

BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

FEDERAL CARTRIDGE COMPANY
D/B/A CCI/SPEER,

Lewiston, Idaho (CCI Facility)

Respondent.

DOCKET NO. CWA-10-2025-0144

CONSENT AGREEMENT

Proceedings Under Section 309(g) of the Clean
Water Act, 33 U.S.C. § 1319(g)

I. STATUTORY AUTHORITY

1.1. This Consent Agreement is entered into under the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Section 309(g) of the Clean Water Act (CWA), 33 U.S.C. § 1319(g).

1.2. Pursuant to CWA Section 309(g)(1)(A), 33 U.S.C. § 1319(g)(1)(A), EPA is authorized to assess a civil penalty against any person that has violated CWA Section 301, 33 U.S.C. § 1311, and/or any permit condition or limitation in a permit issued under CWA Section 402, 33 U.S.C. § 1342.

1.3. CWA Section 309(g)(2)(B), 33 U.S.C. § 1319(g)(2)(B), authorizes the administrative assessment of Class II civil penalties in an amount not to exceed \$10,000 per day for each day during which the violation continues, up to a maximum penalty of \$125,000. Pursuant to 40 C.F.R. Part 19, the administrative assessment of Class II civil penalties may not exceed \$27,378 per day for each day during which the violation continues, up to a maximum penalty of \$342,218. *See also* 90 Fed. Reg. 1375 (January 8, 2025) (2025 Civil Monetary Penalty Inflation Adjustment Rule).

1.4. Pursuant to CWA Section 309(g)(1)(A) and (g)(2)(B), 33 U.S.C. § 1319(g)(1)(A) and (g)(2)(B), and in accordance with Section 22.18 of the “Consolidated Rules of Practice

Governing the Administrative Assessment of Civil Penalties,” 40 C.F.R. Part 22, EPA issues, and Federal Cartridge Company d/b/a CCI (Respondent) agree to issuance of, the Final Order attached to this Consent Agreement.

II. PRELIMINARY STATEMENT

2.1. In accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b), execution of this Consent Agreement commences this proceeding, which will conclude when the Final Order becomes effective.

2.2. The Administrator has delegated the authority to sign consent agreements between EPA and the party against whom a penalty is proposed to be assessed pursuant to CWA Section 309(g), 33 U.S.C. § 1319(g), to the Regional Administrator of EPA Region 10, who has redelegated this authority to the Director of the Enforcement and Compliance Assurance Division, EPA Region 10 (Complainant).

2.3. Part III of this Consent Agreement contains a concise statement of the factual and legal basis for the alleged violations of the CWA, together with the specific provisions of the CWA and implementing regulations that Respondent is alleged to have violated.

III. ALLEGATIONS

Statutory and Regulatory Framework

3.1. As provided in CWA Section 101(a), 33 U.S.C. § 1251(a), the objective of the CWA is “to restore and maintain the chemical, physical, and biological integrity of the Nation’s waters.”

3.2. CWA Section 301(a), 33 U.S.C. § 1311(a), prohibits the discharge of pollutants by any person from any point source into waters of the United States except, *inter alia*, as

authorized by a National Pollutant Discharge Elimination System (NPDES) permit issued pursuant to CWA Section 402, 33 U.S.C. § 1342.

3.3. Section 502(12) of the CWA, 33 U.S.C. § 1362(12) defines “discharge of a pollutant” to include “any addition of any pollutant to navigable waters from any point source.”

3.4. Section 502(6) of the CWA, 33 U.S.C. § 1362(6), defines “pollutant” to include, inter alia, chemical wastes, biological materials, rock, sand and industrial wastes.

3.5. Section 502(5) of the CWA, 33 U.S.C. § 1362(5), defines “person” as “an individual, corporation, partnership, association, State, municipality, commission, or political subdivision of a State or any interstate body.”

3.6. Section 502(14) of the CWA, 33 U.S.C. § 1362(14), defines “point source” to include “any discernible, confined and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit... from which pollutants are or may be discharged.”

