

BY TELEFAX AND CERTIFIED MAIL

MAR 16 1998

Jay D. Logel, Esq.
Office of General Counsel
Ford Motor Company
Parklane Towers West
Suite 300
Three Parklane Boulevard
Dearborn, MI 48126-2568

Re: RQ97-001

Dear Mr. Logel:

This is to confirm your telephone conversation of March 12, 1998, with Enid Rubenstein of my staff, in which you agreed on behalf of Ford Motor Company (Ford) to pay, and we agreed to accept, a compromise civil penalty of \$50,000 in settlement of the above-referenced matter. Although the agency does not agree with all of Ford's assertions in its February 13, 1998 reply to our Settlement Letter of January 6, 1998, we have concluded that the facts of this matter -- in which the defect manifested itself only in 10 counties in Southern California -- were complex, and that the compromise penalty amount is sufficiently high to deter Ford (and other manufacturers) from failing in the future to provide this agency with timely notification of safety-related defects. Therefore, in our judgment, further allocation of the agency's limited resources to this matter is unwarranted.

Ford should tender the agreed upon compromise of \$50,000 by electronic deposit, in accordance with the enclosed information sheets, no later than March 31, 1998, and should mail a photocopy of its document of transfer to the attention of Enid Rubenstein at the Office of Chief Counsel (NCC-10), National Highway Traffic Safety Administration, 400 Seventh Street, S.W., Room 5219, Washington, D.C. 20590. After we have received confirmation of the funds transfer, we intend to close our file in this matter.

If you have any questions concerning this matter, please call
Ms. Rubenstein at 202-366-5238.

Sincerely,

Original Sign By

John Womack
Acting Chief Counsel

Enclosure



Office of the General Counsel
Ford Motor Company
Direct Dial: (313) 594-3723
Facsimile: (313) 248-7727

Parklane Towers West
Suite 300
Three Parklane Boulevard
Dearborn, Michigan 48126-2568

March 31, 1998

Enid Rubenstein, Esq.
Office of Chief Counsel
National Highway Traffic
Safety Administration
400 Seventh Street, S. W., Room 5219
Washington, D.C. 20590
FAX (202) 366-3820

RE: RQ97-001; Civil Penalty Settlement

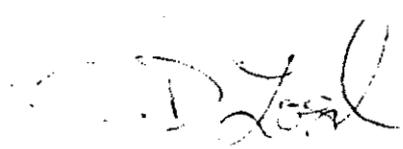
Dear Ms. Rubenstein:

As we discussed, the electronic transfer of \$50,000 in settlement of the above referenced dispute has been completed today. Attached is a copy of the Funds Transfer Message Format referencing the transfer information.

I believe this transfer closes the issue. Based on the March 16, 1998 letter from Mr. Womack of your office, my understanding is you will close your file on this matter.

Please contact me with any further questions.

Very Truly Yours,


Jay D. Logel