

FIREARMSSHOTGUNSMODEL 1100 AUTOLOADING SHOTGUN12 GaugeManufacturing Costs

The M/1100 manufacturing costs to date were compared to the Project and to the improvements forecasted in May. The respective comparisons are shown in Table 1 and Figure 1, attached. September's cost was \$1.58 below the first year Project estimate and \$3.92 below August's cost. Material costs are beginning to reflect the steel price increases in some components and continued plant emphasis is being placed on improving labor costs. Both of the above mentioned costs, however, exceed project estimates. The quantity produced in this model as well as total volume in all models is reflecting favorably in the burden allocation to the Model 1100. Production start up problems connected with the 16 and 20 gauge may adversely affect overall model costs during the next few months.

In view of the current back order position, Sales suggested that Production maximize output in the 12 gauge so as to fill as many orders as possible prior to the anticipated start of order cancellations from some distributors who are reluctant to carry-over stock at the end of the season.

Improvement to the Gas System

Research and Development indicated that research endurance testing of the molded "O" ring to replace the metal barrel seal has been favorable in providing an improved seal to prevent gas leaking forward and depositing lead in front of the barrel guide ring. The current estimated effective life of the ring would indicate that approximately 5% of the guns would be subject to "O" ring replacement due to heavy shooting. Broader testing of the ring in the field is currently taking place. If field reaction parallels research test results, the Research Department will soon be in a position to recommend releasing it to production.

Production reported that final test failures for "don't blow back" attributable to low power are still in the 5% range and Sales has received some field complaints concerning this condition. Research and Development estimates that the "O" ring seal should reduce such power failures to the range of 3 to 4%.