EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NUMBER: 2005-1672-AIR-E TCEQ ID NO: RN102660909 ENF ID: 26936

RESPONDENT NAME: GENERAL DYNAMICS OTS (GARLAND), L.P.

ORDER TYPE:

X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__AMENDED ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__SHUTDOWN ORDER	__FINDINGS DEFAULT ORDER	__EMERGENCY ORDER	

CASE TYPE:

__AGRICULTURE	X AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	__PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	__WATER QUALITY	__DRY CLEANER REGISTRATION	

SITE WHERE VIOLATION(S) OCCURRED: 1200 North Glenbrook Drive, Garland, Dallas County

TYPE OF OPERATION: Ordnance production facility

SMALL BUSINESS: X Yes ___ No

OTHER SIGNIFICANT MATTERS: There are no previous complaints. There is no record of additional pending enforcement actions regarding this facility.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on February 12, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Ms. Kathleen C. Decker, Litigation Division, MC 175, (512) 239-6500; Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873
TCEQ Enforcement Coordinator: Ms. Miriam Hall , Enforcement Coordinator, Section III, MC 149, (512) 239-1044
TCEQ Regional Contact: Ms. Alyssa Taylor, DFW Regional Office, MC R-4, (817) 588-5828
Respondent: Mr. Steve Rodrigues, General Manager, General Dynamics OTS, Garland Plant, L.P., 1200 North Glenbrook, Garland, Texas 75040
Respondent's Attorney: Ms. Patricia Finn Braddock, Fulbright & Jaworski, LLP, 600 Congress Avenue, Suite 2400, Austin, Texas 78701-2978

Attachment: Site Compliance History

RESPONDENT'S NAME: GENERAL DYNAMICS (GARLAND) L.P.
DOCKET NO.: 2005-1672-AIR-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint X Routine __ Enforcement Follow-up __ Records Review **Date(s) of Complaints Relating to this Case:** None **Date(s) of Investigation(s) Relating to this Case:** April 8, 2005 **Date of NOE Relating to this Case:** August 23, 2005 **Background Facts:** This air case was a direct referral to litigation for expedited settlement on January 27, 2006. Litigation settled the matter on August 16, 2006. The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report. **AIR:** 1) Failed to comply with permitted Maximum Allowable Emission rates (MAER) for the plaforization system at emission point number ("EPN") 7-PLAF-PRETREAT for volatile organic compounds ("VOCs") [NSR Permit No. 51412 General condition No. 8, 30 TEX. ADMIN. CODE § 116.115 (b)(2)(F) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to maintain records and data to demonstrate compliance with the permit in a readily available format for TCEQ staff [NSR Permit No. 51412 General Condition No. 7 and Special Condition Nos. 11B., C. and D., 30 TEX. ADMIN. CODE § 116.115(b)(2)(E) and (c) and TEX. HEALTH & SAFETY CODE § 382.085 (b)]. 3) Failed to maintain and make permit by rule ("PBR") records for a surface coating facility immediately available to TCEQ staff, as documented during an inspection conducted on April 8, 2005. Specifically, records relating to coating and solvent usage, hours of operation, and copies of the required monthly report were not immediately available to TCEQ staff [30 TEX. ADMIN. CODE § 106.433(8)(B), (8) (C), (8)(D) and TEX. HEALTH & SAFETY CODE § 382.085 (b)]. 4) Failed to maintain records containing sufficient information to demonstrate compliance with PBR requirements, as documented during an inspection on April 8, 2005 and a record review on April 27, 2006. Specifically, General Dynamics failed to present copies of applicable PBRs or examinations, as well as the applicable general conditions, for a number of units at the Plant upon request of TCEQ staff [30 TEX. ADMIN. CODE § 106.8(c) and TEX. HEALTH & SAFETY CODE § 382.085 (b)].	**Total Assessed:** $86,775 **Total Deferred:** $0 __Expedited Settlement __Financial Inability to Pay **Total Paid to General Revenue:** $86,775 The Respondent has paid the administrative penalty amount in full. **Site Compliance History Classification:** _X_High __Avg. __Poor **Person Compliance History Classification:** _X_High __Avg. __Poor **Major Source:** _X_Yes ___ No **Applicable Penalty Policy:** September 2002	**Corrective Action(s) Taken** The Executive Director recognizes that General Dynamics submitted coating and solvent information records and data requested during the April 8, 2005 investigation with correspondence dated April 20, 2005. **Ordering Provision(s)** It is further ordered that General Dynamics shall undertake the following technical requirements immediately upon the effective date of this Agreed Order: Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning any PBR registrations within 30 days after the date of such requests, or by any other deadline specified in writing. Maintain copies of each PBR and the applicable general conditions or general requirements in effect. In addition, make the record available in a reviewable format at the request of personnel, from the Commission or any pollution control program having jurisdiction.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) *PCW Revision May 19, 2005*