3.7. Section 502(7) of the CWA, 33 U.S.C. § 1362(7), defines navigable waters as “waters of the United States.”

3.8. Section 402(p) of the CWA, 33 U.S.C. § 1342(p), requires an NPDES permit for any stormwater discharge “associated with industrial activity.”

3.9. The phrase “stormwater associated with industrial activity” is broadly defined to mean the discharge from any conveyance that is used for collecting and conveying storm water at an industrial plant. 40 C.F.R. § 122.26(b)(14). Facilities involved in fabricating metal products, including facilities classified under Standard Industrial Classification (SIC) group 34 that manufacture small arms ammunition, are defined as engaging in industrial activity. 40 C.F.R. § 122.26(b)(14)(xi).

3.10. 40 C.F.R. §§ 122.21(a), 122.26(c), 122.28, and 123.25 require that any person who discharges or proposes to discharge stormwater associated with industrial activity must apply for an individual permit or seek coverage under a stormwater general permit.

3.11. EPA issued the National Pollutant Discharge Elimination System (NPDES) general permit for stormwater discharges associated with industrial activity (2015 MSGP), which became effective for industrial activities in Idaho on August 12, 2015. The 2015 MSGP expired on June 3, 2020, and was administratively continued to authorize discharges that were covered prior to permit expiration through the effective date of the 2021 MSGP. The 2021 MSGP became effective on March 1, 2021.

3.12. Section 402(b) of the CWA authorizes EPA to delegate NPDES permitting authority to authorized states. 33 U.S.C. § 1342(b); 40 C.F.R. Part 123.

3.13. On June 5, 2018, EPA approved Idaho's application to administer the Idaho Pollutant Discharge Elimination System program in Idaho. 83 Fed. Reg. 27769 (June 14, 2018). Idaho assumed permitting and compliance authority for the NPDES program in phases. Stormwater permits, including the MSGP, were transferred on July 1, 2021. *Id.*

3.14. On June 10, 2025, the State of Idaho approved an Additional Implementation Measures (AIM) exception request for Respondent's Facility. On July 11, 2025, the State of Idaho updated the permit obligations for the Facility and eliminated any monitoring obligations for aluminum.

3.15. Pursuant to Section 402(i) of the CWA, 33 U.S.C. § 1342(i), if a state NPDES program is approved pursuant to Section 402(b) of the CWA, 33 U.S.C. § 1342(b), the EPA retains the authority to take enforcement action under Section 309 of the CWA, 33 U.S.C. § 1319.

3.16. Section 309(g)(1) of the CWA, 33 U.S.C. § 1319(g)(1), authorizes EPA to assess administrative penalties against any person who violates Section 301 of the CWA, 33 U.S.C. § 1311, or any condition or limitation in a permit issued under Section 402 of the CWA, 33 U.S.C. § 1342.

General Allegations

3.17. Respondent is a business corporation organized under the laws of Minnesota, and a “person” under CWA Section 502(5), 33 U.S.C. § 1362(5). Respondent also operates under the assumed business name of CCI/Speer recognized by the State of Idaho.

3.18. At all times relevant to this action Respondent operated a small arms ammunition manufacturing facility, located at 2299 Snake River Avenue, Lewiston, ID (Facility). The primary operations at the Facility include the manufacture of small arms ammunition; these operations are categorized under Standard Industrial Classification code 3482 (metal fabrication, small arms ammunition).

3.19. The Facility discharges stormwater from areas associated with industrial activity at the Facility from four outfalls to the Snake River.

3.20. The Facility’s stormwater discharges contain “pollutants” within the meaning of Section 502(6) of the CWA, 33 U.S.C. § 1362(6).

3.21. The stormwater outfalls are “point sources” as defined in Section 502(14) of the CWA, 33 U.S.C. § 1362(14).

3.22. The Snake River is a traditionally navigable water. The Snake River is a “navigable water” under Section 502(7) of the CWA, 33 U.S.C. § 1362(7).

3.23. Respondent discharged stormwater associated with industrial activity from the Facility into waters of the United States, within the meaning of Sections 402(p) and 502(7) of the CWA, 33 U.S.C. §§ 1342(p) and 1362(7), and as defined at 40 C.F.R. § 122.26(a)(14).

