

Remington.



File: Conn. Spring S

REMINGTON ARMS COMPANY, INC.

SPORTING ARMS-AMMUNITION-TARGETS-TRAPS

ILION, NEW YORK 13357

TELEPHONE (315) 294-9561

October 12, 1988

Julius L. Galin, President
The Connecticut Spring
& Stamping Corporation
Number Five Spring Lane
Farmington, Connecticut 06034

Dear Mr. Galin:

Reference is made to your letter dated September 6, 1988, whereby you refuse to manufacture trigger connectors (Connector Blank 'B', Remington P/N 91937, Remington drawing C-91937, revision 5, dated April 26, 1984) for Remington Arms unless Remington supplies a letter providing to Connecticut Spring "...an unconditional release for product liability or damage".

Remington strongly disagrees with your assertion and any implications, either expressed or otherwise, that the trigger connector is poorly designed. Connecticut Spring has expressed a concern that providing the hole by stamping is not good stamping practice. Consequently, we have asked that you consider other methods of providing the hole, such as drilling. Our design does not require the hole to be stamped.

In order to ensure continuity of supply as we evaluate manufacturing alternatives, Remington elects to release Connecticut Spring unconditionally from product liability or damage associated with the manufacture of Remington P/N 91937 under purchase order LRI-47900-116, release order 89, for deliveries effective approximately December, 1988. Subject release applies only to trigger connectors supplied under release order 89 and is not to be construed as relief from product liability or damages resulting from previously supplied parts.

PLAINTIFF'S
EXHIBIT

3040

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In witness whereof, please signify your acceptance of the above by signing in the space provided below and returning one original to P.R. Harper, Remington Arms Company, Inc., 14 Hoefler Ave., Ilion, NY 13357.

The Connecticut Spring
& Stamping Corporation

Remington Arms Co.,
Inc.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

xc: J.F. Winske
R.S. Dobzelecki, Jr.
W.H. Coleman
H.C. Munson
J.M. Simpson
K.D. Green
R.J. Orf
L.B. Ferreira

cap

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Spring, Wire Form and Stamping Specialists

NUMBER FIVE SPRING LANE · FARMINGTON, CONNECTICUT 06034
TWX 710-423-4229 FAX 203 677-7199 203 677-1341

CC: SIMPSON
FERRELLIA
DOBZELECKI
CUSHMAN
MUNSON

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Remington.



REMINGTON ARMS COMPANY, INC.

SPORTING ARMS-AMMUNITION-TARGETS-TRAPS

REMINGTON ARMS CO
RECEIVED

MILTON, NEW YORK 13357

TELEPHONE (315) 894-9961

October 12, 1988

FIREARMS RESEARCH DIVISION

Julius L. Galin, President
The Connecticut Spring &
Stamping Corporation
Number Five Spring Lane
Farmington, Connecticut 06034

Dear Mr. Galin:

Reference is made to your letter dated September 5, 1986, whereby you refuse to manufacture trigger connectors (Connector Blank "B", Remington P/N 91937, Remington Drawing C-91937, Revision 5, dated April 26, 1984) for Remington Arms unless Remington supplies a letter providing to Connecticut Spring "... an unconditional release for product liability or damages".

Remington strongly disagrees with your assertion and any implications, either expressed or otherwise, that the trigger connector is poorly designed. Connecticut Spring has expressed a concern that providing the hole by stamping is not good stamping practice. Consequently, we have asked that you consider other methods of providing the hole, such as drilling. Our design does not require the hole to be stamped.

In order to ensure continuity of supply as we evaluate manufacturing alternatives, Remington elects to release Connecticut Spring unconditionally from product liability or damages associated with the manufacture of Remington P/N 91937 under purchase order LRI-47900-116, release order 89, for deliveries effective approximately December, 1986. Subject release applies only to trigger connectors supplied under release order 89 and is not to be construed as relief from product liability or damages resulting from previously supplied parts.

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File
A
REMINGTON ARMS CO
RECEIVED
REMINGTON ARMS COMPANY, INC.

Remington.



cc: J.F. Winske
R.S. Dobzelecki
W.H. Coleman
H.C. Munson
J.M. Simpson
K.D. Green

SPORTING ARMS-AMMUNITION-TARGETS-TRAPS

FIREARMS RESEARCH DIVISION ILLION, NEW YORK 13357
TELEPHONE (315) 394-9961

August 1, 1988

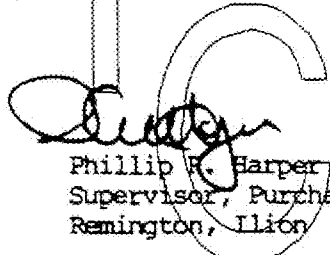
The Connecticut Spring and Stamping Corporation
Julius L. Galin, President
Number Five Spring Lane
Farmington, CT 06032

Dear Mr. Galin:

Pursuant to our telephone conversation of August 1, 1988, this letter is formal notification of Remington Arms Company, Inc.'s claim against the Connecticut Spring and Stamping Corporation, which is presently estimated to be in the neighborhood of \$2,000,000.

