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October 7, 1998

Ms. Kathleen C. DeMeter, Director  
Office of Defects Investigation  
Safety Assurance  
National Highway Traffic Safety  
Administration  
400 Seventh Street, S. W.  
Washington, DC 20590

Dear Ms. DeMeter:

Subject: RQ98-011:NSA-11ntn

Attached is Ford's response to the agency's letter dated August 28, 1998 concerning the availability of the recall remedy under Safety Recall 96V-172 which pertains to passive shoulder seat belt assemblies used on 1990 through 1992 model year Ford Probe vehicles.

Ford believes that the lower than desired completion rate for Safety Recall 96V-172 has resulted principally for two reasons: 1) availability of certain parts required for the remedy; and, 2) the reluctance of some customers to bring in for remedy a vehicle with a "properly functioning" restraint system.

With respect to remedy parts availability, the agency may remember, Ford was concerned about the limited availability of parts necessary to initiate the recall at the time it required us to determine the existence of a defect related to safety. At the time of that determination we did not believe there was a sufficient supply of tracks with improved wear resistance and there were only limited numbers of motor and cable assemblies (which were available only as a part of a complete track and motor assembly) to meet anticipated dealer demand if a recall were initiated.

We believe the other principal reason for the lower than desired completion rate is a result of the reluctance of some customers to bring in for remedy a vehicle with a "properly functioning" restraint system. Experience indicates that a large number of owners do not feel compelled to return a vehicle for repair when the restraint system is operating properly.



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As the agency is aware, Ford typically expends more effort than other manufacturers to increase awareness of safety recalls through additional voluntary owner renotifications and reminders to dealers of the need for recall service. To that end, Ford sent postcard reminders to owners on June 6, 1997 and plans to send an additional reminder in January, 1999. We believe that this reminder, considered with the now sufficient numbers of available parts, will stimulate additional owners to seek the recall remedy, thus increasing the completion rate.

If you have any questions concerning this response, please call.

Very truly yours,



L. W. Camp

Attachment

w/RQ99011z.doc  
dkb/djp

FORD'S RESPONSE TO R098-011

Ford's response to this Recall Questionnaire was prepared pursuant to a diligent search for the information requested, and we have made every effort to provide responsive documents and to supply thorough explanations intended to assist you in understanding the documents produced. The documents provided along with this response were gathered from Ford employees who were identified as having relevant knowledge or information concerning the subject matter of the information request.

While we have employed our best good faith efforts to provide responsive information requested by the Agency, it bears mentioning that any attempt to identify all responsive documents or all knowledgeable employees within Ford Motor Company is a daunting task. Ford has employees located around the world who collectively generate millions of documents every year. Employees change jobs and relocate to different Ford facilities in the course of their careers and the documents that they generate may or may not move with them. Moreover, because of the breadth of Ford's global operations, responsive information is maintained in numerous locations and may be moved from time to time as Ford's organizational structure and needs change. Accordingly, Ford does not, and could not possibly, represent that this response reflects or includes all potentially responsive information located anywhere within Ford Motor Company worldwide. Rather, as stated above, the scope of the investigation conducted to locate responsive information focused on those Ford employees who were identified as having relevant knowledge or information about the subject matter of this inquiry, and to reviewing Ford files in which information related to this matter ordinarily would be expected to be found.

In a September 4, 1998 telephone conversation, Mr. Jon White of NHTSA confirmed to a member of my staff that the subject of this inquiry concerns the availability of the remedy for Safety Recall 96V-172 (the "recall remedy"), and not the functional performance of the remedy or Ford's assessment of the alleged defect that is the subject of the recall remedy, as appears in some of the requests. Accordingly, our response addresses the availability of the recall remedy and the statistical performance of recall completion. If the agency requires information in addition to this, please advise.

Answers to specific questions are set forth below. As requested, after each numeric designation, we have set forth verbatim the request for information, followed by our response to it.

October 7, 1998

Request No. 1

Provide the reason(s) Ford believes that caused the low performance rate for the safety recall 96V-172.

Answer

We believe that the lower than desired completion rate for Safety Recall 96V-172 has resulted principally for two reasons: 1) availability of certain parts required for the remedy; and, 2) the reluctance of some customers to bring in for remedy a vehicle with a "properly functioning" restraint system.

