U. S. Department of Justice

Civil Division

Office of the Assistant Attorney General *Washington, D.C. 20530*

November 22, 2000

Mr. Paul V. Sheridan
22357 Columbia Street
Dearborn, Michigan 48124-3431

Dear Mr. Sheridan:

Thank you for your letter to the Attorney General, in which you request information about the role of the Department of Justice in an action brought under the Freedom of Information Act (FOIA), and pose a series of questions seeking the Attorney General's opinion on various far-ranging legal and political issues. Your letter was forwarded to me for response. I apologize for the delay in responding to your letter.

Based on the information provided in your letter, it appears that you are a defendant in a pending lawsuit and, we presume, represented by counsel. As a consequence, we are concerned that the canons of ethics prohibit us from communicating directly with you on the matters raised in your letter, all of which may relate to the subject matter in which you are represented by counsel.

Additionally, I can advise you that except in unusual circumstances, none of which appears to be present in your lawsuit, the Attorney General cannot provide legal opinions on matters in private litigation. Consequently, it would not be appropriate for the Attorney General to respond to the questions you have asked.

Thank you for your inquiry.

Sincerely,

David W. Ogden
Assistant Attorney General

cc: Hon. Bob Barr
Hon. James A. Traficant, Jr.

22357 Columbia Street
Dearborn, MI 48124-3431
313-277-5095

27 October 1999

Honorable Janet Reno
Attorney General of the United States
Department of Justice - Room 4545
950 Pennsylvania Avenue
Washington, D. C. 20530-0001

Subject : Department of Justice Assistance to Special Interests - Chrysler Corporation : FOIA Lawsuits and NHTSA Defect Investigation Conspiracy

Dear Madam Attorney General :

I am currently the defendant in the largest damages claim against an individual citizen in the history of our nation : **$82 million** (Tab 1). The original lawsuit was filed *ex parte* by Chrysler Corporation during Christmas 1994. Aware that I was never notified of the December 27th hearing, and had no legal counsel present; Judge Hilda Gage of Michigan's Oakland Circuit court issued a "muzzle order" against me. The damages portion involves my March 1995 interview with *ABC News 20/20*, and my statements regarding the defective Chrysler minivan liftgate latch. Chrysler lawyer Steven Hantler exclaimed :

"We may ask for more . . ."

President of the Michigan Bar, Thomas Kienbaum, the lawyer who filed the damages claim, refuses to comment publically. The implicit purpose of this $82 million claim is the intimidation of any employee whose opinion(s) and action(s) regarding safety defects is opposed by Chrysler management. The theme of intimidation is repeated throughout this discussion (Tab 2) .

THE NHTSA DEFECT INVESTIGATION AND THE FRAUDULENT "NON - RECALL"

In September 1993 NHTSA opened an investigation into the Chrysler minivan liftgate latch (PE93-084). This occurred only after a highly visible accident in Virginia. By January 1994 NHTSA escalated their inquiry to a engineering analysis (EA94-005). On November 17, 1994 a secret meeting was held in Washington between Chrysler and NHTSA where the EA94-005 conclusion was presented (Tab 3) :

"The latch failure is a safety defect that involves children."

On March 27, 1995 Chrysler held a "Service Action" press conference. It was announced that 1984 to 1994 minivan liftgate latches could be replaced (Tab 4). International customers were not notified or offered the same service. Bud Liebler of public relations emphasized the following rhetoric :

"Remember, NHTSA has not determined that there is a defect."

Chrysler executives Chris Theodore, Dale Dawkins, Lewis Goldfarb and Chief Counsel William O'Brien were in attendance. This event, and the Liebler statement, were covered by innumerable media outlets.

Shortly thereafter, sales executive Ted Cunningham sent a letter to four million minivan owners. His letter announced the existence of the Chrysler minivan hotline (Tab 5). The letter was <u>not</u> sent to International minivan owners, nor was an international hotline established. Cunningham reiterated :

"There has been no formal determination that a safety defect exists with minivan latches."

However, by September 1995 NHTSA was compelled to ostensibly feign ignorance, and deny knowledge of these widely publicized Chrysler pronouncements. NHTSA's denial occurred only after exposure of the blatant falsehoods being communicated by hotline operators (Tab 6). The falsehoods were presented on national television. Both Chrysler and NHTSA refused to be interviewed by *A Current Affair*. (Tab 7).