DATES					
Assigned	22-Aug-2005				
PCW	06-Mar-2007	Screening	23-Sep-2005	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	General Dynamics OTS (Garland), L.P.		
Reg. Ent. Ref. No.	RN102660909		
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Major Source

CASE INFORMATION

Enf./Case ID No.	26936	No. of Violations	4
Docket No.	2005-1672-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Miriam Hall
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $97,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History -11% Enhancement *Subtotals 2, 3, & 7* -$10,725

Notes: Compliance history reductions due to one notice of an audit and high performer person classification.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction *Subtotal 5* $0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	*(mark with a small x)*

Notes: The Respondent achieved compliance as of April 20, 2005 regarding certain violations and has not yet acheived compliance regarding other violations.

Economic Benefit 0% Enhancement* *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$1,733
Approx. Cost of Compliance	$9,400

SUM OF SUBTOTALS 1-7 Final Subtotal $86,775

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment $0

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes:

Final Penalty Amount $86,775

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $86,775

DEFERRAL 0% Reduction Adjustment $0

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes:

PAYABLE PENALTY $86,775

Screening Date 23-Sep-2005 **Docket No.** 2005-1672-AIR-E **PCW**
Respondent General Dynamics OTS (Garland), L.P. *Policy Revision 2 (September 2002)*
Case ID No. 26936 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Enf. Coordinator Miriam Hall

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action *(number of NOVs meeting criteria)*	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government *(number of judgements or consent decrees meeting criteria)*	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government *(number of counts)*	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were*	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

No ***Adjustment Percentage (Subtotal 3)*** -1%

>> Compliance History *Person* Classification (Subtotal 7)

High Performer ***Adjustment Percentage (Subtotal 7)*** -10%

>> Compliance History Summary

Compliance History Notes Compliance history reductions due to one notice of an audit and high performer person classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) -11%

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date 23-Sep-2005 **Docket No.** 2005-1672-AIR-E
Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Enf. Coordinator Miriam Hall

Violation Number 1

Primary Rule Cite(s) NSR Permit No. 51412 General Condition No. 8 and 30 Tex. Admin. Code § 116.115(b)(2)(F)

Secondary Rule Cite(s) Tex. Health Safety Code § 382.085(b)

Violation Description Failed to comply with permitted Maximum Allowable Emission Rates (MAER) for the Plaforization system at Emission Point No. (EPN) 7-PLAF-PRETREAT for Volatile Organic Compounds (VOC). Specifically, the MAER for VOC emissions from EPN 7-PLAF-PRETREAT are 6.22 pounds (lbs) per hour and 16.15 tons per year (TPY). Records from the Respondent (maintained pursuant to NSR permit 51412 Special Condition No. 11(B)) listed VOC emissions of up to 11.96 lb/hour and 24.423 TPY for this EPN. In addition, the 2004 Emission Inventory reported VOC emissions of 23.37 TPY for this EPN.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failure to comply with the permitted emission limits resulted in the exposure of an insignificant amount of contaminants which did not exceed levels that are protective of human health and environmental receptors.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 4

mark only one use a small x	
daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $10,000

Quarterly events are recommended for the year 2004 in which the permitted limits were exceeded.