With respect to remedy parts availability, the agency may remember, Ford expressed concern about the limited availability of parts necessary to initiate the recall at the time it required us to determine the existence of a defect related to safety. At the time of that determination we did not believe there was a sufficient supply of tracks with improved wear resistance and there was only a limited number of motor and cable assemblies (which were available only as a part of a complete track and motor assembly) to meet anticipated dealer demand if a recall were initiated. Further, as we informed the agency, the motor supplier had disassembled the assembly line for motor production, making it virtually impossible to quickly obtain the quantity of motors which we anticipated would be required to initiate a recall. However, Ford was compelled to notify all owners. In an effort to manage parts supply, the letters sent to owners staggered the dates that vehicles with functioning restraints should be presented for the remedy, ranging from December 15, 1996 to March 15, 1997 (owners were informed that if the system was not functioning, the vehicle should be presented for repair immediately). From our review of owner complaints it appears that concerned owners presented their vehicles for repair prior to their assigned date, even if the system was functioning properly. In an effort to meet customer expectations, dealers used available parts to remedy functioning vehicles, obviously worsening the parts availability issue. The parts supply issue has been resolved, and adequate numbers of tracks, and other components, have been available since the early part of 1998.

We believe the other principal reason for the lower than desired completion rate is a result of the reluctance of some customers to bring in for remedy a vehicle with a "properly functioning" restraint system. Experience indicates that owners do not feel compelled to return a vehicle for repair when the restraint system is operating properly. We believe that this is similar to the recall of Takata seat belt buckles which also had a lower completion rate. It was for this very reason that Ford initially proposed an extended warranty which we believed would have met the need for safety - and would have required a smaller supply of parts to initiate.

As the agency is aware, Ford typically expends more effort than other manufacturers to increase awareness of safety recalls through additional voluntary owner renotifications and reminders to dealers of the need for recall service. To that end, Ford sent postcard reminders to owners on June 6, 1997 and plans to send an additional reminder in January, 1999. We believe that this reminder, considered with the now sufficient numbers of available parts, will stimulate additional owners to seek the recall remedy, thus increasing the completion rate.

Request No. 2

Provide Ford's field bulletin to dealers regarding the recall inspection and replacement procedures for the track assembly. This shall include, but not be limited to, the acceptance and replacement criteria.

Answer

A copy of the original Service Recall Bulletin for Recall 96S48/96S99 (including a sample owner letter) dated October, 1996, that was provided to all U.S. Ford and Lincoln-Mercury dealers, is included in Appendix I.

Request No. 3

Provide a table listing for the following latest recall performance data:

- a. the total number of vehicles that were brought to dealers for the recall repair;
- b. the total number of vehicles that were not repaired due to no parts or any other reasons;
- c. the total number of repaired/inspected vehicles;
- d. the total numbers of vehicles that were replaced with new track assemblies on the driver side; and
- e. the total number of vehicles that had the new track assemblies on the passenger side replaced.

Answer

Ford has no means to identify the number of vehicles brought to dealers for recall remedy but for which no repair/inspection claims were submitted. Claims pertaining to recalls (including Recall 96V-172 [Ford Recalls 96S48 and 96S99]) are submitted by dealers to Ford only for completion of a recall remedy. Accordingly, we are unable to provide responses to items (a) and (b) of the request.

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Records through September 14, 1998 show the following number of completions for Ford Recall 96848 (replacement of driver side rail assembly) and for Ford Recall 96899 (inspection and/or replacement of the passenger side assembly):

	<u>96848</u>	<u>96899</u>
Vehicles Involved	224,867	224,867
Vehicles w/rail replacement	85,119	31,728
Passenger Side Rails Inspected		50,761

Request No. 4

Furnish a copy of all reports, testing, studies, investigations, analyses, and similar documents prepared by or for Ford pertaining to (a) the integrity, performance, or durability of the recall remedy. Furnish all requested items, whether or not Ford has verified each one, including all photographs, film, notes, memoranda, and other records pertaining or relating to each item, whether in draft or finalized.

Answer

As previously noted, we understand the subject of the inquiry to relate to the availability of the recall remedy. Accordingly, the scope of our response to this request addresses the availability of the recall remedy and the statistical performance of completion. We are construing the question broadly and are providing not only studies, surveys, and investigations related to the performance rate or availability of the recall remedy in the subject vehicles, but also notes, correspondence, and other communications that were located pursuant to a diligent search for the requested information. Ford is providing the responsive documentation in Appendix II. Certain of the materials to be provided in this Appendix are considered confidential and are being submitted under separate cover to the Office of the Chief Counsel.

A privilege log which identifies certain responsive documents withheld because they are privileged or attorney work product protected is included in Appendix III.

