Service Newsletter

December 21, 1998

TITLE

YEAR 2000 CALENDAR PREPARATION

TO

Cessna Distributors, Service Stations and Cessna Pilot Centers

DISCUSSION

YEAR 2000 READINESS DISCLOSURE

Cessna is very concerned about our ability to serve our customers into the year 2000. The purpose of this Service Newsletter is to alert your facility of the need to address concerns regarding the year 2000 issue, otherwise known as Y2K. You should be aware of the Y2K issue and be taking proactive steps to ensure that you have done everything possible to prevent any disruption in your normal business operations. Delaying Y2K readiness activities is not an option. Your facility must be ready for the year 2000.

The Cessna Aircraft Company has taken a proactive approach to the Year 2000 problem and for the past three years has been working on the solution. The main goal of the Year 2000 project at Cessna is to assess the risks and opportunities and then successfully address all areas that could impact the company. Our objectives are:

1. To continue to provide outstanding customer service to assure that customer needs will be met beyond 1999.
2. To assure ourselves that our suppliers will continue to provide uninterrupted services needed to sustain customer satisfaction levels.
3. To assure that all our electronic equipment such as onboard avionics, security systems, personal computers and host systems continue normal operations, and
4. To ensure the safety of our employees.

COMMONLY ASKED QUESTIONS

1. Is your company now ready for the Year 2000?

   The Cessna Y2K team continues to address our business systems, factory and facilities equipment, end-products, suppliers, customers and regulators, with most critical areas already Y2K ready.
2. Do you have plans in place to address and correct all Year 2000 issues by December 31, 1998? If not, by when?

Cessna’s main focus through the end of 1998 was to:

Review all Cessna-determined critical systems and components with embedded chips and address them for Year 2000 readiness.

Continue to review non-mission critical problem areas.

Develop contingency plans for external mission-critical areas.

Cessna’s main focus in 1999 is to:

Continue to address all known Year 2000 issues to ensure all external relationships have been adequately evaluated.

Develop operational readiness verification plans for the century transition.

**Suppliers, Agents, Service Providers (Banks, Utilities, Parts, etc.)**

3. Do you plan to assess the impact your external providers might have on your operations and plan to take action to insure they can provide uninterrupted service to your organization?

Cessna Y2K supplier management program continues to monitor our suppliers Y2K readiness. Over 5,300 suppliers have been contacted, and to date, we have received commitment of continued uninterrupted services from our critical suppliers.

Contingency plans to minimize the impact in case of supplier failures are being addressed.

Terms and Conditions have included Year 2000 readiness requirements in the purchase of parts, materials and services since October, 1997.

Our Y2K supplier management program will provide Cessna with the assurance that those who sell goods and services will not interrupt our operations due to the Year 2000 challenge.

4. Do you plan to require formal Year 2000 certification from your critical suppliers?

Cessna is requesting that critical suppliers share their Year 2000 findings, and commit to continue to provide parts, materials and services without interruption.

**Manufacturing, Warehousing, Servicing Equipment**

5. Do you plan to examine and perform necessary upgrades to equipment on your factory floor and warehouse areas looking for devices that may be date dependent, especially microprocessor controlled devices?

Cessna understands the risk that errors in automated information may cause in our manufacturing and production tools such as configuration management tools, quality assurance tools, computer-aided manufacturing tools and the like. Equipment that uses a computer to control its operation for producing our aircraft and to support our services are being evaluated and physically tested to ensure uninterrupted operations. A very small percentage of systems are expected to need remediation, which is planned to be completed by early 1999.

Cessna’s manufacturing processes are not highly computerized, providing less exposure to Y2K-related problems.
Environmental Operations in Plants, Offices and Other Sites

6. Do you plan to examine and perform necessary upgrades of your PBX, heating, ventilation and air conditioning systems, security/access, elevator, fire and alarm systems and other environmental systems?

Security and main facility systems, equipment and processes have been inventoried, assessed and are ready for the century transition.

Cessna's voice systems were evaluated and are verified to be Y2K ready.

Products

7. Do you plan to review your products for microprocessors and take appropriate corrective action including solving those problems that are already in the field?

Cessna has inventoried and assessed the Y2K readiness of all our aircraft. No safety-of-flight issues exist. Cessna has worked closely with our main avionics equipment suppliers, holding regular meetings to review their respective Y2K project activities and progress. A minor isolated issue was identified, with date anomalies on one version of the Flight Management System software. These anomalies are being addressed with updated kits.

Cessna intends to provide detailed information to the impacted customers through Service Letters and Bulletins.

Technical Infrastructure

8. Do you plan to be able to run your data centers in the Year 2000 and beyond?

Yes. All data center equipment and software have been inventoried, assessed and verified, with no issues expected to arise.