Economic Benefit (EB) for this violation

Estimated EB Amount $425

Statutory Limit Test

Violation Final Penalty Total $8,900

This violation Final Assessed Penalty (adjusted for limits) $8,900

Economic Benefit Worksheet

Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$3,000	01-Jan-2004	01-Nov-2006	2.8	$425	n/a	$425

Notes for DELAYED costs: Estimated costs for additional oversight which might have reduced or alleviated the exceedances or costs to obtain a permit amendment. Date required is the start date of the reporting period and the final date is the estimated date of compliance.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $3,000

TOTAL: $425

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date 23-Sep-2005 **Docket No.** 2005-1672-AIR-E
Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Enf. Coordinator Miriam Hall

Violation Number 2

Primary Rule Cite(s) NSR Permit No. 51412 General Condition No. 7 and Special Conditions No. 11.B, C. and D. and 30 Tex. Admin. Code § 116.115(b)(2)(E) and (c)

Secondary Rule Cite(s) Tex. Health Safety Code § 382.085(b)

Violation Description Failure to maintain records and data to demonstrate compliance with the permit and have the records available upon request of the TCEQ staff. Specifically, the Respondent did not have records available to demonstrate compliance with dip coating hours of operation, and records for the coating material (Ecophor) including a log, tank throughput, monthly data usage, hours of operation, examples of calculations performed for emissions, assumptions and the basis of the assumptions.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule was not met.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1

mark only one use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended based on the investigation date of April 8, 2005.

Economic Benefit (EB) for this violation — Statutory Limit Test

Estimated EB Amount $0

Violation Final Penalty Total $2,225

This violation Final Assessed Penalty (adjusted for limits) $2,225

Economic Benefit Worksheet

Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System	$200	08-Apr-2005	21-Apr-2005	0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated costs to maintain records and make them available for review to TCEQ staff. Date required is the date of the investigation and final date is the date records were submitted to the TCEQ investigator to resolve the violation.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $200

TOTAL: $0

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date 23-Sep-2005 **Docket No.** 2005-1672-AIR-E
Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Enf. Coordinator Miriam Hall

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 106.433(8)(B), (8)(C) and (8)(D)

Secondary Rule Cite(s) Tex. Health Safety Code § 382.085(b)

Violation Description Failure to maintain and make permit by rule records for a surface coat facility immediately available to TCEQ staff. Specifically, the Respondent did not have records available for review regarding coating and solvent usage, hours of operation, and the required monthly report.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1

mark only one use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended based on the investigation date of April 8, 2005.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $2,225

This violation Final Assessed Penalty (adjusted for limits) $2,225

Economic Benefit Worksheet

Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System	$200	08-Apr-2005	21-Apr-2005	0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated costs to maintain records and make them available for review to TCEQ staff. Date required is the date of the investigation and final date is the date records were submitted to the TCEQ investigator to resolve the violation.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $200

TOTAL $0

PCW

Policy Revision 2 (September 2002)
PCW Revision May 19, 2005

Screening Date	23-Sep-2005
Docket No.	2005-1672-AIR-E
Respondent	General Dynamics OTS (Garland), L.P.
Case ID No.	26936
Reg. Ent. Reference No.	RN102660909
Media [Statute]	Air Quality
Enf. Coordinator	Miriam Hall
Violation Number	4
Primary Rule Cite(s)	30 Tex. Admin. Code § 106.8(c)
Secondary Rule Cite(s)	Tex. Health Safety Code § 382.085(b)
Violation Description	Failure to maintain records to demonstrate compliance with permit by rule (PBR) requirements. Specifically, the Respondent failed to maintain a copy of each PBR or exemption and the applicable general conditions.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events: 33

mark only one
use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $82,500

Thirty-Three single events are calculated for the failure to maintain required information for 33 units or sources that were claimed as PBRs or exemptions.

