

RED ST/2001-2002

SPARTON

SPARTON CORPORATION

December 19, 2001



Mr. Gregg A. Cooke
Regional Administrator
Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202

Mr. Peter Maggiore
Secretary of New Mexico Environment Department
Harold S. Runnels Building
1190 St. Francis Drive
P.O. Drawer 26110
Santa Fe, New Mexico 87502-6110

Dear Mr. Cooke and Mr. Maggiore:

I am the chief financial officer of Sparton Corporation, 2400 E. Ganson Street, Jackson, Michigan 49202. This letter is in support of Sparton Corporation's use of the financial test to demonstrate financial assurance for corrective action and any post-closure care, as specified in subparts G and H of 40 C.F.R. parts 264 and 265.

1. Sparton Corporation is the owner or operator of the following facilities -for which financial assurance for closure, post-closure care, or corrective action is demonstrated through the financial test specified in subpart H of 40 C.F.R. parts 264 and 265. The current closure, post-closure care, and/or corrective action cost estimates covered by the test are shown for each facility: None.

2. Sparton Corporation guarantees, through the guarantee specified in subpart H of 40 C.F.R. parts 264 and 265, the corrective action and any post-closure care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the corrective action and post-closure care so guaranteed are shown for each facility: Sparton Technology, Inc., 9621 Coors Rd., N.E., Albuquerque, New Mexico 87114: corrective action and post-closure care cost estimate = \$4,183,526. Sparton Corporation is the direct parent corporation of Sparton Technology, Inc.

3. In States where EPA is not administering the financial requirements of subpart H of 40 C.F.R. part 264 or 265, Sparton Corporation, as guarantor, is demonstrating financial assurance for the closure, post-closure care, or corrective action of the following facilities through the use of test equivalent or substantially equivalent to the financial test specified in subpart H of 40 C.F.R. parts 264 and 265. The current closure, post-closure care, and corrective action cost estimates covered by such a test are shown for each facility: Except for the Sparton Technology, Inc. facility listed under number 2 above, none.

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4. Sparton Corporation is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure, post-closure care, or corrective action is not demonstrated either to EPA or a State through the financial test of any other financial assurance mechanism specified in subpart H of 40 C.F.R. parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure, post-closure care, and corrective action cost estimates not covered by such financial assurance are shown for each facility: None.

5. Sparton Corporation is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 C.F.R. 144.62 are shown for each facility: None.

Sparton Corporation is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on June 30. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended June 30, 2001.

ALTERNATIVE I

1. Sum of current corrective action and post-closure care cost estimates:

\$4,183,526

*2. Total liabilities: \$28,272,054

*3. Tangible net worth: \$79,522,450

*4. Net worth: \$79,522,451

*5. Current assets: \$86,513,361

*6. Current liabilities \$20,536,181

*7. Net working capital: \$65,977,180:

*8. The sum of net income plus depreciation, depletion, and amortization:

\$3,532,800

*9. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.): Not Applicable

10. Is line 3 at least \$10 million? (Yes/No) Yes

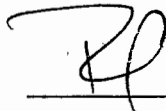
11. Is line 3 at least 6 times line 1 ? (Yes/No) Yes

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12. Is line 7 at least 6 times line 1? (Yes/No) Yes
- *13. Are at least 90% of firm's assets located in the U.S.? If not, complete line 14
(Yes/No) Yes
14. Is line 9 at least 6 times line 1? (Yes/No) Not Applicable
15. Is line 2 divided by line 4 less than 2.0? (Yes/No) Yes
16. Is line 8 divided by line 2 greater than 0.1? (Yes/No) Yes
17. Is line 5 divided by line 6 greater than 1.5? (Yes/No) Yes

I hereby certify that the wording of this letter is substantially identical to the wording specified in 40 C.F.R. 264.151(f) as such regulations were constituted on the date shown immediately below, except as modified to reflect financial assurances of corrective action and except where "this firm" is replaced with "Sparton Corporation."

[Signature]



[Name]

Richard Langley

[Title]

Vice President, Chief Financial Officer, Treasurer

[Date]

December 19, 2001

Enclosure: Sparton's 2001 Annual Report to Shareholders