

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY - Region 09
REGION 9**

75 Hawthorne Street
San Francisco, California 94105

In the Matter of:) Docket No. RCRA-9-2016- 0001

GUAM INDUSTRIAL SERVICES, INC.,) **CONSENT AGREEMENT
AND PROPOSED FINAL ORDER**

EPA ID. No. GUR000032540,)
Respondent.)
Proceedings pursuant to
40 C.F.R. §§ 22.13 and 22.18

I. CONSENT AGREEMENT

A. PRELIMINARY STATEMENT

1. This is a civil administrative enforcement action instituted pursuant to Section 3008(a)(1) of the Resource Conservation and Recovery Act ("RCRA"), as amended, 42 U.S.C. § 6928(a)(1), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 Code of Federal Regulations ("C.F.R.") Part 22. Complainant is the United States Environmental Protection Agency, Region 9 ("EPA"). Respondent is Guam Industrial Services, Inc. ("Respondent" or "GIS"), located at the Guam Shipyard, Santa Rita, Guam, and with an office located at 151 West Harmon Industrial Park Boulevard, Tamuning, Guam, 96913.

2. This Consent Agreement and Final Order pursuant to 40 C.F.R. Sections 22.13 and 22.18 ("CA/FO"), simultaneously commences and concludes this proceeding, wherein EPA alleges that Respondent failed to:

- a. Make a hazardous waste determination, a violation of 22 Guam Administrative Regulations (“G.A.R.”) § 30103¹ [see also 40 C.F.R. § 262.11];
- b. Obtain a permit for the treatment and storage of hazardous waste, 22 G.A.R. §§ 30104 and 30109 [see also 40 C.F.R. § 262.34 and 40 C.F.R. § 270.1(c)];
- c. Failure to provide adequate aisle space, 22 G.A.R. §§ 30104 and 30107(a) and 40 C.F.R. §§ 262.34(a)(4) and 265.35];
- d. Maintain emergency equipment, 22 G.A.R. §§ 30104(a) and 30107 [see also 40 C.F.R. §§ 262.34(a)(4) and 265.32];
- e. Manage (close) containers, 22 G.A.R. §§ 30104(a) and 30107 [see also 40 C.F.R. §§ 262.34(a)(1)(i) and 265.173];
- f. Adequately maintain and operate the Facility to minimize the possibility of an unplanned release, 22 G.A.R. § 30107 [see also 40 C.F.R. § 265.31];
- g. Store hazardous waste in containers in good condition, 22 G.A.R. § 30107(e) [see also 40 C.F.R. §§ 265.171 and 265.173(b)];
- h. Conduct inspections of containers in hazardous waste accumulation area, 22 G.A.R. § 30107 [see also 40 C.F.R. § 265.174]; and
- i. Submit Biennial Reports 22 G.A.R. § 30104 [see also 40 C.F.R. § 262.41(a) and 40 C.F.R. § 262.41(b)].

3. Each violation described in Paragraph 2 above is a violation of Section 3001 *et seq.* of RCRA, 42 U.S.C. § 6921 *et seq.*, and Guam’s federally authorized hazardous waste management regulations (“HWMRs”).

B. FINDINGS

4. At all times relevant to this CA/FO, Respondent owned and/or operated a ship repair facility, a “Facility” as that term is defined at 22 G.A.R. § 30102(d)(3) located on the former U.S. Ship Repair Facility (“SRF”) Naval Base Guam, in Santa Rita, Guam (the “Facility”).

5. Respondent is a for-profit corporation organized pursuant to the laws of the Territory of Guam in 1997, and a “person” as defined in 22 G.A.R. § 30102(d)(5), Section 1004(15) of the Act, 42 U.S.C. § 6903(15), and 40 C.F.R. § 260.10.

¹ Guam’s Hazardous Waste Management Regulations (“HWMRs”) are found at 22 G.A.R. §§ 30101-30113. EPA is enforcing Guam’s hazardous waste management program requirements as approved and authorized by the United States. Corresponding Federal citations are provided in brackets.

1 6. At all times relevant to this CA/FO, Respondent was a “generator” of hazardous waste
2 at the Facility as defined in 22 G.A.R. § 30102 (*see also* 40 C.F.R. § 260.10).

3 7. At all times relevant to this CA/FO, activities at the Facility included “storage” of
4 hazardous waste as that term is defined at in 22 G.A.R. § 30102 (*see also* 40 C.F.R. § 260.10).

5 8. At all times relevant to this CA/FO, Respondent generated and stored materials at the
6 Facility that were “wastes” as defined in G.A.R. §§ 30102 and 30103 (*see also* 40 C.F.R. §§
7 260.10 and 261.2).

8 9. At all times relevant to this CA/FO, Respondent generated and stored “hazardous
9 waste” as defined by § 30102 (*see also* Section 1004(5) of RCRA, 42 U.S.C. § 6903(5); 40
10 C.F.R. §§ 260.10 and 261.3). This hazardous waste included, but was not limited to: fluorescent
11 light bulbs, waste flammable liquids (D001), waste battery fluid acid (D002), lead paint (D008)
12 zinc powder (D003), and oily rags (D001).

13 10. On or about October 10, 1997, Respondent provided a RCRA Section 3010
14 Notification of Regulated Waste Activity to Guam EPA indicating Respondent generated
15 hazardous waste at its Facility.

16 11. In response to Respondent’s notification, for the off-site disposal of hazardous waste,
17 EPA assigned Respondent’s Facility with EPA Identification Number is GUR000032540.

18 12. Respondent generated 1,000 kilograms (“kg”) or more of hazardous waste for at least a
19 month as of January 2012 and was a Large Quantity Generator (“LQG”), pursuant to 22 G.A.R.
20 § 30104 [*see also* 40 C.F.R. § 262.34(a)].

21 13. On April 16, 2012 and July 18-19, 2013, inspectors from the EPA conducted
22 unannounced RCRA Compliance Evaluation Inspections (“CEIs”) at the Facility. The purpose of
23 the inspections was to determine the Facility’s compliance with applicable federal environmental
24 statutes and regulations, and in particular RCRA, as amended, and the regulations in 40 C.F.R.
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1 Parts 261-265, 268, 273 and 279, and Guam's HWMRs at 22 G.A.R. §§ 30101-30113. Based
2 upon the findings EPA made during the inspections, and additional information obtained
3 subsequent to the inspection, EPA determined that Respondent had violated RCRA and the
4 regulations adopted pursuant thereto, and Guam's HWMRs.

5 14. On March 26, 2014, an EPA Inspector conducted a focused compliance inspection of
6 Respondent's Facility, and specifically the Hazardous Materials Building 2002. Based on the
7 observations made by the EPA Inspector during this inspection, and additional information
8 obtained subsequent to the focused compliance inspection (and CEI), EPA determined that
9 Respondent violated RCRA, and the regulations adopted pursuant thereto, as approved and
10 authorized by the United States.

