REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE

Remington.

PETERS

xc: H. C. Munson

E. Hooton, Jr. - Bdpt. O. W. Huston

- -

"CONFINE YOUR LETTER TO ONE SUBJECT ONLY"_____

Ilion, New York January 26, 1983

H. K. BOYLE

M/700 BDL (30-06, 270) SHIPMENT CAPABILITY

On October 26, 1982, we received the #1-83 Model Forecast demand from Marketing. We responded to this model forecast on Nov. 4, 1982 indicating that we foresaw no problems meeting the overall gun demand.

On Nov. 8, 1982, we received the "Line-item" forecast and proceeded to schedule our M/700 line to meet the detailed caliber demand. This was provided to Marketing and indicated we would be in a <u>negative</u> inventory position for 30-06 and 270 BDL calibers through April, 1983.

The reason for this <u>negative</u> position was due to the necessity of scheduling our varmint calibers early in the year to meet the early selling season. All of the scheduled calibers prior to the 30-06, 270 BDL also showed negative inventories starting in January unless production was scheduled. Past years' pressures for these varmint guns led us into this planning strategy.

We are aware of the urgency to produce the BDL calibers as soon as possible. We actually overshipped the demand forecast of Nov. - Dec. 1982. (+295 - 270 Cal. +516 - 30/06 Cal.) The lack of available inventory has also been compounded by an increase in the actual demand of these calibers.

| | Orig. Demand | Current Demand |
|-----------|--------------|----------------|
| 30-06 BDL | 741 | 989 |
| 270 BDL | 534 | 970 |

We have, and still are, attempting to adjust our lines to expedite the BDL's. We are somewhat limited by the constraints caused by receipt of bad Receiver Steel from our vendor. We have used alternate material and are now using replacement steel. However, a 'gap' in the line caused by this delay limits our ability to respond as quickly as we would like. (We are working overtime hours to 'catch-up') We have also changed our planned production for 30-06 ADL's in February to include at least 500 - 1000 BDL's. Part of our limitation to respond even quicker is the constraint of producing a BDL bolt which is not common with the ADL.