

# TARP 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 ( <del>120M @ \$2</del> ) 15M @ 2	30 m
Telephone ( <del>6 lines for 1 year @ \$20M</del> )	4 10 m
Telephone Switching	48
Telephone Operators (2,000 Hours/Line @ \$8) x 3	\$
Long-Distance Calls	\$
Advertising Campaign	\$
<b>TOTAL NOTIFICATION</b>	<b>93 m</b>

#### SHIPPING

Freight (15M Guns 2 ways @ \$5)	20
Packing Material (10M @ \$1.25)	2.5
<b>TOTAL SHIPPING</b>	<b>22.5</b>

#### REPAIRS IN THE FIELD

Replacement Parts (3M @ \$9)	27 m
Warranty Repairs (1275 @ \$22)	66 m
Field Repairs (3.7 @ \$50)	187.5
Reconditioning (8.4 @ \$10)	6 m
Factory Repairs (2 @ \$30)	60 m
Customer Units to Obtain Records (50 man weeks)	60 m
<b>TOTAL REPAIR</b>	<b>159 m</b>

#### INHOUSE COSTS

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

#### TOTAL COSTS

**329.5 m**

#### ALTERNATIVES

At the present time, we see none.