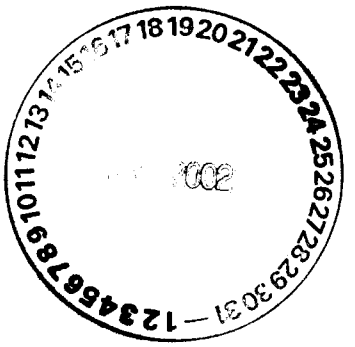
PHILIPS

James

Philips Semiconductors



March 14, 2002

Mr. William McDonald
New Mexico Environment Department
c/o Sandia National Laboratory
P.O. Box 5800/MS-1087
Albuquerque, NM 87185

Certified Mail: 7000 1670 0009 4030 6384

SUBJECT: Quarterly Progress Report

Dear Mr. McDonald:

In compliance with Philips Semiconductors' HSWA permit (NMD000709782-1), modified March 18, 1996, this letter serves as the quarterly progress report as required. The following progress has been made between December 13, 2001, and March 15, 2002.

- *D.1(a) - A description of the work completed and an estimate of the percentage of work completed:* Quarterly groundwater monitoring was completed the week of January 28, 2001. Five (5) monitoring wells were sampled this quarter, which included City of Albuquerque wells NCLF-7 through NCLF-9, and Philips wells MW-5 and MW-6.

- *D.1(b) - Summaries of all findings, including summaries of laboratory data:* A quarterly groundwater monitoring report (Sangre De Cristo Sciences; March 12, 2002) is included with this report for your files. This groundwater report includes analytical results for Appendix IX constituents.

  Constituents detected in the groundwater this quarter were: Tetrachloroethene (PCE), Bromoform, p-Dichlorobenzene, Barium, Copper, Lead, Zinc, and Selenium. All constituents were below the lowest applicable federal or state drinking water standards. The only constituents consistently detected are Barium, Zinc, and Tetrachloroethene (PCE).

- *D.1(c) - Summaries of all problems or potential problems encountered during the reporting period and actions taken to rectify problems: No* problems identified.

- *D.1(d) - Projected work for the next reporting period:* Quarterly groundwater monitoring will continue and groundwater samples will be obtained from City wells NCLF-2 through NCLF-9 (8 wells) and Philips wells MW-1, MW-2, and MW-4 through MW-6 (5 wells).

- *D.1(e) - Summaries of contacts pertaining to corrective action or environmental matters with representatives of the local community, public interest groups or State government during the reporting period:*
  A meeting was held with William McDonald and William Moats of the New Mexico Environment Department Hazardous Waste Bureau. This was the first meeting with the state since William McDonald became the state contact for Philips. The meeting discussed the issues regarding groundwater at the site and what further actions may be required.

- *D.1(f) - Changes in key project personnel during the reporting period:* Sangre De Cristo Sciences performed the sampling for this quarter and is scheduled to sample for the next three quarters.

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- *D.1(g) - Summaries of all changes made in implementation during the reporting period:* It was determined that Philips well MW-7 will not be installed. This conclusion was made after meeting and discussing with the NMED representatives.

If you have any questions regarding this submission, please call our technical contacts David Paulson at (505) 822-7342 or Joe Mauser at (505) 822-7634.

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Sincerely,

Doug Welter
General Manager – Albuquerque Operations

(ENV210)

Enclosure

cc:
w/ enclosure:
James Harris, USEPA Region VI, 7000 1670 0009 4030 3925
Philips Legal Counsel - Sunnyvale
Doug Earp, City of Albuquerque
Baird Swanson, NMED/GWP
Philips Semiconductors Environmental File

w/o enclosures:

James P. Bearzi, NMED
RFI Compliance Binder