Economic Benefit (EB) for this violation

Estimated EB Amount $1,307

Statutory Limit Test

Violation Final Penalty Total $73,425

This violation Final Assessed Penalty (adjusted for limits) $73,425

Economic Benefit Worksheet

Respondent General Dynamics OTS (Garland), L.P.
Case ID No. 26936
Reg. Ent. Reference No. RN102660909
Media [Statute] Air Quality
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System	$6,000	01-Nov-2001	10-Mar-2006	4.4	$1,307	n/a	$1,307
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated costs to complete an emission source inventory to determine the authorization status and to document PBR requirements. Date required is the effective date of the rule and the final date is the date Respondent provided PBR information and authorization status information.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $6,000

TOTAL $1,307

Compliance History

Customer/Respondent/Owner-Operator:	CN602483067	General Dynamics OTS (Garland), L.P	Classification: HIGH	Rating: 0.000
Regulated Entity:	RN102660909	GENERAL DYNAMICS OTS GARLAND LP	Classification: HIGH	Site Rating: 0.00

ID Number(s):

IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30434
STORMWATER	PERMIT	TXR05Q837
AIR NEW SOURCE PERMITS	REGISTRATION	76541
AIR NEW SOURCE PERMITS	AFS NUM	0032
AIR NEW SOURCE PERMITS	REGISTRATION	55883
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30434
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD007332224
AIR NEW SOURCE PERMITS	PERMIT	51412
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	DB0482W
AIR NEW SOURCE PERMITS	PERMIT	48894
AIR NEW SOURCE PERMITS	PERMIT	11588
AIR NEW SOURCE PERMITS	PERMIT	4539
VOLUNTARY CLEANUP PROGRAM	ID NUMBER	228
AIR OPERATING PERMITS	PERMIT	2594
AIR OPERATING PERMITS	ACCOUNT NUMBER	DB0482W

Location: 1200 N GLENBROOK DR, GARLAND, TX, 75040 Rating Date: 9/1/05 Repeat Violator: NO

TCEQ Region: REGION 04 - DFW METROPLEX

Date Compliance History Prepared: September 27, 2005

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 19, 2000 to September 19, 2005

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: J. Mac Vilas, P.G. Phone: (512) 239-2557

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period?	Yes
2. Has there been a (known) change in ownership of the site during the compliance period?	Yes
3. If Yes, who is the current owner?	General Dynamics OTS Garland LP
4. if Yes, who was/were the prior owner(s)?	Intercontinental Manufacturing Company, Inc Datron, Inc.
5. When did the change(s) in ownership occur?	09/03/2003 09/03/2003
6. Comments:	

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 08/18/2005 (381335)
2 04/10/2002 (136492)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

N/A

F. Environmental audits.

Notice of Intent Date: 10/08/2000
No DOV Associated
Citation: No Classification
Description:

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
AGAINST	§	**TEXAS COMMISSION ON**
GENERAL DYNAMICS OTS	§	
(GARLAND), L.P.	§	
RN102660909	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2005-1672-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding General Dynamics OTS (Garland), L.P. ("General Dynamics") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and General Dynamics represented by Patricia Finn Braddock of the law firm Fulbright & Jaworski L.L.P., appear before the Commission and together stipulate that:

1. General Dynamics owns and operates an ordnance production facility at 1200 North Glenbrook Drive in Garland, Dallas County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of the TEX. HEALTH & SAFETY CODE ch. 382.

4. The Commission and General Dynamics agree that the Commission has jurisdiction to enter this Agreed Order, and that General Dynamics is subject to the Commission's jurisdiction.

5. General Dynamics received notice of the violations alleged in Section II ("Allegations") on or about August 23, 2005.

6. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by General Dynamics of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

7. An administrative penalty in the amount of eighty-six thousand seven hundred seventy-five dollars ($86,775) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). General Dynamics has paid eighty-six thousand seven hundred seventy-five dollars ($86,775) of the administrative penalty.

8. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.

9. The Executive Director of the TCEQ and General Dynamics have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

10. The Executive Director recognizes that General Dynamics submitted coating and solvent information records and data requested during the April 8, 2005 investigation with correspondence dated April 20, 2005.

11. The Executive Director recognizes that General Dynamics submitted permit amendments on September 7, 2005 and January 2 and 6, 2006. In addition, two more submittals were received relating to emission source inventory and a certificate of emission limits dated December 7, 2005 and a Permit-by-Rule registration on March 10, 2006.

12. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that General Dynamics has not complied with one or more of the terms or conditions in this Agreed Order.

13. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

14. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, General Dynamics is alleged to have:

1. Failed to comply with permitted Maximum Allowable Emission Rates (MAER) for the plaforization system at emission point number ("EPN") 7-PLAF-PRETREAT for volatile organic compounds ("VOCs"), in violation of NSR Permit No. 51412 General Condition No. 8, 30 TEX. ADMIN. CODE § 116.115(b)(2)(F) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an inspection

conducted on April 8, 2005. The MAER for VOC emissions from EPN 7-PLAF-PRETREAT is 6.22 pounds per hour and 16.15 tons per year. Specifically, General Dynamics' permit records listed VOC emissions of up to 11.96 pounds per hour and 24.423 tons per year for EPN 7-PLAF-PRETREAT, and the 2004 Emission Inventory report listed VOC emissions of 23.37 tons per year for EPN 7-PLAF-PRETREAT.

2. Failed to maintain records and data to demonstrate compliance with the permit in a readily available format for TCEQ staff, in violation of NSR Permit No. 51412 General Condition No. 7 and Special Condition Nos. 11B., C. and D., 30 TEX. ADMIN. CODE § 116.115(b)(2)(E) and (c) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an inspection conducted on April 8, 2005. Specifically, General Dynamics did not have records available to demonstrate compliance with dip coating hours of operation and records for the coating material including a log, tank throughput, monthly data usage, hours of operation, examples of calculations performed for emissions, assumptions and the basis of the assumptions.

3. Failed to maintain and make permit by rule ("PBR") records for a surface coating facility immediately available to TCEQ staff, in violation of 30 TEX. ADMIN. CODE §§ 106.433(8)(B), (8)(C), (8)(D) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an inspection conducted on April 8, 2005. Specifically, records relating to coating and solvent usage, hours of operation, and copies of the required monthly report were not immediately available to TCEQ staff.

4. Failed to maintain records containing sufficient information to demonstrate compliance with PBR requirements in violation of 30 TEX. ADMIN. CODE § 106.8(c) and TEX. HEALTH & SAFETY CODE § 382.085(b) as documented during an inspection on April 8, 2005 and a record review on April 27, 2006. Specifically, General Dynamics failed to present copies of applicable PBRs or exemptions, as well as the applicable general conditions, for a number of units at the Plant upon request of TCEQ staff.

III. DENIALS

General Dynamics generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that General Dynamics pay an administrative penalty as set forth in Section I, Paragraph 7 above. The payment of this administrative penalty and

General Dynamics' compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: General Dynamics OTC (Garland), L.P., Docket No. 2005-1672-AIR-E to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that General Dynamics shall undertake the following technical requirements immediately upon the effective date of this Agreed Order:

   a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning any PBR registrations within 30 days after the date of such requests, or by any other deadline specified in writing;

   b. Maintain copies of each PBR and the applicable general conditions or general requirements in effect in accordance with 30 TEX. ADMIN. CODE § 106.8(c). In addition, make the record available in a reviewable format at the request of personnel from the Commission or any air pollution control program having jurisdiction.

3. The provisions of this Agreed Order shall apply to and be binding upon General Dynamics. General Dynamics is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

4. If General Dynamics fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, General Dynamics' failure to comply is not a violation of this Agreed Order. General Dynamics shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. General Dynamics shall notify the Executive Director within seven days after General Dynamics becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by General Dynamics shall

be made in writing to the Executive Director. Extensions are not effective until General Dynamics receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against General Dynamics in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to General Dynamics, or three days after the date on which the Commission mails notice of the Order to General Dynamics, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 2/16/07
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that General Dynamic's failure to comply with the Ordering Provisions, if any, in this order and/or General Dynamic's failure to timely pay the penalty amount, may result in:

- A negative impact on General Dynamics' compliance history;
- Greater scrutiny of any permit applications submitted by General Dynamics;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against General Dynamics;
- Automatic referral to the Attorney General's Office of any future enforcement actions against General Dynamics; and
- TCEQ seeking other relief as authorized by law.

- In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ 8 DEC. 2006
Signature Date

Daniel W. Paul V.P. & G.M. Operations.
Name (Printed or typed) Title
Authorized Representative of
General Dynamics OTS (Garland), L.P.