Figure 1
Firestone in the media

Courtesy of Mike Smith
Bridgestone daily close (2000-2001)
Figure 3

Ford daily close (2000-2001)
Statement From Bridgestone/Firestone, Inc.

February 4, 2000

“We at Bridgestone/Firestone, Inc. take great pride in the quality and durability of our products and we stand behind all of them. We work hard every day to earn and maintain the loyalty and trust of our customers, and we have full confidence in the performance of our Firestone Radial ATX tires.

Firestone has manufactured more than 12 million Radial ATX tires—nearly 6.8 million of which were original equipment on virtually all of the millions of Explorers produced by the Ford Motor Company from 1990 to 1996. The Radial ATX has proved to be a reliable workhorse for U.S. consumers. Our experience with the Radial ATX indicates high consumer satisfaction with the quality and reliability of these tires. No court or jury has ever found any deficiency in these tires.

KHOU inquired about Firestone's investigation of three incidents involving Radial ATX tires on Ford Explorers. That investigation exemplifies the kinds of tire damage that Firestone has found in investigating Radial ATX incidents. One tire had a puncture, which the owner unsuccessfully attempted to repair with aerosol flat fixer. The second tire had severe road hazard damage. The third tire had multiple punctures, one of which was left unrepaired. Out of respect for the persons involved, Firestone took no steps to publicize the results of its investigation of the incidents.

KHOU also asked about a theory advanced by some in tire product liability lawsuits that nylon cap plies prevent tread/belt separation. Nylon cap plies are used almost exclusively on high speed rated tires. There is no scientific data or study that shows a durability advantage to tires with nylon cap plies at normal highway speeds.

For the 1997 model year, Ford chose the new Firestone Wilderness AT tire line for use as original equipment on most Explorers. Ford's selection was in no way related to the reliability of the Firestone Radial ATX. In fact, the Firestone Radial ATX continues to be produced and remains one of Firestone's most popular and successful After market tires.

We monitor the performance of all of our tires and, having manufactured more than 12 million Radial ATX tires, we have full confidence in them. Bridgestone/Firestone wants its customers to be fully satisfied with all of our products and services. If any customer would like to have additional assurance about the quality of his or her tires, we invite them to visit a local Firestone store where we will be pleased to check their tires.
EXHIBIT 2

Firestone Letter to Belo & KHOU Executives

February 10, 2000
Mr. Robert W. Decherd
Chairman, President and CEO
A.H. Belo Corp.
400 South Record Street
Dallas, TX 75202
Mr. Peter Diaz
President and General Manager
KHOU-TV - Channel 11
1945 Allen Parkway
Houston, TX 77019-2596

Gentlemen:

I am writing to you on behalf of Bridgestone/Firestone, Inc. to express our disappointment with the “Defender” series on KHOU-TV concerning Firestone Radial ATX tires mounted on Ford Explorers. This series, broadcast on various segments beginning on Monday, February 7, contains falsehoods and misrepresentations that improperly disparage Firestone and its product, the Radial ATX model tire.

The program and related activities give the unfortunate appearance that KHOU is more concerned with sensationalism and ratings during the February sweeps period than its commitment to the presentation of truthful and objective reporting. As responsible executives and managers of a major media company and one of its leading TV outlets, you should be concerned with the obvious fact that your reporter, Anna Werner, and/or her producers have been co-opted by plaintiffs’ personal injury lawyers and their purported “expert” witnesses present a one-sided view of Firestone's product.

This series has unmistakably delivered the false messages that Radial ATX tires are dangerous, that they threaten the safety of anyone using them, and that they should be removed from every vehicle on which they are installed. Each of these messages is simply untrue. The company has manufactured more than 12 million Radial ATX tires which have been used on many millions of vehicles, and have been driven hundreds of billions of miles. This is a good product and Firestone proudly stands behind it. Every automobile accident and particularly each one that involves death or serious injury is unfortunate and regrettable. Such accidents, however, are not explained merely by reference to tread separation. In the rare event of the failure of any steel-belted radial tire, the most likely way for all such tires to fail regardless of manufacturer is tread separation. That is a phenomena of the radial tire construction when something has occurred which will cause the tire to fail.

