Environmental Requirements for Painting and Coating

Coating activities, including painting, priming, sealing, and associated solvent usage are very closely regulated by the San Diego Air Pollution Control District. Since these operations are subject to strict local and federal laws, all painting and coating activities conducted at NASSCO are required to be carefully controlled at all times to ensure compliance. For questions about these or any other NASSCO environmental requirements, call 619-544-7506.

NASSCO Approval
Your company may not perform painting or coating at any NASSCO facility without first applying for and obtaining approval from the Environmental Engineering Department to conduct this activity. Separate approval must be obtained for each paint or coating job conducted (one per ship or location). To apply for approval, a completed and signed copy of “NASSCO Environmental Form #4: Request for Authorization to Apply Paint and Coatings at NASSCO Facility” to the NASSCO Environmental Engineering Department at Envreports@nassco.com or fax to 619-744-1088. You may not begin painting or coating until approval has been received from the Environmental Engineering Department.

Air Pollution Control Regulations and Permit Requirements
The San Diego Air Pollution Control District (SDAPCD) is the agency that regulates air emissions from painting and coating activities within San Diego County. To reduce emissions from these activities, this agency has established Volatile Organic Compound (VOC) and other limits for paints and solvents used in San Diego County. Additionally, this agency issues permits to control emissions from painting and coating activities. Before first beginning any painting or coating activity within San Diego County, you are encouraged to contact this agency to identify the current permit requirements and VOC limits applicable to your activities. Contact SDAPCD at 858-586-2600, or visit www.sdapcd.org

If the activities you intend to conduct at NASSCO require a SDAPCD permit, you are required to provide a current copy of your permit to the Environmental Engineering Department BEFORE coating operations begin.

MARINE COATING: On March 24, 2010, SDAPCD issued an advisory stating that, effective January 1, 2011, all marine coating operations conducted at stationary sources (such as NASSCO) must be conducted under a marine coating permit held by the stationary source. Therefore, NASSCO’s direct subcontractors, Master Ship Repair (MSR) organizations, and other entities wishing to perform marine coating at NASSCO are now required to apply for and receive authorization to operate under NASSCO’s Marine Coating Permit BEFORE conducting any marine coating activities at NASSCO. Separate authorization is required for each vessel or job. No one may conduct Marine Coating at NASSCO without first obtaining specific written authorization from the Environmental Engineering Department. If your company receives such authorization, you will be provided with a copy of NASSCO’s permit and you will be required to adhere to all conditions established therein. Failure to comply with the conditions of NASSCO’s
permit or any other applicable air pollution control regulation may result in revocation of the authorization to permit marine coatings. Further, SDAPCD's advisory stated that "contractors who violate any District rule or other applicable requirement while operating under the stationary source permit shall be cited for that violation. This includes failure to maintain records as required and failure to submit required records to the stationary source."

Some coating processes, such as architectural coating, or those using non-refillable handheld containers (e.g., spray paint) do not require a permit. If your coating activities have been determined to be exempt from the requirement to obtain a permit, you are responsible for maintaining any documentation required by SDAPCD to demonstrate that the exemption applies.

Whether your coating activity requires a permit or not, all painting and coating operations must comply with the applicable rules established by the SDAPCD. These rules contain specific limits for Volatile Organic Compound (VOC) contents, methods or application, and recordkeeping requirements. Your company is responsible for complying with these rules by purchasing products that comply with the VOC limits and training employees in the correct methods of application, selection of equipment cleanup and surface preparation solvents, and recordkeeping. Each type of coating is covered by a different regulation, as shown in the following examples:

<table>
<thead>
<tr>
<th>If your company will be applying paints, coatings, or sealants to:</th>
<th>All activities must comply with SDAPCD Rule:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine Vessels or Vessel Components</td>
<td>67.18 Marine Coating Operations</td>
</tr>
<tr>
<td>Buildings, structures, roadways, fixed staircases or handrails, and other architectural components</td>
<td>67.0 Architectural Coatings</td>
</tr>
<tr>
<td>Wood Products (not including wooden objects attached to buildings or ships)</td>
<td>67.11 Wood Products Coating Operations</td>
</tr>
<tr>
<td>Metal Parts (not including vessels or vessel components or architectural elements)</td>
<td>67.3 Metal Parts and Products Coating Operations</td>
</tr>
<tr>
<td>Motor Vehicles and Mobile Equipment (Forklifts, Cranes, Trailers, Etc.)</td>
<td>67.20.1 Motor Vehicle and Mobile Equipment Coating Operations</td>
</tr>
</tbody>
</table>

Approval processes and environmental procedures similar to NASSCO’s are in place at other San Diego Shipyards and Naval Installations. If your company performs painting at other shipyards or at Naval Installations on behalf of NASSCO, it is also responsible for knowing and following applicable environmental procedures, approval processes, and permit requirements specific to those locations.

