

May 11, 2023

San Diego Air Pollution Control District
Mohsen Nazemi
(858) 586-2732
10124 Old Grove Road
San Diego, CA 92131

RE: Nickel Reduction Plan, BAE Systems San Diego Ship Repair Inc., Source 478

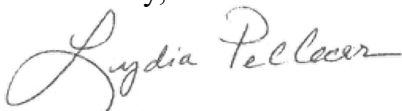
Mohsen:

We have developed a set of Risk Reduction Plan criteria for Year 1 through 3. BAE Systems remains fully committed to working with the district, providing full and open dialogue about data points, operations, and key information for the development of the RRP and measurement of performance against the RRP. We are confident that our operations currently yield an acute nickel health risk value below 1.0 and that our data will demonstrate that, through conducting a Health Risk Assessment, obviating the need for a continued RRP (although BAE Systems, as a business, is continually improving its systems and operations for health risk reductions, among other things).

We are fully committed to finalizing and implementing the RRP and working closely with you to demonstrate compliance. We cannot, however, agree to insert the RRP into a permit, whether an existing paint permit or a new welding permit. Unlike Pacific Ship Repair and Fabrication (the example you mentioned at our last meeting), BAE SDSR is a major, full-service ship maintenance and repair company with numerous types of operations and highly competitive bid processes. New and unnecessary permit conditions will materially harm our competitive position without achieving any benefit to public health. There is no requirement under AB2588, Rule 1210, or elsewhere that requires a permit be issued to make the RRP provisions "enforceable." Regardless, BAE Systems always makes every effort to comply with health and safety requirements and this is no exception. If there are issues that arise in the future with the RRP (we are confident there will not be), we will remain committed to the same responsiveness, transparency, and accountability that we always bring to our interactions with the District.

We hope this does not become a major obstacle as we work through the last phase of plan approval. If we cannot agree on this point, I would suggest we need to get legal representatives involved.

Sincerely,



Lydia Pellecer
Environmental Manager
BAE Systems Ship Repair
Lydia.Pellecer@baesystems.com
(619) 372-0845

Nickel Risk Reduction Plan

Requirements for Year 1 and 2 – twenty-four (24) months following the adoption of the final Risk Reduction and Audit Plan (RRAP)

1. BAE will institute the following practices:
 - a. Limit BAE welders checking out weld rods and spools to 10 weld rods or 1 spool of any type of welding consumable at a time, unless specific justification for a greater need is given and approved.
 - b. Require BAE welders to return unused weld rods and partially used spools to the tool room daily.
 - c. Require subcontractors and AITs to provide daily usage records and follow the same limitations of 10 weld rods or 1 spool per person.
2. Mechanically Attached Fitting (MAF) technology will be used on piping systems that are approved by SWRMC. BAE will maintain documentation on work that is approved for MAF technology and submit this information to the District upon request.
3. BAE will maintain the following records for all welding as part of implementing measures for the approved Risk Reduction and Audit Plan (RRAP). These records shall be maintained for five years and made available to the District upon request:
 - a. Daily usage of welding consumables;
 - b. The location where weld consumables are used;
 - c. The welding process (GMAW, FCAW, etc.) used for each welding consumable;
 - d. Monthly (or weekly) record of the use of Mechanically Attached Fittings (MAF) including the number of welds rods replaced using this process;
 - e. On a calendar year basis, an estimated percentage of welding operations offset through implementation of MAF technology, using assumed welding usages and MAF application records included in that period;
 - f. Manufacturer specification sheets, safety data sheets (SDS), certificate of analysis, or technical bulletins for all welding materials in use, which shall list components within each welding material and shall include content weight or weight percentage of toxic air contaminant (TAC) contained in each material, and if applicable, Navy Standard Items certifications obtained.
4. BAE will comply will all applicable provisions of Rule 1210.

Requirements for Year 3

1. BAE will prepare a health risk assessment by incorporating a full calendar year of data based on the above improved welding recordkeeping to evaluate whether the health risks, including acute risk from welding, are below applicable risk reduction thresholds. The demonstration also shall include any foreseeable new or increased emissions of toxic air contaminants and the estimated health risks resulting from such new or increased emissions during the period approved for implementation of the risk reduction audit and plan.