The critical issue totally ignored by your broadcasts is what caused the tread separations in the instances you report – the fact of a tire failure is not proof of a defect in a tire. It has
long been recognized that tires operate in an external environment which affects them, much as illustrated in our statement to your station which answered the question asked by Anna Werner with respect to the three incidents cited by Houston Channel 2 some years ago. Each of those tire failures was clearly caused by external factors, such as punctures. Throughout the report, you failed to inform your audience of this type of balancing information regarding the kinds of factors which cause any tire to fail in the tread separation mode – information which we provided to you and which is also readily available in the public domain. Your reporter chose to ignore that portion and much of the substance of our statement when the responses did not meet her objectives. In fact, I am advised that the failure to report such balancing information when it is in your reporter's hands prior to the broadcast may be grounds for finding of actual malice. KHOU's failure to report Firestone's position on this issue is equally dismaying because it is a disservice to your viewers, who should be advised that tire care and service are significant factors that contribute to vehicle safety.

Your story wrongfully and knowingly implies that virtually every Explorer rollover is precipitated by a tire failure. The plaintiffs' attorneys who are supporting Ms. Werner on this story know that only a small fraction of the vehicle rollovers are precipitated by a tire failure regardless of the cause of the tire disablement. Ms. Werner clearly had those statistics readily available to her or could have easily developed them on her two-day visit to Washington, D.C. last week or in her contacts with NHTSA.

Firestone is also disturbed by KHOU's failure to explain the motivations of persons quoted and interviewed in the program. The bias and interest of individuals presented as "experts" in tire failure cases in the broadcast is barely described by the program's phrase "an expert witness who testifies against tire companies."

Prior to the broadcast, Ms. Werner indicated that she was consulting with various plaintiffs' lawyers and plaintiffs' tire experts, whose objectivity is compromised by their financial stake in creating negative publicity about Firestone's products. Yet Ms. Werner makes no attempt to explain the lack of objectivity of the sources; instead she creates an aura of reliability of referring to the one on-screen plaintiffs' tire expert as "the dean of tire failure analysis."

In the broadcast, Ms. Werner asks "But why are the tires coming apart?" That is a question to which one would expect a factual and technical answer. But the program answers this key question solely by citing the statements of a former Firestone employee, Alan Hogan, who, on screen, makes a number of grossly misleading claims that are presented as applicable to Radial ATX tires. KHOU's fact gathering process should have determined that Mr. Hogan never built an ATX tire when he worked for Firestone, nor did he ever build tires on the system used for the production of ATX tires at the plant where he worked. This fact was never disclosed. Nor was it ever disclosed that Mr. Hogan left Firestone, after a brief period of employment, disgruntled and unhappy.

We are also concerned that the trailers advertising your Thursday
evening show suggest that your one-sided presentation will continue as plaintiffs’ expert Grogan explains the “simple solution to tread separations.” While it may sound simple to the lay public, which is Mr. Grogan's intention, the fact is there is no scientific basis for his opinion that cap plies or, as he refers to them, “overbelts,” improve the durability of tires at normal highway speeds. Rather, the primary benefit of cap plies is in high speed rated tires. Modern tires and vehicles are complex engineering systems resulting from sophisticated and scientific development processes, which do not lend themselves to simple “one-liner” type of answers to complicated engineering matters. Goodyear, Michelin, Uniroyal-Goodrich, General, and Firestone, the companies who have made tires for a hundred years and know far more about tires engineered for the U.S. market than Mr. Grogan, share this view on the high speed usage of cap plies.