At the March 27, 1995 Service Action press conference the following exchange took place:

Question : *"Does the NHTSA investigation still officially **remain open** pending this **non-recall**?!"*

Goldfarb : *"The investigation does continue to **remain open** so that they (NHTSA) can monitor the response rate that we get to the contacts with owners, as well as our PR campaign."*

Question : *"What response rate do you have to attain for NHTSA to be satisfied?"*

Goldfarb : *"We don't have a specific rate in mind. This is a very unusual campaign."*

I agree with Goldfarb's assessment, *"This is a very unusual campaign"*. In late 1995 Goldfarb declared that the service action was non-binding; stating that Chrysler was "free to discontinue" at any time (Tab 4). However, on March 28, 1995 I gave a second interview with *ABC News 20/20*. I declared Chrysler's so-called Service Action, not just "unusual", but an outright fraud. My primary basis was that the proposed replacement latches would not, and have not corrected the safety defect. I also charged that the replacement latches had not been funded or manufactured; therefore none were available for the "campaign". In the epilogue of the October 27, 1995 <u>airing</u> of *20/20*, reporter Jim Walker explained to anchor Hugh Downs :

"But I must tell you, we called around to some dealerships today which (still) don't have them."

It would take a full year thereafter (September 1996) before latches finally became available for all (Tab 8).

The notion implied by Goldfarb, that a government investigation needs to exist so that someone can "monitor the response rate" is preposterous. Data collection systems, such as those run by automobile companies for quality or warranty, have been in place <u>for decades</u>. As detailed below, the "open" status was part of a secret Chrysler/NHTSA agreement; a ruse specifically deployed to thwart FOIA requests.

<u>FREEDOM OF INFORMATION ACT (FOIA) REQUESTS DENIED</u>

Chrysler originally proclaimed that the EA94-005 tests were "flawed" (Tab 9). In response, Ralph Hoar and accident victims filed FOIA requests with NHTSA. Eventually Hoar filed a lawsuit which contested NHTSA's refusal to comply. Chrysler filed numerous briefs in vigorous support of the NHTSA refusal. The stated FOIA refusal rationale was that the NHTSA defect investigation was "open".

By August 1995 the court compelled NHTSA to release the EA94-005 materials to the public (Tab 10). The release occurred on October 25, 1995. The documents proved that NHTSA had originally intended to declare the Chrysler latch a "safety defect", and therefore alert the public of a genuine safety recall. A defect status was my well-known opinion for the three years prior to my *ex parte* dismissal of December 19, 1994. Chrysler management was aware of my various contacts with NHTSA during that period. On December 16, 1994 I confirmed with Chrysler my intention to report minivan safety defect concerns to NHTSA. Chrysler Security then raided my office *ex parte,* and confiscated eleven years of file materials. As of this writing, even my personal property has not been returned (Tab 11).

THE *EX PARTE* MICHIGAN MUZZLE ORDER - THE CRUCIAL ONE-YEAR PERIOD

During the one year period between 1) the secret Chrysler/NHTSA meeting of November 17, 1994, 2) the issuance of the *ex parte* "muzzle order" against me, and 3) the court-ordered release of EA94-005 materials on October 25, 1995, **at least ten additional deaths and severe injuries occurred that have been directly attributed to the latch defect.** Both American and Canadian children were involved. Several of these tragedies were presented by *ABC News 20/20*. Again, like their behavior on *A Current Affair,* both Chrysler and NHTSA refused to be interviewed for the *20/20* program (Tab 8).

EVIDENCE OF CONSPIRACY : INTIMIDATION OF NHTSA BY CONGRESS

Over the last five years, scores of lawsuits involving the defective latch have been lost or settled by Chrysler. My testimony was central to one of the largest verdicts levied against an auto manufacturer in history : **$262.5 million** (Tab 12). Shocking evidence was disclosed at this September 1997 federal trial in South Carolina. Since, Chrysler has declined to defend themselves in open court on the latch defect issue.

The January 7, 1998 *CBS News* program *Eye-On-America* presented aspects of the $262 million verdict; highlighting the deposition of Chrysler chairman Robert Eaton (Tab 13). New evidence proved that close contact between Eaton/Chrysler and two Congressmen took place during the crucial one year period described above.

John Dingell (D-MI) and Mike Oxley (R-OH) were part of the Chrysler plan to intimidate NHTSA. These congressmen, who share NHTSA budgetary oversight, sought to subvert the agency's intention to announce the latch a "safety defect". Their January 17, 1995 letter to NHTSA Administrator Martinez feigns concern over an investigation involving a non-Chrysler product; that GM investigation was long-closed (Tab 14). *CBS News* interviewed Deputy Administrator Phil Recht regarding the true intent of the Dingell/Oxley letter. Recht refused to confirm the internal NHTSA interpretation. **But we have now confirmed in *my* lawsuit that the Dingell/Oxley letter was understood by NHTSA to be one of willful intimidation regarding public disclosure of the EA94-005 *conclusion;* as presented to Chrysler on November 17, 1994** (Tab 15). Dingell, Oxley and Chrysler all refused to be interviewed.

