



Facsimile

Combustion Engineering, Inc. ABB Combustion Engineering Nuclear Power Windsor, CT, USA

1-978-318-8251

To: Attorney Ted Smolen, United States Army, Corps of Engineers
cc: John Conant
From: Robert S. Bell, Jr.
(Phone: 1 (860) 285-9780, Facsimile: 1 (860) 285-3671)
Date: June 10, 1999
Subject: Windsor Site FUSRAP designation

Dear Mr. Smolen:

As we discussed, I would like to receive assurance that the planned transactions involving the formation of a joint venture among business units from ABB, Combustion Engineering's parent company, and ALSTOM will not affect designation of the Windsor site under the FUSRAP program. My understanding is that there is no reason why these transactions should have any effect on FUSRAP designation or on the conduct of FUSRAP activities at the Windsor Site, since they have no effect on the underlying facts concerning contamination at the site. This is the case even if changes in ownership of the Windsor Site were involved. I would appreciate receiving the concurrence of the Corps of Engineers that my understanding of these matters is correct.

Attached is a brief description of the corporate transactions which are planned.

Sincerely,

Robert S. Bell, Jr.

Combustion Engineering, Inc. has, since early 1990, been a wholly owned subsidiary of Asea Brown Boveri Inc. Asea Brown Boveri Inc. is itself a U. S. subsidiary of a Swiss company, ABB Asea Brown Boveri Ltd. (ABB Ltd.). The proposed joint venture will combine the worldwide "power" businesses of ABB Ltd. with "power" businesses of ALSTOM, a French company. Nuclear power businesses are not being included in the formation of the joint venture.

Combustion Engineering, Inc. currently consists mostly of business units involving fossil power activities, which will be included in the joint venture, and nuclear power activities, which will not be included. The proposed transaction will result in the incorporation of the nuclear power business as a subsidiary of Asea Brown Boveri Inc., separate and apart from Combustion Engineering, Inc. This subsidiary will be known as ABB Combustion Engineering Nuclear Power, Inc.

Combustion Engineering, Inc. would then become part of the joint venture through a transfer of its shares to the ownership of the joint venture. The Windsor site will remain the property of Combustion Engineering, Inc.; parts of it will be leased by ABB Combustion Engineering Nuclear Power, Inc. for offices and as necessary to support certain NRC licensed activities. It is intended that there will be no material change in the conduct of NRC licensed activities as a result of the proposed transaction.

The current schedule for the formation of the joint venture, following the receipt of necessary approvals, is the end of June.