9. Do you plan to address system software Year 2000 issues in your data centers?

All mainframe and networking operational software (data and voice) has been assessed and verified as to its Y2K readiness. Required data network systems upgrades were completed in November 1998.

Electronic Commerce

10. Do you plan to have your Electronic Data Interchange (EDI) system accept the compliant version of the industry standards for Year 2000 and beyond?

Cessna currently utilizes ESIS Inc. as a third-party service provider for all electronic transactions. Trading partners utilize traditional EDI methods as well as web-based processes. ESIS Inc. has verified the Y2K readiness of all processes related to Cessna's business.

11. With the Electronic Data Interchange (EDI) formats in place today, will your material systems continue to plan and procure raw materials, manufacture, ship and communicate shipment to your customers in the Year 2000 and beyond?

All current electronic transactions have been assessed and verified for continued operation into the new millennium.
Business Computer Systems

12. Do you have a plan to support normal business processes, including financial systems not directly related to supplying your customers with goods and services without interruption in the Year 2000 and beyond?

All Cessna-determined mission critical applications, and most non-critical applications, have already been modified to handle the century transition, and have been implemented in production.

13. Do you have or plan to hire contractual personnel to help you address Year 2000 conversion activities?

Cessna had a partnership with a consulting firm from mid-1996 to late 1998 to perform Business systems programming Y2K conversion services. This partnership was terminated upon completion of the Business Systems conversion and implementation efforts.

14. Do you plan to address Year 2000 readiness with replacement of systems?

Yes. A few non-compliant applications have been or will be replaced with Y2K ready applications. When appropriate, the original application was also converted and tested for Y2K readiness as part of Cessna’s contingency planning.

15. Do you plan to conduct full system tests of mission critical systems in 1999?

Cessna’s applications were tested for Y2K readiness as they were converted. Inter-related systems have been tested, as well as the relationships between the operating systems and applications while exchanging date information. Additional integration and environment testing is taking place through late 1998 and early 1999.

End User Computing

16. Do you have or plan to examine your PC and server-based office automation system to ensure they will continue to function properly in the Year 2000 and beyond?

Over 5,000 personal computers have been inventoried and assessed, and BIOS upgrades were completed where required. This accounts for the entire population (local and remote) of Cessna’s personal computers. All new personal computers are verified for Y2K readiness upon installation. All computer servers have been inventoried and assessed. Software assessment has also been completed, and Cessna intends to complete the necessary upgrades by early 1999.

17. Do you have or plan to examine your end-user computing applications that support your business so they can continue to function properly in the Year 2000 and beyond?

Cessna’s functional areas have assessed their organizations’ end-user applications. Cessna’s employees are aware of the extreme importance of developing Y2K-ready applications, and have been given instructions on how to safely do so. End-user software assessment results are being shared on a regular basis with all computer users. A distributed computing production test lab was utilized to test end-user applications and inter-dependencies, and no major issues were uncovered.
SERVICE STATION PREPAREDNESS

If your facility does not have a Y2K program in place, and you do not know where to start, the Internet provides a wealth of information on this subject. Listed below are a few web sites you may wish to visit:

General Services Administration (GSA) Year 2000 Systems web site located at:

http://www.gsa.gov/gsacio/yr1.htm

United States General Accounting Office (GAO)


Microsoft Year 2000 Resource Center (TechNet - Year 2000)

http://www.microsoft.com/technet/topics/year2k/default.htm

Greenwich 2000: Millennium Bug


There are many other web sites dedicated to the Y2K issue, they can be found with any internet search engine by entering "Y2K" or "Year 2000" in the search field.

The following areas should receive close Y2K scrutiny:

1. Local vendors who provide products and services to your facility.
2. PC's, computers and software applications (very critical).
3. Utility companies providing electricity, gas, water, etc.
4. Fuel farm control systems.
6. Credit card processing machines.
7. Telephone equipment.
8. All equipment with embedded computer processor chips that are date dependent.

It is incumbent that each Authorized Cessna Service Station perform a complete audit of their equipment in their facility that may be adversely impacted by the Y2K issue. Your ability to continue uninterrupted operations before, during and after January 1, 2000 is critical. Please appoint, if you have not already, someone at your facility as the focal point for this responsibility.

For further information regarding Cessna Aircraft Company's Year 2000 program, please contact Fred Lassmann in Customer Services at 316-517-6689.

NOTE: Because of the complexity of the Year 2000 problem and interdependencies that exist between companies with varying degrees of Year 2000 readiness, it is not possible for any company, including The Cessna Aircraft Company, to represent or guarantee that its Year 2000 readiness program will be successful in every respect.

*   *   *   *   *   *   *   *