

File M700 TARP

Carol - see note below

cc: J.E. Preiser
R.A. Partnoy

January 15, 1988

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TRIGGER ASSEMBLY REPLACEMENT PROGRAM (TARP)

Attached is a complete set of communications generated to date on this subject. This package includes:

*Complete History of the Program
Standby Statement (Press, Etc.)
Questions & Answers
Ilion Site Announcement
*Ilion Site Personal Contact Notice
Authorized Wholesaler Letter
Law Enforcement Wholesaler Letter
Gun Club Wholesaler Letter
Direct Dealer Letter
Gunsmith Letter
Trigger Replacement Instructions

Carol
→ To avoid confusion, all previous drafts of these documents should be destroyed.

*Limited Distribution

AD Green
tp
K.D. Green, Manager
Product and
Field Service

KDG:tp

Remington Arms Company, Inc.

ACTIONS TAKEN TO DATE

As soon as known (on December 11, 1987), all Remington shipments of potentially impacted models were halted. As soon as test results were in hand (on December 21, 1987), the problem was communicated to all Remington personnel. As soon as customer shipping information was obtained and digested (on December 29, 1987), sales representatives were asked to contact their respective customers to request that all sales of Remington centerfire rifles in the above models produced between July 29, 1987 and December 11, 1987 be terminated. Customers were also advised that they will be receiving a letter from Remington shortly which details all guns shipped to them that could be impacted, and instructions on how to proceed with the trigger assembly replacement program.

The following actions have been taken to prepare for the upcoming trigger assembly replacement program.

- . Roger Potter has been placed on special assignment to coordinate the replacement program. His existing Product Service duties will be covered by a retiree/consultant, Dick St. John, who is now in place.
- . Task teams have been established representing all plant and service functions that will be involved in processing returned rifles.
- . All guns involved have been identified by serial number by customer.
- . Temporary offices have been established to handle the effort. The 800 phones have been installed and are operational. The offices are partially staffed.
- . Public Affairs and Marketing Communications groups have been contacted to prepare standby press releases (needs) and ad copy (if necessary).
- . Initial cost estimates have been prepared and are attached as Exhibit B.
- . Initial contacts have been made with the vendor to inform him of the problem, and a revised schedule for supplying additional parts needed to overcome the foreseen shortages has been arranged.

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- . All mass-merchant, hardware and wholesale chains were called prior to January 4, 1988 informing them of the problem and asking them to hold further shipments of Remington bolt action centerfire rifles.
- . New Gun Repair Gunsmiths have been notified via phone and a list made of the gunsmiths that will participate in the replacement program. Subject gunsmith list is being prepared in brochure form for customer mailings.

TRIGGER ASSEMBLY REPLACEMENT PROGRAM - PATH FORWARD

The next step is to institute a general replacement program for those rifles that potentially could be impacted by the nonconforming connectors. Major elements of this program are discussed below:

1. All mass merchant, hardware, and wholesale chains were called by their respective sales representatives informing them of Remington's replacement program and basic logistics:
 - a. Each customer will receive a letter in the mail during the week of January 11th that addresses the nature of the program and details, by serial number, each potentially impacted gun that was shipped to that account.
 - b. Each customer will be asked to continue to hold impacted rifles still in inventory.
 - c. Each customer will be asked to provide information on any guns already shipped, or a proposed method for obtaining this information, that will be in the best interests of the customer and Remington.
 - d. Each customer will be asked to mail this information to Ilion.
 - e. A customer-specific trigger replacement program will be developed for each account that consists of sending a Remington representative into the account (where 100 or more guns are involved), the use of a local New Gun Repair Gunsmith brought in to the account (for 10 - 99 guns involved), forwarding to a local gunsmith (less than ten guns). In cases where local gunsmiths are impractical or good customer relations dictate, programs for specific customers will be designed as necessary.

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2. For all direct dealer accounts where ten or more guns will potentially be impacted, Ilion Product Service will telephone the account directly prior to mailing the replacement program letter and printout, and then discuss each of the subjects outlined above.
3. For direct dealer accounts with less than ten guns involved, no advance phone calls will be made, and these accounts will be handled as they respond to the letter and printout mailing.
4. New Gun Repair Gunsmiths will be contacted in advance of the mailing via phone, and a separate letter that outlines the program and its administration will be mailed shortly thereafter. A supply of trigger assemblies will be provided to them during January to begin the program. They will call or write for more trigger assemblies as needed.
5. All phone calls and guns returned to Ilion will be handled by a separate group that will be coordinated by Roger Potter. A management consultant/retiree will be retained to add an in-house capability to deal full-time with customer relations and coordinations efforts. He will also add focus to internal communications and logistics.
6. Follow-up activity with consumers and dealers served by Remington wholesalers will be handled by the dedicated Ilion group. This effort is estimated to span a period of 1-2 years based on past experience.
7. An advertising campaign is being developed for use during 1988 to identify those guns not caught in the earlier serial number screenings assuming such action is necessary.
8. About 40M extra trigger assemblies will be procured to handle the one-time effort associated with this program. Based on current estimates, it is more economical, practical, and safe to replace full assemblies rather than reconditioning assemblies. However, should a way of reconditioning be found that is more economical, practical, and safe, these parts ultimately may be used. The cost per assembly is about \$9.