11 15. On April 23 and 30, 2014, Respondent recorded on separate manifests the removal and
12 disposal of 35,177 pounds of hazardous waste, including flammable liquids, from the Facility.

13 16. Section 3006 of RCRA, 42 U.S.C. § 6926, provides that authorized state hazardous
14 waste programs are carried out under Subtitle C of RCRA. On January 27, 1986, the U.S.
15 Territory of Guam received authorization to administer the hazardous waste management
16 program in lieu of the federal program pursuant to Section 3006 of RCRA, 42 U.S.C. § 6926,
17 and 40 C.F.R. Part 271. The authorized program is established pursuant to 10 Guam Code
18 Annotated (G.C.A.) § 51103(a)(8). The Territory of Guam has been authorized for all the
19 regulations referenced in this CA/FO.

20 17. A violation of Guam's authorized hazardous waste program constitutes a violation of
21 Subtitle C of RCRA and, therefore, a person who violates Guam's authorized hazardous waste
22 program is subject to the powers vested in the EPA Administrator by Section 3008 of RCRA, 42
23 U.S.C. § 6928.

1 18. Section 3008(g) of RCRA, 42 U.S.C. § 6928(g), as adjusted by the Debt Collection
2 Improvement Act of 1996 (*see also* 40 C.F.R. Part 19) authorizes the EPA Administrator to seek
3 penalties of up to \$37,500 per day per violation of any requirement of Subtitle C of RCRA,
4 Section 3001 of RCRA *et seq.*, 42 U.S.C. § 6921 *et seq.*

5 19. The Administrator has delegated the authority under Section 3008 of RCRA, 42 U.S.C.
6 § 6928, to the EPA Regional Administrator for Region 9, who has redelegated this authority to
7 the Director, Deputy Director, Assistant Directors and Managers of the Enforcement Division.

8 C. ALLEGED VIOLATIONS

9 COUNT I

10 Failure to make hazardous waste determinations 11 (Violation of 22 G.A.R. § 30103 and 40 C.F.R. § 262.11)

12 20. Paragraphs 1 through 19 above are incorporated herein by this reference as if they were
13 set forth here in their entirety.

14 21. 22 G.A.R. § 30104 (*see also* 40 C.F.R. § 262.11) requires that a person who generates a
15 solid waste, as defined in 22 G.A.R. § 30103 (*see also* 40 C.F.R. § 261.2), must determine if that
16 waste is a hazardous waste.

17 22. Respondent generates waste paint (RCRA waste codes D001 and D008), aerosol cans
18 (RCRA waste code D003) crushed bulbs, (RCRA waste code D009) zinc dust (RCRA waste
19 code D001 and D003) and waste flammable liquids (RCRA waste code D001).

20 23. At the time of the CEIs, EPA alleges that Respondent had not determined that the
21 wastes it had generated were hazardous. Respondent did not make any waste determinations until
22 completing Uniform Hazardous Waste Manifests on April 23 and 30, 2014. In response to the
23 April 16, 2012 EPA inspection, Respondent confirmed in its June 6, 2012 response that its
24 designation of unpunctured aerosol cans and waste battery acid as non-hazardous solid waste
25 was in error.

1 24. Respondent's failure to make all necessary hazardous waste designations until April 23
2 and 30, 2014 violated 22 G.A.R. § 30103 (*see also* 40 C.F.R. § 262.11).

3 COUNT II

4 Failure to obtain a permit for storage of hazardous waste
5 (Violation of 22 G.A.R. §§ 30104 and 30109, and 40 C.F.R. §§ 262.34 and 270.1(c))

6 25. Paragraphs 1 through 24 above are incorporated herein by this reference as if they were
7 set forth here in their entirety.

8 26. 22 G.A.R. § 30104 (*see also* 40 C.F.R. § 262.34) allows generators of hazardous waste
9 to accumulate hazardous waste on-site for certain specified time periods without a permit or
10 interim status as long as they comply with specified waste management practices, including the
11 labeling of hazardous waste containers (*see also* 40 C.F.R. § 270.1).

12 27. In order to be eligible to accumulate hazardous waste without a permit or interim status,
13 generators of hazardous waste must limit the duration of storage to less than 90 days. 22 G.A.R.
14 §§ 30103(e) and 30104 (*see also* 40 CFR §§ 261.5 and 262.34).

15 28. In addition, in order to be eligible to accumulate hazardous waste without a permit or
16 interim status, generators of hazardous waste must, among other requirements:

- 17 a. Place hazardous waste in containers and label containers of hazardous waste with
18 the words "Hazardous Waste" and the date they start accumulating hazardous
19 waste in each container, pursuant to 22 G.A.R. § 30104 [*see also* 40 C.F.R. §
20 262.34(a)];
- 21 b. Maintain aisle space to allow the unobstructed movement of personnel, fire
22 protection equipment, spill control equipment, and decontamination equipment to
23 any area of facility operation in an emergency, unless the aisle space is not needed
24 for any of these purposes, pursuant to 2 G.A.R. §§ 30104 and 30107(a) [*see also*
25 and 40 C.F.R. § 262.34(a)(4) and 265.35];
- 26 c. Maintain emergency equipment, pursuant to 22 G.A.R. §§ 30104(a) and 30107
27 [*see also* 40 C.F.R. §§ 262.34(a)(4) and 265.32]; and
- 28 d. Keep hazardous waste containers closed during storage, except when it is
29 necessary to add or remove waste, pursuant to 22 G.A.R. §§ 30104(a) and 30107
30 [*see also* 40 C.F.R. §§ 262.34(c)(1)(i) and 265.173(a)].

1 29. 22 G.A.R. § 30109 also requires that owners and operators of facilities that store
2 hazardous wastes are required to be eligible for interim status or obtain a hazardous waste permit
3 (*see also* 40 C.F.R. § 270.1(b) and Section 3005 of RCRA, 42 U.S.C. § 6925).

4 30. At the time of the April 16, 2012 CEI, Respondent was storing spent fluorescent bulbs
5 without appropriate labeling or containment adjacent to the Facility's Electrical Shop Area.

6 31. At the time of the July 18-19, 2013 CEI, Respondent had not labeled several containers
7 of RCRA hazardous waste with the words "hazardous waste" or include the required
8 accumulation start date; and Respondent was storing waste fluorescent bulbs and empty aerosol
9 cans in unlabeled containers.

10 32. At the time of the 2012 and 2013 CEIs and March 26, 2014 focused compliance
11 inspection, Respondent had generated and/or was storing hazardous waste in Facility Building
12 2002 beyond the 90 day limit for storage without a permit, and on April 23, 2014 and April 30,
13 2014 Respondent recorded the disposal of 35,177 pounds of hazardous waste, including
14 flammable liquids, on its manifests.

