

XP 100 1988 OCT NOV DEC

EXHIBIT BTRIGGER ASSEMBLY REPLACEMENT PROGRAMFINANCIAL 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) 2m @ 2	4
Telephone (6 lines for 1 year @ \$30M)	2
Telephone Switching	1
Telephone Operators (2,000 Hours/Line @ \$8)	2
Long-Distance Calls	2
Advertising Campaign	
TOTAL NOTIFICATION	9m

SHIPPING

Freight (15M Guns 2 ways @ \$5)	8m
Packing Material (10M @ \$1.25)	1m
TOTAL SHIPPING	9m

REPAIRS IN THE FIELD

Replacement Parts (10 @ \$9)	
Warranty Repairs (12.5 @ \$22)	
Field Repairs (3.7 @ \$50)	
Reconditioning (8.7 @ \$10)	
Factory Repairs (1 @ \$30)	3m
Customer Units to Obtain Records (50 man weeks)	
TOTAL REPAIR	3m

INHOUSE COSTS

Sorting Connectors	
Reconditioning (10M @ \$9)	
Engineering, Supervision	9
Management Consultant & Office Help	1
Programming/Systems Support	2
Rearrangement	
TOTAL INHOUSE COSTS	17m

TOTAL COSTS

\$ 38m

ALTERNATIVES

At the present time, we see none.