

MAC STAFF MEETING MINUTES - 15 AUGUST 2006

SOME
ATTENDEES

CHAIR - MR SIM BOTCHMEE

MURRAY EDWARDS,

RICH NEILL, JOHN DEKKER,

BRIAN LITTLE

etc

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Magellan Aerospace Corporation
Corporate Staff Meeting Minutes

August 15th, 2006 10:00 a.m.
Magellan Boardroom

SECTION #3

MAJOR PROGRAMS / ISSUES BY DIVISION

Item	Description	Responsible	Due Date
30.	AERONCA		
	<u>JULY RESULTS - Poor results to all indicators. Inventory to be managed as lightly as possible. Reasons why a 318 unit was scrapped, and \$50K of underabsorbed overhead was adjusted. Headcount is reducing. DB reviewing.</u>	DB/JF	
a)	<u>Aircelle - recap to be provided to ... for Fairberough.</u>	JF	July 14
i.	<u>Beta 21 Supplier's Action plan - New multi-year pricing proposal from Timet delayed til June because of sponge allocation sourcing issue. Status to be checked in August. RD scheduling a meeting with Timet to review proposal.</u>	RD/KBH	Ongoing
		KBH	Aug. 15
ii.	<u>A318 - follow-on order for 30. Bid submitted for an optimized design - changes not requiring a long certification process - status circulated by JF. Quoted 30 @ \$125K. P.O. rec'd and rejected - 4 issues being worked through, therefore we will not order long lead items. They are: 1) delivery dates, 2) pay for non-recurring, 3) payment terms and 4) price of non-optimized doesn't work. Terms agreed on the batch of 30 @ \$125K. Aircelle will pay \$147K of NRC.</u>	JF	Ongoing
iii.	<u>A340 - Escalation formula - new one being reviewed. Vincent Lafond issued another one and expects a counter offer. Letter sent by JSB to V. Lafond.</u>	JSB/JBD/J. Furbay/DB	Ongoing
iv.	<u>A380 - Pricing accepted but per the escalation. Still contingent on A340 escalation being finalized. Focused on 07 pricing and full escalation in 08. DB to contact Shields about them shopping the A380 Core blanket - would be in violation. Spares pricing (340 and 380) - will be equal to new pricing - to be monitored. Status Report request on inventory and margin taken.</u>	JF	Ongoing
		DB	
b)	<u>Stage III Technologies - A claim will be made when 30 hush-kits are sold. Discussion 6/9/06 confirmed no order to date. No change.</u>	JF/Furbay	Ongoing
c)	<u>Retiree medical benefits. Attorney's opinion confirms the plan cannot be changed. Corp. now has FAS106 report, and data to review. Accrual amount is not sufficient to meet full eligibility, but is not intended to. Details forwarded to NME.</u>	JCB JF	June 28 Complete
		JBD/JCB/JF	Aug. 31
d)	<u>Pension - Hiring a service to search and move out "deceased" from plan. Annuitying some low dollar members to lower insur.</u>	JCB/JR	Aug. 31
e)	<u>B747-8 - Spirit Aerospace - Nozzle/ Plug Bid - quote submitted May 15. - was not compliant on Ts & Cs. One third too high - excluded from Best and Final - working to see if worthwhile to resubmit - due Friday - Offline meeting needed. resubmit - BAFC still higher - Barnes likely to win.</u>	JF/BL	July 25
g)	<u>Raytheon bids for missile fins - preparing additional info that was requested.</u>		

COSTS ①

BETA 21
FUTURE COSTS ③

JSB PRICING
11/14 AUGUST ④
OFFER

discussed by
me with JSB
for FIRST TIME
at the start of
this meeting.