Request No. 5

Furnish the number and copies of all the following:

- a. owner reports or consumer complaints; and
- b. other reports, field reports, surveys, or investigations from all sources either received or - authorized by Ford, or of which Ford is otherwise aware;

pertaining to the recall performance in the subject vehicles since September 22, 1996. This would include, but not be limited to, complaints or information provided by various consumer groups, government agencies, insurance companies, and other entities which would have provided such information to Ford. Furnish all reports whether or not Ford has verified each report, including all correspondence, notes, memoranda, and other records pertaining or relating to the performance of the recall in the subject vehicles.

Answer

For purposes of identifying reports of incidents potentially involving the subject matter of the inquiry and any related documents, Ford has gathered "owner reports" and "field reports" maintained by Ford Customer Service Division ("FCSD"). A description of those information sources is appropriate to explain the nature of the information that Ford is providing.

Owner Reports. As the agency is aware, within FCSD's North American Customer Service Operations, there is a Customer Assistance Center ("CAC") that is responsible for facilitating communication between customers, dealerships and Ford Motor Company. Among other things, the CAC handles telephonic, electronic (internet), and written inquiries, suggestions, informational requests, and concerns ("contacts") from Ford and Lincoln-Mercury vehicle owners about their vehicles or sales and service process. The contacts are handled by CAC customer service representatives, who enter a summary of the customer contact into a database known as MORS (Master Owner Relations System). Certain contacts, such as letters from customers, are entered into the MORS database and also are copied to microfilm, or more recently, imaged and stored electronically.

The CAC assigns to each vehicle-related contact report a "symptom code" or category that generally reflects the nature of the customer contact or vehicle concern, as described by the owner. The CAC does not undertake to confirm the accuracy of the description provided by the owner; they simply record what is reported. Therefore, given the complexity of the modern motor vehicle, it is Ford's experience that a significant percentage of owner contacts do not contain sufficient information to make a technical assessment of the condition of the vehicle or the cause of the event reported. Accordingly, although MORS contact reports may be useful in identifying potential problems and trends, the records are not the empirical equivalent of confirmed incidents and/or dealership's diagnosis.

In responding to this particular information request, Ford searched all MORS contact reports dated September 22, 1996 through September 4, 1998 for 1990-1992 model year Probe vehicles built from August 14, 1989 (Job #1, 1990) through February 7, 1992 (end of 1992 model year production) with symptom code 104100 (Motorized Belts), 104101 (Appearance), 104110 (Attachment), 104112 (Comfort), 104150 (Function), 104155 (Lack of Restraint), 104197 (Noise), and 104198 (Indicator). Contact reports were reviewed for allegations indicating that the recall remedy was unavailable to the vehicle owner beyond the December 15, 1996 date identified in our owner notification letter or that a system that was not functional at the time the recall letter was received could not be remedied when the vehicle was presented to a dealer because parts were not available. We have not considered as a lack of availability of the remedy those reports which indicate only that parts had to be ordered -- dealers would not be expected to stock sufficient parts to repair all vehicles -- but rather those that indicated or suggested that parts were not available for a period of time or were backordered. (Note that batches of letters to owners contained differing dates that vehicles with functioning restraints could be presented for repair, ranging from December 15, 1996 to March 15, 1997, in an effort to avoid the depletion of the limited available parts, as previously noted. However, to keep the response to this request somewhat manageable, we have included any complaint that parts were not reasonably available by December 15, even though some of the owners may have been instructed not to present a vehicle until a later date if the system was functional.) The MORS database maintains customer contact information for only the last five calendar years. To the extent that the above records reflect reports or allegations that the recall remedy was unavailable to the vehicle owner, a total of 937 reports have been identified and are provided in Appendix IV.

Ford has also included owner reports which are ambiguous as to whether they fully concern the subject of the inquiry. We have included copies of these reports in Appendix V as "non-specific allegations" for your review because of the broad scope of the request. These reports would include, for example, that parts had to be ordered or were not immediately available, but do not indicate or suggest for how long. Based on our judgment, the information in these reports is insufficient to support a determination that they pertain to the subject of the inquiry.

In the interest of responding promptly to this inquiry, Ford has not undertaken to gather the microfilm or electronic images related to these contacts because of the largely duplicative nature of the information contained in the microfilm and images, as well as the time and the burden associated with locating and producing those documents. The pertinent information related to those contacts generally would be included in the contact reports obtained from the MORS

system. To the extent that those documents exist, they are reflected in the "Micro Nbr:" field of the MORS contact reports. Upon request, Ford will attempt to locate any specific items that are of interest to the agency.

