Date: August 6, 1998

To: Ronald H. Bristol II

CC: James B. Ackley

From: Danny D. Diaz

Subject: M/710

I have enclosed two documents: "M 710: Concepts for High Margin and Ease of Manufacture" and "Sportsman M/710 Bolt Action Rifle: Design Concept Review I" per your request from the last product team meeting. The first document should help you understand how we came to the concepts presented in both enclosed documents.

By way of a summary of both documents, the M/710 concept was designed to provide a quality bolt action rifle at a significantly lower cost than the M/700. This was to be accomplished by a combination of part cost reduction, manufacturing assembly reduction and WIP or inventory reduction. This approach was chosen because we believed it offered us the best opportunity of providing a rifle which would rival the M/700 in performance while allowing Remington to price it commensurate with the Marlin and Savage offerings. 83

As a concept there is only one receiver frame, bolt body and barrel blank. Different calibers would be handled with an interchangeable bolt head. As a result, a simple costing of the individual parts, while a good metric, might not tell the whole cost story. How much money is saved in inventory costs because Remington must now inventory only one receiver, one bolt body and one barrel blank (possibly one stock as well)?

To be sure there are cosmetic concessions that must be made along this path. The receiver, bolt assembly, barrel and fire control is designed to effectively handle .223 - .338 Lapua. Will the market place accept the way a .223 cartridge looks in a receiver of this size? I do not know. However, if we do not design for this flexibility up front it will certainly be lost to us in the future.

Will this concept work? Too early to tell particularly since we have not been allowed to spend any prototype money. Also have not seen the capital estimate as prepared by Ilion. If there are areas of the design that need to be investigated we would like to know. However, whether this concept will work or not, I believe we are still left with the question of how does Remington compete against the lower cost Marlin and Savage. In my humble opinion it is not by bringing a preeminent product, the M/700, down to their level.

Please take the time to review the enclosed information as there is much more detail to the design than I have summarized and get back to me as soon as possible. At the very least it seems like we could agree on a maximum amount of money to be spent on prototypes to test out the concept.

Thanks and I look forward to hearing from you soon.

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