15 33. At the time of the 2012 and 2013 CEIs and March 26, 2014 focused compliance
16 inspection, and for all periods relevant to this action, Respondent was not eligible for interim
17 status under RCRA, nor was Respondent in possession of a permit to store or treat hazardous
18 waste, and therefore Respondent was in violation of 22 G.A.R. § 30109 [*see also* 40 C.F.R. §
19 270.1(b) and Section 3005 of RCRA, 42 U.S.C. § 6925].

20 34. At the time of the March 26, 2014 focused compliance inspection, Respondent was
21 improperly storing crushed fluorescent bulbs (D009).

22 35. Respondent's storage of hazardous waste without a RCRA permit violated 22 G.A.R.
23 §§ 30104 and 9 (*see also* 40 C.F.R. § 270.1) and 42 U.S.C. § 6925.
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COUNT III

Failure to provide adequate aisle space

[Violation of 22 G.A.R. §§ 30104 and 30107(a) and 40 C.F.R. §§ 262.34(a)(4) and 265.35]

36. Paragraphs 1 through 35 above are incorporated herein by this reference as if they were set forth here in their entirety.

37. 22 G.A.R. §§ 30104 and 30107(a) [see also and 40 C.F.R. §§ 262.34(a)(4) and 265.35] require that a generator maintain aisle space to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment, and decontamination equipment to any area of facility operation in an emergency, unless the aisle space is not needed for any of these purposes.

38. At the time of the July 18-19, 2013 CEI, there was insufficient aisle space in Facility Building 2002 for the EPA inspector to walk through to inspect hazardous waste containers.

39. Respondent's failure to provide adequate aisle space in the hazardous waste storage container areas violated 22 G.A.R. § 30107(a) [see also 40 C.F.R. §§ 262.34(a)(4) and 265.35].

COUNT IV

Failure to maintain emergency equipment

(Violation of 22 G.A.R. §§ 30104(a) and 30107, and
40 C.F.R. §§ 262.34(a)(4) and 265.32)

40. Paragraphs 1 through 39 above are incorporated herein by this reference as if they were set forth here in their entirety.

41. The regulations at 22 G.A.R. §§ 30104(a) and 30107 and 40 C.F.R. §§ 262.34(a)(4) and 265.32 require that a generator maintain emergency equipment.

42. At the time of the July 18-19, 2013 CEI, the EPA inspectors observed that the Hazardous Waste Storage Area had no water connection, rendering the fire suppression system, emergency eye wash and shower nonfunctional. In addition, the spill kit at the Facility's Used Oil Lot was empty.

1 43. Respondent's failure to maintain emergency equipment violated 22 G.A.R. §§ 30104(a)
2 and 30107 [see also 40 C.F.R. §§ 262.34(a)(4) and 265.32].

3 COUNT V

4 Failure to keep a hazardous waste storage container closed
5 (Violation of 22 G.A.R. §§ 30104(a) and 30107 and
40 C.F.R. §§ 262.34(a)(1)(i) and 265.173(a))

6 44. Paragraphs 1 through 43 above are incorporated herein by this reference as if they were
7 set forth here in their entirety.

8 45. 22 G.A.R. §§ 30104(a) and 30107 [see also 40 C.F.R. §§ 262.34(c)(1)(i) and
9 265.173(a)] requires that a generator keep hazardous waste containers closed during storage,
10 except when it is necessary to add or remove waste.

11 46. At the time of the April 16, 2012 CEI, EPA Inspectors observed an open container of
12 hazardous paint and epoxy waste (D008) in the Facility Paint Shop, and an open container of
13 hazardous aerosol cans (D001 and D003) in the Facility's Electrical Shop, when no waste was
14 being added to or removed from these containers.

15 47. At the time of the July 18-19, 2013 CEI, the EPA inspectors observed an open 55-
16 gallon container of waste paint and thinner hazardous waste (D001, potentially D008) in the
17 Facility Paint Shop, two unlabeled waste lead-acid batteries in an open box outside of the
18 Machine Shop and several punctured (open) containers in the Hazardous Waste Accumulation
19 Area.

20 48. At the time of the March 26, 2014 focused compliance inspection, the EPA inspector
21 observed a severely corroded and open container of flammable waste in Facility Building 2002.

22 49. Respondent's failure to keep hazardous waste containers closed during storage violated
23 22 G.A.R. §§ 30104(a) and 30107 [see also 40 C.F.R. §§ 262.34(c)(1)(i) and 265.173(a)].
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1 COUNT VI

2 Failure to maintain and operate the facility
3 to minimize the possibility of an unplanned release
(Violation of 22 G.A.R. § 30107 and 40 C.F.R. § 265.31)

4 50. Paragraphs 1 through 49 above are incorporated herein by this reference as if they were
5 set forth here in their entirety.

6 51. 22 G.A.R. § 30107 (incorporating 40 C.F.R. § 265.31 by reference) provides that
7 facilities must be maintained and operated to minimize the possibility of a fire, explosion, or any
8 unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to
9 air, soil, or surface water which could threaten human health or the environment.

10 52. At the time of the April 16, 2012 CEI, EPA Inspectors observed the improper storage of
11 paint waste (D001) stored outside the Facility's Machine Shop; and during the July 18-19, 2013
12 CEI, EPA Inspectors observed that (i) there was no water connection to the Hazardous Waste
13 Storage Area, rendering the fire suppression system inoperable; (ii) emergency equipment (spill
14 kits) was missing from the Used Oil lot; (iii) the drainage valve to the Used Oil Lot was found in
15 the open position, (iv) the drainage valve to the Hazardous Waste Storage Area was found in the
16 open position; (v) oily rags (identified by Respondent as hazardous waste in its Contingency Plan
17 and Storm Water Pollution Prevention Plan) were stored in the Used Oil Lot without containers;
18 (vi) significant staining from previous spills was noted on the ground in the Hazardous Waste
19 Storage Area and the Used Oil Lot; and (vii) numerous containers of hazardous wastes on pallets
20 were leaking inside Facility Building 2002.

21 53. Respondent's failure to minimize the possibility of releases of hazardous waste at the
22 Facility violated 22 G.A.R. § 30107 [*see also* 40 C.F.R. § 265.31 by reference].
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1 COUNT VII

2 Failure to store hazardous waste in a container in good condition
3 (Violation of 22 G.A.R. § 30107(e) and 40 C.F.R. §§ 265.171 and 265.173(b))

4 54. Paragraphs 1 through 53 above are incorporated herein by this reference as if they were
5 set forth here in their entirety.

