

The Focus Shifts To Ford

The automaker is working to rebuild drivers' confidence in the Explorer



Next year's model: To improve stability, the redesigned 2002 Explorer will be lower and wider

BY KEITH NAUGHTON AND
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AT FIRST, THE DEATH OF 14-YEAR-old cheerleader Jessica LeAnn Taylor seemed simply to be a tragic tire failure. While heading for a football game in Mexia, Texas, on a hot October afternoon in 1998, the Ford Explorer in which Taylor was riding flipped after its left rear Firestone tire shredded at 70 miles an hour. Jessica's grieving parents sued Bridgestone/Firestone in March 1999. But over the last two months, as congressional investigators probed the recall of 6.5 million Firestone tires, the Taylors became convinced that Ford Motor Co. shares the blame for their daughter's death. So late last month the Taylors sued Ford, too. And when the case goes to trial next spring, the Taylors' lawyer **Randy Roberts** says he will tell the jury: "A piece of tire tread never killed anybody. People die when the vehicle rolls over. And the responsibility for the design and occupant protection of that vehicle belongs to Ford."

Since the safety crisis began, Ford executives have argued the recall was strictly a "tire issue." But as the death toll mounts to 101 lives, questions about the stability of the Explorer are shifting the focus onto Ford. The carmaker is facing 80 lawsuits involving Explorers equipped with Firestones that shred at high speeds. Meanwhile, Firestone is consistently trying to blame Ford. "We could remove every one of our tires from the Explorer, and rollovers and serious accidents will continue," Firestone executive John Lampe told a congressional panel.

Ford insists there is no safety problem with the Explorer, America's favorite SUV and the company's biggest moneymaker. Ford executives point out that Explorers

outfitted with Goodyear tires have virtually no problems. And Ford cites federal accident data that show Explorers flip less often and have 19 percent fewer fatal rollovers than similar SUVs. On Friday, federal regulators opened another probe into Firestone, following two deaths involving its Steeltex tires. All the intercompany brawling provides fodder for the plaintiffs' lawyers.

Several tire lawsuits have already been settled by the companies, but the payouts have been kept secret. NEWSWEEK obtained confidential settlement agreements that show Ford resolved several tire-related lawsuits, some for modest sums, before the recall began Aug. 9 and publicity escalated. In a Tennessee case involving the death of a woman in an Explorer that rolled over after tread peeled off a Firestone tire, Ford agreed in March to pay the woman's family \$25,000. In

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—FORD'S JON HARMON



Damage control: Ford cites data that show its popular SUV is still safer than its rivals

May 1998, Ford paid \$101,000 to the family of an Oklahoma man killed, along with his 6-year-old grandson, after their Explorer flipped when a Firestone tire shredded. No records were available on how Firestone resolved those suits, but a lawyer for the Oklahoma family said Firestone settled for a much larger amount. In another case, in which a 51-year-old man died when his Explorer rolled over on a Texas highway, Ford settled with the man's family in November 1997 for \$175,000, while Firestone agreed to pay them \$2.3 million. Firestone declined to comment. A Ford spokeswoman said: "Settlement amounts vary widely even in cases that might appear to be similar, based on many factors

that distinguish each case."

Congressional investigators are now scrutinizing the Explorer's design, but they aren't the first ones to take a hard look at the SUV. Internal Ford documents obtained by NEWSWEEK show the automaker raised questions of its own about the Explorer's stability. As Explorer owners in Venezuela began complaining of ride and tire problems, Ford official Carlos Marón sent an e-mail to headquarters in Dearborn, Mich., on April 8, 1999, discussing plans to equip the SUV with Australian shock absorbers that "significantly improve stability at high speeds." Throughout the summer of 1999 Marón continued to warn his bosses. "Accidents continue occurring, the rumor is on the street already and the media could get aware any time," Marón wrote to headquarters in an Aug. 11, 1999, memo obtained by NEWSWEEK. "Why only Explorers suffer accidents?" A Ford spokesman said the memos don't question the Explorer's stability, but instead address the rutted roads and high-speed driving of Venezuelans. After Firestone refused to recall its tires in Venezuela, Ford began replacing them in May. Explorer sales still fell 40 percent there.

So far, Explorer sales in the United States have held up, but Ford is already improving the SUV's stability. The redesigned 2002 Explorer coming next year is lower, wider, equipped with computerized stability control and air-bag "curtains" to cushion occupants in a rollover. But for now, says Ford spokesman Jon Harmon: "People are hearing an awful lot of negative things about the Explorer, and yes, we're concerned about that." There will be more nervous days in Dearborn as Firestone tries to redirect blame. ■