

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2008-1447-AIR-E TCEQ ID: RN102660909 CASE NO.: 36495

RESPONDENT NAME: GENERAL DYNAMICS ORDNANCE AND TACTICAL SYSTEMS, INC.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	

CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

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

TYPE OF OPERATION: Ordnance casing manufacturing operation

SMALL BUSINESS: Yes No N/A

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

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

COMMENTS RECEIVED: The *Texas Register* comment period expired November 23, 2009. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Ms. Laurencia Fasoyiro, Litigation Division, MC R-12, (713) 422-8914
Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-0019

TCEQ Enforcement Coordinator: Mr. Jorge Ibarra, Air Enforcement Section, MC R-4, (817) 588-5890

TCEQ Regional Contact: Ms. Alyssa Taylor, Dallas Regional Office, MC R-4, (817) 588-5828

Respondent: Mr. David Dunavin, Director, General Dynamics Ordnance and Tactical Systems, Inc., 1200 North Glenbrook Drive, Garland, TX 75040

Respondent's Attorney: Mr. Eric Groten, Vinson & Elkins L.L.P., The Terrace 7, 2801 Via Fortuna, Suite 100, Austin, TX 78746

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: N/A</p> <p>Date of Investigation Relating to this Case: August 25, 2008</p> <p>Date of NOE Relating to this Case: September 2, 2008</p> <p>Background Facts: The EDRP was filed on January 26, 2009. The EDFARP was filed on February 23, 2009. The Respondent filed an answer and the case was referred to SOAH. Settlement was achieved and the agreed order was signed on September 8, 2009.</p> <p>Current Compliance Status: Respondent has not yet submitted documentation to certify compliance with the technical requirements.</p> <p>AIR: Failed to comply with the allowable volatile organic compounds ("VOC") limit of 3.5 pounds per gallon ("lbs/gal") of coating (minus water and exempt solvent) delivered to the application system as an extreme performance coating. Specifically, non-compliant coatings in use ranged from a VOC content of 3.508 to 29.829 lbs/gal [30 TEX. ADMIN. CODE §§ 115.421(a)(9)(A)(iii), 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b) and Federal Operating Permit No. O2594, General Terms and Conditions].</p>	<p>Total Assessed: \$3,125</p> <p>Total Deferred: \$0</p> <p><input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay <input type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$3,125</p> <p>The Respondent the administrative penalty in full.</p> <p>Site Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Action Taken:</p> <p>The Executive Director recognizes that on May 29, 2009, Respondent submitted to the TCEQ Operating Permits Division an application to revise its Title V permit (No. O2594) to change the applicable VOC content limits from those specified for miscellaneous metals parts and coating facilities to those applicable to facilities that apply coatings for aerospace use.</p> <p>Ordering Provisions:</p> <p>The Respondent shall undertake the following technical requirements:</p> <ol style="list-style-type: none"> Respond fully and promptly to all requests for additional information that may be made in connection with its pending (May 29, 2009) application for a Title V permit revision related to the applicable requirements of 30 TEX. ADMIN. CODE § 115.421(a). Within 60 days after final TCEQ action on the pending application for a Title V permit revision, submit written certification demonstrating compliance.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

DATES	Assigned	2-Sep-2008	Screening	9-Sep-2008	EPA Due	
	PCW	3-Dec-2008				

RESPONDENT/FACILITY INFORMATION			
Respondent	General Dynamics Ordnance and Tactical Systems, Inc.		
Reg. Ent. Ref. No.	RN102660909		
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	36495	No. of Violations	1
Docket No.	2008-1447-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jorge Ibarra, P.E.
		EC's Team	Enforcement Team 3
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Enhancement **Subtotals 2, 3, & 7**

Notes

Culpability Enhancement **Subtotal 4**

Notes

Good Faith Effort to Comply Total Adjustments **Subtotal 5**

Economic Benefit Enhancement* **Subtotal 6**

Total EB Amounts
 Approx. Cost of Compliance
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL Reduction **Adjustment**

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

Notes

PAYABLE PENALTY

Screening Date 9-Sep-2008

Docket No. 2008-1447-AIR-E

PCW

Respondent General Dynamics Ordnance and Tactical Systems, Inc.

Policy Revision 2 (September 2002)

Case ID No. 36495

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN102660909

Media [Statute] Air

Enf. Coordinator Jorge Ibarra, P.E.

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)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	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 judgments 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 submitted)	0	0%
	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) 25%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent was issued one NOV with the same/similar type of violations and one 1660 Agreed Order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 25%

Screening Date 9-Sep-2008

Docket No. 2008-1447-AIR-E

PCW

Respondent General Dynamics Ordnance and Tactical Systems, Inc.