**VOC Content**

Each company performing coating in San Diego County must be familiar with, and use products that comply with, the VOC limits established in the applicable SDAPCD rules and federal regulations. In order to demonstrate compliance, you must be able to provide documentation of product VOC content. This information is usually shown on the Material Safety Data Sheet or Product Data Sheet. This information must be provided when your product is initially reviewed by the Safety Department and must be readily available any time the product is in use at NASSCO.

**Material Safety Data Sheet Product Review**

Before any chemical product (including paint, sealants, primers, and solvents) can be brought into NASSCO, the product must be reviewed and approved by the NASSCO Safety Department. This is accomplished by submitting a Material Safety Data Sheet (MSDS) and Review Form to the Safety
Department. You must also submit documentation of product VOC content. The product must not be brought on-site until you have received confirmation that the Safety Department has approved the product. For more information, contact NASSCO’s Safety Department at 544-8444.

**Training Requirement**

Each company that performs painting is required to ensure that painters have been trained on applicable NASSCO policies, procedures, and permit requirements before they begin working at NASSCO. Furthermore, any company proposing to apply Marine Coatings at NASSCO, or on behalf of NASSCO at another facility, is required to have at least one representative complete the San Diego Ship Repair Association’s Marine Coating Training Course (or approved equivalent) before first starting marine coating, and at least annually thereafter. The company representative who completes the training is responsible for training others within their company, and their direct subcontractors, on the applicable requirements of the marine coating rule.

**Work Practices**

You are responsible for educating your employees and subcontractors on the applicable environmental requirements associated with coating, including the following:

**Closed Containers**

To minimize emissions of VOCs, any container holding paints, solvents, wastes, or other VOC-containing material must be kept closed unless a person is in the act of adding or removing material. All “in-use” containers must be within line of site of the person using the container. All persons who handle paints, solvents or other VOC-Containing material must be trained on NASSCO’s Paint and Solvent Container, Best Management Practice #202.

**Container Management**

All containers of paints, solvents, and other hazardous materials are required to be clearly and correctly labeled as to contents at all times, according to Best Management Practice #401 on Container Labeling. Should a container become damaged such that it can no longer be sealed properly or risks release of vapors of material, it must be removed from service. The contents can be transferred to an appropriate secondary container and labeled with a new product safety label (available from the Safety Department). All secondary containers must be capable of being completely sealed and compatible with the material being stored. Intentional damage to containers, such as puncturing the lids, is prohibited. Empty containers shall be sent to the hazardous waste collection area.

**No Thinning**

All products are required to be mixed and used according to manufacturer’s specification. Thinning of paints (addition of solvents) increases VOC content above allowable levels and is strictly prohibited at NASSCO.

**Shrouding and Over-Water Protection**

All coating activities must be conducted in a manner as to prevent overspray or release of paint into the environment. Shrouding and associated housekeeping requirements for outdoor and unconfined painting operations can be found in NASSCO’s Best Management Practice #203. Requirements for preventing releases from over-water work can be found in NASSCO BMP #310.
Recordkeeping
Daily records must be maintained of all paints and solvents used, including the exact product name, usage amount, VOC content, and method of application (roller, airless, etc).

Waste Management
Waste paint, solvents, and contaminated work materials (paint brushes, rags, consumables, etc.) must be disposed of properly. Unless otherwise specified, NASSCO will provide hazardous waste drums and labels to its direct subcontractors. Master Ship Repair (MSR) Companies are responsible for providing waste drums and labels for their own activities and for those of their subcontractors. Your company is required to follow all applicable laws as well as NASSCO procedures for handling and disposal of hazardous waste. For additional information regarding hazardous waste disposal, refer to “Environmental Instruction #7: Generation, Disposal, or Transportation of Hazardous Waste.”

Solvent Recycling
The most commonly used solvent for marine coating surface preparation and equipment cleaning at NASSCO is GT4637H (International Thinner). NASSCO operates a solvent distillation unit which allows us to recycle and reuse waste product. If your company is using GT4637H at our 28th and Harbor location, then any waste solvent should be collected in its own hazmat drum which has been labeled with the green “Excluded Recyclable Material” label. Other types of solvents must not be mixed with this product. When the job is complete, the material is then directed to the solvent still for processing. Solvent recycling is not performed at non-NASSCO locations; at these sites, solvent is collected in a hazmat drum which has been labeled with the red “Hazardous Waste” label.

Spills or Environmental Releases
Spills and releases of chemicals, including paints and solvents, must be immediately reported to NASSCO Security 619-544-8401 according to NASSCO’s spill reporting policy, as outlined in NASSCO’s Best Management Practice #102.

Compliance Certification and Monthly Usage Reporting
At the end of each month, all companies performing coating are required to certify as to their compliance status using a “Title V Monthly Air Compliance Certification Form.” Additionally, a summary of coating material usage must be submitted to NASSCO using the reporting form provided by NASSCO (or approved equivalent). The signed forms must be sent to Environmental Engineering at envreports@nassco.com or faxed to 619-744-1088.

If your company performs painting at any other shipyard or any Naval Installation, then your records must be submitted to that entity’s Environmental Department monthly.