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9. Priorities for planning the replacement of these assemblies at Ilion and to supply new production parts will be:

- A. New Guns Off Line (no delay foreseen)
- B. Field Repair Assemblies (5M to field 1/15)
- C. Arms Service routine repairs
- D. Returns from Consumer
- E. Returns from Dealers
- F. Returns from Retailers, HDW
- G. Returns from Wholesalers
- H. Warehoused Guns

These priorities become effective in the event of conflict. Based on current estimates there will be no shortage of trigger assemblies for this program.

- 10. Repair time for the guns at all levels of the distribution system should be very good. It is expected that 90% of the guns will be handled within 2 weeks from receipt at the repair facility.
- 11. A program is being pursued with M and L (Bob Blackhall) to work toward whatever compensation from the vendor is possible and to ensure nonrecurrence.
- 12. A review of program status will be held monthly with the Firearms Business Team by the Product Services group to ensure the project is getting proper support and that customer concerns are being addressed adequately.

K.D. Green
Manager
Product Service

KDG:tpg

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EXHIBIT A

TRIGGER ASSEMBLY REPLACEMENT PROGRAM

SECTION VIEW, MODEL 700 SERIES TRIGGER ASSEMBLY

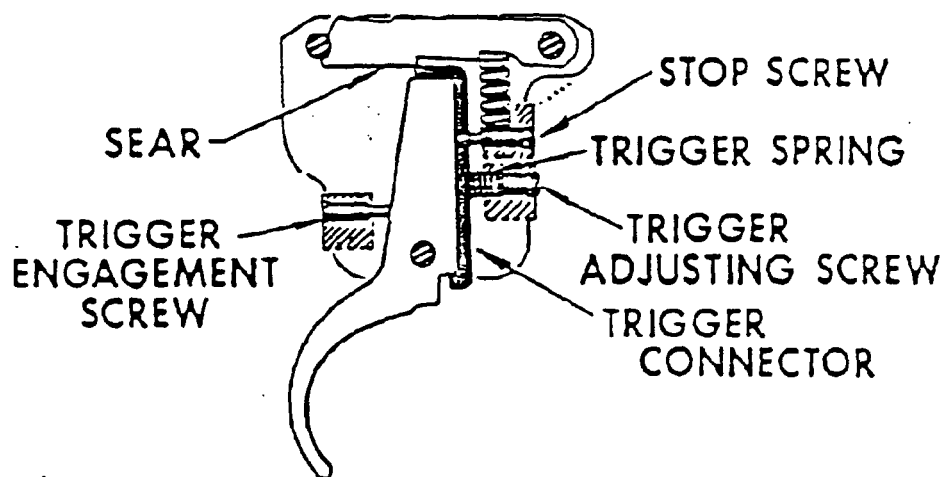


EXHIBIT B

TRIGGER ASSEMBLY REPLACEMENT PROGRAM

FINANCIAL IMPACT

A Reserve is being established in 1987 to accommodate the financial impact of this program on 1987 performance, and will encompass the following estimated expenses:

NOTIFICATION	\$M
Mailing (20M @ \$2)	40
Telephone (6 lines for 1 year @ \$20M)	120
Telephone Switching	12
Telephone Operators (2,000 Hours/Line @ \$8)	96
Long-Distance Calls	30
Advertising Campaign	250
TOTAL NOTIFICATION	548
SHIPPING	
Freight (15M Guns 2 ways @ \$5)	150
Packing Material (10M @ \$1.25)	13
TOTAL SHIPPING	163
REPAIRS IN THE FIELD	
Replacement Parts (10 @ \$9)	90
Warranty Repairs (12.5 @ \$22)	275
Field Repairs (3.7 @ \$50)	185
Reconditioning (8.7 @ \$10)	87
Factory Repairs (3 @ \$30)	90
Customer Units to Obtain Records (50 man weeks)	50
TOTAL REPAIR	777
INHOUSE COSTS	
Sorting Connectors	5
Reconditioning (18M @ \$9)	162
Engineering, Supervision	50
Management Consultant & Office Help	85
Programming/Systems Support	15
Rearrangement	6
TOTAL INHOUSE COSTS	323
TOTAL COSTS	1,810

ALTERNATIVES

At the present time, we see none.

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