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September 30, 1994

VIA HAND DELIVERY
Douglas Stuart, Chief
Bureau of Environmental Evaluation and
Cleanup Responsibility Assessment
New Jersey Department of Environmental
Protection and Energy
401 East State St., 5th Floor
CN 028
Trenton, NJ 08625-0028

Re: Hexcel Corporation
205 South Main St.
Lodi, Bergen County, New Jersey
ISRA Case No. 86009
Response to Letter of September 15, 1994
Our File No. 03598.23357

Dear Doug:

The purpose of this letter is to respond to the September 15, 1994 correspondence from the NJDEP in the above-referenced matter. That letter requested a response within 30 days of receipt. The September 15 letter was received in our offices on September 22, 1994. Accordingly, this response is being submitted in a timely fashion.

I am enclosing herewith a point-by-point technical response prepared by GEO Engineering, the environmental consultants engaged in regard to this matter. I shall address in this letter the points left unaddressed in the attached letter of GEO Engineering.

SDMS Document
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First, the Department has very helpfully suggested that §40 be pursued for the purpose of obtaining the endorsements of Fine Organics. We have begun that process and I attach hereto a copy of a letter forwarded to Fine Organics soliciting their cooperation not only in regard to the endorsements but in regard to a number of other issues that are essential to the construction of the sewer line.

As you will see from the attached letter from GEO Engineering, Hexcel has been diligently pursuing all of its permitting problems over the last several months. Of course, this has been complicated greatly by the previous refusal of Fine Organics to execute any of the necessary permits. At this juncture, however, we have received verbal commitment from the PVSC to accept the treated groundwater, we have received confirmation from the NJDEP that the proposed treatment system does not require a TWA Permit or a Sewer Extension Permit (see letter of Helen Rancan attached hereto dated July 18, 1994), and we have completed the form necessary for what we believe to be the only remaining permit - a CP-1 Form for the purpose of obtaining a Stream Encroachment Permit. We, at this point, will look forward to a response from Fine Organics.

There is, however, a timing problem which has arisen. Your letter of September 15 gives Hexcel only a 30-day period in which to resolve the outstanding issues with Fine Organics. Department policy regarding the application of §40, however, provides at least a 45-day period during which Hexcel must submit at least two letters to Fine Organics. Accordingly, we would respectfully request that the Department provide a 60-day extension, for a total of a 90-day period, during which Hexcel will have an opportunity either to resolve all access issues with Fine Organics or to file suit in the Superior Court.

Paragraph 7 of your letter provides agreement that Hexcel may proceed through the use of a "Geoprobe" concerning the property located on the opposite side of the Saddle River. We are in the process of contacting the property owner, pursuant to the §40 procedures, and will advise.

Paragraph 11 of the Department's September 15 letter requests an increase in the funding source to an amount equal to the highest estimated costs of remediation. I am attaching a separate letter from GEO Engineering which includes a revised cost estimate. You will see therein that GEO Engineering has confirmed that the upper limit of the remediation, based on further

consideration and evaluation of present circumstances, is $4 million. As you may know, the cost estimate referenced in the September 15 letter of the Department was prepared by Killam, Hexcel's previous environmental consultant. Killam is no longer associated with this project. GEO Engineering, which did not participate in the preparation of the cost estimate ranges as previously provided to the Department, has reviewed those ranges, has indicated that a number of the items have cost estimates that are far in excess of what should be expected and prepared a revised cost estimate. More particularly, they have pointed out that the pilot scale studies of soil remediation alternatives, the cleaning and abandonment of the sewer line, and the design/specification/permitting/installation of the vapor extraction system will be far less than have been anticipated. Accordingly, we would respectfully request that the remediation funding source be maintained at the 4 million figure.

Paragraph 12 of the September 15 letter requests an update on the bankruptcy proceedings. We have questioned bankruptcy counsel on that and provide the following by way of a brief status report.

Hexcel filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code on December 6, 1994, in the Northern District of California. Hexcel's principal place of business is located in California.

Hexcel is moving swiftly through bankruptcy reorganization. Notices were sent to all creditors and, thereafter, the court fixed April 28, 1994 as the bar date for the filing of all claims. Hexcel has evaluated these claims and determined that any plan of reorganization will pay creditors 100% on the dollar.

On September 14, 1994, Hexcel announced the sale of its EMT business to Northrop for $30 million as part of the restructuring of its operations and returning the company to profitability.

Plans for the reorganization of the company already have been submitted and are being discussed and evaluated at the board of directors level. Hexcel expects to emerge from bankruptcy protection in the near future.

We are hopeful that the enclosed demonstrates not only Hexcel's continued commitment to resolving the ISRA issues at this site but also the ability of Hexcel to do so. Please call should you have any questions.

Very truly yours,

Lisa Murtha Bromberg

LMB/cad/L3969
Enclosures
cc: Joseph J. Nowak (Via Hand Delivery)
Mr. A. William Nosil (Via Federal Express/With Enclosures)
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