

NO. 7417

PATRICIA MUNOZ, Individually	\$	IN THE DISTRICT COURT OF
and On Behalf of the Estate	\$	
of Jose Munoz, Deceased,	\$	
and As Next Friend of	\$	
MONICA MUNOZ and LOUIS MUNOZ,	\$	
Minors	\$	CHILDRESS COUNTY, TEXAS
	\$	
VS.	\$	
	\$	
REMINGTON ARMS COMPANY, INC.,	\$	
E. I. DU PONT DE NEMOURS	\$	
AND COMPANY, and VEE BAR, LTD.	\$	100TH JUDICIAL DISTRICT

AFFIDAVIT OF WILLIAM H. COLEMAN, II

STATE OF NEW YORK \$
 \$
 COUNTY OF HERKIMER \$

BEFORE ME, the undersigned authority, on this day personally appeared William H. Coleman II, who, after being fully identified to me and first being duly sworn according to law upon his oath, deposed and stated:

"My name is William H. Coleman II. I am over twenty-one (21) years of age, have never been convicted of a crime, and am fully competent to make this Affidavit. I have personal knowledge of the facts stated herein and all facts are true and correct.

I am the technical manager in charge of, among other things, the Research and Development Division of Remington Arms Company, Inc., and have personal knowledge of the following:

Since approximately 1980-81 Remington has been working on a proposed design for a new bolt action rifle (NBAR). That rifle has not, to date, been manufactured and is presently loosely scheduled in an undefined form for production in the next several

years. The NBAR project has taken many forms, both conceptually and in drawing and prototype stages, from the standpoint of features and the marketing niche it is designed to fill. The design inputs for the NBAR project have come from a variety of sources including consumer research, marketing, individual design staff within Remington, evaluation of past designs and the present designs of competitors, as well as the collective expertise of the Remington personnel. At the present time, Remington does not intend to discontinue production of the Model 700 even if the NBAR is produced. The Model 700 remains one of Remington's most popular products and maintains a strong position within the centerfire bolt action rifle market.

Despite the strength of the Model 700 in the market, Remington has recognized that the market may demand a replacement or, an alternatively-featured bolt action centerfire rifle. Likewise, Remington has recognized that development of a new product requires significant lead time. During the natural course of new product development documents and other materials are created. As is more fully detailed below, these documents as well as the concepts they embody must remain the confidential property of Remington.

Because NBAR remains a concept and not a rifle, the difference between NBAR and the Model 700 cannot fully be described. However, NBAR components which are or have been under consideration include a different receiver, different stock,

different magazine and feeding system, different fire control, different extractor, different scope mounting system, different bolts, different barrels, different bolt latch designs, and numerous cosmetic alternatives, among other differences. The documents which are being produced for the in camera inspection reveal these design differences.

TEST AND MEASUREMENT LAB REPORTS

Test and measurement lab reports are reports produced by the test and measurement section of Ilion Research Division which report the technical performance of firearms under test. Test lab reports may be written regarding changes in firearms currently produced (such as the inclusion of a new caliber) or regarding the evaluation of new features of designs under development. In addition to tests which are reflected in the reports the test lab also provides on-site testing services for the research department which may not be in written form.

The reports produced for in camera inspection reflect testing done on selected features that have been considered by the designers during the NBAR program. In some instances design features for a new model will be evaluated on a test firearm, one currently in production, on which the new feature has been placed. In addition, test documents may reflect comparisons between NBAR and current Remington designs or the design of its competitors.

Test lab reports that discuss features that have been built in prototype or designer models reveal features that have

advanced past mere concepts. Disclosure of the ability to execute any design concept would cost Remington the benefit of the time and expense expended in designing, producing and testing the concept. Likewise, test lab reports that report results less than fully successful would disclose design concepts that may not be fruitful to pursue and thereby offer our competition an advantage.

PROJECT FEATURE/SPECIFICATION LISTS

Documents which may be categorized as project feature and specification lists are included for in camera inspection. These lists are formulated as the result of input from several sources which may include marketing, consumer research, design engineers and project management. The lists are subject to change as features are evaluated and the input from the various sources changes. Evaluation may include testing of components, cost estimates, changes in the market and consumer perceptions. Typically the lists are prepared in conjunction with meetings or communications such as design committee meetings which are also provided herein to the court. With respect to the NBAR program, the feature specification list has been dynamic rather than static, reflecting the on-going nature of the program, as well as the difficulty in establishing a concept which would be perceptibly better than the overwhelmingly popular Model 700. The lists may also reflect the relative priority of different design packages within the overall project at the time the list was generated.

