

From: Jim Butyniec [jbutyniec@magellanaerospace.com]
Sent: 03 January 2006 22:39
To: Paul Heide; m.edwards@edcofin.com; John Dekker; Richard Neill; Brian Little; Paul Gilbert
Subject: Re: Update to Aircelle Programs profitability

Thanks Paul for your summaries of the costs on the said programs. My concern is that we keep changing the numbers until they look like we need them to be. We have removed all of our opportunity in our last offer, and face only risk if we again lower the price. We need a real offer in writing from them now. We are negotiating with ourselves and have been for months. I recommend we basically stay with our last offer and convey that to them. We need to be compensated fairly for our investment and losing, and or funding this program any further is unacceptable. I also appreciate their position based on the original quote. But at the end of the day the cost is the cost. I want a deal like any one else, but one that provides a profit. We are also now getting to a point that if we do not start soon on the 318 we will be late and creates more problems and costs.