

PDK Inc..

TRANSPORTATION SECURITY PLAN

DATE

**146 Walnut Hill Rd
North Yarmouth, ME 04097
P: 207-829-5831 F: 207-782-2910**

**675 Ledge Rd
Yarmouth, ME 04096
P: 207-846-5839 F: 207-846-3250**

SECURITY SENSITIVE INFORMATION

INTRODUCTION

PDK Inc. is committed to the safety and security of its employees, customers and community. PDK Inc. maintains this Transportation Security Plan in accordance with the USDOT and BATF Security Requirements.

It is the purpose of this plan to communicate procedures to all parties to reduce the security and safety potential risks involved with hazardous material. It is not the intent of this plan to address the use of specific handling of explosives, and/or training of explosives usage & transportation.

This plan will address a security assessment of PDK Inc. business operations, personnel security, controlling access, en route security, and addressing national threat levels.

I. SECURITY ASSESSMENT

PDK Inc. is an interstate shipper of Class 1 explosives. Additionally, the corporation is a Federal explosives licensee that is also authorized by state Fire Marshal Office(s)/State Police(s) to handle, store and transport explosives in ME, NH, VT and MA. The Class 1 explosives which may be handled by PDK Inc. include Divisions 1.1, 1.3, 1.4, and 1.5 explosives.

The vulnerabilities associated with hazardous materials, specifically explosives, is primarily theft, misuse, loss, and unintended detonation of product. These vulnerabilities are most apparent in the transportation of product, at storage and job sites, and with employees.

Storage Sites:

PDK Inc. operates multiple explosives magazine storage sites for which this Transportation Security Plan applies:

- a. Windham, ME
- b. North Yarmouth, ME
- c. Wolfeboro, NH

All of the above magazine sites are not visible from the road, and are gated & locked with only one road into each site. They are potentially vulnerable to unauthorized entry of non-employees by foot and unintended detonation of product only in the event of a forest fire. At all sites, employees are not permitted at a magazine site without a principle from PDK Inc. present.

PDK Inc. may on occasion establish temporary storage sites for its Class 1 explosives. These magazines sites are sometimes required when it is deemed safer to store offsite rather than do daily transports from our permanent storage locations, or when logistics would make it impossible to do daily transportation. These sites are pre-approved sites by the BATF (Bureau of Alcohol, Tobacco, Firearms & Explosives), the FMO (State of Maine Fire Marshal Office) and the local jurisdiction. Each unique site is evaluated and assessed of its security needs on an individual basis.

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Work Sites:

Works sites have a particularly sensitive security need as this is where the product is most vulnerable to theft and misuse, either by personnel or unauthorized personnel. It is not unusual for multiple contractors to work on a job site at the same time, or the use of laborers be employed for hard labor assistance.

Transportation:

The primary vulnerability in transporting explosives is en route and may involve theft and/or hijacking either by personnel or unauthorized personnel. The BATF records indicate that there are about 25 thefts of explosives per annum, including military explosives. Commercial explosives thefts occur at magazine sites and a theft en route is statistically a low probability.

II. PERSONNEL SECURITY & UNAUTHORIZED ACCESS

As a minimum, all PDK Inc. employees are subject to a BATF and FMO\State Police background check. Candidates for hire who are not able to pass these background checks will not be employed by PDK Inc.. These background checks are performed within 30 days of initial hire. BATF background checks are required by regulation to be conducted every 3 years during the renewal of PDK's Federal explosives license. In addition, FMO background checks occur every 1-3 years, depending on the specific license renewal requires with states where the corporation operates.

PDK Inc.'s drivers of Hazardous Materials are required as part of their license application to undergo a TSA background check for a hazardous materials endorsement. Drug and Alcohol screening is also a part of the pre-employment process, and is an ongoing process during employment with random draw testing. Additionally, all PDK Inc. drivers have their driving history records pulled every year from the Department of Motor Vehicles.

Unauthorized access to PDK Inc.'s vehicles transporting explosives and PDK Inc.'s storage site is always a concern and should always be a priority in awareness by drivers and employees. All personnel when approaching a magazine site and/or work site are trained to be aware of surroundings for safety, whether that be safety checks for unauthorized people or environmental hazards, including (but not excluding) fires, volatile weather, or potentially dangerous equipment. During transportation, drivers must stay alert and be aware of their surroundings by monitoring mirrors, being 'followed', staying on route plans and avoiding populated areas and potential high traffic problems (i.e. rush hour traffic routes).

