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While we are aggressively pursuing elimination of asbestos in Ford products, Ford's toxicology experts have concluded that asbestos in product use, when encapsulated to prevent release of airborne fibers, does not present a health risk. These experts however, believe materials that are acceptable substitutes for asbestos will possess some of the physical and chemical properties of asbestos. Therefore, asbestos substitutes should be treated with the same care as asbestos itself.

- "7. How will the phase out of asbestos in new vehicles affect the use of asbestos-containing replacement parts in the aftermarket? Will the aftermarket automatically phase out asbestos as new vehicles phase out asbestos, or will asbestos replacement parts continue to be used as cheap substitutes for non-original equipment?"

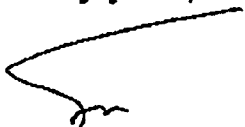
It is Ford's understanding that the long term availability of asbestos will be dramatically curtailed both domestically and abroad. Suppliers of asbestos indicate they will continue to support OEM manufacturers only as long as specific asbestos-containing products remain in production and may require "one-time-buys" for subsequent replacement part inventories. Given the possibility of scarce availability of asbestos manufacturing sources later in the decade, Ford does not believe "asbestos replacement parts [will be] cheap substitutes for non-original equipment" either by OEM or after-market replacement part suppliers.

Ford will continue to provide non-asbestos parts as replacement for non-asbestos OEM parts. The use of non-asbestos vs asbestos parts however, usually requires changes to other components in brake systems to maintain acceptable performance, reliability and quality. Accordingly, Ford has no present plans to develop and test non-asbestos substitutes for asbestos presently used in its brake replacement parts. With regard to other than brake replacement parts, non-asbestos containing replacements for asbestos parts may or may not be provided depending on inventory levels and availability of acceptable non-asbestos substitutes. In any case, maintaining acceptable levels of performance, reliability and quality, not cost, will be the primary factor that determines asbestos or non-asbestos usage.

- "8. How will one company's phase out of asbestos affect the company competitiveness in the domestic market and in the international market vis-a-vis another company, foreign or domestic, that does not phase out asbestos?"

Ford has long believed that the phase out of asbestos from its products will not threaten its world-wide competitive position because its non-asbestos bearing products will continue to provide customers with acceptable levels of performance, reliability and quality.

Very truly yours,


Thomas G. Spear
Executive Engineer
Vehicle Safety Assurance