Policy Revision 2 (September 2002)

Case ID No. 36495

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN102660909

Media [Statute] Air

Enf. Coordinator Jorge Ibarra, P.E.

Violation Number 1

Rule Cite(s) Federal Operating Permit No. O2594, General Terms and Conditions, 30 Tex. Admin. Code §§ 115.421(a)(9)(A)(iii), and 122.143(4) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the allowable volatile organic compounds ("VOC") limit of 3.5 pounds per gallon ("lbs/gal") of coating (minus water and exempt solvent) delivered to the application system as an extreme performance coating. Specifically, non-compliant coatings in use ranged from a VOC content of 3.508 to 29.829 lbs/gal.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Failure comply with the allowable limit of 3.5 pounds of VOC per gallon of coating (minus water and exempt solvent) resulted in the release of insignificant amounts of pollutants which do not exceed levels that are protective of human health or the environment.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 15 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended based on the investigation date of August 25, 2008 to the screening date of September 9, 2008.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/Settlement
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$171

Violation Final Penalty Total \$3,125

This violation Final Assessed Penalty (adjusted for limits) \$3,125

Economic Benefit Worksheet

Respondent General Dynamics Ordnance and Tactical Systems, Inc.

Case ID No. 36495

Reg. Ent. Reference No. RN102660909

Media Air

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	25-Aug-2008	1-May-2009	0.68	\$171	n/a	\$171

Notes for DELAYED costs

Estimated cost to comply with the allowable limit of 3.5 pounds of VOC per gallon of coating (minus water and exempt solvent). Date required is the investigation date. Final date is the expected compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$171

Compliance History Report

Customer/Respondent/Owner-Operator:	CN602483067	General Dynamics Ordnance and Tactical Systems, Inc.	Classification: AVERAGE	Rating: 24.50
Regulated Entity:	RN102660909	General Dynamics Ordnance and Tactical Systems, Inc.	Classification: AVERAGE	Site Rating: 24.50
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID		TXD007332224
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)		30434
	AIR NEW SOURCE PERMITS	PERMIT		4539
	AIR NEW SOURCE PERMITS	PERMIT		11588
	AIR NEW SOURCE PERMITS	PERMIT		48894
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		DB0482W
	AIR NEW SOURCE PERMITS	PERMIT		51412
	AIR NEW SOURCE PERMITS	REGISTRATION		55883
	AIR NEW SOURCE PERMITS	AFS NUM		4811300032
	AIR NEW SOURCE PERMITS	REGISTRATION		76541
	AIR NEW SOURCE PERMITS	REGISTRATION		78336
	STORMWATER	PERMIT		TXR05Q837
	AIR OPERATING PERMITS	ACCOUNT NUMBER		DB0482W
	AIR OPERATING PERMITS	PERMIT		2594

Location: 1200 N GLENBROOK DR, GARLAND, TX, 75040

TCEQ Region: REGION 04 - DFW METROPLEX

Date Compliance History: February 23, 2009

Agency Decision Requiring Compliance: Enforcement

Compliance Period: September 30, 2003 to September 30, 2008

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jorge Ibarra, P.E. Phone: (817) 588-5890

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? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |
| 6. Rating Date: 9/1/2008 Repeat Violator: NO | |

Components (Multimedia) for the Site :

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

Effective Date: 10/04/2007

ADMINORDER 2005-1672-AIR-E

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

Rqmt Prov: General Condition No. 8 PERMIT

Description: Failure to comply with permitted Maximum Allowable Emission Rates (MAER) for the platorization system at emission point number (EPN) 7-PLAF- PRETREAT for volative organic compounds. The MAER for VOC emissions from EPN 7-PLAF-PRETREAT is 6.22 pounds per hour and 16.15 tons per year. Specifically, permit records listed

Classification: Major

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)

Description: Failure to maintain records containing sufficient information to demonstrate compliance with Permit-by-Rule requirements. Specifically, failed to present copies of applicable PBRs or exemptions, as well as applicable general conditions, for a number of units at the Plant upon request of TCEQ staff.

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(E)

30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: General Condition 7 PERMIT

Special Conditions 11.B., C. and D. PERMIT

Description: Failure to maintain records and data to demonstrate compliance with the permit in a readily available format for TCEQ staff. Specifically 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 usage.

Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter S 106.433(8)(B)
30 TAC Chapter 106, SubChapter S 106.433(8)(C)
30 TAC Chapter 106, SubChapter S 106.433(8)(D)

Description: Failure to maintain and make Permit-by-Rule records for a surface coating facility immediately available to TCEQ staff. 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.

