

U.S. Department of Labor
Occupational Safety and Health Administration
Houston North Area Office
507 N. Sam Houston Pkwy. E., Suite 400
Houston, TX 77060-4007
Phone: (281)591-2438 FAX: (281)999-7457



Citation and Notification of Penalty

To:
Sneed Shipbuilding, Inc.

and its successors
2011 Dupont Rd.
Orange, TX 77630

Inspection Site:
17112 Market St.
Channelview, TX 77530

Inspection Number: 315610055
Inspection Date(s): 06/07/2011 - 07/14/2011

Issuance Date: 11/04/2011

The violation(s) described in this Citation and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalty(ies) listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you enter into an Informal Settlement Agreement or you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please read the following paragraphs which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

Posting - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violation(s) cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violation(s) cited herein has (have) been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer. **The penalty dollar amounts need not be posted and may be marked out or covered up prior to posting.**

Informal Conference - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment to the citation(s) and/or penalty(ies).

If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, call our office between 8:00 a.m. and 4:30 p.m. for an appointment, please complete, remove and post the page 4 Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest.

Right to Contest - You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt, the citation(s) and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.

Penalty Payment - Penalties are due within 15 working days of receipt of this notification unless contested. (See the attached Invoice/Debt Collection Notice for details of the Debt Collection Act of 1982.) Make your check or money order payable to "DOL-OSHA". Please indicate the Inspection Number on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Notification of Corrective Action - For violations which you do not contest, you should notify the U.S. Department of Labor Area Office promptly by letter that you have taken appropriate corrective action within the time frame set forth on this Citation. Please inform the Area Office in writing of the abatement steps you have taken and of their dates, together with adequate supporting documentation, e.g., drawings or photographs of corrected conditions, purchase/work orders related to abatement actions, air sampling results, etc. Attached are is a fill-in-the blank form letter for your use to assist you in meeting this requirement.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the U.S. Department of Labor Area Office at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

Abatement Methods - The employer is not limited to abatement methods suggested by OSHA; i.e., methods explained are general and may not be effective in all cases. Other methods of abatement may be equally or more appropriate. Ultimate responsibility for determining the most appropriate method rest with the employer, given its superior knowledge of the specific conditions at its worksite.

You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation, but no sooner than 30 calendar days after the Citation Issuance Date. You are encouraged to review the information concerning your establishment at <http://www.osha.gov>. If you have any dispute with the accuracy of the information displayed, please contact this office.

Abatement Verification - PLEASE FILL IN ABATEMENT/CORRECTION METHOD INCLUDING DATE COMPLETED FOR EACH ITEM CITED AND RETURN TO THE AREA DIRECTOR. OSHA STANDARDS REQUIRE CERTIFICATION AND/OR DOCUMENTATION FOR EACH CITED ITEM. Abatement certification is the employer's statement to OSHA that a violation has been corrected. The certification also describes the date and method of abatement and states that employees and their representatives have been informed of the abatement. Abatement documentation is evidence submitted by the employer that demonstrates that abatement is complete. The evidence will usually be photographic pictures of the abatement, receipts or work orders or other paper evidence of abatement actions taken. Abatement certification responses are due within three (3) working days after each abatement date. **ANOTHER CITATION WITH MONETARY PENALTY CAN BE ISSUED IF YOU DO NOT PROVIDE CERTIFICATION AND/OR DOCUMENTATION OF ABATEMENT.**

When the item indicates **CORRECTED DURING INSPECTION**, the compliance officer witnessed the abatement/correction during the inspection, and no certification is required.

You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation, but not sooner than 30 calendar days after the Citation Issuance Date. You are encouraged to review the information concerning your establishment at <http://www.osha.gov>. If you have any dispute with the accuracy of the information displayed, please contact this office.

Corrective Action Verification

Dear Sir:

OSHA's inspections are intended to result in the abatement/correction of violations of the OSHA Act. To verify that this has been accomplished, Section 1903.19 requires that an employer certify to OSHA, within ten (10) days of the final abatement date that each item cited has been corrected.

