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March 30, 2000

VIA REGULAR MAIL & FACSIMILE

Robert S. Dinwiddie, Ph.D.
RCRA Advisor (Acting)
Hazardous & Radioactive Materials Bureau
New Mexico Environment Department
2044 Galisteo Street
P. O. Box 26110
Santa Fe, NM 87502

2000
RECEIVED

Re: Annual Unit Audit for 1999 for Sparton Technology, Inc.

Dear Stu:

Dick Mico has asked that I respond to your February 29, 2000, letter that enclosed tables identifying units at Sparton Technology, Inc.'s Coors Road plant that NMED believes are subject to a business fee assessment. I had called you the other day to discuss why we believe those lists are incorrect.

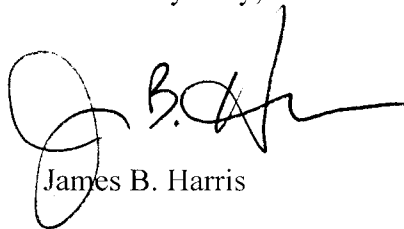
NMED believes that there are two "storage areas" at the Coors Road plant. Information available to us establishes that both areas only accumulated waste after RCRA became effective, and neither has been in operation for some time. As such, there should be no business fee associated with these two areas.

We also disagree with NMED's determination that there are two surface impoundments at the Coors Road plant. Information we have reviewed supports the conclusion that there was at most one surface impoundment.

Finally, the unit you describe as a "dry well" was not used after RCRA became effective. We question whether any business fee should be associated with that past operation.

Please give me a call at your convenience so that we can discuss resolving our differences.

Yours very truly,

A handwritten signature in black ink, appearing to read "J.B. Harris". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

James B. Harris

JBH/tks

cc: Richard Mico
R. Jan Appel