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. (CEEDS Inv. Track. No.)

1	08/18/2005	(381335)
2	08/30/2006	(510828)
3	12/22/2006	(514470)
4	02/21/2008	(612630)
5	03/04/2008	(637584)
6	07/21/2008	(685966)
7	08/29/2008	(701069)

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

Date: 12/28/2006 (514470) **CN602483067**

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to submit a permit compliance certification (PCC) for the compliance period of June 29, 2005, through June 28, 2006, in a timely manner.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter E 115.421(a)(9)(A)(iii)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THC Chapter 382, SubChapter D 382.085(b)

General Terms and Conditions OP

Description: Failure to comply with the allowable limit of 3.5 pounds of volatile organic compounds ("VOC") per gallon of coating (minus water and exempt solvent) delivered to the application system as an extreme performance coating. Specifically, non-compliant coatings in use ranged from a VOC content of 3.508 to 29.829 lbs/gal.

F. Environmental audits.

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
ENFORCEMENT ACTION
CONCERNING
GENERAL DYNAMICS
ORDNANCE AND TACTICAL
SYSTEMS, INC.
RN102660909

§
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BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2008-1447-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding General Dynamics Ordnance and Tactical Systems, Inc. ("General Dynamics") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and General Dynamics, represented by Eric Groten of the law firm of Vinson & Elkins, L.L.P., appear before the Commission and together stipulate that:

1. General Dynamics owns and operates an ordnance casing manufacturing operation located at 1200 North Glenbrook in Garland, Dallas County, Texas (the "Plant").
2. 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 TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. 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.
4. General Dynamics received notice of the violations alleged in Section II (Allegations) on or about September 7, 2008.
5. 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.

6. An administrative penalty in the amount of three thousand one hundred twenty-five dollars (\$3,125.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). General Dynamics paid three thousand one hundred twenty-five dollars (\$3,125.00) of the administrative penalty.
7. 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.
8. 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.
9. The Executive Director recognizes that on May 29, 2009, General Dynamics submitted to the TCEQ Operating Permits Division an application to revise its Title V permit (No. O2594) to change the applicable volatile organic compounds ("VOC") content limits from those specified for miscellaneous metals parts and coating facilities to those applicable to facilities that apply coatings for aerospace use.
10. 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.
11. 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.
12. 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

During an investigation conducted on August 25, 2008, a TCEQ Dallas/Fort Worth Regional Office investigator documented that General Dynamics violated 30 TEX. ADMIN. CODE §§ 115.421(a)(9)(A)(iii), 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b) and Federal Operating Permit No. O2594, General Terms and Conditions, by failing to comply with the allowable VOC limit of 3.5 pounds per gallon ("lbs/gal") of coating (minus water and exempt solvent) delivered to the application system as an extreme performance coating. Specifically, non-compliant coatings in use ranged from a VOC content of 3.508 to 29.829 lbs/gal.

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 6 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 considering or requiring corrective action or penalties for violations which are not raised here.
2. General Dynamics shall undertake the following technical requirements:
 - a. General Dynamics shall respond fully and promptly to all requests for additional information that may be made in connection with its pending (May 29, 2009) application for a Title V permit revision related to the applicable requirements of 30 TEX. ADMIN. CODE § 115.421(a).
 - b. Within 60 days after final TCEQ action on the pending application for a Title V permit revision, General Dynamics submit written certification, as described below, of compliance with the coatings VOC content rules determined by the Title V permit to be applicable requirements. The written certification as described below shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Alyssa Taylor, Manager
Dallas/Fort Worth Regional Office
Texas Commission on Environmental Quality
2309 Gravel Drive
Fort Worth, Texas 76118-6951

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 Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be

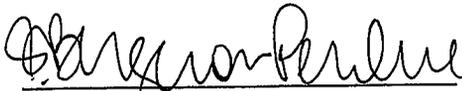
transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

8. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of this Agreed Order to General Dynamics, or three days after the date on which the Commission mails notice of this Agreed 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



For the Executive Director

12/14/09

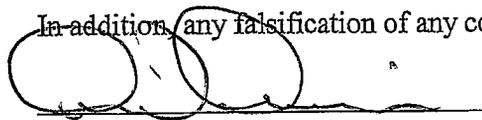
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that 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 my failure to comply with the Ordering Provisions, if any, in this order and/or my 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.



Signature

9-8-09

Date

DAVID DUNAVIN

Name (Printed or typed)
Authorized representative of
General Dynamics Ordnance and Tactical Systems, Inc.

DIRECTOR & GENERAL MANAGER

Title