



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

SEP 18 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Todd D. Hayes, Vice President Operations
BAE Systems
4509 West Stone Drive
Kingsport, Tennessee 37660-8960

SUBJ: Consent Agreement and Final Order:
Docket No. CWA-04-2013-7007(b)

Dear Mr. Hayes:

Enclosed is a copy of the Consent Agreement and Final Order for the above referenced matter. This CAFO became effective on the date of filing with the Regional Hearing Clerk as required by 40 C.F.R. §§ 22.6 and 22.31, and as indicated on the Certificate of Service.

The United States Environmental Protection Agency hereby notifies you that the Expedited Settlement Agreement (ESA) has been executed by both parties and is binding on the EPA and you. Upon receipt of your assessed penalty of \$2,200.00, the EPA will take no further action against you for the violations cited in the ESA. Your copy of the executed ESA is enclosed.

You must submit your payment within thirty (30) days of your receipt of this letter by either electronic funds transfer, certified or cashier's check made payable to "Environmental Protection Agency." The check and a letter accompanying the check shall reference the name of the responsible party (Oil Spill Liability Trust Fund-311, BAE Systems) and the EPA docket number CWA-04-2012-5021, and shall be sent depending upon your preferred method of payment identified in Enclosure A.

At the same time, you shall send a separate copy of each check and a written statement that the payment is being made in accordance with this CAFO, to the persons at the following addresses:

Ms. Patricia Bullock
Regional Hearing Clerk
U.S. EPA - Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303-8960

Ms. Quantindra Smith
RCRA and OPA Enforcement and Compliance Branch
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303

Internet Address (URL) • <http://www.epa.gov>

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If you have any questions, please contact Quantindra Smith at (404) 562-8564.

Sincerely,

A handwritten signature in black ink, appearing to read "César A. Zapata" followed by a flourish.

César A. Zapata, Chief
RCRA and OPA Enforcement and Compliance
Branch
RCRA Division

Enclosures

cc: USCG



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
61 FORSYTH ST S.W. ATLANTA, GEORGIA 30303-8960
SPCC EXPEDITED SETTLEMENT AGREEMENT (ESA)**

DOCKET NO.: CWA-04-2013-7007(b)

On September 20, 2011 at 9:30 a.m., the United States Environmental Protection Agency (EPA) inspected the oil storage facility at 4500 West Stone Drive, Kingsport, Tennessee, owned by the Holston Army Ammunition Plant and operated by BAE Systems (Respondent), to determine compliance with the Spill Prevention, Control and Countermeasures (SPCC) regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act, 33 U.S.C. § 1321(j), (the Act), and found that Respondent had failed to comply with the SPCC regulations as noted on the attached SPCC INSPECTION FINDINGS, ALLEGED VIOLATIONS, AND PROPOSED PENALTY FORM (Form), which is hereby incorporated by reference.

The EPA finds Respondent's conduct is subject to the SPCC regulations and Respondent has violated the SPCC regulations as further described in the Form. Respondent admits being subject to 40 CFR Part 112 and that the EPA has jurisdiction over Respondent and the Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings and neither admits nor denies the Allegations in the Form.

The EPA is authorized to enter into this Expedited Settlement Agreement (ESA) under the authority vested in the Administrator of the EPA by Section 311(b)(6)(B)(i) of the Act, 33 U.S.C. § 1321(b)(6)(B)(i), as amended by the Oil Pollution Act of 1990, and by 40 CFR § 22.13(b). The parties enter into this ESA in order to settle the civil violations described in the Form for a penalty of \$2,200. Respondent consents to the assessment of this penalty.

This ESA is also subject to the following terms and conditions: Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and Respondent agrees to payment of the penalty within thirty (30) days of receiving written notice that the ESA has been executed and is effective. **Do not enclose payment.** The EPA will provide instructions in writing on the procedures for making penalty payments to the "Oil Spill Liability Trust Fund".

After this ESA becomes effective, the EPA will take no further action against Respondent for the violations of the SPCC regulations described in the Form. However, the EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by Respondent of the SPCC

regulations or of any other federal statute or regulations. Upon signing and returning this ESA to the EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to the EPA's approval of the ESA without further notice.

This ESA is binding on the parties signing below, and is effective upon the EPA's filing of the ESA with the Regional Hearing Clerk. If Respondent does not sign and return this ESA as presented within fifteen (15) days of the date of its receipt, the proposed ESA will be withdrawn without prejudice to the EPA's ability to file any other enforcement action for the noncompliance identified in the Form.

APPROVED BY RESPONDENT:

Name (print): Todd D. Hayes
Title (print): VP- Operations & HASS Governance

[Signature] Date 20 Aug 2013
Signature

APPROVED BY EPA:

César A. Zapata Date 09/04/13

César A. Zapata, Chief
RCRA/OPA Enforcement & Compliance Branch
RCRA Division

IT IS SO ORDERED:

[Signature] Date: 9/16/13
Susan B. Schub,
Regional Judicial Officer

RECEIVED
EPA REGION IV
2013 SEP 18 AM 7:07
HEARING CLERK

U.S. Environmental Protection Agency
Fines and Penalties
P.O. Box 979077
St. Louis, Missouri 63197-9000

WIRE TRANSFERS:

Wire transfers should be directed to the Federal Reserve Bank of New York

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, New York 10045
Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"

OVERNIGHT MAIL:

U.S. Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
St. Louis, Missouri 63101

Contact: Natalie Pearson (314) 425-1818

ACH (also known as REX or remittance express)

Automated Clearinghouse (ACH) for receiving U.S. currency
US Treasury REX / ACH Receiver
5700 Rivertech Court
Riverdale, Maryland 20737
Contacts: John Schmid 202-874-7028 or
Remittance Express 1-866-234-5681
ABA = 051036706
Transaction Code 22 – checking
Environmental Protection Agency
Account 310006
CTX Format

ON LINE PAYMENT:

There is now an On Line Payment Option, available through the Dept. of Treasury.
This payment option can be accessed from the information below:

www.pay.gov

Enter sfo 1.1 in the search field

Open form and complete required fields.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the attached Consent Agreement and Final Order, in the Matter of Holston Army Ammunition Plant, operated by BAE Systems, Docket No. CWA-04-2013-7007(b) (filed with the Regional Hearing Clerk on 9-18, 2013) was served on 9-18, 2013 in the manner specified to each of the person set forth below:

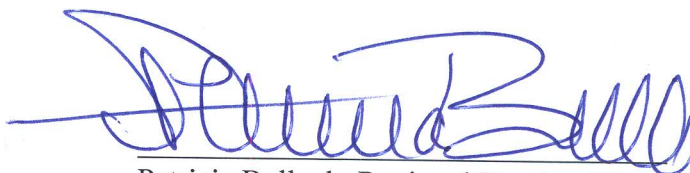
Mr. Todd D. Hayes, Facility
BAE Systems
4509 West Stone Drive
Kingsport, Tennessee 37660

CERTIFIED MAIL
Return Receipt Requested

Quantindra Smith
RCRA & OPA Enforcement & Compliance Branch
U.S. EPA - Region 4
61 Forsyth Street
Atlanta, Georgia 30303

EPA's Internal Mail and PDF

Date: 9-18-13



Patricia Bullock, Regional Hearing Clerk
United States Environmental
Protection Agency, Region 4
Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, Georgia 30303
(404) 562-9511