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3600  
TARD 1988 NOV DEC

EXHIBIT B

TRIGGER ASSEMBLY REPLACEMENT PROGRAM

FINANCIAL IMPACT

A Reserve is being established in 1987 to accommodate the financial impact of this program on 1987 performance, and will encompass the following estimated expenses:

NOTIFICATION

Mailing (~~20M @ \$2~~) 2.5M @ 2  
Telephone (6 lines for 2 year @ \$20M/yr) 12  
~~Telephone Switching 10 days 5 people~~  
Telephone Operators (2,000 Hours/Line @ \$8) 16M  
Long-Distance Calls 2M  
Advertising Campaign

TOTAL NOTIFICATION

\$M

2.5M  
2.1M

1M

2M

10M

SHIPPING

Freight (~~15M~~ 200 Guns 2 ways @ \$5)  
Packing Material (~~10M @ \$1.25~~)  
TOTAL SHIPPING

2

3

2.3M

REPAIRS IN THE FIELD

Replacement Parts (~~10~~ 400 @ \$9)  
Warranty Repairs (~~12.5~~ @ \$22)  
~~Field Repairs (3.7 @ \$50)~~  
Reconditioning (8.7 @ \$10)  
Factory Repairs (~~3~~ @ \$30)  
~~Customer Units to Obtain Records (50 man weeks)~~  
TOTAL REPAIR

45M

22M

1M

6M

33.5

INHOUSE COSTS

~~Sorting Connectors~~  
~~Reconditioning (18M @ \$9)~~  
Engineering, Supervision  
Management Consultant & Office Help  
Programming/Systems Support  
Rearrangement

TOTAL INHOUSE COSTS

2

9

1

2

14

TOTAL COSTS

ALTERNATIVES

At the present time, we see none.

59.8