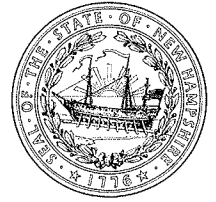


The State of New Hampshire
Department of Environmental Services

Thomas S. Burack, Commissioner

*Celebrating 25 Years of Protecting
New Hampshire's Environment*



April 3, 2012

Douglas Garner
BAE Systems Information and Electronic Systems Integration, Inc.
65 Spit Brook Road
Nashua, NH 03061

Re: Docket No. AF 12-002 - Administrative Fine by Consent Agreement

Dear Mr. Garner:

Enclosed for your records is a copy of the fully accepted and executed Administrative Fine by Consent Agreement in the above mentioned matter. We are in receipt of your payment pursuant to Section V, Paragraph 4 of the agreement.

On behalf of the Department of Environmental Services, thank you for your cooperation in this matter. This letter does not provide relief against any existing or future violations.

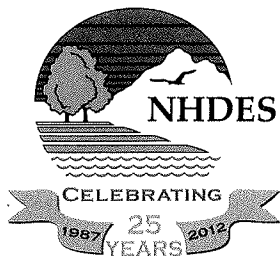
Sincerely,

COPY

Jane Murray
Executive Secretary
DES Legal Unit

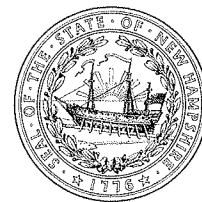
ec: K. Allen Brooks, Chief, AGO-Environmental Protection Bureau
DES Public Information Officer
Robert Bishop, DES
Merrimack Town Council Office, 6 Baboosic Lake Road, Merrimack, NH 03054

cc: DES Legal Unit



The State of New Hampshire
Department of Environmental Services

Thomas S. Burack, Commissioner



*Celebrating 25 Years of Protecting
New Hampshire's Environment*

BAE Systems Information and Electronic
Systems Integration, Inc.
65 Spit Brook Road
Nashua, NH 03061

Re: 130 Daniel Webster Highway
Merrimack, NH
EPA ID# NH000791616

**ADMINISTRATIVE FINE
BY CONSENT**

No. AF 12-002

I. INTRODUCTION

This Administrative Fine by Consent is entered into by and between the Department of Environmental Services, Waste Management Division, and BAE Systems Information and Electronic Systems Integration, Inc., pursuant to RSA 147-A. This Administrative Fine by Consent is effective upon signature by all parties.

II. PARTIES

1. The Department of Environmental Services, Waste Management Division ("DES") is a duly-constituted administrative agency of the State of New Hampshire, having its main office at 29 Hazen Drive in Concord, New Hampshire.
2. BAE Systems Information and Electronic Systems Integration, Inc. ("BAE Systems") is a corporation registered to do business in New Hampshire having a mailing address of 65 Spit Brook Road, Nashua, NH 03061.

III. BACKGROUND

1. Pursuant to RSA 147-A, the Department of Environmental Services regulates the management and disposal of hazardous waste. Pursuant to RSA 147-A:3, the Commissioner of DES has adopted NH CODE ADMIN. RULES Env-Hw 100-1100 (the "Hazardous Waste Rules") to implement this program.
2. Pursuant to RSA 147-A:17-a, the Commissioner of DES is authorized to impose fines of up to \$2,000 per offense for violations of RSA 147-A or rules adopted pursuant thereto.
3. BAE Systems is a hazardous waste generator that notified the United States Environmental Protection Agency ("EPA") of its activities in Merrimack, New Hampshire through DES on August 28, 1981. EPA Identification Number NHD000791616 was assigned to BAE Systems' site located at 130 Daniel Webster Highway, Merrimack, New Hampshire (the "Facility").

www.des.nh.gov

29 Hazen Drive • PO Box 95 • Concord, NH 03302-0095
(603) 271-3503 • TDD Access: Relay NH 1-800-735-2964

4. On July 26th and 27th, 2010, DES personnel inspected the Facility for compliance with RSA 147-A and its implementing regulations, the Hazardous Waste Rules. As a result of the violations of the Hazardous Waste Rules observed during this inspection, DES issued a Notice of Past Violation to BAE Systems on December 20, 2010. Based on the violations observed during the inspection, DES believes that an administrative fine is appropriate in this case for the Class I violations.

IV. ALLEGATIONS, ADMINISTRATIVE FINES

1. BAE Systems violated RSA 147-A:4, I by disposing of hazardous waste spent solvent from the cleaning of paint guns and by disposing of hazardous waste solvent from the cleaning of paint gun tips by discharging these hazardous wastes to the air ("Violation 1"). DES proposes a fine of \$2,000 per disposal event. For settlement purpose only, DES will seek a fine for two disposal events, for a potential fine of \$4,000.