3.24. By discharging industrial stormwater from the Facility into waters of the United States, Respondent engaged in the “discharge of pollutants” from point sources within the meaning of CWA Sections 301(a) and 502(12), 33 U.S.C. §§ 1311(a) and 1362(12).

Alleged Violations

3.25. On March 28, 2023, EPA conducted a compliance evaluation inspection at the Facility to determine Respondent’s compliance with the CWA and the 2015 MSGP and 2021 MSGP.

3.26. As described below, based on the EPA Inspectors’ observations and a review of Respondent’s records, EPA alleges that between September of 2020 to at least April of 2024, Respondent violated CWA Section 301, 33 U.S.C. § 1311, and the conditions and/or limitations of the 2015 MSGP and 2021 MSGP. Violations of the 2015 MSGP and 2021 MSGP are enforceable under Section 309(g) of the CWA, 33 U.S.C. § 1319(g).

Failure to Review and Implement Corrective Actions and Control Measures

3.27. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.28. Conditions 4.3.1 and 6.2.1.2 in the 2015 MSGP require the permittee to perform immediate actions to inspect on-site control measures after having benchmark exceedances.

3.29. Conditions 4.3.2 and 6.2.1.2 in the 2015 MSGP require the permittee to perform subsequent actions to implement new control measures to reduce the amount of pollutants leaving the site within 45 days of receiving sampling results with benchmark exceedances.

3.30. The Facility's exceedances of benchmark values triggered corrective action in the third quarter of 2020, fourth quarter of 2020, and first quarter of 2021.

3.31. Respondent failed to implement corrective actions after benchmark values were exceeded in violation of the 2015 MSGP.

3.32. Conditions 5.2.3.1, 5.2.3.2, 5.2.4, and 5.2.5 of the 2021 MSGP require the permittee to conduct corrective actions and escalate actions after benchmark values are exceeded.

3.33. Between the third quarter of 2021 and the first quarter of 2023, the Facility's benchmark exceedances, also known as "AIM triggering events," required Respondent to immediately review the Stormwater Pollution Prevention Plan (SWPPP) and onsite control measures. As additional AIM triggering events occurred, more substantial Best Management Practices (BMPs) needed to be installed to minimize the discharge of pollutants in the Facility's stormwater. Respondent failed to implement sufficient AIM measures in violation of the 2021 MSGP.

Failure to Document Corrective Actions and Control Measures

3.34. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.35. Conditions 4.4., 7, and 7.5 in the 2015 MSGP require the permittee to document a review of the SWPPP and document the Facility's corrective action in the annual report.

3.36. Respondent failed to include the required corrective action documentation in the 2020 annual report submitted in January 2021 in violation of the 2015 MSGP.

3.37. Condition 5.3.1 in the 2021 MSGP requires the permittee to document, within 24 hours of becoming aware of an AIM triggering event, actions taken to modify or add additional control measures or document why no modification was necessary.

3.38. Respondent failed to document actions taken to modify or add additional control measures or document why no modification was necessary during the third and fourth quarters of 2021, second through fourth quarters of 2022, and first quarter of 2023, in violation of the 2021 MSGP.

3.39. Condition 7.4 in the 2021 MSGP requires the permittee to summarize corrective actions in the annual reports.

3.40. Respondent failed to properly summarize its corrective actions in the annual reports for 2021 and 2022 in violation of the 2021 MSGP.

Failure to Adequately Sample

3.41. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.42. Conditions 3.2.4.2, 4.1.5, 4.1.6, 4.1.7, 4.2.2, 6.5.6, and 7.3.4 of the 2021 MSGP require the permittee to sample for sixteen priority pollutant polycyclic aromatic hydrocarbons (PAHs) twice per year in the first and fourth years of the permit term.

3.43. Respondent failed to sample PAHs during the first year of permit coverage in violation of the 2021 MSGP.

3.44. Condition 4.1.1 of the 2021 MSGP requires monitoring at each discharge point unless the discharge point is exempt from monitoring as a “substantially identical discharge point.”

