Overarching Principles
Between The Department of The Air Force
and
Alliant Techsystems Inc.
Concerning Use of Alternative Dispute Resolution Processes

The Department of the Air Force (Air Force) and Alliant Techsystems Inc. share a mutual objective to supply America's warfighters with technologically advanced and reliable equipment in a timely manner to promote swift, safe and successful accomplishment of the national defense mission. Drawn out litigation consumes resources and funds, detracting from this mission accomplishment. We recognize that for many business disputes there is a less expensive, more effective method of resolution than the traditional lawsuit. Alternative Dispute Resolution (ADR) procedures involve collaborative techniques which can often spare the Air Force and Alliant the high cost and wear and tear of litigation.

In recognition of the foregoing, we confirm our mutual commitment to use of ADR processes in accordance with the following principles:

- Conduct our existing and prospective future business in a manner that will avoid or minimize disputes.

- Following contract award, all Air Force/Alliant teams are encouraged to jointly review a particular contract's goals and objectives and identify all potential obstacles to its timely and effective completion. The team will periodically assess progress and success in overcoming these obstacles.

- Resolve all contractual issues in controversy at the program/contract execution level whenever possible, recognizing that the best knowledge of the issues involved is generally at the program level, and that resolution of problems at the contract execution level fosters teamwork in pursuing mutually satisfactory solutions.

- In the event an issue in controversy cannot be resolved through contracting officer negotiation, ADR, which involves various collaborative techniques to facilitate resolution, should be used to settle the dispute in lieu of litigation.

- Air Force and Alliant management will be advised in a timely manner of any failure to make satisfactory progress in a dispute resolution at the contract execution level and will work together to support use of ADR to achieve settlement.

- Consistent with FAR 33.214, specific ADR collaborative techniques, timelines and identification of neutrals appropriate to the issues in controversy will be mutually agreed to in writing before the ADR process begins

- If it is necessary for the parties to protect information during the ADR process, the parties will enter into a confidentiality agreement to maintain such information in confidence to the extent permitted by law.

- It is not the intention of the parties to alter, supplement or deviate from the contract(s) and the legal rights and obligations of the parties set forth therein. Any changes to the contract(s) must be executed in writing by authorized contracting officials.

- In the event either party believes that a particular dispute is not well-suited to ADR, or is dissatisfied with progress being made in a particular ADR proceeding, that party may elect to opt out of the ADR process, by notifying the other party in writing, and proceed as otherwise provided under contract, regulation or statute.

Darleen A. Druyun

DARLEEN A. DRUYUN
Principal Deputy Assistant Secretary
of the Air Force (Acquisition & Management)

12-4-98
Date

Peter A Bukowick

PETER A. BUKOWICK
President and Chief Executive Officer (Acting)
Alliant Techsystems Inc.

11/25/98
Date