The falsehoods have continued in the updates KHOU has run since the initial broadcast. Last night KHOU announced that the broadcasts have caused Firestone to “respond” and implied that Firestone changed its policies to welcome inspection and potential replacement of Radial ATX tires. This is blatantly untrue. As Firestone noted in its initial statement to KHOU on February 4, Firestone has had a long-standing policy of customer satisfaction, which includes inspecting its products for consumers free of charge. Further, that program also includes the potential of “adjustment” for credit or replacement of tires under appropriate circumstances, a component of the program that has been our policy for more than three decades. In addition, rather than spreading the misinformation as you have done to date, you would better serve your viewers in the Houston area if you would point out to them proper tire maintenance procedures (all Ford Explorers with Firestone tires come with Firestone's Tire Maintenance and Safety Manual in the glovebox) as well as proper driving methods in the event of any tire disablement.

The Texas Drivers Handbook published by the Texas Department of Safety is an excellent reference for such information. Finally, as we stated previously, any persons who may have concerns or questions about any Firestone tires should be referred to their local Firestone store where their tires and any concerns can be evaluated and addressed.

Very truly yours,
Christine Karbowiak
Vice President, Public Affairs
May 12, 2000

Statement

We at Bridgestone/Firestone take great pride in the quality and durability of the Radial ATX and Wilderness tire lines and believe a dialogue with the National Highway Traffic Safety Administration (NHTSA) will give us an opportunity to provide the agency with the facts regarding our products. We look forward to working with the NHTSA and we will cooperate fully with the agency’s requests. We are confident that the agency will proceed to evaluate the available data in a fair and objectives manner, and once it has had an opportunity to assess the relevant information, the NHTSA will confirm what we believe: Our tires are safe products.

We continually monitor the performance of all of our tire lines and the objective data clearly reinforces our belief that these are high quality tires. We have manufactured almost 47 million tires in these lines and they have provided many billions of miles of reliable service to the motoring public on and off the road since 1990. As we all know, tires operate in an external environment which affects them. And while today’s tires are the safest in history, they must be inspected periodically and properly cared for and maintained. Experience has shown that there are many causes for tire disablements, and the vast majority occur because of external factors such as punctures, road hazard damage, or regularly operating the tires in an underinflated state. We strongly believe that as these and other factors are reviewed and the information is collected and assessed, the objective data will show that our confidence in the quality and durability of our tires is fully warranted.
Ford | STATEMENT

Contact: Mike Vaughn
313-337-2786

SPECIAL TO KHOU-TV

NHTSA PRELIMINARY EVALUATION OF FIRESTONE TIRES

Ford will respond fully to NHTSA's questions regarding the performance of Firestone tires.

These tires have been original equipment on the best-selling sports utility vehicle in the country, the Ford Explorer, and on versions of the best-selling full-size F-Series pickup and best-selling Ford Ranger compact pickup.

Over the past decade, millions of these vehicles have logged billions of safe miles with these tires as original equipment.

We have sold about 17 million Explorers, Ranges and F-Series pickup trucks over the last ten years, many of which had these tires as original equipment. We constantly monitor the field performance of our products and when we identify an issue, we take action.

We are extremely satisfied with the safety record of these vehicles.

# # #

5/12/00

Automotive Consumer Services Group
Telephone: 313-337-2734; Fax: 313-3371165
Bill,

We noticed we have 21 failure inquiries regarding P235 / 75R15 Firestone ATX tires, in our data.

14 of the 21 inquiries are mounted on 1991-95 Ford Explorers. I have attached a table and an Adobe attachment below for your review. I have made the attachment to include the inquiries all the way back to 1992, however, if you would like the disclosure form to go out, we would send them out to only losses occurring during the most recent year.

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<td>6</td>
<td>3</td>
<td>2</td>
<td>4</td>
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*Two inquiries from 1992

(See attached file: Firestone ATX.PDF)

Thanks
Sam
Mr. E. Cassingena
President
Ford Motor de Venezuela
Valencia

Dear Mr. Cassingena:

Subject: Special Program - Ford Explorer

Bridgestone Firestone has agreed to the program stated below, which addresses several issues concerning tire application in Venezuela, particularly in relation to the Explorer SUV. This program can be started within a reasonable time provided that the tires will be fitted on any vehicle on which suspension has been modified and we reach agreement on the price and logistics considerations.

