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October 30, 2002

Mr. James E. Dyer
Regional Administrator, Region III
Nuclear Regulatory Commission
801 Warrenville Road
Lisle, IL 60532-4351

Dear Mr. Dyer,

We have received a letter from USEC advising us that NRC has expressed concerns about the "implementation of HVC's quality assurance system" and therefore we have been removed as a supplier of angle drum valves.

We respectfully consider this an unfair and unduly penal response.

Hunt has supplied over 35,000 valves since 1990. To our knowledge these have performed extremely well over an extended period of time. Few, if any valves, have ever been returned for warranty repair.

Just over one year ago, Hunt Valve made four fundamental and far-reaching corporate commitments:

First, analyzing and improving product quality would be paramount. We decided that if we became aware of any potential concern in this area we would be out front of the communication and response curve. Our Board of Directors has made it absolutely clear that *any* product quality deficiencies will be addressed and remedied. Indeed the "recall" Hunt independently initiated in December 2000 is a good example of this. Despite the fact that this is a "build to print" valve, I believe we have, nevertheless, been proactive over a number of years to provide input and direction to improve this valve's design and performance.

Second, we would cooperate *fully* with the government investigation. This we have done and will continue to do so.

Third, we would rapidly overhaul our Quality System from top to bottom.

Fourth, we would make needed investments in the Company to help transition through this difficult period. We have funded improvements in our quality system and more broadly throughout the Company. This has been painful, but necessary to restoring our reputation and credibility. While we have made significant progress, as discussed below, we expect that further investments will be necessary.

The Company has made significant efforts to accomplish all of these objectives and continues to be fully committed to these goals. You have my pledge these efforts will continue.

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I would like to highlight just some of the improvements we have made over the last year under the Hunt Valve recovery plan. We have revised our quality manual, work instructions, and flow-through procedures. These paperwork changes have been supplemented by extensive training. We have instituted new and expanded existing audit functions within the Company and among its vendor group. Additional staff-level personnel have augmented our Quality Department, almost doubling the number of people in the Department. Management personnel throughout the Company have been replaced and this new team is 100% dedicated to regaining your trust as a valued valve supplier. Finally, in the fall of 2001, I changed the quality assurance reporting structure. Now, and in the foreseeable future, all quality assurance personnel report directly to me. I have made our Company's commitment to quality my highest priority. I will be implementing a formal Code of Ethics and Business Conduct policy this year which will enshrine the values, expectations and requirements to which we expect all Hunt Valve employees to adhere to, all the time, without fail.

Recent military customer reviews by the on-site Government inspectors and audits by Electric Boat, Newport News, Ingalls, General Electric and USEC combined with an aggressive internal audit schedule have confirmed to me that we have made significant progress, but I also recognize that we are in a process of transformation that requires us to continuously re-examine our performance levels. We are committed to achieving our collective goal of producing the highest quality valves for our customers and we believe we are operating at a consistently higher level of quality assurance than ever before.

We have asked the government and our customers to help us refine and define issues, and where they have, we have quickly addressed them. We have conducted an ongoing investigation beginning in the fall of 2001. That investigation continues to this day, as we surface issues or they are brought to our attention by others. We most recently assembled, from vendors and internal sources, a comprehensive answer to NRC/USEC issues that we believed addressed open issues. We believe the source inputs to these answers were satisfactory investigated and affirmed by a USEC audit. **The company's response was the product of multiple employees, vendors and consultants offering you the results of the exhaustive research and personally approved by me.**

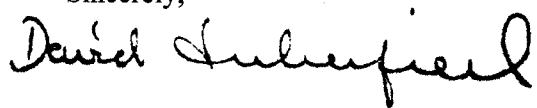
I am also confident that based on all the information presently available to me that we have the management team in place to assure full and total systemic compliance now and in the future. This assessment is based on a range of factors, including, but not limited to, exhaustive employee interviews, document reviews, audit results, performance evaluations and follow-on interviews spanning over twelve months, with an eye to both the current situation and our need to have people we can trust, on a go-forward basis. It is my firm belief that we have the right people in place.

As we have said for many months, we want to work with the NRC, USEC and all other customers to examine and ensure the integrity of our valves, regardless of location or use and to further this process, we wish to engage in a dialog with you and urge you to re-audit us to satisfy you, and on behalf of the NRC, that we are in full compliance, as USEC now believes we are. The Company's ability to continue these intensive and extensive actions depends on the continuing validation that we are making progress implementing our quality improvement plan.

In summary, I want you to know that we have taken the events of the past year very seriously. Based on facts (and only on facts), we have acted in a manner consistent with reestablishing Hunt Valve again as a premier supplier of valves to you and others. This broad based Hunt Valve recovery plan encompasses all facets of our business (financial, operational, organizational and quality etc.) and has involved all employees, up to and including the Board, our financial partners and investors. There is no one in our organization that does not view the recovery plan as the highest priority.

We remain fully committed to the four objectives outlined at the onset of this letter. We respectfully request that you reconsider the decision to remove us as a supplier and ask you to take into account and recognize that we have had a ten (10) year overall exemplary reputation for quality and delivery performance, notwithstanding those weaknesses in our system as pointed out in the 2001 audits and investigation. We have worked hard to correct 100% of the USEC and NRC audit findings and answer all questions in a forthright manner. I look forward to discussing these matters with you soon.

Sincerely,

A handwritten signature in cursive script, reading "David B. Huberfield".

David B. Huberfield
President/CEO

DH/lr