

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE



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Ilion, New York
August 5, 1983

To: C.B. Workman

From: *John* W. Bower

Subject: High-Spot Investment and Cost Estimate for
Proposed New Generation Bolt Action Rifle

Based on the drawings given to me by F.E. Martin, the Process Development Department estimates that the required investment for this proposed rifle will range from \$750M to \$2,100M, and the per gun cost will range from a reduction of \$2.51 to an increase of \$4.43 over the present M/700.

We estimated the rotary magazine box only out of plastic. The investment for four molds is projected to be \$145M. The estimated per part cost for the four-piece magazine box assembly is \$1.28, which compares with \$1.85 for the present ADL assembly, and \$4.92 for the present BDL assembly.

We did look briefly at the possibility of injection molding the rotary magazine parts out of metal but decided that the price would be prohibitive.

Two receiver alternatives were reviewed. The least expensive is a round receiver design with cut facets. Investment for this alternative is estimated at \$600M and the per receiver cost at \$21.43. Cost of the present M/700 receiver ranges from \$19.43 to \$20.30.

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The second receiver alternative involved a faceted receiver made from flat bar stock. Estimated investment for this design is \$1,195M with a per receiver cost of \$24.43.

A savings on the investment for receiver manufacturing will be realized if Firearms Modernization's flexible system is successful. Assuming that equipment is available when this design is transmitted, the investment for the faceted round receiver will drop from \$600M to \$430M. In the case of the faceted flat receiver, the investment will be decreased from \$1,950M to \$980M.

While the cost of producing the new receiver over a flexible machine line should be significantly cheaper, so would the cost of producing the existing receiver. The added costs of grinding and polishing the facets would still be present.

The estimate has only looked at the magazine box and receiver. For purposes of this estimate, no drawings were provided for any other parts. At such time as a more formal estimate is made, drawings for the complete rifle will be needed to verify that no other parts will effect investment and piece price.

JWB:js
Ilion Research Division