6 55. Guam's Interim Status Standards for Owners and Operators of Hazardous Waste
7 Treatment, Storage, and Disposal Facilities at 22 G.A.R. § 30107(e) (*see also* 40 C.F.R. §
8 265.173(b)) provides that a container holding hazardous waste must not be opened, handled, or
9 stored in a manner which may rupture the container or cause it to leak.

10 56. 22 G.A.R. § 30107 (incorporating 40 C.F.R. §§ 265.171 and 265.173(b) by reference)
11 provides that if a container holding hazardous waste is not in good condition or begins to leak,
12 the owner or operator shall transfer the hazardous waste from this container to a container in
13 good condition, or manage the waste in some other way that complies with the applicable
14 requirements [*see also* 40 C.F.R. § 262.34(a)(4)].

15 57. At the time of the April 16, 2012 CEI, the EPA Inspectors observed rusty containers of
16 flammable liquids in Facility Building 2002, which Respondent later determined was hazardous
17 waste as stated in its June 6, 2012 response to EPA; and also observed storage of broken waste
18 fluorescent bulbs (D009) in the Facility's Electric Shop Area in a deteriorating cardboard box.

19 58. At the time of the July 18-19, 2013 CEI, the EPA inspectors observed (i) bulging drums
20 and numerous punctured, unlabeled 55-gallon drums observed in the Facility's Hazardous Waste
21 Storage Area; and (ii) multiple pallets of leaking containers of hazardous waste in Facility
22 Building 2002.

23 59. At the time of the March 26, 2014 focused compliance inspection, the EPA inspector
24 observed numerous deteriorating and leaking containers of hazardous waste in Facility Building
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1 2002 and the Facility's Paint Shop; and a severely corroded container of flammable hazardous
2 waste in Facility Building 2002.

3 60. Respondent's storage of hazardous waste in containers that were not in good condition
4 violated 22 G.A.R. § 30107 [*see also* 40 C.F.R. §§ 265.171 and 265.173(b) by reference].

5 COUNT VIII

6 Failure to conduct required hazardous accumulation container inspections
7 (Violation of 22 G.A.R. § 30107 and 40 C.F.R. § 265.174)

8 61. Paragraphs 1 through 60 above are incorporated herein by this reference as if they were
9 set forth here in their entirety.

10 62. G.A.R. § 30107 requires that owners and operators of hazardous waste facilities that
11 store containers of hazardous waste inspect hazardous waste storage areas weekly to look for
12 leaking or deteriorating containers [*see also* 40 C.F.R. § 265.174].

13 63. At the time of the CEIs, Respondent had not conducted any hazardous accumulation
14 container inspections.

15 64. Respondent's failure to conduct hazardous waste container inspections violated G.A.R.
16 § 30107 [*see also* 40 C.F.R. § 265.174].

17 COUNT IX

18 Failure to Submit Biennial Reports

19 [Violation of 22 G.A.R. § 30104(g) and 40 CFR §§ 262.41(a) and 262.41(b)]

20 65. Paragraphs 1 through 64 above are incorporated herein by this reference as if they were
21 set forth here in their entirety.

22 66. 22 G.A.R. § 30104(g) requires that a generator who treats, stores, or disposes of
23 hazardous waste on site or ships any hazardous waste off-site to a treatment, storage or disposal
24 facility within the United States must prepare and submit a single copy of a Biennial Report to
25 the Regional Administrator by March 1 of each even numbered year [*see also* 40 C.F.R. §
262.41(a) and (b)].

1 67. After the April 16, 2012 and July 18-19 2013 CEIs, EPA Inspectors found that
2 Respondent had shipped hazardous waste off-site in 2011 and generated and stored hazardous
3 waste on-site in 2013 but had not submitted the required Biennial Reports in years 2012 and
4 2014 for these wastes.

5 68. Respondent's failure to submit Biennial Reports violated 22 G.A.R. § 30104(g) [*see*
6 *also* 40 C.F.R. § 262.41(a) and (b)].

7 D. CIVIL PENALTY

8 69. Section 3008(g) of RCRA, 42 U.S.C. § 6928(g), as adjusted by the Debt Collection
9 Improvement Act of 1996 and the Civil Monetary Penalty Inflation Adjustment Rule, 40 C.F.R.
10 Part 19, authorizes a civil penalty of up to thirty-seven thousand, five hundred dollars (\$37,500)
11 per day for violations of Subtitle C of RCRA, 42 U.S.C. § 6921 *et seq.*, occurring after January
12 12, 2009. Based upon the facts alleged herein and upon those factors which EPA must consider
13 pursuant to Section 3008(a)(3) of RCRA, 42 U.S.C. § 6928(a)(3), and the 2003 RCRA Civil
14 Penalty Policy ("*Penalty Policy*"), including the seriousness of the violations, any good faith
15 efforts by Respondent to comply with applicable requirements, and any economic benefit
16 accruing to Respondent, as well as such other matters as justice may require, EPA proposes that
17 Respondent be assessed FORTY-FOUR THOUSAND EIGHT HUNDRED NINETY-THREE
18 DOLLARS (\$44,893) as the civil penalty for the violations alleged herein. The proposed
19 penalties were calculated in accordance with the Penalty Policy and EPA's *2015 Update to the*
20 *U.S. Environmental Protection Agency 1998 Supplemental Environmental Project Policy*.

21 E. SUPPLEMENTAL ENVIRONMENTAL PROJECT

22 70. As part of the settlement of this enforcement action, Respondent shall perform a
23 pollution prevention SEP. Performance of the tasks detailed in this Section shall constitute
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1 satisfactory performance of the SEP, which the parties agree is intended to provide significant
2 environmental or public health protection and improvements.

3 71. Within **60 days** of the effective date of this CA/FO, Respondent shall have completed
4 the following tasks, as further described in detail in Respondent's "Guam Industrial Services Inc.
5 Supplemental Environmental Project" ("GIS SEP"), which is attached (**Attachment A**) and
6 hereby incorporated by reference:

- 7 a. Removal of the *Guahan-I*, an abandoned vessel located on the shoreline of the
8 Outer Piti Channel, Apra Harbor, Guam, and proper treatment, storage, handling,
9 and disposal of the *Guahan-I* as scrap, and proper treatment, storage, handling,
10 and disposal any oil or hazardous materials found in or on that vessel, including
11 the abatement of lead paint found in or on the *Guahan-I*, in accordance with all
12 Guam and federal regulations, including RCRA and Guam's HWMRs.
- 13 b. At least seven 7 days prior to removal and disposal of *Guahan-I*, submittal of
14 documentation to EPA of Respondent's coordination with, and securing of any
15 necessary approvals from all appropriate federal and Guam regulatory agencies,
16 including, but not limited to:
 - 17 i. U.S. Coast Guard – Sector Guam
 - 18 ii. National Oceanic and Atmospheric Administration (NOAA)
 - 19 iii. U.S. Army Corps of Engineers
 - 20 iv. Guam Environmental Protection Agency; and
 - 21 v. Port Authority of Guam.
- 22 c. Respondent may use a contractor/consultant to implement the GIS SEP, and
23 Respondent shall provide the EPA with notice of the contractor/consultant prior to
24 the contractor/consultant initiating work to implement the GIS SEP and the EPA
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1 has the right to disapprove a GIS SEP implementer if it does not meet the required
2 criteria.