Project featurization lists are highly proprietary because they reveal in a very stark format the plans for possible new products. Some of the lists of a proposed design package disclose the summary of numerous resources and the creative process relative to the market demand, how the design may evolve and the ability of Remington to execute practical designs to meet that demand. Disclosure of this material would not only reveal the specific features of the NBAR program and other programs unrelated to bolt action rifles, as they have evolved from the in initial concepts, but also would clearly show Remington's competitors the manner of interaction within Remington which may lead to the design of new products. Examination of feature lists by competitors would allow them to capitalize on Remington's new product development efforts.

TIME PROJECTIONS/WORK ASSIGNMENTS

Time projections and work assignments are documents that reflect the proposed development schedules for the NBAR project as well as other design programs. The time schedules indicate the period of time Remington anticipated at the time the schedule was created that it would take to complete various components or phases of the project, based upon current priorities and resources, which can change significantly during the year. The work assignments reflect the allocation of manpower Remington had assigned or anticipated assigning to the project. Because the NBAR program has remained developmental throughout its history, the documents

reflect a continuum of target dates and assignments. These documents are highly sensitive, particularly those that are more current because they reveal Remington's intent to place new products in the market at a specific time. If this information were revealed to a competitor, it would permit the competitor to beat Remington into the market with a product design similar to Remington's, thereby depriving Remington of the benefit of research and developments efforts as well as its market strategy devoted to the timing of introduction of new products. Revealing Remington's intent through any documents could also significantly impair sales of current models through public knowledge of the impending sale of a new product. In addition, the documents reveal the resources available to Remington, the utilization of those resources in terms of priority, thereby placing other firearm manufacturers in an advantageous position.

DRAWINGS, PRINTS, BLUEPRINTS

Drawings, prints and blueprints are documents that reveal the design engineers' efforts to reduce the concepts to formal, engineering form. The nature of documents is such that they indicate calculations, very specific measurements and other technical data which is the result of a very intense effort on the part of the engineering staff. Apart from designer's models (which are a preliminary prototype), the drawings, prints and blueprints represent the most complete effort to design a new component or product.

Drawings, prints and blueprints are extremely sensitive, confidential and proprietary documents which disclose and reveal design efforts in minute detail. Disclosure of this category of document would give a literal road map to a competitor attempting to emulate or appropriate Remington's design efforts. Even designs that were rejected after the drawing stage reveal sensitive information because they indicate which alternatives Remington has evaluated. Remington would lose the benefit of its intensive efforts in producing the drawings if they were revealed to Remington's competitors.

MONTHLY/QUARTERLY REPORTS

Monthly and quarterly reports have been prepared intermittently in the research division at Ilion since approximately 1982. Both reports indicate the projects that the research engineers are working on at the time the report is created as well as identifying the status of projects that have been slated for future work. The reports reveal the success or lack of success of proposed designs in order for the staff to keep abreast of design and research efforts and the individual efforts of the design staff.

Monthly and quarterly reports are sensitive, confidential and proprietary documents which disclose and reveal design efforts in chronological detail, thereby disclosing the day-by-day efforts of the research and design staff. The monthly and quarterly reports are deemed confidential at the time they are generated and

are subject to limited distribution within Remington. Disclosure of this category of document would permit a competitor to eliminate efforts that may lead to less than successful results at Remington's expense. Remington would lose the benefit of its efforts to control the design progress if these categories of documents were revealed to Remington's competitors.

DESIGN TEAM MEMORANDA, NBAR COMMITTEE MINUTES,
BOLT ACTION COMPETITIVE REVIEW

Design team memoranda and NBAR committee minutes are documents among the engineers and design staff that discuss on a contemporary basis the progress on the NBAR design. Also included within these documents are Remington's assessment of the designs executed by other manufacturers. The court will note that these documents are not standard in form which reflects in part the varied emphasis on the project. A group of engineers met intermittently to discuss the NBAR project and the notes of those meetings are also provided herein. The design team memoranda also include cost estimates on various aspects of the NBAR program. These documents reflect Remington's actual and prospective ability to produce new designs. These documents may also reveal the status of other projects not related to bolt action centerfire rifles. The design test memoranda often include project featurization lists which are discussed at page three.

Design team memoranda and NBAR committee minutes are highly proprietary and confidential because they reveal the

contemporary thought process of the Remington design and research staff. The cost analysis information would be very helpful to competitors in attempting to develop a rifle at a lower price. The memoranda often summarize the testing and evaluation documents which are discussed herein. Revealing these memoranda to the competitors of Remington would place the competitors at a decisive advantage at the expense of Remington.

