

LIMITED DISTRIBUTIONOPERATIONS COMMITTEEILLION DIVISION

Ilion, New York
Sept. 16, 1966

P. H. BURDETT
R. H. COLEMAN

SUBJECT: APPROVAL TO RELEASE TO PRODUCTION
MODEL 660 CENTER FIRE CARBINE RIFLE
DELETING THE 35 CALIBER

At the September meeting, the Operations Committee approved the proposal to add features to the Model 600 regular and magnum versions to increase customer acceptance of this rifle.

The following are the estimated normal year volumes forecast in the various projects for the Model 600.

	<u>Estimated Increased Sales</u>
Original Project - Calibers 222 Remington, 308 Winchester and 35 Remington	15,000
Caliber 6mm Remington	750
Caliber 243 Winchester	1,000
Caliber 350 Remington Magnum	1,200
Caliber 6.5mm Remington Magnum	<u>4,000</u>
Model 600 regular and magnum annual volume	21,950

In 1966, Marketing expects to sell 22,000 Model 600 rifles, but they do not feel they will be able to sustain this volume next year. Thus, the 1967 sales volume for the Model 600 in both regular and magnum version is estimated at 11,000 to 12,000 rifles.

The proposed rifle Model 660 would include the following added features:

1. Delete Barrel Rib and Studs - replace with Model 700 type Front and Rear Sights.
2. Increase Barrel diameter (magnum dimensions) and length from 18½" to 20".
3. Model 1100 type (tear drop) Grip Cap and Spacer.
4. White plastic Butt Plate Spacer. (Magnum rifle has Recoil Pad with white line Spacer).
5. Plastic black Fore End Tip and white spacer.
6. Black oxide Bolt Handle - polished metal Bolt Body and shrouded Bolt Plug (developed for export sales).
7. RK-W finish. (Magnum rifle has RK-W finish).

The following are the proposed selling prices:

	<u>Model 600</u>	<u>Model 660</u>
Regular Grade	\$ 99.95	\$119.95
Magnum	\$144.95	*\$149.95

* Present rifle has RK-W finish and Recoil Pad.

Marketing proposes to phase out the Model 600 during 1967 and offer only the new rifle in 1968. The anticipated annual sales for the combination in 1967 is 20,000. The normal year volume for the Model 660 would be 20,000 rifles.

The Model 700 forecast will not be affected by the introduction of the Model 660.

The economics have been developed using the Model 600 costs as the magnum operative earnings are only slightly higher than the regular model. The estimated project expenditure would be \$109,200 of which \$31,000 would be capitalized. Based on 8,000 additional sales over the Model 600 forecast, there is an indicated return of 48.3% for Positions "A" and "B" and 39.2% for Position "C" (including development and operating charges). Exhibit 1 attached covers the economic calculation.

The sales of the Model 600, 35 caliber do not warrant the continuance. The Operations Committee approved dropping the 35 caliber in 1967.

You may indicate approval by signing the attached New Products Approval.


V. G. DeReus, Secretary
Operations Committee

VGD:I
Attachments