3 72. Respondent shall incur a minimum of TWO HUNDRED FORTY-NINE THOUSAND,
4 EIGHT HUNDRED AND THIRTY-NINE DOLLARS (\$249,839) in costs for the tasks
5 described in Paragraph 71 and Respondent's GIS SEP scope of work described in Attachment A.

6 73. SEP Completion Report. Within 60 days of completing the GIS SEP tasks described in
7 Paragraph 71 and Attachment A, and incurring the GIS SEP costs provided in Paragraph 72,
8 Respondent shall submit a SEP Completion Report. The SEP Completion Report shall contain
9 the following information:

- 10 a. Documentation of Respondent's coordination with all appropriate Guam and
11 federal entities, and documentation of any approvals or authorizations provided
12 by these entities, made prior and subsequent to the removal and disposal of the
13 *Guahan-I*;
- 14 b. Documentation of Respondent's analysis, treatment, storage, and disposal of any
15 hazardous materials and waste (including lead paint) found on the *Guahan-I*,
16 including the results of any laboratory analyses;
- 17 c. Documentation, including a photographic log, of the removal and disposal of the
18 *Guahan-I*;
- 19 d. A description of any problems encountered with removal and disposal of the
20 *Guahan-I*;
- 21 e. Itemization of the costs of the GIS SEP, including supporting documentation
22 verifying the Respondent's expenditures for this project. This documentation shall
23 include, but is not limited to, copies of receipts, invoices, purchase orders and/or
24 contracts; and
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1 f. Certification by Respondent's authorized representative that the GIS SEP has
2 been fully implemented pursuant to the provisions of this CA/FO.

3 74. Respondent agrees that failure to submit the SEP Completion Report required by
4 Paragraph 73 shall result in Respondent's becoming liable for stipulated penalties pursuant to
5 Paragraph 93.

6 75. Respondent shall maintain legible copies of documentation of the underlying research
7 and data for any and all documents or reports submitted to EPA pursuant to this CA/FO and shall
8 provide the documentation of any such underlying research and data to EPA not more than 7
9 days after a request for such information by EPA. In all documents or reports, including, without
10 limitation, any GIS SEP reports, submitted to EPA pursuant to this CA/FO, Respondent shall, by
11 its authorized representative, sign and certify under penalty of law that the information contained
12 in such document or report is true, accurate, and not misleading by signing the following
13 statement:

14 I certify under penalty of law that I have examined and am familiar with the
15 information submitted in this document and all attachments and that, based on my
16 inquiry of those individuals immediately responsible for obtaining the
17 information, I believe that the information is true, accurate, and complete. I am
aware that there are significant penalties for submitting false information,
including the possibility of fines and imprisonment.

18 76. Respondent shall submit all notices and reports required by this CA/FO via e-mail to
19 the following persons: Rich Campbell, Attorney-Advisor, Office of Regional Counsel, U.S.
20 Environmental Protection Agency Region 9, e-mail: campbell.rich@epa.gov); and Rick Sakow,
21 Enforcement Officer, Enforcement Division, U.S. Environmental Protection Agency Region 9,
22 e-mail: Sakow.rick@epa.gov.

23 77. Respondent agrees that any public statement, oral or written, in print, film, or other
24 media (e.g., the internet), made by Respondent making reference to the GIS SEP under this
25 CA/FO shall include the following language:

1 *This project was undertaken in connection with the settlement of an enforcement*
2 *action, In re: Guam Industrial Services, Inc., taken by the U.S. Environmental*
3 *Protection Agency to enforce federal laws.*

4 78. Respondent has certified (see **Attachment B** to this CA/FO) that there is no open
5 federal financial assistance transaction with EPA or any other federal agency that is funding or
6 could fund the same activities as the proposed GIS SEP and that no GIS SEP recipient or any
7 third party GIS SEP implementer has an open federal financial assistance transaction with EPA
8 or any other federal agency that is funding or could fund the same activity as the proposed GIS
9 SEP.

10 F. ADMISSIONS AND WAIVERS OF RIGHTS

11 79. For the purposes of this proceeding, Respondent admits to the jurisdictional allegations
12 set forth in Part B of this CA/FO and agrees not to contest EPA's jurisdiction and authority to
13 enter into and issue this CA/FO and to enforce its terms. Further, Respondent will not contest
14 EPA's jurisdiction and authority to compel compliance with this CA/FO in any enforcement
15 proceedings, either administrative or judicial, or to impose sanctions for violations of this
16 CA/FO.

17 80. Respondent neither admits nor denies any allegations of fact or law set forth in Part C
18 of this CA/FO. Respondent hereby waives any rights Respondent may have to contest the
19 allegations set forth in this CA/FO, waives any rights Respondent may have to a hearing on any
20 issue relating to the factual allegations or legal conclusions set forth in this CA/FO, including
21 without limitation a hearing pursuant to Section 3008(b) of RCRA, 42 U.S.C. § 6928(b), and
22 hereby consents to the issuance of this CA/FO without adjudication. In addition, Respondent
23 hereby waives any rights Respondent may have to appeal the Final Order attached to this
24 Consent Agreement and made part of this CA/FO.

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G. PARTIES BOUND

81. This CA/FO shall apply to and be binding upon Respondent and its agents, successors and assigns, until such time as the civil penalty required under Part H of this CA/FO has been paid, all tasks required by this CA/FO have been completed, and any delays in performance and/or stipulated penalties have been resolved. At such time as those matters are concluded, this CA/FO shall terminate and constitute full settlement of the violations alleged herein.

82. No change in ownership or corporate, partnership or legal status relating to the Facility will in any way alter Respondent's obligations and responsibilities under this CA/FO.

83. Respondent's undersigned representative hereby certifies to being fully authorized by Respondent to enter into this CA/FO, to execute and to legally bind Respondent to it.

H. PAYMENT OF CIVIL PENALTY

84. Respondent consents to the assessment of and agrees to pay a civil penalty of FORTY-FOUR THOUSAND EIGHT HUNDRED NINETY-THREE DOLLARS (\$44,893) in full settlement of the federal civil penalty claims set forth in this CA/FO.

85. Respondent shall submit payment of the \$44,893 within 60 days of the CA/FO's Effective Date.

86. The Effective Date of this CA/FO is the date the Final Order, signed by the Regional Judicial Officer, is filed with the Regional Hearing Clerk. All payments shall indicate the name of the Facility, EPA identification number of the Facility, the Respondent's name and address, and the EPA docket number of this action.