2. BAE Systems failed to conduct, as required by Env-Hw 502.01, an adequate hazardous waste determination for hazardous waste spent solvent from the cleaning of paint guns, hazardous waste spent solvent from the cleaning of paint gun tips, and hazardous waste paint booth filters ("Violation 2"). DES proposes a fine of \$2,000 per determination not made, for a potential fine of \$6,000.

3. BAE Systems failed to close, as required by Env-Hw 509.03(d) and Env-Hw 507.01(a)(3), two (2) satellite accumulation containers of hazardous waste stored in the Source Lab A ("Violation 3"). DES proposes a fine of \$100 for each container, for a potential fine of \$200.

4. BAE Systems failed to label, as required by Env-Hw 509.03(g), the two (2) satellite accumulation containers of hazardous waste stored in Source Lab A with the words "hazardous waste" and words that identify the contents of the container ("Violation 4"). DES proposes a fine of \$50 per requirement per container, for a potential fine of \$200.

V. PAYMENT, WAIVER OF HEARING

1. For purposes of settlement of this action, DES agrees not to seek the potential fines associated with Violations 3 and 4 because they are not Class I violations.

2. DES asserts that the following fines are appropriate for Violations 1 and 2:

a. Violation 1 is a Class I violation. No penalty reduction is recommended. DES is thus seeking a fine of \$4,000; and

b. Violation 2 is a Class I violation with the exception of BAE Systems' failure to perform an adequate hazardous waste determination on the hazardous waste paint booth filters, which is a Class II violation. Thus, for settlement purposes, DES will not seek a fine for BAE Systems' failure to perform an adequate hazardous waste determination on the hazardous waste paint booth filters. Additionally, DES has determined that the following reduction should be applied to the penalty:

i. 10% reduction due to BAE's good faith effort to comply. BAE documented to DES that it had a program in place (Safety, Health, and Environment ("SHE") Change

Management Program) at the time of the inspection designed to identify process changes that impact regulatory compliance.

DES thus will seek a fine of \$3,600 ($\$4,000$ (base penalty) \times .90 (10% reduction)) for Violation 2.

3. For settlement purposes, DES will apply an additional 25% reduction to the fines for Violations 1 and 2 ($\$7,600$) due to BAE Systems' high level of cooperation in providing information and its effort to correct the violations. DES is thus seeking a total fine of $\$5,700$ ($\$7,600 \times .75$ (25% reduction) = $\$5,700$)

4. BAE Systems agrees to pay a total fine in the amount of $\$5,700$ upon execution of this Administrative Fine by Consent by an authorized representative of BAE Systems.

5. Payment under the preceding paragraph shall be paid by certified or corporate check made payable to "Treasurer, State of New Hampshire" and mailed to: **DES Legal Unit, Attn: Compliance Attorney, P.O. Box 95, Concord, NH 03302-0095.**

6. If any payment is made by check or money order that is returned due to insufficient funds, pursuant to NH RSA 6:11-a, DES may charge a fee in the amount of 5% of the face amount of the check or money order or $\$25.00$, whichever is greater, plus all protest and bank fees, in addition to the amount of the check or money order, to cover the costs of collection.

7. By executing this Administrative Fine by Consent, BAE Systems waives its right to a hearing on or any appeal of the administrative fines identified in this Administrative Fine by Consent, and agrees that this Administrative Fine by Consent may be entered into and enforced by a court of competent jurisdiction.

8. The effective date of this Administrative Fine by Consent will be the date on which it is signed by an authorized representative of BAE Systems, the Director of the Waste Management Division, and the Commissioner of DES.

9. No failure by DES to enforce any provision of this Administrative Fine by Consent after any breach or default will be deemed as a waiver of its rights with regard to that breach or default, nor will such failures be construed as a waiver of the right to enforce each and all provisions of this agreement on any further breach or default.

WHEREFORE, the parties voluntarily accept the terms of this Agreement.

BAE Systems Information and Electronic Systems Integration, Inc.

COPY

By: Douglas Garner,
Vice President of Safety, Health, and Environment
Duly Authorized

27 MAR 2012
Date

Department of Environmental Services

COPY
Michael J. Wimsatt, P.G., Director
Waste Management Division

3/29/12
Date

COPY
Thomas S. Burack, Commissioner

3/30/2012
Date

cc: DES Legal Unit
RCRA/DB/AF

Page 4 of 4

ec: Public Information Officer, DES PIP Office
K. Allen Brooks, Chief, AGO-Environmental Protection Bureau
Robert Bishop, Enforcement Manager, HWMB/DES
Merrimack Town Council Office, 6 Baboosic Lake Road, Merrimack, NH 03054