Our North American plants will do everything possible to pull ahead production of the 255-70R16 U152 Special Export Service Tire for transfer to Venezuela. The offer is contingent upon the acceptance of the issues mentioned below:

$ Proposed sales price for fitment on new vehicles and application in the enhancement program will be: US$46.21 which is based on a tire price of US$39.50 plus US$6.71 customs expenses.
$ Upon start of the program, all new Ford Explorers requiring this size tire will be fitted with the new tire.
$ Bridgestone Firestone Venezolana will absorb the freight expense to Venezuela and the tire mounting and balancing on vehicles included in the enhancement program. This service will be provided by the Bridgestone Firestone Venezolana dealer network.
$ The new tires will be provided as a component of the package offered by Ford dealers, which includes the modification of the suspension on the pre-2000 models.
$ Ford de Venezuela needs to define the volume of tires required in order to place the production order with our North American plant.
$ Ford de Venezuela and Bridgestone Firestone Venezolana will establish jointly the message to be given to Explorer owners in regards to the reason for replacing the tires and enhancing the vehicle.
$ Immediately upon acceptance of this proposal, Bridgestone Firestone U.S.A. will request approval from Ford U.S.A. to use this tire in Venezuela (PPAP).
$ This offer, including price, will be in effect only until December 31, 2000.

Sincerely,
J. A. Gonzalez
Jorge A. Gonzalez
EXHIBIT 7

TO: MR. ART STUART - BFOE
    MR. JOHN BEHR - BFOE

CC: MR. DAVE THOMAS - LEGAL DPT.
    MR. H. HORTON - LEGAL DPT.
    MR. G. FERESTAD - BFVZ
    MS. A. C. COLMENAREZ - BFVZ LEGAL
    MR. O. BENITEZ - BAKER & MCKENZIE

FROM: JORGE A. GONZALEZ
SUBJECT: FORD PROPOSAL

AS AGREED DURING THE MEETING HELD ON FRIDAY, MAY 5TH, YESTERDAY AFTERNOON THE FOLLOWING PEOPLE TOOK PART IN A MEETING AT FORD:

MS. ANA CECILIA COLMENAREZ - BFVZ LEGAL COUNSEL
MR. OMAR BENITEZ - BAKER AND MC KENZIE PARTNER
MR. OSCAR RODRIGUEZ - BFVZ SALES DIRECTOR
MR. PEDRO MARTINEZ - BFVZ OE SALES MANAGER

WHEN WE VISITED FORD TO PRESENT THE LETTER STATING OUR PROPOSAL, FORD VENEZUELA PRESIDENT MR. E. CASSINGENA AGREED TO HAVE A MEETING IMMEDIATELY TO DEFINE AMONG THE LEGAL COUNSELORS AND THE TWO COMPANIES THE APPROACH TO TAKE IN ATTENDING CUSTOMERS TO AVOID CONFLICTING STATEMENTS AND MISUNDERSTANDINGS AND DEFINE OTHER ISSUES COVERED IN THE LETTER.

UPON THEIR ARRIVAL AT FORD, I AM TOLD THAT OUR PEOPLE FOUND A VERY AGGRESSIVE ATTITUDE ON THE PART OF FORD PERSONNEL IN PARTICULAR THE PRESIDENT OF FORD VENEZUELA WHO INSISTED THAT BFVZ HANDLE THE REPLACEMENT OF TIRES THROUGH ITS DEALER NETWORK AND OFFER THE PEOPLE THAT HAVE EXPERIENCED PROBLEMS WITH THE VEHICLE THE REQUIRED EXPLANATION.
Fortunately our lawyers were present and had been briefed on the situation and advised Ford representatives that the purpose of the meeting was to define the statement to be issued to customers and it appeared that instead they were ready to state that the tire was the only cause of the problems faced with Explorers and wash their hands. Our lawyers took this opportunity to remind them that the same tire in the same design a Wilderness’s, is fitted on Grand Blazers and Toyota Autanas which do not roll over even in cases of tire failure and that in the case of 15” tires all Chevrolet Blazers are equipped with Firestone tires and they do not roll over either. At the end of the meeting they advised all participants that they would have to consult with me and ultimately with our head office. I have asked our lawyers to prepare a full report of the meeting and forward it to you and H. Horton in case of any future questions.

