

XP100 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

	\$M
Mailing (20M @ \$2) <i>7.5M @ 2</i>	40 <i>15</i>
Telephone (6 lines for 1 year @ \$20M)	120 <i>10</i>
Telephone Switching	
Telephone Operators (2,000 Hours/Line @ \$8) <i>v3</i>	<i>48</i>
Long-Distance Calls	<i>5</i>
Advertising Campaign	<i>100</i>
TOTAL NOTIFICATION	<i>178</i>

SHIPPING

Freight (15M Guns 2 ways @ \$5)	<i>30</i>
Packing Material (10M @ \$1.25)	<i>3.8</i>
TOTAL SHIPPING	<i>33.8</i>

REPAIRS IN THE FIELD

Replacement Parts (10 @ \$9)	<i>—</i>
Warranty Repairs (12.5 @ \$22)	<i>—</i>
Field Repairs (3.7 @ \$50)	<i>—</i>
Reconditioning (8.7 @ \$10)	<i>—</i>
Factory Repairs (35 @ \$30)	<i>105</i>
Customer Units to Obtain Records (50 man weeks)	
TOTAL REPAIR	<i>105M</i>

INHOUSE COSTS

Sorting Connectors	
Reconditioning (18M @ \$9)	<i>10</i>
Engineering, Supervision	
Management Consultant & Office Help	<i>40</i>
Programming/Systems Support	<i>5</i>
Rearrangement	<i>—</i>
TOTAL INHOUSE COSTS	<i>55</i>

TOTAL COSTS

ALTERNATIVES

At the present time, we see none.

\$371.8 M