



STATE OF MISSISSIPPI  
PHIL BRYANT  
GOVERNOR  
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY  
GARY C. RIKARD, EXECUTIVE DIRECTOR

December 3, 2015

CERTIFIED MAIL 7010 1870 0003 4946 9777

Mr. Jamie Knipper  
Gulf Coast Shipyard Group  
13085 Seaway Road  
Gulfport, MS 39503

**Re: Gulf Coast Shipyard Group  
Agreed Order No. 6599 15**

Dear Mr. Knipper:

Enclosed you will find a copy of Agreed Order No. 6599 15, which has been executed by the Executive Director of the Mississippi Department of Environmental Quality, Gary Rikard, on behalf of the Mississippi Commission on Environmental Quality.

The enclosed Order assesses a civil penalty. The penalty payment, when due, should be made by check payable to the Mississippi Department of Environmental Quality and returned in the enclosed, self-addressed envelope to the MDEQ Fees Division at P.O. Box 2339, Jackson, MS 39225.

If you have any questions regarding your obligations under the enclosed order, please contact Mohammad Yassin at (601) 961-5195.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Sanders".

Chris Sanders, P.E.  
Chief, Environmental Compliance and Enforcement Division

Enclosure  
cc: Mohammad Yassin

Agency Interest No. 3166  
ENF20150002

BEFORE THE MISSISSIPPI COMMISSION  
ON ENVIRONMENTAL QUALITY

MISSISSIPPI COMMISSION ON  
ENVIRONMENTAL QUALITY

COMPLAINANT

VS.

ORDER NO.

6599 15

GULF COAST SHIPYARD GROUP  
13085 INDUSTRIAL SEAWAY ROAD  
GULFPORT, MISSISSIPPI 39503

RESPONDENT

AGREED ORDER

COME NOW the Mississippi Commission on Environmental Quality (Commission), acting through the staff and Executive Director of the Mississippi Department of Environmental Quality (MDEQ), Complainant, and Gulf Coast Shipyard Group, Respondent, in the above captioned cause and agree as follows:

1.

By letter dated May 18, 2015, Respondent was contacted by Complainant and notified of the following violations at Gulf Coast Shipyard Group, located at 13085 Industrial Seaway Road, Gulfport, Mississippi in Harrison County:

- A. Failure to properly label hazardous waste containers in violation of 40 CFR §262.34(c)(1)(ii): *A generator may accumulate as much as 55 gallons of hazardous waste or one quart of acutely hazardous waste listed in §261.31 or §261.33(e) in containers at or near any point of generation where wastes initially accumulate which is under the control of the operator of the process generating the waste, without a permit or interim status and without complying with paragraph (a) or (d) of this section provided he [...] (ii) marks his containers either with the words "Hazardous Waste" or with other words that identify the contents of the containers.*

One 55-gallon paint waste drum located in satellite accumulation area (SAA) 1 was not labeled as hazardous waste. In addition, unlabeled buckets of waste paint were being stored in SAA 1.

**B. Failure to properly close hazardous waste containers in violation of 40 CFR**

*§262.34(c)(1)(i): A generator may accumulate as much as 55 gallons of hazardous waste or one quart of acutely hazardous waste listed in §261.31 or §261.33(e) in containers at or near any point of generation where wastes initially accumulate which is under the control of the operator of the process generating the waste, without a permit or interim status and without complying with paragraph (a) or (d) of this section provided he (i) complies with §§265.171, 265.172, and 265.173(a) [see citation below] of this chapter.*

One 55-gallon paint waste drum located in SAA 1 was not properly closed. In addition, open buckets of waste paint were being stored in SAA 1.

**C. Treatment of hazardous waste without a permit in violation of 40 CFR §262.12(a): A**

*generator must not treat, store, dispose of, transport, or offer for transportation, hazardous waste without having received an EPA identification number from the Administrator. "Treatment" is defined in 40 CFR §260.10 as follows: Any method, technique, or process, including neutralization, designed to change the physical, chemical, or biological character or composition of any hazardous waste so as to neutralize such waste, or so as to recover energy or material resources from the waste, or so as to render such waste non-hazardous, or less hazardous; safer to transport, store, or dispose of; or amenable for recovery, amenable for storage, or reduced in volume.*

At the painting operation area on the ship, a bucket with liner and wet paint was observed left out to dry so that the liner could be disposed of as non-hazardous solid waste. Drying meets the definition of "treatment," as defined in 40 CFR §260.10, since the physical characteristics of the waste are being altered.

