

Explorer Tire DNP

The purpose of this note is to provide current status on reference subject.

Background.-

In July 1997 FoV representatives were called to a meeting in Caracas with a group of independent lawyers representing four (4) customers.

The objective of this meeting, as expressed by these lawyers, was to draw Ford attention to a situation related to their customers, but that they felt could be greater.

The situation described was that several Explorer (2dr and 4dr) would turn over unexpectedly as a consequence of a tire explosion.

Based on this information, known cases and several newspaper clippings (depicting similar situations). At least sixty (60) cases have been identified. Issue has a high fatality rate. FoV initiated a joint investigation with local and US based Firestone technical personnel.

The result of this investigation where inconclusive, although several findings were made:

- Venezuela drivers have very little conscious of tire maintenance. A significant number of vehicles evaluate had low tire pressure.
- No defects were seen on either mounted tires or samples of failed tires; 117 vehicles in three different regions were inspected.
- Ten (10) failed tires were inspected. Root cause of failure varied from tread loss, to tire puncture, to wheel deformation.
- Failed tire were either local or US import manufacture.
- High incidence vehicle roll over after a tire blow out or tread loss has not been detected for other vehicle brands; Toyota, GM and Chrysler all have significant presence in this market segment.

Beginning first quarter of 1999, FoV notified this situation to Explorer PVT and the TVC.

TVC notified of a similar issue occurring in GCC, where WDMO was about to initiate a DNP consisting of a tire change to Goodyear brand.

FoV Actions.-

- To correct another claim related rear axle skate and handling at high speeds (140 km/h), FoV implemented in May 1999 a for Australia only shock absorber calibration.
- To align with GCC DNP and to improve Explorer market image, FoV introduced the same GCC Goodyear tire for all new Explorer, beginning July 1999.
- FoV has issued a TSB on rear axle skate/high speed handling. This TSB authorizes dealer to change complete set of shock absorbers to Australia only calibration on customer complaint.
- FoV may also authorize tire change (to Goodyear) to any customer with relevant claims on vehicle handling. No TSB has been issued.
- FoV has proposed a local DNP (only Venezuela) to handle this issue, consisting of a Tire and shock absorber change to all vehicles in the field produced since MY 1996 to Sept. 1999 when Goodyear tires where introduced locally for Explorer. Australian calibration shocks where incorporated in July 1999. Estimated cost US \$ 8.528.576 (5.405.000 for tires and 3.123.576 for shocks).

Future actions-

On hold for FRC (Field Review Committee) approval of local DNP.

Comments.-

Root cause of issue has yet to be established. TVC support will be needed if this objective is to be pursued.

Local DNP process approval by FAO has been lengthy.

Word of mouth and several newspaper articles, editorials and radio talk shows have been affecting Explorer image.

The DNP process needs to be accelerated so that issue can be contained.