At storage sites, all explosives is stored in compliance with BATF approved storage magazines to deter unauthorized access and prevent the mass detonation in the event of a fire, in accordance 27 CFR Part 555. This includes approved locking mechanisms (5 tumbler locks, steel lock covers, and a minimum of 2 locks per magazine) and approved storage magazines types (I, II, IV and V). Keys are limited to only PDK Inc. principles – employees are not permitted keys to any magazine or gate. Occasionally, explosives are delivered by other shippers to PDK Inc.'s magazine sites. These shippers are not allowed in the magazine site unless a principle of PDK Inc. has authorized it and

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they are escorted by a PDK Inc. employee. These shippers are met, explosives are off-loaded, then they are escorted to the main gate for egress.

In addition to gates, some storage sites are equipped with cameras to monitor unauthorized access by unauthorized personnel. These cameras are inspected at least once a week, with some cameras have real time access to the pictures it takes via email communication.

At work sites, explosive materials are controlled by PDK Inc. employees who are vetted by BATF. They closely monitored explosives inventory by diligent counting when removing these materials from magazines, at the job site and when returning these materials to magazines. During transportation, PDK Inc. employees are required to keep explosives cargo in compartments under lock and key controlled by the driver or other PDK Inc. employee. At the job site, PDK employees always stay within view and do not allow unauthorized persons to be in the proximity of these vehicles. Occasionally, explosives will be delivered to work sites by other shippers. These shippers are not allowed on the worksite, unless a principle of PDK Inc. has authorized it. These shippers are required to be met by a PDK Inc. employee who will escort them to the place where their cargo may be unloaded. After the completion of this process, these shippers will be escorted off the worksite by a PDK Inc. employee.

EN ROUTE SECURITY

Need to move some or all of the information from IV. Communication Plan here.

III. SECURITY PLAN

DHS RISK ASSESSMENT <= HIGHER



PDK Inc. plan to address the above labeled risk assessments will be to conduct our business operations as if we are under a high threat as determined by the US Department of Homeland Security (DHS).

We employ the *"If you see something, say something"* policy at all times. Unless we are under EXTREME Security Levels as determined by the DHS, the following security plans will be followed. This includes, but is not limited to, the following:

1. Storage Site & Job Sites
 - a. Locked gates or heavy equipment blockage of access roads at all times
 - b. Never more than 1 magazine open at a time, all magazines will have a minimum of 2, 5 tumbler locks covered by ¼" steel hoods to deter attack.
 - c. "Check-in" upon leaving the magazine site.
 - d. Monitoring of hidden camera activity, where appropriate; basic observation skills around magazine & gate sites (e.g. lock tampering, damage to magazines, suspicious

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footprints, etc.) and reporting such activities to local law enforcement and the FMO/State Police

- e. Magazine site will be checked at minimum every 7 days in accordance with BATF

2. Offsite Storage

- a. All points from "Storage Site & Job Sites" will be followed.
- b. Each location accessed on an individual level, however at minimum, gates will be locked and/or heavy construction equipment will be placed at the access road to the site.
- c. Keys to gates and/or nearby equipment will be limited to the blaster (PDK) and owner of the land. Magazine keys will be only available to the blaster.

3. Office Site

- a. A remote location from any of the storage sites, will be armed with a electronic home security system at all times when not occupied