Subject claim will be to recover costs incurred by Remington Arms resulting from the replacement of trigger assemblies in identified Model 700 Bolt Action Rifles. The targetted trigger assemblies are those which may include defective trigger connectors (Connector Blank "B", Remington P/N 91937, Remington drawing C-91937, Revision 5, dated 4/26/84) supplied to Remington Arms by Connecticut Spring during the approximate period of September-December, 1987.

Remington will follow this notification with documentation of the specifics of our claim and the breakdown of estimated costs which will result from the supply of defective connectors.


Phillip R. Harper
Supervisor, Purchasing
Remington, Illion

PRH:bb

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File: Conn Spring

E. I. DuPont de Nemours & Company
Remington Arms Company, Inc.
Ilion, New York 13357

Xc: J. F. Winske

June 6, 1988

TO: W. H. COLEMAN

FROM: H. C. MUNSON

CONNECTICUT SPRING & STAMPING CO.

RISK ANALYSIS OF MAKING A CLAIM FOR TRIGGER CONNECTOR COMPENSATION

Background

- o Cracked trigger connectors manufactured by Connecticut Spring may have been assembled into some M/700 rifles. This resulted in a trigger assembly replacement program with an estimated cost of \$1.81MM.
- o Connecticut Spring annual sales are about \$30MM.
 - Remington represents 1 1/2-2% of their sales.
 - Total firearms parts make up 8-10% of their sales.
 - DuPont's Electronics Department also represented about 1 1/2% of their sales in 1987, but this is decreasing rapidly due to offshore manufacturing.
- o Connecticut Spring has supplied millions of parts over many years to Remington.

Considerations in Determining What Action to Take

The main risk consideration is the potential loss of firearms sales if Connecticut Spring should decline to make parts beyond current commitments. This may be handled in advance by a white paper contract providing a "window of protection" for at least one year. Without assurance that the supplier is obligated to keep supplying parts against our releases, we would be foolish to risk a loss of supply. Connecticut Spring supplies parts that are used across our entire product line. Nearly all are single-sourced, including an 11-87 part for which no other potential sources have been found.

A "worst case" situation was analyzed, using gross approximations of time and expense required to find new suppliers for all these parts. As an order of magnitude, this effort would consume 7-8 man-months of engineering time, \$250,000 in tool costs, and 6-8 months elapsed time to account for initiation, tool build, development runs, approvals, and production time.

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Recommendations

- o Establish a white paper contract with Connecticut Spring, providing assurance of supply for a minimum of one year at all times (for example, a two-year contract renewed annually).
- o Continue increasing our activity with Connecticut Spring through Engineering work on new parts and resolution of problems on existing parts.
- o Consider a gradual build-up of inventory of a few very difficult parts
- o Assess our position monthly to determine the best time to make a claim.
- o Determine the best team to visit Connecticut Spring for the purpose of initiating discussions on T.A.R.P. compensation.

Summary

We need Connecticut Spring as a partnership supplier. By increasing our communication and activity with them over the next 6-12 months, and by establishing a firm contract as we have with other suppliers, we can be in a much stronger position to negotiate sharing costs incurred as a result of defective M/700 trigger connectors.

I will proceed on this basis unless you feel differently.

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CONNECTICUT SPRING - IMPACT OF CHANGING SUPPLIERS

Approximately 125 Remington parts are made by Connecticut Spring.

Approximately 3/4 (90) are active parts.

Of the 90, about 1/3 (27) are not coil springs.

Of the 27, 1/3 (9) would be very difficult to move, including the 11-87 gas cylinder spring which no one else will quote.

Assume the following costs and engineering time:

	<u>Coil Springs</u>	<u>Specials</u>
Tool Cost	\$500 - \$1000 (Use \$750)	\$3000 - 40,000 (Use \$8000)
Engineers Initial Time	1-2 Hrs.	1-2
Purchasing Time	1-2 Hrs.	1-2
Follow-Up	2-4 Hrs.	4-8
Scheduling Coord.	1 Hr.	1
Sample Approval (or not)	2-4 Hrs.	2-20
Purchase Order	1 Hr.	1 Hr.
	8-14 Ea. (Use 10 Hrs.)	10-34 (Use 20Hrs.)
	<u>Elapsed Time: Weeks</u>	<u>Elapsed Time: Months</u>
Total Cost 63 (\$750) =	\$47,250	27 (\$8000) = \$216,000
Total Time Invested:	630 Hrs.	540 Hrs.

Total \$250,000 in Tooling
 Our Engineering Time 1,200 Hrs. @ \$25/Hr. = \$30,000
 Elapsed Time 6-8 Months