- D. Disposal of a non-empty hazardous waste container as solid waste in violation of 40 CFR §261.7(a)(2): *Any hazardous waste in either a container that is not empty or an inner liner removed from a container that is not empty, as defined in paragraph (b) of this section, is subject to regulation under parts 261 through 268, 270 and 124 of this chapter and to the notification requirements of section 3010 of RCRA.*
- E. Lack of adequate aisle space in the 90-day storage area in violation of 40 CFR §265.35 as referenced in 40 CFR §262.34(a)(4): *Except as provided in paragraphs (d), (e), and (f) of this section, a generator may accumulate hazardous waste on-site for 90 days or less without a permit or without having interim status, provided that [...] (4) The generator complies with the requirements for owners or operators in subparts C [see citation below] and D in 40 CFR part 265, with §265.16, and with all applicable requirements under 40 CFR part 268.*

40 CFR §265.35: *The owner or operator must 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 aisle space is not needed for any of these purposes.*

In the 90-day storage area, adequate aisle space was not being maintained.

- F. Failure to make a hazardous waste determination in violation of 40 CFR §262.11: *A person who generates a solid waste, as defined in 40 CFR 261.2, must determine if that waste is a hazardous waste.*

At the painting operation area on the ship, paint operation waste was observed in a container designated for non-hazardous solid waste. Other paint operation waste (paint bucket liners, paint brushes and solvent contaminated rags) was observed in open containers in SAA 1. Subsequent to the inspection, a waste profile was completed and determined the waste to be hazardous waste.

G. Improper management of hazardous waste in violation of 40 CFR §262.34(a)(1), (2), (3), & (4): *Except as provided in paragraphs (d), (e), and (f) of this section, a generator may accumulate hazardous waste on-site for 90 days or less without a permit or without having interim status, provided that: (1) The waste is placed: (i) In containers and the generator complies with applicable requirements of subparts I, AA, BB, and CC of 40 CFR part 265 [...] (2) The date upon which each period of accumulation begins is clearly marked and visible for inspection on each container; (3) While being accumulated on-site, each container and tank is labeled or marked clearly with the words, "Hazardous Waste"; and (4) The generator complies with the requirements for owners or operators in subparts C and D in 40 CFR part 265, with §265.16, and with all applicable requirements under 40 CFR part 268.*

The waste paint observed in open non-hazardous solid waste containers was hazardous and should have been managed as hazardous waste.

H. Failure to maintain and operate facility to minimize the possibility of release of hazardous waste in violation of 40 CFR §265.31 as referenced in 40 CFR §262.34(a)(4): *Facilities must be maintained and operated to minimize the possibility of a fire, explosion, or any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to air, soil, or surface water which could threaten human health or the environment.*

Hazardous waste paint was observed in open non-hazardous solid waste containers.

By letter dated May 27, 2015, Respondent alleged to have corrected the violations and returned to compliance.

2.

In lieu of a formal enforcement hearing concerning the violations listed above, Complainant and Respondent agree to settle this matter as follows:

Respondent agrees to pay and Complainant agrees to accept a civil penalty in the amount of \$82,500. Respondent shall pay this penalty to MDEQ within forty-five (45) days after this Agreed Order has been executed by the MDEQ Executive Director. The settlement payment shall be submitted to:

Mississippi Department of Environmental Quality  
Attn: Jennifer Parish  
P.O. Box 2339  
Jackson, MS 39225

3.

Nothing in this Agreed Order shall limit the rights of MDEQ or the Commission in the event Respondent fails to comply with this Agreed Order. The Agreed Order shall be strictly construed to apply to those matters expressly resolved herein.

4.

Nothing contained in this Agreed Order shall limit the rights of MDEQ or the Commission to take enforcement or other actions against Respondent for violations not addressed herein and for future violations of environmental laws, rules, and regulations.

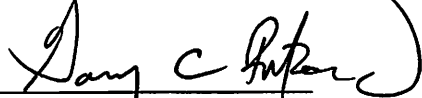
5.

Respondent understands and acknowledges that it is entitled to an evidentiary hearing before the Commission pursuant to Miss. Code Ann. § 49-17-31, and that it has made an

informed waiver of that right.

ORDERED, this the 2<sup>nd</sup> day of DECEMBER, 2015.

MISSISSIPPI COMMISSION ON  
ENVIRONMENTAL QUALITY

BY:   
GARY C. RIKARD  
EXECUTIVE DIRECTOR  
MISSISSIPPI DEPARTMENT  
OF ENVIRONMENTAL QUALITY

AGREED, this the 23 day of November, 2015.

GULF COAST SHIPYARD GROUP

BY: Jamie Kupper

TITLE: Safety Director

STATE OF MS

COUNTY OF Harrison

PERSONALLY appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Jamie Kupper who first being duly sworn, did state upon his/her oath and acknowledge to me that he/she is the Safety Director of Gulf Coast Shipyard Group and is authorized to sign and enter this Agreement.

SWORN AND SUBSCRIBED BEFORE ME, this the 23 day of November, 2015.

Candi Dubuison  
NOTARY PUBLIC

My Commission expires: 8/26/2019

