John Trull

From: Bunting, Jay

Sent: 10/26/2001 03:10:57 PM

To: Diaz, Danny

CC: Trull, John; Schoppmann, Ed D.

BCC:

Subject: RE: Important Issues

Danny,

I concur with your decisions on the firearms product plan. I believe you have correctly selected the projects which should be delayed as a result of the challenge to reduce the proposed budget by \$250k for 02. Also, your selection of people to drive the programs seem logical. I have no problem with the assignments but I have a question.......what is Brad Howard doing once DAT is completed on the NAS in April of 02? Secondly, is program maintence a full time job? I'm unsure that we are tasking Will James with enough workseems like most of the stuff he is doing pound be done by a NON engineer. I want your input here.

Ed will start his new position in Marketing on 12/3/01. An Organizational announcement will be made next week. Ed needs to plan on attending the sales meeting. Nov 7th thru 11th......he knows of this and I just wanted to give you a heads up.

Lastly, I've tentatively made arrangements to be in your shop, after tunch on December the 12th. Would like to have the group together for an afternoon meeting to review year end business conditions, the outlook for 2002 and a general review of the attached program schedule as a group......I want everyone to buy into what we are doing and why we are doing it...... if there is any difference of opinion I want it on the table so we can flesh out the differences. My goal is to have the group focused and pulling in the same direction as we start the new year. You should plan to make dinner reservations for the group over in Bardstown at the restaurant we always go to. I want to buy the gang dinner and spend some non office time with them to tighten up the relationship between Marketing and R&D.

Finally, I'm really worried about shotguns. We've got nothing next year and we're two years out on a new gas autoloader at best. Question, where did we leave the single shot shotgun? Do we have a design that works? If not, how far are we away from something? We spent a good deal of time and money on this project and have little to show for it so far. Please give me your perspective.

Jay

----Original Message-----From: Diaz, Danny

Sent: Thursday, October 25, 2001 4:03 PM

To: Bunting, Jay

Subject: Important issues

Jay:

Attached is a first cut at the 2002 product plan assuming a \$250m reduction in Firearms P&L. The remainder of the reductions come from reduction in operation expenses (firearms share is 61%), reduction in firearms travel to 2001 outlook, cutting all firearms training and reduced spending on firearms related programs in Dale Danner's technology group.

<< File: 2002.Firearms Development Budget Rev 2 10-24-01.xls >>

With regards to reorganization of firearms projects I will make Mike Keeney lead engineer on both the bolt action rimffre and New Gas autoloading gun. In addition, I will give Will James program management responsibility for both programs. Vince Norton will be assigned to the rimfire project and Brent Jarboe will assigned to the New Gas Autoloading Gun. How is Mike going to do both jobs you ask? Well the initial phase of the New Gas Autoloader will be primarily dissection of all current gas