In a nutshell, it appears that now Ford Venezuela wants to turn the tables and instead of this being a proposal to help resolve a problem they want to blame Bridgestone Firestone for their problems. Based on the items discussed at the meeting and a conversation of our sales director, Oscar Rodriguez with Ford purchasing director Mr. Hector Rodriguez, Ford’s position can be defined as follows:

$ FOV will not install the new tire on the new vehicles coming off the assembly line
$ FOV wants the tires at no charge
$ FOV does not accept any conditions
$ They expect BFVZ to replace the tires, no questions asked. Similar to a silent recall’s
$ Our condition of correcting the suspension prior to installing the new Bridgestone tires is not acceptable to them even though FOV continues with the so called enhancement program in effect throughout Venezuela using Goodyear tires, but it appears that they do not want to apply it to the Bridgestone tires. It is not clear what they intend to do.

Once you have seen the report from our lawyers. It would be advisable to let Ford Dearborn know of the position adopted by FOV. All items considered, my recommendation is that we go back to Judy Sullivan and advise that we have made the offer but they
DID NOT ACCEPT IT.

FROM OUR PERSPECTIVE, IF THEY DO NOT ACCEPT TO MODIFY THE SUSPENSION PRIOR TO INSTALLING THE NEW BRIDGESTONE TIRES, I DO NOT RECOMMEND TO GO AHEAD SINCE WE KNOW FOR A FACT THAT THE VEHICLE MAY ROLL OVER WITH ANY TIRE BRAND AND IT WOULD PUT IN JEOPARDY THE BRIDGESTONE BRAND IN VENEZUELA.

I SINCERELY QUESTION THEIR INTENTIONS PARTICULARLY CONSIDERING THAT THEY ARE GOING AHEAD WITH THE ENHANCEMENT PACKAGE INSTALLING AND CHARGING FOR GOODYEAR TIRES WHILE THEY ARE NOT WILLING TO DO IT WITH OUR PRODUCT AND IN ADDITION KNOWING THAT IN VENEZUELA THERE ARE MANY UNCONTROLLABLE FACTORS SUCH AS IGNORED SPEED LIMITS, EXTREME HEAT, POOR TIRE CARE, BAD TIRE REPAIRS, POOR ROADS AND A RECOMMENDED AIR PRESSURE ON THE EXPLORERS OF 28 PSI.

PLEASE ADVISE YOUR THOUGHTS AND RECOMMENDATION. CONSIDERING THAT FOV HAS BEEN MODIFYING THE SUSPENSION, OUR INTENTION WAS TO GO ALONG WITH YOUR PROPOSAL TO APPEASE AND HELP FORD DUE TO OUR LONG BUSINESS RELATIONSHIP BUT IT APPEARS THAT THEY WANT BRIDGESTONE FIRESTONE TO SOLVE THEIR PROBLEMS.

PLEASE CALL ME IF YOU HAVE ANY QUESTIONS.

BEST REGARDS,

JORGE A. GONZALEZ
TO:        Mr. Art Stuart - BFOE
          Mr. John Behr – BFOE

CC:        Mr. Dave Thomas - Legal Dpt. BFS
          Mr. Hal Horton - Legal Dpt. BFS
          Mr. Jorge Gonzalez - BFVZ
          Mr. Gary Ferestad - BFVZ
          Mr. Omar Benitez - Baker & McKenzie Vzla.