4. Transportation – En Route Security

- a. Transportation will only be done via a truck mounted magazine to the job site and will be locked at all times (except when being unloaded)
- b. Monitoring mirrors for aggressive drivers, suspicious vehicles or following vehicles will be reported to 911 immediately.
- c. Product will be transported directly from the storage site to the job site and/or job site to storage site. No added stops will be permitted other than stops for fuel, unless pre-approved by principles. Travel route plans will be followed and not deviated from.
- d. Loaded vehicles will be attended and locked at all times.
- e. Strict inventory control will be monitored, at the load site and again at the drop off site.
- f. For shippers who are delivering product to a magazine or job site, notification and arrangements will have been made at least 1 hour before delivery is made. Product will be delivered quickly and the shipper will leave as soon as physically possible to ensure the integrity of the safety procedures employed at the given location.
- g. Other general rules to follow during transportation include:
 - i. Pre-check vehicle to ensure road worthiness
 - ii. Pick up product at magazines
 - iii. Secure and load and lock doors
 - iv. Fill out trip manifest and travel route and post required placards
 - v. Observe all regulations while en route
 - vi. Do not leave loaded vehicle unattended
 - vii. Do not vary from route plan unless extenuating circumstances dictate
 - viii. Do not smoke in the vehicle
 - ix. Use common sense at all times. Be aware and avoid drives exhibiting a road rage attitude
- h. In the event of an emergency during transportation, these should be followed:
 - i. In the events of a breakdown: Notify police having jurisdiction and the office or principles. Do not leave vehicle unattended. Wait for help or further instructions.

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- ii. In the event of Fire: Try to extinguish fire if it is in the engine compartment, cab, tire, or brake fire. Notify police and fire as soon as possible indicating the fact you are moving explosives. If the fire reaches the cargo area – DO NOT FIGHT. Close road for 2000' in both directions. Stand by to assist and advise police and fire department.
- iii. In the event of law enforcement contact at night: Do not stop unless you are absolutely sure you are dealing with a police officer. If you have any doubts, try to contact police at 911 and keep driving until you find an occupied area, e.g. gas station etc. that is well lit. This protects you and the cargo.

5. Work Site

- a. Work site storage will only be done via truck mounted magazine or pre-approved BATF & FMO temporary onsite storage.
- b. Locks on the vehicle will be employed at all times unless being unloaded
- c. Daily job logs will be used to track product usage
- d. Communication with PDK Inc. principles will be made constantly during the day to ensure security of product. Constant communication during the day with the principles of PDK Inc. also ensures the security of product en route.

DHS RISK ASSESSMENT = EXTREME

[REDACTED]

If the DHS has issued an EXTREME threat to national security, the following will be done to address PDK Inc. security:

1. Principles will meet to discuss current & future projects and address each job for potential threats. Each job will be addressed on an individual basis for additional security needs and/or delaying projects where it is necessary
2. Principles will monitor all storage locations with cameras where possible and will do daily monitoring of sites
3. Product stored will be kept at minimum levels as well as transportation on roadways will be minimal
4. Transportation of product to and from job sites will be done with 2 people present at all times, individuals will not be left alone
5. Any suspicious activity will be reported to local authorities and the principles immediately

IV. COMMUNICATIONS PLAN

PDK Inc. drivers are required to use the corporation's Communications Plan and to ensure the securement and knowledgeable location of all hazmat shipments. In general, all drivers are required to use the following procedures:

1. Secure load, fill out shipping papers, placard vehicle appropriately for the class/division.

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2. Contact principle (office) of departure of magazine site. This can be done via phone, text or a visual confirmation of principle of PDK designee
3. STAY ALERT on the road. Make any communications necessary if driver observes any disturbing or inappropriate behavior that would threaten the safety and security of the load.
4. Contact principle (office) of arrival of job site. This can be done via phone, text or a visual confirmation of principle of PDK designee
5. STAY ALERT while on the job site. Keep load safe and secure from unauthorized personnel or potentially dangerous situations that would detonate and/or harm product.
6. Contact principle (office) of departure of job site. This can be done via phone, text or a visual confirmation of principle of PDK designee
7. STAY ALERT on the road. Make any communications necessary if driver observes any disturbing or inappropriate behavior that would threaten the safety and security of the load.
8. Contact principle (office) of departure of magazine site. This can be done via phone, text or a visual confirmation of principle of PDK designee

In the event a transportation incident should occur, the following procedure must be followed:

1. If 911 call is required, DO IT FIRST.
2. Driver must make contact with principle by using the EMERGENCY CALL LIST provided to all drivers. Additional contacts will be made then if necessary.
3. A log of the call will document contact by including
 - a. Driver who made call
 - b. Details of incident
 - c. Date & Time
 - d. Vehicle/Magazine site involved
 - e. Other pertinent details
4. Driver must make contact with appropriate law enforcement, including but not excluding local Police jurisdiction, BATF incident reporting, State Fire Marshal Office and/or USDOT/FMCSA incident reporting.