3.45. Respondent failed to conduct monitoring from an untreated and unmonitored discharge point at the Facility or provide a demonstration that the discharge point is exempt from monitoring as a substantially identical discharge point in violation of the 2021 MSGP.

Failure to Timely Submit Sampling Results

3.46. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.47. Condition 7.3.4 of the 2021 MSGP requires the permittee to submit sampling results to EPA through NetDMR no later than 30 days after receiving the complete laboratory results for all monitored discharge points for each monitoring period that they are required to collect samples.

3.48. Respondent failed to submit sampling results into the NetDMR online system within 30 days of receiving sample results for the third quarter of 2021, first through fourth quarters of 2022, first quarter of 2023, fourth quarter of 2023, and first quarter of 2024, in violation of the 2021 MSGP.

Failure to Maintain an Adequate Stormwater Pollution Prevention Plan.

3.49. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.50. Conditions 6.2.2.3 and 6.2.3.4 of the 2021 MSGP require the permittee to document all discharge points in the SWPPP and provide a site map identifying all discharge points.

3.51. EPA's Inspectors observed an untreated and unmonitored discharge point at the Facility, which discharges into an unnamed tributary to the Clear Water River, which is not identified in the SWPPP or in the SWPPP site map. Respondent failed to identify all discharge points in violation of the 2021 MSGP.

3.52. Conditions 3.2.3, 6.5 and 6.5.8 of the 2021 MSGP specify the documentation the permittee must keep up to date, on site, and have ready for review during an inspection.

3.53. EPA's Inspectors observed that records were not complete and located in the SWPPP at the time of the inspection in violation of the 2021 MSGP.

Failure to Maintain Good Housekeeping Procedures

3.54. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.55. Condition 2.1.2.2 of the 2021 MSGP requires “minimizing the potential for waste, garbage and floatable debris to be discharged by keeping exposed areas free of such materials, or by intercepting them before they are discharged.”

3.56. Condition 2.1.2.10 of the 2021 MSGP requires the permittee to minimize the generation of dust and off-site tracking of raw, final, or waste materials to minimize pollutants discharged via stormwater.

3.57. EPA’s Inspectors observed that the Facility was not keeping exposed areas clean that are potential sources of pollutants.

3.58. Respondent failed to maintain good housekeeping procedures in violation of the 2021 MSGP.

Failure to Appropriately Store Materials

3.59. Paragraphs 3.1 through 3.26 are realleged and incorporated herein by reference.

3.60. Condition 2.1.2.1 in the 2021 MSGP requires the permittee to minimize the exposure of industrial materials onsite to stormwater.

3.61. EPA’s Inspectors observed abandoned packaging, relict equipment, and metal debris on the ground throughout the site exposed to stormwater.

3.62. Respondent failed to minimize the exposure of industrial materials to stormwater in violation of the 2021 MSGP.

IV. TERMS OF SETTLEMENT

4.1. Respondent admits the jurisdictional allegations contained in this Consent Agreement.

4.2. Respondent neither admits nor denies the specific factual allegations contained in this Consent Agreement.

4.3. Respondent is concurrently entering into an Administrative Order on Consent (AOC) with the EPA requiring certain compliance actions at the Facility.

4.4. As required by CWA Section 309(g)(3), 33 U.S.C. § 1319(g)(3), EPA has taken into account “the nature, circumstances, extent and gravity of the violation, or violations, and, with respect to the violator, ability to pay, any prior history of such violations, the degree of culpability, economic benefit or savings (if any) resulting from the violation, and such other matters as justice may require.” After considering all of these factors as they apply to this case, EPA has determined that an appropriate penalty to settle this action is \$106,841 (Assessed Penalty).

4.5. Respondent consents to the assessment of the Assessed Penalty set forth in Paragraph 4.4 and agrees to pay the total Assessed Penalty within 30 days after the date of the Final Order ratifying this Agreement is filed with the Regional Hearing Clerk (Filing Date).

4.6. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: <https://www.epa.gov/financial/makepayment>. For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>. However, for any payments made after September 30, 2025, and in accordance with the March 25, 2025 Executive Order on Modernizing Payments To and From America’s Bank Account, Respondent shall pay using one of the electronic payments methods listed on EPA’s How to Make a Payment website and will not pay with a paper check.

4.7. When making a payment, Respondent shall:

4.7.1. Identify every payment with Respondent’s name and the docket number of this Agreement, CWA-10-2025-0144.

4.7.2. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of payment electronically to the following person(s):

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101
R10_RHC@epa.gov

Wesley Simmons
Compliance Officer
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101
Simmons.Wesley@epa.gov

and

U.S. Environmental Protection Agency
Cincinnati Finance Center
Via electronic mail to:
CINWD_AcctsReceivable@epa.gov

“Proof of payment” means, as applicable, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent’s name.

4.8. Interest, Charges, and Penalties on Late Payments. Pursuant to 33 U.S.C. § 1319(g)(9), 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Agreement, the entire unpaid balance of the Assessed Penalty and all accrued interest shall become immediately due and owing, and EPA is authorized to recover the following amounts.

4.8.1. Interest. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed

Penalty is not paid in full within thirty (30) days, interest will continue to accrue until the unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. Interest will be assessed at prevailing rates, per 33 U.S.C.

§ 1319(g)(9). The rate of interest is the IRS large corporate underpayment rate.

4.8.2. Handling Charges. The United States' enforcement expenses including, but not limited to, attorneys' fees and costs of collection proceedings.

4.8.3. Late Payment Penalty. A twenty percent (20%) quarterly non-payment penalty.

4.9. Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Consent Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.

4.9.1. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.

4.9.2. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.

4.9.3. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, per 40 C.F.R. § 13.17.

4.9.4. Request that the Attorney General bring a civil action in the appropriate district court to recover the full remaining balance of the Assessed Penalty, in addition to interest and the amounts described above, pursuant to 33 U.S.C. § 1319(g)(9). In any

such action, the validity, amount, and appropriateness of the Assessed Penalty shall not be subject to review.

4.10. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

4.11. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

4.12. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the Internal Revenue Service (IRS) annually, a completed IRS Form 1098-F (Fines, Penalties, and Other Amounts) with respect to any court order or settlement agreement (including administrative settlements), that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor's violation of any law or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with the law." EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Failure to comply with providing IRS Form W-9 or Tax Identification Number (TIN), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. In order to provide EPA with sufficient information to enable it to fulfill these obligations, EPA herein requires, and Respondent herein agrees, that:

4.12.1. Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at:

<https://www.irs.gov/pub/irs-pdf/fw9.pdf>.

4.12.2. Respondent shall therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN;

4.12.3. Respondent shall email its completed Form W-9 to EPA's Cincinnati Finance Center at henderson.jessica@epa.gov within 30 days after the Final Order ratifying this Agreement is filed, and EPA recommends encrypting IRS Form W-9 email correspondence; and

4.12.4. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide EPA's Cincinnati Finance Center with Respondent's TIN, via email, within five (5) days of Respondent's receipt of a TIN issued by the IRS.

4.13. The undersigned representative of Respondent certifies that he or she is authorized to enter into the terms and conditions of this Consent Agreement and to bind Respondent to this document.

4.14. Except as described in Subparagraph 4.8.2, above, each party shall bear its own fees and costs in bringing or defending this action.

4.15. For the purposes of this proceeding, Respondent expressly waives any affirmative defenses and the right to contest the allegations contained in the Consent Agreement and to appeal the Final Order. By signing this Consent Agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the Consent Agreement.

4.16. The provisions of this Consent Agreement and the Final Order shall bind Respondent and its agents, servants, employees, successors, and assigns.

4.17. This Consent Agreement and Final Order and the AOC referenced in Paragraph 4.3 constitute the entire agreement between the parties.

4.18. The above provisions are STIPULATED AND AGREED upon by Respondent and EPA Region 10.

DATED:

FOR RESPONDENT:

Jeff Ehrich
Vice President and Secretary
Federal Cartridge Company

FOR COMPLAINANT:

Edward J. Kowalski
Director
Enforcement and Compliance Assurance Division
EPA Region 10