87. Respondent may pay the penalty by check (mail or overnight delivery), wire transfer, ACH, or online payment. Payment instructions are available at:

<http://www2.epa.gov/financial/makepayment>. Payments made by a cashier's check or certified

1 check must be payable to the order of "Treasurer, United States of America" and delivered to the
2 following address:

3 U.S. Environmental Protection Agency
4 Fines and Penalties
5 Cincinnati Finance Center
6 P.O. Box 979077
7 St. Louis, Missouri 63197-9000

8 88. If clarification regarding a particular method of payment remittance is needed, contact
9 the EPA Cincinnati Finance Center at 513-487-2091.

10 89. At the time payment is made, a copy of the payment transmittal shall be sent to:

11 Regional Hearing Clerk
12 U.S. Environmental Protection Agency - Region 9
13 75 Hawthorne Street (mail code: RHC-1)
14 San Francisco, CA 94105

and

15 Rick Sakow (ENF 2-2)
16 Enforcement Division - Waste and Chemical Section
17 U.S. Environmental Protection Agency - Region 9
18 75 Hawthorne Street
19 San Francisco, CA 94105

20 90. In accordance with the Debt Collection Act of 1982 and U.S. Treasury directive
21 (TFRM 6-8000), each payment must be received by the due date set forth in this CA/FO to avoid
22 additional charges. If payment is not received by the due date, interest will accrue from the
23 Effective Date of this CA/FO at the current rate published by the United States Treasury as
24 described at 40 C.F.R. § 13.11. Respondent further will be liable for stipulated penalties as set
25 forth below for any payment not received by its due date.

I. DELAY IN PERFORMANCE/STIPULATED PENALTIES

91. In the event Respondent fails to meet any requirement set forth in this CA/FO,
Respondent shall pay stipulated penalties as set forth below:

1
2 92. Failure to submit a payment to EPA by the time required in this CA/FO: Up to TWO
3 THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per day for first to fifteenth day of delay,
4 up to FIVE THOUSAND DOLLARS (\$5,000) per day for sixteenth to thirtieth day of delay, and
5 up to TEN THOUSAND DOLLARS (\$10,000) per day for each day of delay thereafter.

6 93. Failure to adequately perform SEP: In the event that Respondent fails to comply with
7 any of the terms or provisions of this CA/FO relating to the performance of the GIS SEP tasks
8 described in Paragraphs 70 through 74, including but not limited to failure to incur the costs
9 described in Paragraph 72, Respondent shall be liable for stipulated penalties according to the
10 provisions set forth below:

11 a. Except as provided in Paragraph 93.c, if Respondent fails to demonstrate that it
12 has completed the GIS SEP tasks described in Paragraph 71 and Attachment A,
13 Respondent shall pay a stipulated penalty to the United States of TWO
14 HUNDRED FIFTY THOUSAND DOLLARS (\$250,000), less any stipulated
15 penalties already paid for failure to submit the SEP Completion Report pursuant
16 to Paragraph 73.

17 b. If Respondent demonstrates that the GIS SEP tasks described in Paragraph 71 and
18 Attachment A were completed, but the Respondent incurs *less* than 90 percent of
19 the costs required to be incurred pursuant to Paragraph 72, for the tasks described
20 in Paragraph 71 and Attachment A, Respondent shall pay a stipulated penalty to
21 the United States that is the difference between \$250,000 and the actual costs
22 incurred by Respondent toward completion of the tasks described in Paragraph 71
23 and Attachment A.
24
25

1 c. If Respondent fails to demonstrate that the GIS SEP tasks in Paragraph 71 and
2 Attachment A were completed, but EPA determines that the Respondent: (i) made
3 good faith and timely efforts to complete these tasks; and (ii) certifies, with
4 supporting documentation, that *at least* 90 percent of the costs that were required
5 to be incurred pursuant to Paragraph 72 were incurred for the GIS SEP tasks
6 described in Paragraph 71 and Attachment A, Respondent shall not be liable for
7 any stipulated penalty under this paragraph.

8 d. The determinations of whether the GIS SEP tasks set forth in Paragraph 71 and
9 Attachment A, have been satisfactorily completed and whether the Respondent
10 has made a good faith, timely effort to implement the GIS SEP tasks shall be
11 within the sole discretion of the EPA. In the event that EPA makes an initial
12 determination that Respondent has not met the requirements set forth in Paragraph
13 71 and Attachment A, Respondent shall have 20 days from the date of EPA's
14 notice of the initial determination to submit a written statement to EPA Region
15 9's Director of the Enforcement Division, setting forth all grounds and supporting
16 evidence for disputing EPA's initial determination. EPA will only consider
17 information that is relevant to the determination that Respondent has, or has not,
18 satisfactorily met the GIS SEP requirements. After consideration of Respondent's
19 written statement and any other relevant information, the Director of the
20 Enforcement Division, EPA Region 9, shall issue a final determination as to
21 whether the GIS SEP has met the requirements set forth in Paragraph 71 and
22 Attachment A.

23 e. Respondent shall pay stipulated penalties not more than 15 days after receipt of
24 written demand by EPA for such penalties, or if applicable, issuance of a final
25

1 determination by EPA under Paragraph 93.d. The method of payment shall be in
2 accordance with the provisions of Part H of this Consent Order, above. Interest
3 and late charges shall be paid as stated in Paragraphs 90 and 92.

4 f. For failure to submit the SEP Completion Report required by Paragraph 73,
5 Respondent shall pay a stipulated penalty in the amount of FIVE HUNDRED
6 DOLLARS (\$500) for each day after the date the SEP Completion Report was
7 due until it is submitted.

8 g. Stipulated penalties under Paragraph 93.f shall begin to accrue on the day after the
9 report is due, and shall continue to accrue through the final day of EPA's receipt
10 of this document.

11 h. Notwithstanding the penalty amounts described in this paragraph, the total
12 stipulated penalty paid by Respondent pursuant to this paragraph shall not exceed
13 a total of \$250,000.

14 i. All payments due pursuant to this Paragraph shall be paid in accordance with the
15 provisions of Paragraphs 87 through 90.

16 94. All penalties owed to EPA under this CA/FO shall be due within 30 days of receipt of a
17 notification of noncompliance. Such notification shall describe the noncompliance and shall
18 indicate the amount of penalties due. Interest at the current rate published by the United States
19 Treasury, as described at 40 C.F.R. § 13.11, shall begin to accrue on the unpaid balance at the
20 end of the 30-day period.

21 95. All penalties shall be made payable by certified or cashier's check to "Treasurer of the
22 United States" and shall be remitted as described in Part H of this CA/FO.