This abatement certification letter must include the following:

- *Name of Employer
- *OSHA Inspection Number
- *Citation and Item Numbers to which the submission relates
- *The date each item was abated, specific action taken to abate each violation and appropriate documentation for the action taken. Where appropriate, this protective equipment provided, standard operation procedures, copies of written programs, engineering controls, monitoring data, ect.

* Following is a sample format that may be used for this submittal:

Name of Employer

Citation No: Item No: Date Item Abated: Corrective Action Taken:

Date this letter of submission posted _____

I certify that the information submitted is correct.

Employer or Authorized Representative



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 11/04/2011. The conference will be held at the OSHA office located at Houston North Area Office, 507 N. Sam Houston Pkwy. E., Suite 400, Houston, TX, 77060-4007 on _____ at _____. Employees and/or representatives of employees have a right to attend an informal conference.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 1 Type of Violation: **Serious**

Section 5(a)(1) of the Occupational Safety and Health Act of 1970: The employer did not furnish to each of his employees a place of employment which was free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to the hazard of being struck by a crane load that was being lifted and suspended by a crane hook that had a defective latch.

On or about June 8, 2011, in the yard area, employees were exposed to being struck-by a load that was being lifted and suspended by a crane that had a defective hook latch.

Among other methods, one feasible and acceptable means of abatement would be to implement the requirements of the American Society of Mechanical Engineers (ASME) B30.10-2009 to ensure that all hook latches are maintained in an operable condition.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 6930.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 2 Type of Violation: **Serious**

Section 5(a)(1) of the Occupational Safety and Health Act of 1970: The employer did not furnish to each of his employees a place of employment which was free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to the hazard of electrocution as a result of unexpected energization of equipment.

- a. On or about June 7, 2011, at the electrical platform, employees utilized locks and hasps intended for control of electrical energy (lockout) for other than this intended purpose.
- b. On or about June 8, 2011, at the electrical platform, employees used a lock for the control of electrical energy (lockout) which was not unique to the employee performing lockout. Five different employees had possession of a key which opened the lock.

Among other methods, one feasible and acceptable means of abatement would be to implement a lockout/tagout program which complies with article 120, Establishing an Electrically Safe Work Condition, of the National Fire Protection Association (NFPA) 70E-2012, Standard for Electrical Safety in the Workplace.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 6930.00



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 3 Type of Violation: **Serious**

29 CFR 1915.12(d)(1): The employer did not ensure that each employee entering a confined or enclosed space or other areas with dangerous atmospheres was trained to perform all required duties safely.

On or about June 7, 2011, in an enclosed space in the bow section of Push Boat 346, employees who were performing welding operations had not received training on working safely in confined or enclosed spaces or other areas with dangerous atmospheres.

Date By Which Violation Must be Abated: 11/12/2011
Proposed Penalty: \$ 6930.00

Citation 1 Item 4 Type of Violation: **Serious**

29 CFR 1915.55(h): Oxygen and fuel gas pressure regulators including their related gauges were not in proper working order while in use.

On or about June 7, 2011, employees were using regulators with missing or severely scratched gauge lenses that were attached to Oxygen and Propylene tanks. The regulators were found to be physically damaged and unreadable. This condition exposed employees to explosion and burn hazards.

- a. Yard area near Hull 349.
- b. Yard area near the west Dry Dock.

Date By Which Violation Must be Abated: Corrected During Inspection
Proposed Penalty: \$ 3960.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 5 Type of Violation: **Serious**

29 CFR 1915.56(b)(4): Welding cables, other than the cable lead referred to in 29 CFR 1915.56(b)(2), with exposed bare connectors were not protected by means of rubber and friction tape or other equivalent insulation:

On or about June 8, 2011, on Push Boat 349, an employee was welding with a suitcase X-Treme arc welder that had a damaged ground cord that wasn't repaired properly. This condition exposed the employee to electrical shock and fire hazards.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 3960.00

Citation 1 Item 6 Type of Violation: **Serious**

29 CFR 1915.71(j)(1): Scaffolding, staging, runways, or working platforms supported or suspended more than 5 feet above a solid surface, or at any distance above the water, were not provided railings 42 to 45 inches high and with midrails:

On or about June 8, 2011, in the hull of Push Boat 352, employees were constructing a boat hull, while working from a scaffold approximately six feet above the ground, which lacked a top rail and a mid rail. This condition exposed the employees to a fall hazard.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 5940.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 7 Type of Violation: **Serious**

