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EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2011-0092-AIR-E **TCEQ ID:** RN102660909 **CASE NO.:** 40996
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 AND 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
<p>SITE WHERE VIOLATION(S) OCCURRED: General Dynamics Ordnance OTS, 1200 North Glenbrook Drive, Garland, Dallas County</p> <p>TYPE OF OPERATION: Aerospace manufacturing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 16, 2011. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Mr. David Dunavin, Director and General Manager, General Dynamics Ordnance and Tactical Systems, Inc., 1200 North Glenbrook Drive, Garland, Texas 75040-5029 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: October 28, 2010</p> <p>Date of NOV/NOE Relating to this Case: January 4, 2011 (NOE)</p> <p>Background Facts: This was a records review.</p> <p>AIR</p> <p>Failed to submit the Permit Compliance Certifications ("PCC") within the required time frame. Specifically, the PCC for the June 29, 2009 through June 28, 2010 period was due on July 28, 2010, but was not submitted until December 7, 2010 [30 TEX. ADMIN. CODE § 122.146(1) and (2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$2,925</p> <p>Total Deferred: \$585 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$2,340</p> <p>Compliance History Classifications: Person/CN - Average Site/RN - Average</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. On December 2, 2010, modified their compliance matrix to include the submittal of the PCC in order to ensure that the reports are submitted in a timely manner; and</p> <p>b. On December 7, 2010, submitted the PCC for the annual period from June 29, 2009 through June 28, 2010 to the Dallas/Fort Worth Regional Office.</p>

Additional ID No(s): Air Account DBo482W



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	10-Jan-2011	Screening	11-Jan-2011	EPA Due	1-Oct-2011
	PCW	12-Jan-2011				

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.	40996	No. of Violations	1
Docket No.	2011-0092-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Nadia Hameed
		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** **\$2,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **42.0%** Enhancement **Subtotals 2, 3, & 7** **\$1,050**

Notes: Enhancement for two orders with denial of liability and one same/similar NOV. Reduction for one Notice of Intent to conduct an audit and one Disclosure of Violations.

Culpability No **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$625**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$11
 Approx. Cost of Compliance \$500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$2,925**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$2,925**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$2,925**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$585**

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$2,340**

Screening Date 11-Jan-2011

Docket No. 2011-0092-AIR-E

PCW

Respondent General Dynamics Ordnance and Tactical Systems

Policy Revision 2 (September 2002)

Case ID No. 40996

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102660909

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	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 (<i>number of judgements or consent decrees meeting criteria</i>)	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 (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	1	-2%
<i>Please Enter Yes or No</i>			
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) 42%

>> **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

Enhancement for two orders with denial of liability and one same/similar NOV. Reduction for one Notice of Intent to conduct an audit and one Disclosure of Violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 42%

Screening Date 11-Jan-2011

Docket No. 2011-0092-AIR-E

PCW

Respondent General Dynamics Ordnance and Tactical Systems, Inc.

Policy Revision 2 (September 2002)

Case ID No. 40996

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102660909

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 122.146(1) and (2) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit the Permit Compliance Certification ("PCC") within the required time frame. Specifically, the PCC for the June 29, 2009 through June 28, 2010 period was due on July 28, 2010, but was not submitted until December 7, 2010.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	X			25%

Matrix Notes 100 percent of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 133 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended for the one late report.

Good Faith Efforts to Comply

25.0% Reduction

\$625

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

Notes The Respondent completed the corrective actions on December 7, 2010, prior to the January 4, 2011 NOE.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$11

Violation Final Penalty Total \$2,925

This violation Final Assessed Penalty (adjusted for limits) \$2,925

Economic Benefit Worksheet

Respondent General Dynamics Ordnance and Tactical Systems, Inc.
Case ID No. 40996
Req. 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
<i>No commas or \$</i>							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$250	28-Jul-2010	2-Dec-2010	0.35	\$0	\$6	\$6
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)	\$250	28-Jul-2010	7-Dec-2010	0.36	\$5	n/a	\$5

Notes for DELAYED costs

Estimated cost to submit the PCC (completed on December 7, 2010) and to implement procedures designed to ensure the timely submittal of future PCCs (completed on December 2, 2010). Date Required is the date the report was due and the Final Date is the date of compliance.