SUBJECT:  SUMMARIZING MEETING BFVZ - FORD

On May 05, 2000, Mr. Gonzalez delivered a letter (the letter’s) to Mr. Cassingena, President of Ford Venezuela (FOV) stating the term under which BFVZ agrees to collaborate with FOV in the solution of their Explorer in Venezuela. After the receipt of such letter, a meeting, with lawyers was called for by FOV. Such meeting took place yesterday.

Such meeting is summarized as follows:

Mr. Cassingena was very strong and rude with regard to BFVZ’s Letter. He said it was not acceptable and that under no circumstances he will accept a statement that their Explorer has suspension problems. That all the problems were created by our tires and that we should solve the problem and act together with them in the message to be sent to the Venezuelan consumers. Our response was (1) to immediate deny such statement, (2) to indicate that we were under the impression that the commercial terms of the Letter had already been accepted by Judy Sullivan, from FOV USA, and (3), to clearly state in equally strong terms that in our opinion, the problem their Explorers were confronting in Venezuela resided in their suspension system and therefore any liability should be placed in FOV and not in BFVZ. Thereafter he asked us what BFVZ intended to do and what was the message BFVZ proposed. BFVZ explained that its position was clearly mentioned in the Letter and that the reason for the attendance to the meeting was to jointly cooperate with FOV in the campaign regarding their Explorer and that BFVZ was
the party expecting a message from FOV in order to collaborate with FOV.

FOV officers came very strong indicating that their Explorers did not have any problem, that they comply with all legal requirements and standards in the USA and Venezuela and that the accidents that have taken place in Venezuela are due to the BFVZ Wilderness tire. Such statements were rejected by us indicating that a good number of accidents have taken place with tires other that BFVZ tires and that they have been modifying their Explorers' suspension. We explained to them the cause of many of the accidents and that we do not feel responsible at all. At this stage, FOV officers tried to point out that BFVZ had not educated the Venezuelan consumer as to tires maintenance. This was completely rejected and an explanation as to how such education is carried was given. A long discussion followed on issues that pretended to be evidence supplied by FOV trying to place the cause of the accidents on BFVZ's tires. Again, such liability was completely rejected and general specification of certain accidents and the causes therefore were given.

Thereafter, BFVZ insisted that it was our understanding that the reason for the meeting was to find as amicable joint solution for FOV's Explorer problems and the type of campaign to be adopted, irrespective of what had happened. For that purpose BFVZ had sent the Letter and proposed a new tire and the commercial terms for its purchase, all of that subject to the change in the suspension system. At this point in the time, FOV suggested that we use our distribution chain in order to proceed to change Firestone tires on all of the 1996, 1997, 1998, and mid 1999 FOV's Explorers, without them accepting any of the commercial terms and without any change in the suspension system. This was completely rejected because (1) it gave the subliminal message that the cause for the accidents was BFVZ's tires, (2) they are referring to a Recall of the Explorers' tires which recall is not our responsibility and we are not going to do so, and (3) we believe the cause of the accidents was a design failure in the suspension system and thus they were the ones that should make the proposal. For this latter purpose they should use their distribution chain and we will collaborate with them.

Immediately, we informed that any suggestions other than the proposals contained in the Letter should be consulted with Mr. Gonzalez and Mr. Ono. The meeting was called off but Mr. Cassingena informed Mr. Oscar Rodriguez, our Sales Director, that he should talk to Mr. Hector Rodriguez, FOV's Purchasing Director. In this conversation, Mr. Hector Rodriguez rejected the price proposed in the letter for the new tire and the use of such tire for their current vehicle.

Conclusion: NO agreement has been reached. FOV is forced by time to come up with a quick and prompt solution because they have to testify next week before the State Attorney as to one accident that took place in Acarigua, Portuguesa State. If you have any questions, please do not hesitate to contact me.

Regards,
Ana Cecilia Colmenarez
Manager of Legal Affairs of BFVZ