tendered.

11. COMPLIANCE: Failure by a person to comply with any of the following may result in suspension or revocation of this special permit and penalties prescribed by the Federal hazardous materials transportation law, 49 U.S.C. 5101 et seq:

- All terms and conditions prescribed in this special permit and the Hazardous Materials Regulations, 49 CFR Parts 171-180.
- Persons operating under the terms of this special permit must comply with the security plan requirement in Subpart I of Part 172 of the HMR, when applicable.
- Registration required by § 107.601 et seq., when applicable.

Each "Hazmat employee", as defined in § 171.8, who performs a function subject to this special permit must receive training on the requirements and conditions of this special permit in addition to the training required by §§ 172.700 through 172.704.

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

Under Title VII of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)—"The Hazardous Materials Safety and Security

Reauthorization Act of 2005" (Pub. L. 109-59), 119 Stat. 1144 (August 10, 2005), amended the Federal hazardous materials transportation law by changing the term "exemption" to "special permit" and authorizes a special permit to be granted up to two years for new special permits and up to four years for renewals.

12. REPORTING REQUIREMENTS: Shipments or operations conducted under this special permit are subject to the Hazardous Materials Incident Reporting requirements specified in 49 CFR §§ 171.15 - Immediate notice of certain hazardous materials incidents, and 171.16 - Detailed hazardous materials incident reports. In addition, the grantee(s) of this special permit must notify the Associate Administrator for Hazardous Materials Safety -- OHMSPA, in writing, of any incident involving a package, shipment or operation conducted under terms of this special permit.

Issued in Washington, D.C.:

DEC 12 2005

DATE

Robert A. McGuire
Associate Administrator for
Hazardous Materials Safety

Address all inquiries to: Associate Administrator for Hazardous Materials Safety, Pipeline and Hazardous Materials Safety Administration, Department of Transportation, Washington, D.C. 20590. Attention: PHH-31.

Copies of this special permit may be obtained by accessing the Hazardous Materials Safety Homepage at http://hazmat.dot.gov/sp app/special permits/spec perm index.htm Photo reproductions and legible reductions of this special permit are permitted. Any alteration of this special permit is prohibited.

PO: CWFreeman