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ANNUAL REVIEW

The principle of PDK Inc. has reviewed the Transportation Security Plan, and does not find reason to make changes to it at this time.

Date of Review of the Transportation Security Plan

_____ 2015

Printed Name of Principle Reviewing the Transportation Security Plan

Signature of the Principle Reviewing the Transportation Security Plan

Although there were no changes required of the Transportation Security Plan, the date on it was changed to ensure it is reviewed annually.

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The small print says—

WARNING: This record contains Sensitive Security Information that is controlled under 49 CFR parts 15 and 1520. No part of this record may be disclosed to persons without a "need to know", as defined in 49 CFR parts 15 and 1520, except with the written permission of the Administrator of the Transportation Security Administration or the Secretary of Transportation. Unauthorized release may result in civil penalty or other action. For U.S. government agencies, public disclosure is governed by 5 USC 552 and 49 CFR parts 15 and 1520.

This is a foot note on the Plan on each
page

WARNING - HAZARDOUS MATERIALS

- PDK Inc, 146 Walnut Hill Rd, N Yarmouth, ME 04097 P: 207-829-5831
- PDK Inc, Enterprise Drive, Windham, ME 04062 P: 207-829-5831
- PDK Inc, 436 Stoneham Rd, Wolfeboro, NH 03894 P: 207-829-5831

FOR HELP IN THE EVENT OF AN
EMERGENCY
INVOLVING THIS SHIPMENT CALL TOLL FREE
800 - 535 - 5053 DAY OR NIGHT
REFER TO ACCOUNT# 100587

Date: _____ Driver: _____ Truck#: _____ Trailer#: _____

Customer: _____

From: _____ To: _____

LINE	UNITS	TYPE OF PACKAGE	QUANTITY	PROPER SHIPPING NAME	EMERGENCY RESPONSE GUIDE NUMBER*
1		BOXES	LBS.	UN0081, EXPLOSIVE, BLASTING, TYPE A, 1.1D, PG II	112
2		BOXES	LBS.	UN0042, BOOSTERS, WITHOUT DETONATOR, 1.1D, PG II	112
3		BAGS BOXES	LBS.	UN0241, EXPLOSIVE, BLASTING, TYPE E, 1.1D, PG II	112
4		BULK BAGS BOXES	LBS.	UN0332, EXPLOSIVE, BLASTING, TYPE E, 1.5D, PG II	112
5		BULK BAGS	LBS.	UN0331, EXPLOSIVE, BLASTING, TYPE B, 1.5D, PG II	112
6		BOXES	LBS.	UN0030, DETONATORS, ELECTRIC, 1.1B, PG II	112
7		BOXES	LBS.	UN0255, DETONATORS, ELECTRIC, 1.4B, PG II	114
8		BOXES	LBS.	UN0360, DETONATOR ASSEMBLIES, NON-ELECTRIC, 1.1B, PG II	112
9		BOXES	LBS.	UN0361, DETONATOR ASSEMBLIES, NON-ELECTRIC, 1.4B, PG II	114
10		BOXES	LBS.	UN0065, CORD, DETONATING, 1.1D, PG II	112
11		BAGS BULK	LBS.	UN0331, AMMONIUM NITRATE-FUEL OIL MIXTURE, 1.5D, PGII, DOT-SP-11156	112
12		BOXES	LBS.	UN0349, ARTICLES, EXPLOSIVES, N.O.S. (CONTAINS HMX & ALUMINUM POWDER), 1.4S, PG II	114
13		BOXES	LBS./KG	UN0335, FIREWORKS, 1.3G, PG II	112
14		BOXES	LBS./KG	UN0336, FIREWORKS, 1.4G, PG II	114
15		BOXES	LBS./KG	UN0454, IGNITERS, 1.4S, PG II	114
16		BOXES	LBS./KG	UN0431, ARTICLES PYROTECNIC, 1.4G, PG II	114
17				NA 1993, Combustible Liquid, N.O.S., III	

Refer to Emergency Guide Book for appropriate emergency response information as required by 49 CFR, Part 172.602

Routing Instructions:

Shippers Certification: This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

Shippers Signature _____

Date _____