STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-05-0051**
LOCKHEED MARTIN CORPORATION	*	
	*	
AI # 9145	*	
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	**Enforcement Tracking No**
	*	**XP-AE-05-0086**
	*	

SETTLEMENT

The following Settlement is hereby agreed to between Lockheed Martin Corporation ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation who operates a space craft parts design and assembly facility located at 13800 Old Gentilly Road, New Orleans, Orleans Parish, Louisiana ("the Facility").

II

On April 1, 2005, the Department issued an Expedited Penalty Agreement and Notice of Potential Penalty, Enforcement No. XP-AE-05-0086 to Respondent, which was based upon the following findings of fact:

A recent inspection and/or file review of the facility on or about March 24, 2005 revealed the following violations of the Environmental Quality Act.

A. The Respondent submitted the facility's Title V semiannual monitoring form for the period encompassing August 5, 2003, through December 31, 2003, dated January 11, 2005, and received on January 14, 2005. The report was due on March 31, 2004. This late submittal was listed as a deviation within this report. This late submittal violated Part 70 General Condition K of Title V Permit Number 2854-VO, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

B. The Respondent submitted the facility's Title V semiannual monitoring form for the period encompassing January through June 2004, dated January 11, 2005, and received on January 14, 2005. The report was due on September 30, 2004. This late submittal was listed as a deviation within this report. This late submittal violated Part 70 General Condition K of Title V Permit Number 2854-VO, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

C. The Respondent submitted the facility's 2003 Title V annual compliance certification dated January 11, 2005, and received on January 14, 2005. This report was due on March 31, 2005. This late submittal was listed as a deviation within this report. This late submittal violated Part 70 General Condition M of Title V Permit Number 2854-VO, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($1,500.00) of which One Hundred Seventy-Seven and 25/100 Dollars ($177.25) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement

V

Respondent, in addition to the penalty amount specified in Paragraph IV above and as part of this Settlement, agrees to expend the amount of THREE THOUSAND AND NO/100 DOLLARS ($3,000.00) to implement and/or perform the following beneficial environmental projects:

> Within 120 days of receiving notice of the Secretary's signature on this agreement, Respondent will procure or pay for $3,000.00 worth of conventional, durable scientific equipment to be donated to the Ben Franklin High School, 2001 Leon C. Simon Dr., New Orleans, Louisiana 70122. The equipment to be purchased will be chosen by the school's principal, for the school's Science department.

The total amount of money expended by Respondent on cash payments to DEQ and on beneficial environmental projects, as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30: 2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Expedited Penalty Agreement and Notice of Potential Penalty, and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from

objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act and the rules relating to beneficial environmental projects set forth in LAC 33:I.Chapter 25.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Orleans Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted

a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

LOCKHEED MARTIN CORPORATION

BY: _____
(Signature)

Thomas G. Fierke
(Print)

TITLE: General Counsel

THUS DONE AND SIGNED in duplicate original before me this 8th day of August, 20 06, at New Orleans, Louisiana

Judith A. Bilich
NOTARY PUBLIC (ID # 56691)

Judith A. Bilich
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: _____
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 17th day of November, 20 06, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # 32771)

Randall S. Reed
(Print)

Approved: _____
Harold Leggett, Ph.D., Assistant Secretary