

Product Phase Out: Product Plan

(ICG 1057 - Rev. 6/9/98)

Product Code: 117

Product Name(s): EGM & EGA

Date: 17 July 1998 Revised 15 Sept 1998

Name: John Slagle

Product Plan: (choose all that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Obsolete - Inactivate and discontinue production - Complete Form A | <input type="checkbox"/> Reprice |
| <input type="checkbox"/> Reduce Number of Top Level Part Numbers | <input type="checkbox"/> Reduce Options |
| <input checked="" type="checkbox"/> Replace with Substitute Product
(If you mark this box, continue with the following.) | <input type="checkbox"/> Divest |

What product(s) Engine applications - 2301A, Turbine applications - 505

Direct Replacement (physically & functionally)

Would Require a Retrofit

Woodward to provide kits / adapters? No

Buy back / Trade In Program No

If Electrical: (pick one)

Mechanical Portion or Interface Remains Unchanged

Requires: Engine applications - integrating actuator must be replaced with a proportional actuator (EG3P), Turbine applications - EGR w remote servo must be replace with a TM25

If Mechanical: (pick one)

Electrical Portion or Interface Remains Unchanged

Requires: _____

Substitute product available when Now

Pricing Recommendations:

Spare parts: Raise when new unit production is discontinued

New units (if applicable): NA

Members at Rationale Meeting:

Marketing: Larry Lee

Sales: Pat D'Esposito

Aftermarket: _____

Operations: Jim Rudolph, Steve Vencill

Engineering: Eric Knudsen, Annette Lynch, Doug Campbell, Norm Neumon

Accounting: John Sifford

Rationale Project Leader: John Slagle

Other: Steve Thompson - nuclear coordinator

Position Statement, Product Plan, and Rationale (Story for our customers)

The EGA and EGM are being phased out.

No new orders will be taken for EGAs.

For EGMs, no new orders have been accepted since 01 April 1998 from United States customers. These customers were notified of this cut-off date in Sept 1997. Since non-US customers were not given notice, orders for EGMs will be accepted through the Interplant system from all non-US Woodward locations until 01 Dec 1998.

Both the EGA and EGM will be supported in the following manner after new unit production is discontinued: Spare cards will be available until 01 Oct 1998 (same date as new units for non-US customers.) From 01 Oct 1998 until 01 Oct 2003, EGAs and EGMs will be repaired and refurbished if parts are readily available. From 01 Oct 2003 until 01 Oct 2008, units will be repaired if parts are in Woodward stock.

EGMs have a large installed base in the US Navy and in worldwide nuclear applications. The replacement for the US Navy engine applications is a 2301A with a proportional EG actuator. The replacement for the steam turbine nuclear applications is a 505 which requires the EGR actuator and remote servo be replaced by a TM25. (See product code 380 for more information on the EGR.) Power Control Systems, a Woodward distributor, is working to nuclear qualify this system, and should have it qualified by July 1999.

EGAs and EGMs are being eliminated primarily due to the fact that parts are no longer available.

Customer story:

In Woodward's 128 year history, we are continually renewing our product line. This means we are continually offering you, our customer, new products that have state of the art technology, more features, and more functions than the products they replace. And, usually, the new products are sold for an equal or lesser price! As a result of continually renewing our product line, we cannot continue to offer our older products forever. This is common business sense. However, we will continue to support our products once we have discontinued new unit production for years to come. Support includes spare parts, repairs, overhauls, and field service. We understand how important this is to you!

Because of the introduction of the 2301A, 723, and 505 as the next generation products, Woodward has discontinued production of EGAs and will discontinue production of EGMs on April 1, 1998 for US customers and on Dec 1, 1998 for overseas customers.. If you chose to do so, you can order complete new or complete spare units until these dates. Woodward will

continue to offer spare parts, repairs, overhauls, and field service for the EGA and EGM for many years after this date.

Woodward is very excited about our new products, and we hope you share in our excitement. At the same time, we are committed to the long-term support of our very large installed base of older products.

Please contact Woodward for additional information on our new products or on our support plans for our older products.

FORM A

Why Obsolete / Inactivate: (Check all that apply)

- Tooling worn out, scrapped, or sold
- Test equipment no longer exists
- Purchased parts no longer available
- Option no longer offered (Marketing's decision)
- Poor / bad design
- Poor reliability
- High warranty costs
- Low yields in manufacturing
- Direct replacement exists (physically & functionally)
- To increase volumes on newer, replacement product
- Outdated technology
- Limited experience / knowledge of product
- Limited / Non-existent procedures
- High direct costs and support costs for low volumes

Last Orders

Last orders for new units taken up to this date: Noth American customers - 01 April 1998, Interplant orders - 01 Dec 1998

(Delivery is normal lead times after above date)

Post Production Service Life - Electrical Products

Expected total Service Life Until 01 Oct 2008

Early

Time Period until 01 Oct 1998

Level of Service: (pick one)

Repairs & New Replacement Cards _____

Other _____

Dates for last time buys on certain spare parts _____

Middle

Time Period 01 Oct 1998 until 01 Oct 2003

Level of Service: (pick one)

Repairs Only (no replacement cards) if parts are readily available.

Other Refurbishments

Dates for last time buys on certain spare parts _____

Late

Time period 01 Oct 2003 until 01 Oct 2008

Level of Service: (pick one)

Repairs only if parts are currently in Woodward stock.

Other _____

Dates for last time buys on certain spare parts _____

To be Reviewed: (pick one)

Annually - (date): _____

As Required

Never

Post Production Service Life - Mechanical Products

Expected total Service Life _____

Early

Time Period _____

Level of Service: (pick one)

Repairs, overhauls, and all spare parts _____

Other _____

Dates for last time buys on certain spare parts _____

Middle

Time Period _____

Level of Service: (pick one)

Repairs, overhauls, and spare parts, except for spare parts made from castings. _____

Other _____

Dates for last time buys on certain spare parts _____

Late

Time period _____

Level of Service: (pick one)

Repairs, overhauls, and spare parts that can be machined easily from bar stock - no spare parts made from castings or spare parts requiring fixtures or special tooling. _____

Other _____

Dates for last time buys on certain spare parts _____

To Be Reviewed:

Annually - (date) _____

As Required

Never