

DEVELOPMENT AND COSTS - contd.BARREL FORMING PROCESS DEVELOPMENT - contd.

In discussion it was emphasized that this is a development program. It is proposed for all gauges of shotgun Barrels. There is no proposal at this time to develop this process for rifle Barrels.

There is one supplier now for the proposed type of welded tubing.

It is estimated the first equipment could be in trial and pilot operation in 1 to 1½ years.

MODEL 3200 ECONOMIC STUDY

E. B. Wallin reported the results of this economic study - Exhibit 2-1 through 2-7 - Text and Tables I and II. 83

Several points were brought out in discussion:

- . If volume is down to 12,000, Factory Margin would drop about \$450,000.
- . On Table II, the \$34.50 Factory Margin shown in the July, 1976 Objective column would be a loss when charged with G & A expense.
- . Further study of the adverse effect upon cost of gun alterations was requested.

The Operations Committee requested that a summary report be issued promptly. This will be needed for the Research report at the next Board meeting.

QUALITY REVIEW AT ILIONFIELD COMPLAINT PROCESSING SYSTEM

E. G. Larson reported. Exhibit 3 - Customer Feedback - was reviewed.