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

\$500

TOTAL

\$11

Compliance History

Customer/Respondent/Owner-Operator:	CN603471806	General Dynamics Ordnance and Tactical Systems, Inc.	Classification: AVERAGE	Rating: 18.50
Regulated Entity:	RN102660909	GENERAL DYNAMICS OTS	Classification: AVERAGE	Site Rating: 18.50
ID Number(s):	POLLUTION PREVENTION PLANNING	ID NUMBER		P00809
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID		TXD007332224
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)		30434
	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		93194
	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
	AIR NEW SOURCE PERMITS	REGISTRATION		88673
	STORMWATER	PERMIT		TXR05Q837
	AIR OPERATING PERMITS	ACCOUNT NUMBER		DB0482W
	AIR OPERATING PERMITS	PERMIT		2594
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER		DB0482W

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

TCEQ Region: REGION 04 - DFW METROPLEX

Date Compliance History Prepared: January 11, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 11, 2006 to January 11, 2011

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

Name: Nadia Hameed Phone: 713-767-3629

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

1660

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 plaforization 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 demostrate 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.

1660

Effective Date: 01/28/2010

ADMINORDER 2008-1447-AIR-E

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)

Rqmt Prov: 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.

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 08/30/2006 (510828)
- 2 12/22/2006 (514470)
- 3 02/21/2008 (612630)
- 4 07/21/2008 (685966)
- 5 08/29/2008 (701069)
- 6 08/06/2009 (726470)

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter H 116.814(a)

Description: Failure to physically label all emission points.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter H 116.814(a)

Description: Failed to maintain an up to date plot plan.

Viol. Classification: Minor
Citation: 30 TAC Chapter 106, SubChapter S 106.433(5)
30 TAC Chapter 106, SubChapter A 106.8(c)(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter H 116.841(a)

Description: Failed to keep records of quarterly opacity observations.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)

Description: Failed to maintain compliance with representations and permit conditions related to stack heights and rain caps on 6 paint booths.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter H 116.814(a)

Description: Failed to maintain records related to the use of substitute coatings.

Viol. 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)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter H 116.814(a)

Description: Failed to maintain records and compile reports related to coating operations.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
30 TAC Chapter 116, SubChapter B 116.115(a)
30 TAC Chapter 116, SubChapter B 116.115(b)

Description: Failed to correctly represent dust collectors.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)
30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failed to maintain compliance with permit conditions concerning physical parameters of plafORIZATION unit stacks.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failed to maintain documentation of abrasive blasting booth filter control efficiency and inability to confirm compliance with associated limit on outlet grain loading.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)

Description: Failed to have NSR authorization for lathe and zyglo inspection station.

Viol. Classification: Minor
Citation: 30 TAC Chapter 106, SubChapter T 106.454(2)(C)

Description: Failed to use compliant solvent at the degreasers.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.110
30 TAC Chapter 116, SubChapter H 116.810
30 TAC Chapter 122, SubChapter B 122.121

Description: Failed to correctly name the permittee listed in Title V Permit, NSR permit and VERP.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)

Description: Failed to have NSR authorization for degreaser and use of two lubricants.

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**

§ **BEFORE THE**
§
§
§ **TEXAS COMMISSION ON**
§
§ **ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2011-0092-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 Ordnance and Tactical Systems, Inc. ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates an aerospace manufacturing plant 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. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about January 9, 2011.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Two Thousand Nine Hundred Twenty-Five Dollars (\$2,925) is assessed by the Commission in settlement of the violations alleged in

Section II ("Allegations"). The Respondent has paid Two Thousand Three Hundred Forty Dollars (\$2,340) of the administrative penalty and Five Hundred Eighty-Five Dollars (\$585) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred 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 the Respondent 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 the Respondent has implemented the following corrective measures at the Plant:
 - a. On December 2, 2010, modified their compliance matrix to include the submittal of the Permit Compliance Certifications ("PCC"), in order to ensure that the reports are submitted in a timely manner; and
 - b. On December 7, 2010, submitted the PCC for the annual period from June 29, 2009 through June 28, 2010 to the Dallas/Fort Worth Regional Office.
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 the Respondent 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

As owner and operator of the Plant, the Respondent is alleged to have failed to submit the PCC within the required time frame, in violation of 30 TEX. ADMIN. CODE § 122.146(1) and (2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 28, 2010. Specifically, the PCC for the June 29, 2009 through June 28, 2010 period was due on July 28, 2010, but was not submitted until December 7, 2010.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's 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 Ordnance and Tactical Systems, Inc., Docket No. 2011-0092-AIR-E" to:

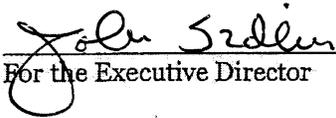
Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent 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.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent 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.
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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

4-27-2011
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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



Signature

4-21-2011
Date

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

DIRECTOR AND GENERAL MANAGER
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.