

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

SHIPPING

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

REPAIRS IN THE FIELD

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

INHOUSE COSTS

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

TOTAL COSTS

329.5m

ALTERNATIVES

At the present time, we see none.