23 96. The payment of stipulated penalties shall not alter in any way Respondent's obligation
24 to complete the performance required hereunder.

1 97. Notwithstanding any other provision of this Section, EPA may, in its unreviewable
2 discretion, reduce or waive stipulated penalties that have accrued pursuant to this Paragraph and
3 CA/FO.

4 98. The stipulated penalties set forth in this Part do not preclude EPA from pursuing any
5 other remedies or sanctions which may be available to EPA by reason of Respondent's failure to
6 comply with any of the requirements of this CA/FO.

7 99. By signing this consent agreement, Respondent certifies under penalty of law to EPA
8 that the Respondent has fully complied with RCRA Hazardous Waste Management
9 requirements, 42 U.S.C. §§ 6921-6939e, and the Guam Hazardous Waste Management Program,
10 that formed the basis for the violations alleged in this CA/FO. This certification of compliance is
11 based upon true, accurate, and complete information, which the signatory can verify personally
12 or regarding which the signatory has inquired of the person or persons directly responsible for
13 gathering the information.

14 J. RESERVATION OF RIGHTS

15 100. EPA hereby reserves all of its statutory and regulatory powers, authorities, rights and
16 remedies, both legal and equitable, including the right to require that Respondent perform tasks
17 in addition to those required by this CA/FO, except as to those civil penalties for the violations
18 and facts alleged herein. EPA further reserves all of its statutory and regulatory powers,
19 authorities, rights and remedies, both legal and equitable, which may pertain to Respondent's
20 failure to comply with any of the requirements of this CA/FO, including without limitation, the
21 assessment of penalties under Section 3008(c) of RCRA, 42 U.S.C. § 6928(c). This CA/FO shall
22 not be construed as a covenant not to sue, release, waiver or limitation of any rights, remedies,
23 powers or authorities, civil or criminal, which EPA has under RCRA (except as to those civil
24 penalties for the violations and facts alleged herein); the Comprehensive Environmental
25

1 Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); or any other
2 statutory, regulatory or common law enforcement authority of the United States.

3 101. Compliance by Respondent with the terms of this CA/FO shall not relieve Respondent
4 of its obligations to comply with RCRA or any other applicable local, State or federal laws and
5 regulations.

6 102. The entry of this CA/FO and Respondent's consent to comply shall not limit or
7 otherwise preclude EPA from taking additional enforcement actions should EPA determine that
8 such actions are warranted except as they relate to Respondent's liability for federal civil
9 penalties for the specific alleged violations as set forth in Part C of this CA/FO.

10 103. This CA/FO is not intended to be nor shall it be construed as a permit. This CA/FO
11 does not relieve Respondent of any obligation to obtain and comply with any local, State or
12 federal permits.

13 K. OTHER CLAIMS

14 104. Nothing in this CA/FO shall constitute or be construed as a release from nor an
15 admission by Respondent of any other claim, cause of action or demand in law or equity by or
16 against any person, firm, partnership, entity or corporation for any liability it may have arising
17 out of or relating in any way to the generation, storage, treatment, handling, transportation,
18 release, or disposal of any hazardous constituents, hazardous substances, hazardous wastes,
19 pollutants, or contaminants found at, taken to, or taken from the Facility.

20 L. MISCELLANEOUS

21 105. By signing this CA/FO, without admitting or denying them, Respondent certifies that
22 all of the alleged violations set forth in Part C of this CA/FO, which are or were capable of
23 correction, have been corrected.
24

1 106. This CA/FO may be amended or modified only by written agreement executed by both
2 EPA and Respondent.

3 107. Each party shall bear its own attorneys' fees, costs, and disbursements incurred in this
4 proceeding.


5 108. Respondent shall not deduct the civil penalty, nor any interest, late penalty payments,
6 stipulated penalty payments, or administrative handling fees provided for in this CA/FO from
7 Respondent's federal, state, or local income taxes.

8 109. The headings in this CA/FO are for convenience of reference only and shall not affect
9 interpretation of this CA/FO.

10 110. The Effective Date of this CA/FO is the date the Final Order, signed by the Regional
11 Judicial Officer, is filed by the Regional Hearing Clerk.

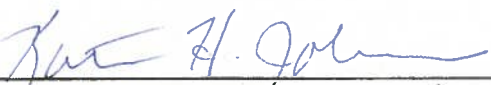
12 IT IS SO AGREED.

13
14 December 21, 2015
15 Date



Name: Mathews Pother
Title: President
Guam Industrial Services, Inc.

16
17
18 3/4/16
19 Date



Kathleen H. Johnson
Director, Enforcement Division
U.S. Environmental Protection Agency, Region 9

1 FINAL ORDER

2 IT IS HEREBY ORDERED that this Consent Agreement and Final Order pursuant to 40
3 C.F.R. Sections 22.13 and 22.18 (U.S. EPA Docket No. RCRA-9-2016- 0001) be entered
4 and that Guam Industrial Services Inc. pay a civil penalty of FORTY-FOUR THOUSAND
5 EIGHT HUNDRED NINETY-THREE DOLLARS (\$44,893) due within sixty (60) days of the
6 Effective Date of this Consent Agreement and Final Order, and implement the Supplemental
7 Environmental Project described in Part D of this CA/FO in accordance with all terms and
8 conditions of the Consent Agreement and Final Order.

9 This Final Order shall be effective upon filing by the Regional Hearing Clerk.

10
11 03/07/16

12 Date

13 

14 Signature

15 Name: Steven L. Jaugiel

16 Regional Judicial Officer

17 United States Environmental Protection Agency,
18 Region 9

ATTACHMENT A

GUAM INDUSTRIAL SERVICES SUPPLEMENTAL ENVIRONMENTAL PROJECT

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SUPPLEMENTAL ENVIRONMENTAL PROJECT
BY GUAM INDUSTRIAL SERVICES, INC.

PROJECT NAME: VESSEL REMOVAL (GUAHAN I)

PERFORMING PARTY: **GUAM INDUSTRIAL SERVICES, INC. dba GUAM SHIPYARD**

PROJECT SITE: **APRA HARBOR, GUAM**

COORDINATES: **LAT.: 13.46055 N**
 LONG.: 144.67247 E

PROJECT COST: **\$249,838.86 - \$337,282.46**

PROJECT OVERVIEW:

Based upon that certain *Surveys of Abandoned Vessels: Guam and CNMI*, October 2003, published by the National Oceanic and Atmospheric Administration (NOAA), Guam Shipyard proposes to undertake the removal of that certain vessel identified as "Guahan I". The undertaking of removal of the vessel will include cutting, lifting, and disposing of the vessel as scrap.