29 CFR 1915.76(b)(2): Required ventilation ducts that must pass through the means of access to confined spaces were not of a type and so arranged to permit free passage of an employee through at least two of the means of access:

On or about June 7, 2011, on Push Boat 346, employees were working in a confined space that had supplied ventilation. The wire reinforced ventilation duct did not allow for free passage of the employees through the man hole, which was the only means of access to the confined space. This condition exposed the employees to an impeded egress hazard.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 6930.00

Citation 1 Item 8 Type of Violation: **Serious**

29 CFR 1915.91(a): Hose and electric conductors were not elevated over or placed under walkways or working surfaces or covered by adequate crossover planks:

On or about June 7, 2011, cables and hoses ran across walkways, decks, and stair landings where employees must walk and work. This condition exposed employees to tripping and fall hazards.

- a. West Dry Dock area.
- b. Push Boat 346 deck area.
- c. Push Boat 349 deck and dock area.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 5940.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 9 Type of Violation: **Serious**

29 CFR 1915.111(a): Defective gear for rigging and materials handling was not removed and repaired or replaced before further use:

On or about June 7, 2011, in the Shop area, an employee was using damaged slings that did not bear a rated load capacity. The slings were not removed from service. This condition exposed employees to struck-by hazards.

Date By Which Violation Must be Abated: Corrected During Inspection
Proposed Penalty: \$ 4950.00

Citation 1 Item 10 Type of Violation: **Serious**

29 CFR 1915.158(a)(2): Prior to each use, personal flotation devices were not inspected for dry rot, chemical damage, or other defects which may affect their strength and buoyancy.

On or about June 7, 2011, multiple employees were observed wearing life jackets that were severely damaged and covered with paint and other solvents. This condition exposed the employees to a drowning hazard.

- a. Yard area near the Boat I-120.
- b. Yard area near Push Boat 349.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 6930.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 11 Type of Violation: **Serious**

29 CFR 1915.158(b)(2): On floating vessels under 200 feet in length, at least one 30-inch U.S. Coast Guard approved ring life buoy with line attached was not located at the gangway.

On or about June 7, 2011, employees were working on vessels at the shipyard. No life rings were available at each gangway. This condition exposed the employees to a drowning hazard.

- a. I-120 Boat.
- b. West Dry Dock at the Elizabeth Blayler.
- c. Push Boat 346.
- d. Push Boat 349.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 6930.00

Citation 1 Item 12 Type of Violation: **Serious**

29 CFR 1915.159(b)(7): Personal fall arrest systems were not rigged such that an employee can neither free fall more than 6 feet (1.8 m) nor contact any lower level.

On or about June 7, 2011, where an employee working on Hull 349 was using a personal fall arrest system (PFAS) which was rigged such that, in the event of a fall, the employee would free fall more than 6 feet and strike the ground or the inside of the hull, depending on the direction of the fall. The PFAS consisted of a body harness connected to an anchor point at foot level by a 6 foot, shock-absorbing, Miller lanyard which included a 3.5 foot deceleration device.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 5940.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 1 Item 13 Type of Violation: **Serious**

29 CFR 1915.502(a): The employer did not develop and implement a written fire safety plan that covers all actions that the employers and employees must take to ensure employee safety in the event of a fire.

On or about June 7, 2011, throughout the yard area and on multiple boats, the employer had not developed a fire safety plan to ensure employee safety in the event of a fire. Employees were observed using welding machines, cutting torches, and flammable chemicals. This condition exposes the employees to fire hazards.

Date By Which Violation Must be Abated: 11/17/2011
Proposed Penalty: \$ 6930.00



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 1 Type of Violation: **Repeat**

29 CFR 1910.180(d)(4): Complete inspection(s) of crane(s) were not performed at intervals as generally defined in 1910.180(d)(2)(ii) with a determination made as to whether deficiencies constituted a safety hazard:

On or about June 7, 2011, east yard area, a complete periodic inspection of the American 9310 Crawler Crane, Serial #8301A3118 had not been performed since November 24, 2010.

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OR ITS EQUIVALENT STANDARD 29 CFR 1910.180(d)(4), WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 311046171, CITATION NUMBER 1, ITEM NUMBER 2 AND WAS AFFIRMED AS A FINAL ORDER ON 7-15-2007, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 220.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 2 Type of Violation: **Repeat**

29 CFR 1910.305(a)(2)(x): Flexible cords and cables were not protected from accidental damage, as might be caused, for example, by sharp corners, projections, and doorways or other pinch points.

On or about June 7, 2011, flexible cords exposed to steel plate edges, doorways, and pedestrian and vehicular traffic were not protected, exposing the cords to physical damage. This condition exposed employees to electrical hazards.

- a. On Push Boat 349
- b. On the Elizabeth Blayler
- c. On Hull 349
- d. On Push Boat 346

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OR ITS EQUIVALENT STANDARD 29 CFR 1910.305(a)(2)(iii)(G), WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 311046171, CITATION NUMBER 1, ITEM NUMBER 3 AND WAS AFFIRMED AS A FINAL ORDER ON 7-15-2007, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 11880.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 3 Type of Violation: **Repeat**

29 CFR 1910.305(j)(2)(iv): Receptacles installed in wet or damp locations were not suitable for the location:

On or about June 7, 2011, employees were using 110 volt electrical outlets that were damaged and that were not properly weather guarded. This condition exposed the employees to electrical hazards.

- a. Portable electrical outlet bank(Box 1) in the yard area near Push Boat 346.
- b. Portable electrical outlet bank on Push Boat 346.

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OR ITS EQUIVALENT STANDARD 29 CFR 1910.305(j)(2)(iv), WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314416835, CITATION NUMBER 1, ITEM NUMBER 10 AND WAS AFFIRMED AS A FINAL ORDER ON 7-14-2010, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated:	Corrected During Inspection
Proposed Penalty:	\$ 13860.00



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 4 Type of Violation: Repeat

29 CFR 1915.36(a)(6): In areas where liquid solvents, paint and preservative removers, paints or vehicles were capable of producing a flammable atmosphere under the conditions of use, suitable fire extinguishing equipment was not immediately available in the work areas:

On or about June 7, 2011, Yard area near the vessel, Elizabeth Blayler, an employee was welding near a large container that contained waste containers from various highly flammable paints and epoxies. No fire extinguisher was available. This condition exposed the employee to a burn hazard.

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OF ITS EQUIVALENT STANDARD 29 CFR 1915.36(a)(6), WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314416835, CITATION NUMBER 1, ITEM NUMBER 11 AND WAS AFFIRMED AS A FINAL ORDER ON 7-14-2010, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated:	Corrected During Inspection
Proposed Penalty:	\$ 13860.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 5 Type of Violation: **Repeat**

29 CFR 1915.56(b)(2): Cables that were used were not free from repair or splices for a minimum distance of 10 feet from the cable end to which the electrode holder was connected:

On or about June 7, 2011, employees were using damaged and improperly repaired welding cables with damage within 10 feet of the cable end that is connected to the electrode holder. This condition exposed employees to electrical hazards.

- a. Yard area near the west Dry Dock where the damage was 4 feet 6 inches from the electrode holder.
- b. On the vessel, Elizabeth Blayler, where the damage was within 5 inches of the electrode holder.

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OR ITS EQUIVALENT STANDARD 29 CFR 1915.56(b)(2), WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314416835, CITATION NUMBER 1, ITEM NUMBER 12 AND WAS AFFIRMED AS A FINAL ORDER ON 7-14-2010, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 9900.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 6 Type of Violation: **Repeat**

29 CFR 1915.71(i)(2): Platforms of staging were not at least two 10-inch planks in width:

On or about June 7, 2011, at Push Boat 352, employees were constructing various parts of the boat hull while working from and walking on a single 2"X12" plank. This condition exposed the employees to fall hazards.

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OR ITS EQUIVALENT STANDARD 29 CFR 1915.71(i)(2), WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314416835. CITATION NUMBER 1, ITEM NUMBER 15 AND WAS AFFIRMED AS A FINAL ORDER ON 7-14-2010, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 11880.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 2 Item 7 Type of Violation: Repeat

1915.152(a): The employer did not provide or ensure that each affected employee used the appropriate personal protective equipment (PPE) for the eyes, face, head, extremities, torso, and respiratory system, including protective clothing, protective shields, protective barriers, personal fall protection equipment, and life saving equipment, meeting the applicable provisions of this subpart, wherever employees were exposed to work activity hazards that required the use of PPE.

