COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
NORTHERN REGIONAL OFFICE
13901 Crown Court, Woodbridge, Virginia 22193
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Douglas W. Domenech
Secretary of Natural Resources

David K. Paylor
Director

STATE AIR POLLUTION CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
NORTHROP GRUMMAN SYSTEMS CORPORATION
Registration No. 73813

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Northrop Grumman Systems Corporation regarding the Facility located at 12900 Federal Systems Park Drive in Fairfax, VA, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the applicable regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.

2. "CFR" means the Code of Federal Regulations, as incorporated into the Regulations.

3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.

4. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

5. "Facility" means the Northrop Grumman Systems Corporation facility, located at 12900 Federal Systems Park Drive in Fairfax, Virginia.

6. "Northrop Grumman" means Northrop Grumman Systems Corporation, a corporation authorized to do business in Virginia. Northrop Grumman is a "person" within the meaning of Va. Code § 10.1-1300.

7. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.

8. "NRO" means the Northern Regional Office of DEQ, located in Woodbridge, Virginia.

9. "O&M" means operations and maintenance.

10. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.

11. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" mean 9 VAC 5 chapters 10 through 80.

12. "Va. Code" means the Code of Virginia (1950), as amended.

13. "VAC" means the Virginia Administrative Code.

14. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

15. "Warning Letter" or "WL" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.

SECTION C: Findings of Fact and Conclusions of Law

1. Northrop Grumman operates the Facility in Fairfax, Virginia. The Facility is an office building that houses six emergency generators and other smaller fuel combustion equipment.

2. On April 28, 2010, Department staff conducted a Partial Compliance Evaluation of the Facility resulting from the March 24, 2010, and April 14, 2010 onsite inspections, for compliance with the requirements of the Virginia Air Pollution Control Law, and the Regulations. Based on the inspection and follow-up information, Department staff made the following observations:

    a. DEQ staff observed six installed and operational diesel engine driven Generac and Caterpillar emergency electrical generators with generating capacities from 300 to

500 kW. The aggregate generating capacity of the installed emergency generators is 2,700kW.

b. No permit was issued by DEQ to Northrop Grumman authorizing the installation and operation of the aforementioned generators.

3. 9 VAC 5-80-1120 A requires that no owner or other personal shall begin actual construction, reconstruction, or modification of any stationary source without first obtaining from the board a permit to construct and operate or modify and operate the source.

4. On June 9, 2010, based on the inspection and follow-up information, the Department issued a Notice of Violation to Northrop Grumman for the violations described in paragraphs C2 through C3 above.

5. On June 22, 2010, Department staff met with representatives of Northrop Grumman to discuss the violations.

6. Based on the results of March 24, 2010, and April 14, 2010 inspections, and the June 22, 2010 meeting, the Board concludes that Northrop Grumman has violated 9 VAC 5-80-1120(A), as described in paragraphs C2 through C3 above.

7. Northrop Grumman submitted an Air Permit application to DEQ to reflect the operational processes and associated equipment at the Facility, and a Permit was subsequently issued on January 26, 2011. Therefore the violations described in paragraphs C2 through C3 above have been corrected.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders Northrop Grumman, and Northrop Grumman agrees to pay a civil charge of $20,800.00 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Northrop Grumman shall include its Federal Employer Identification Number (FEIN) with the civil charge payment and shall indicate that the payment is being made in accordance with the

requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Northrop Grumman for good cause shown by Northrop Grumman, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.

3. For purposes of this Order and subsequent actions with respect to this Order only, Northrop Grumman admits the jurisdictional allegations, and agrees not to contest, but does not admit, the findings of fact and conclusions of law in this Order.

4. Northrop Grumman consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.

5. Northrop Grumman declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by Northrop Grumman to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. Northrop Grumman shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Northrop Grumman shall show that such circumstances were beyond its control and not due to a lack of good faith or

diligence on its part. Northrop Grumman shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

a. the reasons for the delay or noncompliance;

b. the projected duration of any such delay or noncompliance;

c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and

d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the Northrop Grumman intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.

10. This Order shall become effective upon execution by both the Director or his designee and Northrop Grumman. Nevertheless, Northrop Grumman agrees to be bound by any compliance date which precedes the effective date of this Order.

11. This Order shall continue in effect until:

a. Northrop Grumman petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or

b. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Northrop Grumman.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Northrop Grumman from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. Any plans, reports, schedules or specifications attached hereto or submitted by Northrop Grumman and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of Northrop Grumman certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Northrop Grumman to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Northrop Grumman.

14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.

15. By its signature below, Northrop Grumman voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 22nd day of March, 2011.

Thomas A. Faha

Thomas A. Faha, NRO Regional Director
Department of Environmental Quality

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Northrop Grumman Systems Corporation voluntarily agrees to the issuance of this Order.

Date: 3/17/11 By: Stephen Movius, VP & CFO, NGIS
(Person) (Title)
Stephen Movius

Commonwealth of Virginia
City/County of Fairfax

The foregoing document was signed and acknowledged before me this 17th day of March, 2011, by Stephen Movius who is VP & CFO of Northrop Grumman Systems Corporation on behalf of the corporation.

Notary Public

7218120
Registration No.

My commission expires: 7/31/12

Notary seal:

SHANNON K. CRAIG
NOTARY PUBLIC
REG # 7218120
COMMISSION EXPIRES 7/31/2012
COMMONWEALTH OF VIRGINIA