STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-HE-14-0027**
NORTH AMERICAN SHIPBUILDING, L.L.C.	*	
	*	**Enforcement Tracking No.**
AI # 26155	*	**HE-PP-11-01118**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between North American Shipbuilding, L.L.C. ("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 limited liability company that owns and/or operates a facility located in Larose, Lafourche Parish, Louisiana ("the Facility").

II

On October 22, 2012, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. HE-PP-11-01118, which was based upon the following findings of fact:

"On or about March 17, 2010, an inspection of **NORTH AMERICAN SHIPBUILDING,** owned and/or operated by **NORTH AMERICAN SHIPBUILDING, L.L.C. (RESPONDENT),** was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located at 800 Industrial Park Road in Larose, Lafourche Parish, Louisiana. The facility is operating as a large quantity generator of

hazardous waste with EPA identification number LAR000009183.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection:

A. The Respondent failed to include on a hazardous waste manifest the description of the waste(s) (e.g., proper shipping name, EPA hazardous waste number, etc.) required by Hazardous Materials Regulations of the Louisiana Department of Public Safety in LAC 33:V.Subpart 2.Chapter 101, in violation of LAC 33:V.1107.B.1.d. Specifically, the facility shipped waste aerosol cans offsite on 2/24/10, on hazardous waste manifest number 000125275 and did not include hazardous waste code D003.

B. The Respondent failed to include in the facility's contingency plan a listing of fire extinguishing equipment and the location of each item on the list as required by LAC 33:V.1513.B.5, in violation of LAC 33:V.1109.E.1.e.

C. The Respondent failed to include in the facility's contingency plan an evacuation plan that describes evacuation routes as required by LAC 33:V.1513.B.6, in violation of LAC 33:V.1109.E.1.e.

D. The Respondent failed to submit a copy of the facility's contingency plan to the local police department and hospital that may be called upon to provide emergency services as required, by LAC 33:V.1513.C.2, in violation of LAC 33:V.1109.E.1.e.

E. The Respondent failed to inspect, at least weekly, areas where containers are stored, looking for leaking containers and for deterioration of containers in accordance with, LAC 33:V.2109.A, in violation of LAC 33:V.1109.E.1.a.i. Specifically, the facility failed to inspect plastic drums located in the facility's less than ninety (90) day hazardous waste storage area containing waste aerosol paint cans that had not been punctured or drained.

F. The Respondent failed to successfully complete a program of classroom training or job experience for thirty-two (32) facility personnel and an annual refresher for six (6) personnel that teaches them to perform their duties in a way that ensures the facility's compliance with the hazardous waste regulations as required under LAC 33:V.1515, in violation of LAC 33:V.1109.E.1.e.

G. The Respondent failed to clearly mark two (2) drums storing hazardous waste aerosol cans, located in the Thinner Building less than ninety (90) day storage area, with the date upon which each period of accumulation began, in violation of LAC 33:V.1109.E.1.c.

H. The Respondent failed to label two (2) drums storing hazardous waste aerosol cans, located in the Thinner Building less than ninety (90) day storage area, with the words

"Hazardous Waste", in violation of LAC 33:V.1109.E.1.d.

I. The Respondent failed to place hazardous waste into a closed and properly labeled container at or near a point of generation where wastes initially accumulate as required by LAC 33:V.2107.A, in violation of LAC 33:V.1109.E.4. Specifically, rags are used to wipe up spent #2 solvent, with a flash point of less than one hundred forty (140) degrees, and the rags are placed in an uncovered and unlabeled trash can for a day or two (2). When the container is full, personnel sort through the waste in the trash can and transfer the rags to the less than ninety (90) day storage area.

J. The Respondent failed to label or mark clearly eight (8) drums of used oil, one (1) drum of used oil filters, and three (3) five gallon buckets of used oil stored in the Thinner Building Used Oil Storage Area with the words "used oil," in violation of LAC 33:V.4013.D.1.

K. The Respondent failed to label or mark a container holding a waste battery or the waste battery in the Universal Waste Storage Area with one of the following phrases: "Universal Waste - Battery(ies)," or "Waste Battery(ies)," or "Used Battery(ies)," in violation of LAC 33:V.3823.A.1.

L. The Respondent failed to store universal waste lamps in a closed container, in violation of LAC 33:V.3821.D.1. Specifically, metal halide and fluorescent lamps were placed, unpacked, in an uncovered plastic trash can and an uncovered plastic drum in the Universal Waste Storage Area.

A follow-up inspection on or about April 2, 2012, revealed that all violations noted during the March 17, 2010, inspection were corrected."

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 TWENTY-TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($22,500.00), of which Eight Hundred Ninety-One and 32/100 Dollars ($891.32) represents the Department's enforcement

costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), the NOPP, 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.

VI

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.

VII

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 La. R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal

of the parish governing authority in Lafourche 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 an original proof-of-publication affidavit and an original public notice 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.

IX

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 Accountant Administrator, 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).

X

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

XI

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

NORTH AMERICAN SHIPBUILDING, L.L.C.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary