GENERAL DYNAMICS
NASSCO

Dear Resident:

NASSCO is providing this letter to supplement information provided to you by the San Diego Air Pollution Control District ("District"). NASSCO is committed to protecting air quality and the community by safely managing emissions from our operations. Since 1993, we have worked closely with the District to provide health risk assessments in compliance with Assembly Bill 2588 (or AB2588) and to reduce facility emissions.

About AB2588 Health Risk Assessments

Health Risk Assessments provide a theoretical estimate of the chance that a person may experience a health effect from exposure to chemicals based on a certain set of conditions and conservative assumptions.

While any emission of toxic air pollutants is a concern to NASSCO, we want you to understand that the estimated risk discussed in this notice is based on a hypothetical person who resides in one location and is exposed to 2013 facility emission levels 24 hours a day, for 30 years. The risk estimates are computer generated, based on the conservative assumption stated above and other assumptions of weather patterns and topography.

Risk assessments cannot predict actual health risks or be used to tell us if a particular health issue was caused by a chemical, and instead they are used to support regulatory activities by comparing results to various notification levels or threshold levels considered protective of human health.

Results of Recent NASSCO AB2588 Health Risk Assessment

The results of the most recent NASSCO AB2588 health risk assessment indicate that all estimated risks are within the range considered by the United States Environmental Protection Agency (U.S. EPA) and California Environmental Protection Agency (Cal EPA) to be protective of human health, but are above the District notification level requiring that we inform you of these results.

Diesel-fueled engines account for most (68%) of the estimated risks. Diesel engines are used in a large number of industries, including transportation, construction, and manufacturing. Diesel emissions from industrial facilities, including NASSCO, are significantly lower than those from transportation. At the NASSCO facility, diesel-fueled engines have been used to power cranes, and portable compressors and engines.

NASSCO's Implementation of Key Early Action Reduction Measures

While the health risks from diesel-powered engines operated at NASSCO are not significant enough for the District to require diesel risk reduction measures, NASSCO has and will continue to implement measures aimed at reducing diesel emissions from the facility. NASSCO risk reduction measures to date have included:

- Widespread use of zero emission cranes in our production operations with more than 90% of the shipyard cranes powered by electricity.
- Installed particulate filters and EPA certified engines on nine diesel-powered portal cranes
- Eliminated a stationary diesel-powered compressor and replaced it with an electric compressor; and

- Implemented requirements that contractors use only zero or near-zero emission portable compressors when working in the shipyard.

NASSCO has also implemented a number of strategies to reduce other chemical emissions and risks from the facility, including the use of EPA recognized best management practices such as process or product modifications and the addition of filters to reduce emissions from welding. Additionally, NASSCO added a fully enclosed 66,000 square foot blast and paint facility equipped with advanced filtration systems to address particulate and painting emissions. These risk reduction measures have significantly reduced chemical emissions from the facility.

NASSCO will continue to evaluate and implement risk reduction measures as well as provide all notifications required by the District.

For questions regarding the public notification process and NASSCO's recent AB2588 Health Risk Assessment, please contact Sara Giobbi at EnvironmentalInfo@nassco.com.