

TARP BUDGET NOV-DEC 1988 FOR JAN-DEC-1989

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

Mailing (20M @ \$2)
Telephone (6 lines for 1 year @ \$20M) \$200K
Telephone Switching
Telephone Operators (2,000 Hours/Line @ \$8)
Long-Distance Calls
Advertising Campaign
TOTAL NOTIFICATION

For 2 Mo
88 \$M

(1) 2
1.6 3.3

(1.3) 2.6

(2.5) 5

41.6

For 12 Mo.
1989
X 646

12 (6)

19.8 (9.9)

15.6 (7.8)

30 (15)

249.6

TOTAL -> (48)

54.5

2

.3

TOTAL -> 2.3

327

12

1.8

13.8

SHIPPING

Freight (15M Guns 2 ways @ \$5)
Packing Material (10M @ \$1.25)
TOTAL SHIPPING

REPAIRS IN THE FIELD

Replacement Parts (10 @ \$9)
Warranty Repairs (12.5 @ \$22) 50
Field Repairs (3.7 @ \$50) 22
Reconditioning (8.7 @ \$10)
Factory Repairs (3 @ \$30) WARRANTED?
Customer Units to Obtain Records (50 man weeks)
TOTAL REPAIR

4.3

10.7

13.5

6.4

38.4

TOTAL -

INHOUSE COSTS

Sorting Connectors
Reconditioning (18M @ \$9)
Engineering, Supervision
Management Consultant & Office Help
Programming/Systems Support
Rearrangement
TOTAL INHOUSE COSTS

(7.05) 14.1 84.6 (42.3)

(1.25) 2.5 15 (3)

.5 1 6 (3)

TOTAL COSTS

(8.8) 17.6 105.6 48.1

ALTERNATIVES

At the present time, we see none.

PLUS OVERHEAD FOR 2 MOS - 24M 140M

OTHER - NONE OF IMPORTANCE

- SPECIAL 1 DAY FLIGHT 1 SITE - IN ARMY -> .2M 1.2