Field Reports. Within PCSD, there is a Vehicle Service & Programs Office that has overall responsibility for vehicle service and technical support activities, including the administration of field actions. That Office is the primary source within Ford of vehicle concern information originating from Ford and Lincoln-Mercury dealerships, field personnel, and other sources. The information is maintained in a database known as the Common Quality Indicator System ("CQIS"). The CQIS database includes reports compiled from more than 40 Company sources (e.g., Company-owned vehicle surveys, service technicians, field service and quality engineers, and technical hot line reports, etc.) providing what is intended to be a comprehensive concern identification resource. As with MORS contact reports, CQIS reports are assigned a "symptom code" or category that generally reflects the nature of the concern.

In responding to this particular information request, Ford searched all CQIS reports dated September 22, 1996 through September 4, 1998 for 1990-1992 model year Probe vehicles with the following symptom codes: 1041\*\* (Motorized Belts - Other), 104110 (Attachment), 104150 (Function), 104155 (Lack of Restraint), and 104199 (Not Listed). Reports were reviewed for allegations indicating that the recall remedy was unavailable to the vehicle owner beyond the December 15, 1996 date identified in our owner notification letter or that a system that was not functional at the time the recall letter was received could not be remedied where the vehicle was presented to a dealer because parts were not available. We have not considered as a lack of availability of the remedy those reports which indicate only that parts had to be ordered -- dealers would not be expected to stock sufficient parts to repair all vehicles -- but rather those that indicated or suggested that parts were not available for a period of time or were backordered. To the extent that the above records reflect reports or allegations indicating that the recall remedy was unavailable to the vehicle owner, a total of four reports have been identified and are provided in Appendix VI.

Ford has also included field reports which are ambiguous as to whether they fully concern the subject of the inquiry. We have included copies of these reports in Appendix VII as "non-specific allegations" for your review because of the broad scope of the request. These reports would include, for example, that parts had to be ordered or were not immediately available, but do not indicate or suggest for how long. Based on our judgment, the information in these reports is insufficient to support a determination that they pertain to the subject of the inquiry.

With respect to surveys, investigations and other documents related to the subject of the inquiry, see Ford's response to Request No. 4.

MORS contact reports regarding the VOQs included with the inquiry found in our searches are provided in Appendix VIII.

Request No. 6

Furnish the number and copies of each of the following:

- a. all crashes or injury incidents;
- b. all subrogation claims; and
- c. all lawsuits, both pending and closed, by caption, jurisdiction, and docket number, in which Ford is or was a defendant (or codefendant), or of which Ford is otherwise aware.

The crashes, injury incidents, subrogation claims, and lawsuits would include, but not necessarily be limited to, all those which may have occurred, at least in part, to circumstances, conditions, or problems caused by the alleged defect in the subject vehicles since September 22, 1996. Provide a brief synopsis of each case including Ford's analysis of the alleged incident, a description of any injuries or property damage involved, the identification of the vehicle (model, model year, and VIN), and the vehicle owner (name and address). Identify all parties involved in each lawsuit and furnish representative copies of pleadings and/or legal briefs filed on behalf of Ford in these lawsuits.

Answer

For purposes of identifying lawsuit and claim incidents attributable to the subject of the inquiry, Ford has gathered claim and lawsuit information maintained by Ford's Office of the General Counsel (OGC). Ford's OGC is responsible for handling product liability lawsuits, claims, and consumer breach of warranty lawsuits against the Company. Based on a reasonable and diligent search, Ford has identified no lawsuits and six claims that appear to be related to the subject matter of the inquiry in the subject vehicles. For each claim, Ford is providing, to the extent available, the claimant's medical records, police/fire department/EMS reports, vehicle recall history, vehicle warranty repair history, owner communications with Ford, photographs, claim disposition notification, Ford requests for information to claimant, non-privileged vehicle inspections and expert reports, and the owner or his/her attorney's description of incident/claim and accompanying information. The described documents of claims that appear to be related to the unavailability of the recall remedy or the

unsatisfactory performance of Recall 96V-172 are included in Appendix IX.

A privilege log which identifies certain responsive documents withheld because they are privileged or attorney work product protected is included in Appendix III.

We have also included, in Appendix X, documents related to lawsuits and claims which are ambiguous as to whether they fully concern the subject of the inquiry. For each lawsuit, Ford is providing, to the extent available, a copy of the complaint, Ford's answer to the complaint, Plaintiff's responses to Ford's and/or other parties' discovery requests, Ford's responses to Plaintiff's discovery requests, Plaintiff's medical records, police/fire department/EMS reports, vehicle recall history, vehicle warranty history, owner communications with Ford, photographs, and/or non-privileged vehicle inspections and expert reports. These are included as "non-specific allegations" for your review because of the broad scope of the request. Based on our judgment, the information in these reports is insufficient to support a determination that they pertain to the subject of the inquiry.

