

BRIDGESTONE Firestone**ORIGINAL EQUIPMENT TIRE SALES COMPANY**

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A DIVISION OF BRIDGESTONE/FIRESTONE, INC.

March 11, 1999

To: S. Katsura, Dubai Office R. O. Martin, QA (Nashville)
 Y. Tomiyasu, BSJ GSC H. B. Horton, Law Dept. (Akron)
 D. R. Saurer, PLTD (Akron)

Subject: EXPLORER SITUATION - MIDDLE EAST

I had another meeting today with Chuck Seilnacht from Ford's Worldwide Direct Marketing Operations group with respect to the P255/70R16. I provided him with photographs of the current P255/70R16 Wilderness AT OWL, the H-rated European tire, and the Australian Special Service tire. I also advised him that our adjustment rate on the subject tire in the U.S. from 1995 through 1998 is less than 0.1% (1/10th of 1%), on total production of just under 1.75 million tires. Furthermore, of that small percentage, nearly half of those adjustments were for vibration.

Mr. Seilnacht then provided me with the attached write-up that he put together. As indicated, the write-up confirms his belief that the tire is not at fault. Interestingly, Ford conducted a search of their data files on this same tire in the U.S., as indicated in the second bullet point. That search revealed only a handful of tire "failures" reported by Dealers and/or customers, out of approximately 300,000 Explorers and Mountaineers equipped with this tire. That contrasts dramatically with the reports of seven incidents already in Saudi Arabia, where Ford estimates there are only 2,000 Explorers/Mountaineers in service.

The rest of the meeting focused on Ford's proposed customer notification program, which Mr. Seilnacht details at the bottom of his write-up. I advised him of our concerns with that type of program, both with respect to the perception it might convey in Saudi, as well as related complications that it could create in North America. Fortunately, he had received similar responses from his own people, none of whom favored that type of program.

It's really unknown as to where we go from here. Mr. Seilnacht and I did agree that any additional tires that come in to Ford be immediately sent to Akron for analysis. Further to that, he asked if we could provide a listing of who our contacts are for Al Jazirah (Ford) and Haji Hussein Alireza (Mercury) at each of their locations. Those distributorships have one outlet each in Dammam, Riyadh, and Jeddah. Shingo, could you please advise me the name and phone number for our contacts in those locations. Furthermore, he asked that our people contact each dealership, and advise them that all tires involved in any further incidents be turned over to us. Those tires are then to be sent to Akron via airfreight for analysis (attn: Jim Gardner).

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Ford plans to proceed with the change to the H-rated European tire for newly built Explorers destined for the Middle East, as soon as possible. Unfortunately, there is still concern that if punctures, and run-low conditions, are the ultimate cause of the concern, as is suspected, neither this tire, nor the Special Service tire, will totally resolve the situation. I further advised Mr. Sehnacht that we are working with the Ford U152 people (2002 Explorer) on a ROW (rest-of-world) tire that would be a compromise of attributes (chip tear, puncture resistance, high speed/heat resistance, etc.) for Explorers going to various parts of the world, including the Middle East. While he commends those efforts, he further recognizes that this will not provide any immediate help.

Lastly, with respect to GSC's question on changing to a white letter tire, it is generally felt that the H-rated tire is the best alternative at this time. The rest-of-world tire being proposed to Ford will be white letter, but until (and if) that tire is approved, Ford is proceeding with the change to the BSW H-rated tire for the Middle East.

Yours truly,



John E. Behr
Account Executive

cc: A. W. Stuart J. Saruwatari (BSJ GSC)
J. Ujiyama / P. Hoda D. Candido (ATC)

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