Guam Shipyard will utilize its organic resources for labor and the use of the floating cranes to execute the removal. The cost of Guam Shipyard's labor costs and normal costs for use of the floating crane are noted. Additional costs such as materials, industrial gas, and tug with pilot services will be paid by Guam Shipyard as out of pocket costs. Other costs may also arise during the removal process such as disposal of hazardous waste that was not noted in the NOAA survey and may also include expenses for lead abatement, in the event that lead paint is discovered on the vessel.

Estimated time for project completion: 30 to 60 work days.

SCOPE OF WORK:

This project will be divided into several phases. Each work phase is more fully described as follows:

A. Approvals and Permitting.

The project site is directly located on the real property owned and controlled by the Port of Authority of Guam, directly behind the Port's container yard. The vessel, Guahan I, is partially

on land (approximately 1/3 of the vessel) and the remaining portion of the vessel is in the water within the Piti Channel.

Based upon discussions with U.S. EPA, a number of stakeholders must be consulted to ensure that the removal operation can be successfully completed. Stakeholders include the Port of Authority of Guam, U.S. Coast Guard – Sector Guam, Guam Environmental Protection Agency, Guam Fish and Wildlife, and the Army Corps. of Engineers. All stakeholders, with the exception of Guam Fish and Wildlife have been notified and provided preliminary details of the proposed vessel removal project. Guam Fish and Wildlife will be notified and consulted regarding the proposed project within the next few weeks.

Tasks to be completed:

1. Full approval of Port Authority of Guam for access onto Port property and barge crane berthing at work site;
2. Identification of laydown site for placement of vessel sections and for cutting of sections for hauling by scrap metal contractors;
3. Approval of U.S. Coast Guard – Sector Guam, of project parameters and determination of environmental remediation measures on the site;
4. Approval and obtaining of required permits from Guam Environmental Protection Agency;
5. Approval and consultation with Guam Fish and Wildlife;
6. Approval and obtaining of permits with U.S. Army Corps. of Engineers.

B. Site Preparation:

Upon receiving all required approvals and permits, Guam Shipyard will initiate the next phase of the project by preparing the site for cutting work.

Tasks to be completed:

1. Identify and prepare measures to permit access to work site from Port Authority property. Work will include constructing stairs or placement of ladders, cutting of vegetation where necessary, and placement of other safety measures;
2. Environmental Mitigation. Guam Shipyard has been unable to complete a full survey of the vessel because of the inability to safely board the vessel from land. After completing a comprehensive survey of the vessel's interior and it is later determined that hazardous waste or liquids are onboard either in the vessel's spaces or machinery, the hazardous waste or liquids must first be removed from the vessel prior to commencing cutting. Additional mitigation measures will include:

- a. Deployment of an oil boom around the vessel;
- b. Pumping out of hazardous liquids into disposal tanks located on land;
- c. Emptying of oil or hydraulic fluid from onboard machinery;
- d. Removal and disposal of paint from the vessel's hull at identified cutting points.
- e. Purchase and deployment of acetylene and oxygen cylinders into the work site area

Depending upon the results of the site survey for the interior of the vessel, removal of hazardous waste or hazardous liquids will increase the projected costs for the vessel removal project by 15% to 35%. Increased costs will cover additional man power time for removal of hazardous waste, processing of the waste, and disposal costs.

C. Cutting and Removal of Vessel:

The next phase of work will entail the cutting of the vessel into 16 sections of varying size, based upon weight and safety considerations. Guam Shipyard will utilize its barge crane to hold sections in place, while a crew of workers will cut the vessel at pre-identified points. Once a vessel section is cut away and freed from the main vessel structure, the barge crane will lift the cut section and move to the designated laydown area for continued cutting by the scrap contractor and will be hauled away from the site by the scrap contractor.

Breakdown of Costs:

*	Labor	-	\$117,526.56;
*	Cost for Barge Crane	-	\$74,526.00;
*	Tugboat and Pilot Services	-	\$46,517.40;
*	Marine Chemist Services	-	\$1,600.00;
*	Materials for Cutting	-	\$9,668.90;
*	Removal of Hazardous Waste-		????

*Guam Shipyard will not receive any remuneration for the scrap generated from this vessel removal project. Worldwide prices for scrap metal are at an all-time low. The scrap contractor normally charges for taking scrap metal for disposal, but has agreed to perform disposal services at no additional cost.

D. Site Remediation/Closeout:

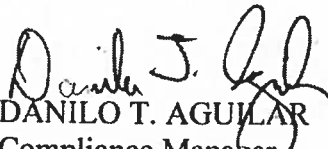
Upon removal of the main vessel structure, Guam Shipyard will conduct a site inspection of the immediate area with all the stakeholders to determine what if any remediation measures must be

undertaken. Any metal or other materials that may have fallen away from vessels will be picked up and removed from the site.

Any improvements placed onto Port Authority to permit access to the site or placed for safety purposes will be dismantled and removed.

A closeout report will be submitted to U.S. EPA and each of the stakeholders within 60 days after completion, summarizing the project and completion of all tasks outlined in this scope of work.

RESPECTFULLY SUBMITTED,


DANILO T. AGUILAR
Compliance Manager
GUAM INDUSTRIAL SERVICES, INC.

1 ATTACHMENT B

2 GUAM INDUSTRIAL SERVICES INC

3 CERTIFICATION

4 Guam Industrial Services ("GIS") certifies that —

- 5 (1) It is not a party to any open federal financial assistance transaction that is
6 funding or could fund the same activity as the GIS Supplemental
7 Environmental Project ("GIS SEP") described in Paragraph 71 and
8 Attachment A of the Consent Agreement and Final Order; and
- 9 (2) It has inquired of the Port Authority of Guam whether it is a party to an
10 open federal financial assistance transaction that is funding or could fund
11 the same activity as the GIS SEP and has been informed by the Port
12 Authority of Guam that it is not a party to such a transaction.

11 December 21, 2015

12 Date



12 Name: Mathews Pothen

13 Title: President

14 Guam Industrial Services, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the original and a copy of the foregoing Consent Agreement and Final Order in the matter of GUAM INDUSTRIAL SERVICES INC, with Docket No. RCRA-0-2016- 0001 has been filed with the Regional Hearing Clerk, Region IX and copies were sent:

By Certified Mail, Return Receipt Requested to Respondent:

Lisa A Bail, Esq.
Goodsill Anderson Quinn & Stifel, LLP
First Hawaiian Center, Suite 1600
999 Bishop Street
Honolulu, Hawaii 96813
P. (808) 547-5787
E. lbail@goodsill.com

Certified Mail Receipt # 7012 1640 0001 2190 5881

Hand Delivered to:

Rich Campbell
Office of Regional Counsel
USEPA, Region 9, ORC-2
75 Hawthorne Street
San Francisco, CA 94105

Date March 7 2016

Steven Armsey
Steven Armsey
Acting Regional Hearing Clerk