MARKETING/BUSINESS STRATEGY/CONSUMER RESEARCH

Marketing/business strategy and consumer research documents are all documents prepared in an attempt to assess Remington's current and future position in the bolt action centerfire rifle marketplace. The marketing/business strategy documents reflect Remington's perception of its present competitive position. Perhaps more significantly, they also reveal Remington's strategy to maintain or increase their competitive position. The consumer research documents are prepared in order to examine consumer perceptions of proposed designs. For instance, in an attempt to discover what cosmetic features are attractive to customers, Remington contracted with an outside consumer research group to conduct studies of alternate styling features. The studies involve face-to-face interaction with consumers at numerous locations across the country utilizing designer samples and employing sophisticated interview techniques. The results of the consumer research are then utilized in part in designing a new product.

Documents which reveal the business and marketing strategy of Remington and the consumer research are confidential and proprietary and should not be subject to discovery. Remington's future marketing strategy indicates in the very clear terms the measures that Remington may take to preserve or enhance its market position. If these plans are made known to Remington's competitors, Remington would lose the benefit of its efforts in this respect. They would place Remington at an extreme disadvantage in the bolt action centerfire rifle market place.

Remington would also be placed at a disadvantage with respect to the purchasers of Remington's present product line who may be apprehensive about having excess quantities of the older bolt action rifle line in their inventory. Additionally, if it became known that Remington will be introducing a new product or is scheduled to introduce a new product, it would immediately adversely impact sales at the retail level and, in turn, would impact Remington and the persons who maintain inventory of Remington products.

MINUTES OF THE REMINGTON FIREARMS BUSINESS TEAM AND PRODUCT TEAM

Remington's Firearms Business Team was formed in 1984 as part of an effort to streamline and decentralize decision-making and to make decision-making more efficient and responsive. The Firearms Business Team has mainly dealt with economic issues related to firearms. The objective of the business team was to run the business to accomplish long-term goals while meeting short-term

objectives by focusing on a strategic level. The Firearms Product Team has mainly been concerned with product development as it relates to firearms. The teams meet on a more or less regular basis and minutes of the meetings are generated and saved. Charts, schedules, and other items are sometimes attached to these minutes. The minutes are kept in a confidential manner within Remington and are available to Remington employees only on a need to know basis. These minutes reflect, among other things, research, development, testing, production, marketing, and profitability of the company's products.

The Firearms Business Team and Product Team have been responsible to oversee the NBAR program. The program has been a frequent subject of the team's meetings. The Firearms Business Team and Product Team minutes contain information regarding the planning and scheduling of NBAR research and development and marketing. The minutes reflect the relative priority given at various times by the company to NBAR and other research and development projects. Perhaps most important, the minutes reveal the features and combinations of features which Remington has believed to be desirable for the new product. In summary, these documents reveal Remington's thinking at the policy level regarding the NBAR program.

As supervisor of the research and development section, I am familiar with the security measures undertaken by Remington to safeguard the confidentiality of documents and materials generated

in the design of a new product. First, all such documents are maintained in an area of the Ilion facility that is not accessible by the general public. No person who is not a Remington employee is admitted into the research department without official clearance. Each person admitted is provided an escort. Second, many of the documents which are provided herein for in camera inspection are subject to very limited circulation, even among the Remington staff. Access to this confidential information is on a "need-to-know basis". Each employee has an individual responsibility to safeguard confidential information which has been obtained in connection with his or her employment.

Distribution of these documents would provide Remington's competitors with an overview and summary of the entire program. This would be valuable to Remington's competitors and costly to Remington in that it would reveal the course of the program to date and Remington's plans for the program's future.

Dissemination of the material to competitors, the public and also sports writers will cause irreparable harm to Remington.

It is imperative that the documents and concepts which are Remingtons' attempt to produce a new centerfire bolt action rifle remain the confidential property of Remington. The market for that product is marked by keen competition. The market is presently estimated to have a value in the range of 180 to 200 million dollars in annual sales among the several major producers of domestic bolt action rifles. Disclosure of information relating

to the development of a new product in that market would substantially impact Remington's share of that market. The loss in disclosing the property of Remington will result in actual, quantifiable, monetary loss."


FURTHER AFFIANT SAYETH NAUGHT.


WILLIAM H. COLEMAN, II

SWORN TO AND SUBSCRIBED BEFORE ME on this 26 day of

February, 1992 by WILLIAM H. COLEMAN, II.

BARBARA G. DeMARS
4879762
NOTARY PUBLIC, STATE OF NEW YORK
REGISTERED IN HERKIMER COUNTY
MY COMMISSION EXPIRES 6-2-92


Notary Public in and for
The State of New York
County of Herkimer