Request No. 7

Furnish a summary incident table of all known or reported incidents from items 5 and 6, including the reports provided by ODI, identifying the owner's name, model, model year, and VIN of the vehicle, the vehicle build date, the problem date (or the report date if the problem date is not available), description of the problem (i.e., no parts, recall was not honored, remedy failure), the date of recall repair, and a brief description of Ford assessment and resolution.

Answer

The requested listings, including the specified items, to the extent they are available for the owner reports, field reports, lawsuits, and claims provided in Appendices IV, VI, and IX and the ODI reports provided with the inquiry are currently being prepared and will be submitted as Appendix XI by October 16, 1998.

Request No. 8

State the number of track assemblies sold for use on the subject vehicles by part number, distribution center, and calendar month/year of sales from September 1, 1996.

Answer

Service parts are sold in the U.S. to franchised customers/dealers through parts distribution centers which are assigned various multi-state areas. Additionally, a portion of sales recorded for a certain distribution center may actually have been for franchised customers in another distribution center service area. This can occur if, for any reason, one distribution center is out of stock. Should this occur, an adjacent distribution center will be used to fill the order from its available inventory. Available subject part sales by distribution center and by month and year of sale are provided in Appendix XII.

Note that Ford's normal business practice is to maintain monthly service part sales by distribution center for a three year period. The information provided in Appendix XII reflect that business practice.

Request No. 9

Identify and describe all significant modifications or changes in the manufacture, design, material composition, supply/supplier, or installation of the track assembly, and all components thereof, used in the subject vehicles from February 7, 1992. The following information must be included for each modification or change.

- a. the reason for the modification or change;
- b. a description of the modification or change;
- c. the approximate calendar date on which the modification or change was incorporated to production; and
- d. state whether the modified or changed components could be interchanged with earlier production components.

Answer

Mazda has informed us that the only modifications or changes to the motorized shoulder belt track assembly incorporated after February 7, 1992 were in conjunction with the recall remedy. The information requested in items (a) through (d) for these modifications/changes are provided in Appendix XIII.

Request No. 10

Furnish a copy of all notification, letters, and other communications by Ford, or known to Ford, concerning the track assembly and sent or distributed to purchasers and owners of the subject vehicles after August, 1996 that have not been provided to NHTSA. If Ford has issued any service or technical bulletins, advisories, letters, or other communications to dealers, zone offices, or field offices pertaining, at least in part, to the installation, attachment, replacement, or performance of the track assembly in the subject vehicles, provide a copy of each such document. If no such documents have been issued, so state.

Answer

In addition to the original Service Recall Bulletin for Recall 96S48/96S99 (including sample owner letter) dated October, 1996, which was provided in Appendix I in response to Request No. 2, communications located which were issued to purchasers, owners, dealers, zone offices, or field offices and related to the track assembly are included in Appendix XIV. We assume this request does not seek information related to electronic communications between Ford and its dealers regarding the order, delivery, or payment for replacement parts, so we do not include this information in our answer.

For your information, Ford will be mailing another Recall reminder postcard to owners identified in Ford records as not having Recall 96S48/96S99 performed in an effort to increase the completion rate of this recall. The planned mailing date is January, 1999.

No Technical Service Bulletins related to the subject matter of the inquiry have been issued.

Request No. 11

State the date Ford ceased collecting information for use in the responding to this Information Request. If more than one date applies, please provide the date for its respected item.

Answer

Owner Reports (MORS) and Field Reports (CQIS) dated through September 4, 1998 were reviewed for the availability of the recall remedy.

Lawsuits and claims that are dated through September 4, 1998 were reviewed for the subject of the inquiry.

On September 4, 1998, Ford employees potentially knowledgeable concerning the availability of the recall remedy were requested to provide information responsive to Requests No. 4 and 10. If any responsive documents with a later date were received, Ford included them in its response.

Recall completion data are based on claims received by Ford through September 14, 1998.

Track assembly service parts sales data are based on distribution center sales records on September 4, 1998.

Track assembly modifications/changes include those released through September 28, 1998.

Request No. 12

Furnish a copy of all documents not specifically requested which Ford believes may be pertinent to the alleged safety defect and its resolution, or which were used in formulating its assessment of the alleged safety defect.

Answer

We believe that we have provided the pertinent requested information in response to Request No 4, and respectfully submit that a request for "all documents not specifically requested herein" is extremely vague, broad, and unduly burdensome and that Ford nor any other organization of comparable size can be certain that it has located "all documents not specifically requested herein" that might be deemed by someone at some later time to have been "relevant" to the "alleged defect" on the subject vehicles.