On or about June 7, 2011, in the yard area near the west Dry Dock, an employee was operating a JCB forklift and was not wearing the supplied seatbelt. This condition exposed the employee to a struck-by hazard.

SNEED SHIPBUILDING, INC WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD OR ITS EQUIVALENT STANDARD 29 CFR 1915.152(a), WHICH WAS CONTAINED ON OSHA INSPECTION NUMBER 314416835, CITATION NUMBER 1, ITEM NUMBER 19 AND WAS AFFIRMED AS A FINAL ORDER ON 7-14-2010, WITH RESPECT TO A WORKPLACE LOCATED AT 17112 MARKET ST., CHANNELVIEW, TX 77530.

Date By Which Violation Must be Abated:	Corrected During Inspection
Proposed Penalty:	\$ 9900.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 3 Item 1 Type of Violation: **Other**

29 CFR 1910.141(d)(2)(iii): Lavatories were not provided with hand soap or similar cleansing agent:

On or about June 7, 2011, in the yard area near the Tool Room, employees were not provided hand soap to wash their hands after using restroom facilities.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 0.00

Citation 3 Item 2 Type of Violation: **Other**

29 CFR 1910.303(g)(1): Sufficient access and working space was not provided and maintained about all electric equipment to permit ready and safe operation and maintenance of such equipment.

On or about June 7, 2011, at the northwest corner of the Tool Room, access was blocked to multiple electrical cabinets that supplied power to the building and other areas.

- a. Breaker cabinet on the west wall, 120 volts.
- b. Breaker cabinets on the north wall, 480 volts.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 0.00

See pages 1 through ? of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530

Citation 3 Item 3 Type of Violation: **Other**

29 CFR 1915.14(b)(1)(iv): Hot work was permitted in or on vessels and vessel sections, for which a Marine Chemist or Coast Guard authorized person certificate was not required under paragraph (a)(1)(iv) of this section, before being tested by a competent person and determined to contain no concentrations of flammable vapors equal to or greater than 10 percent of the lower explosive limit.

On or about June 8, 2011, on Push Boat 346, employees had entered and were welding in an enclosed space. The atmosphere in the space had not been tested prior to the start of the hot work.

Date By Which Violation Must be Abated: 11/08/2011
Proposed Penalty: \$ 0.00

A handwritten signature in black ink, appearing to read "David A. Doucet".

David A. Doucet
Area Director

U.S. Department of Labor
Occupational Safety and Health Administration
Houston North Area Office
507 N. Sam Houston Pkwy. E., Suite 400
Houston, TX 77060-4007
Phone: (281)591-2438 FAX: (281)999-7457



INVOICE/ DEBT COLLECTION NOTICE

Company Name: Sneed Shipbuilding, Inc.
Inspection Site: 17112 Market St., Channelview, TX 77530
Issuance Date: 11/04/2011

Summary of Penalties for Inspection Number 315610055

Citation 1, Serious	= \$	79200.00
Citation 2, Repeat	= \$	71500.00
Citation 3, Other	= \$	0.00
TOTAL PROPOSED PENALTIES	= \$	150700.00

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above or the amounts agreed to in an Informal Settlement Agreement following an Informal Conference. Make your check or money order payable to: "DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

OSHA does not agree to any restrictions or conditions put on any check or money order for less than the full amount due and will cash the check or money order as if these restrictions or conditions do not exist.

If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 24 hours and be shown on your regular account statement. You will not receive your original check back. The bank will destroy your original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

Interest. Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is four percent (4%). Interest will accrue from the

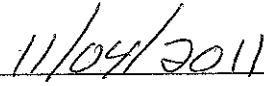
date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

Delinquent Charges. A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

Administrative Costs. Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for second and subsequent demand letters sent in an attempt to collect the unpaid debt. Costs will not be assessed for first demand letters and payment default letters.



David A. Doucet
Area Director



Date