CBS News requested an interview but I declined; due to an upcoming Chrysler latch failure death case in Los Angeles. Chrysler settled the Ornelas case in March 1998. However, what was not presented by *CBS News* was that **the Department of Justice was also central to the conspiracy to conceal the EA94-005 conclusion** during 'The *Ex Parte* Michigan Muzzle Order - The Crucial One-Year Period'.

EVIDENCE OF CONSPIRACY : CONCEALMENT SUPPORTED BY THE **DEPARTMENT OF JUSTICE**

The August 28, 1997 deposition of Eaton demonstrated that my *ex parte* dismissal from Chrysler was essential to a "business as usual" scheme; executed by the highest levels of Chrysler management and their legal counsel. It was a scheme based on arrogance, ignorance and a disregard of the laws of the United States. Below I present how I attempted to remedy this archaic attitude, as it related to the safety of minivan customers. My efforts involved creation of the minivan Safety Leadership Team (SLT). I was aware of the internal political risks. But I how could I have anticipated the behavior of the **Department of Justice?**

On page 104 of the Eaton deposition, Exhibit 21 is reviewed (Colored Tab). Plaintiff lawyers John Gerstein and Mikal Watts pose a simple question to Eaton (Tab 16) :

> *Q :* *"In paragraph one, you got NHTSA to agree that they would deny all Freedom of Information Act requests to place their investigative files including the [EA94-005] crash test video in the public record* ***and that the Justice Department would defend any lawsuits seeking to compel production under the Freedom of Information Act; is that correct?*** *"*

Eaton confirms his awareness of the conversations between Chrysler and the **Department of Justice** :

> *A :* *"That was while the investigation was going on, I assume. Obviously they were ultimately released, so there wasn't - you know, I don't know."*
>
> *Q :* *"I think there was a lawsuit to get them!"*

Note that Eaton emphasizes "while the investigation was going on". The ruse which declared that EA94-005 remained "open" as a basis for the FOIA denials, was known to, and supported by the **Department of Justice**. At no time did Chrysler declare that the NHTSA crash test information was a "trade secret". (The lawsuit refers to the Hoar case mentioned on page 2 above.)

On June 4, 1999 my attorney, Courtney Morgan, conducted the Robert Lutz deposition. Lutz was vice chairman of Chrysler, reporting directly to Eaton. Lutz confirms that he too was aware of the conspiracy with the **Department of Justice** to thwart the FOIA lawsuits (Tab 17).

The moral significance of this conspiracy was fully understood by the jury in South Carolina (Tab 12). For example, paragraph 3 of Eaton deposition Exhibit 21 and Lutz Exhibit #3 declares :

> ***"The Department of Justice says there is less than a 50/50 chance of keeping the video off the record for the full duration of the investigation, i.e. the campaign, if there is a court ruling. Given the possibility that a lawsuit could be filed at any time, they anticipate that the legal process would take at least four months, regardless of the outcome."*** (Colored Tab)

It is clear that elaborate exchanges took place between Chrysler, NHTSA, and the **Department of Justice**. At no time has any witness, in any case related to these matters, denied that these exchanges took place.

The subject of these exchanges was the joint Chrysler/NHTSA/DOJ conspiracy to keep the EA94-005 investigation files obscured from the public. The scheme between Chrysler and your Department was not offered into evidence at the Hoar FOIA case. This covert activity by the **Department of Justice** is the opposite of what was begun with the minivan Safety Leadership Team (SLT).

THE CHRYSLER MINIVAN SAFETY LEADERSHIP TEAM - THE FIRST OF ITS KIND

At the close of 1991, my boss Richard Winter wrote into my performance appraisal :

> *"Very good at bringing forward new concepts and technology that could lead to competitive advantage . . . Very good at monitoring safety and regulatory needs."*

My aptitude for automobile safety was well-known long before I conceptualized the SLT (Tab 18). I deemed the SLT necessary as a result of at least three events in the minivan market during 1992. These events exposed the archaic but pervasive management/government attitude toward safety :

1) In June 1992, two infants were ejected from a Chrysler minivan after the liftgate latch failed. Both infants died. The other passengers, which remained inside the minivan, survived. This accident occurred in Mount Pleasant, Michigan (Tab 19). The Hartshorne case was settled on the very same day that Oakland Circuit Court issued their *ex parte* muzzle order against me : December 27, 1994.

2) In September 1992, George Baird was killed during an accident in Virginia. In what would otherwise have been a survivable accident, his Chrysler minivan seat failed during a rear end collision. Baird then lost vehicle control, and was killed. I later testified in the Baird case which Chrysler settled for several million dollars.

3) It became increasingly obvious during 1992 that competitive activity in minivan safety was a threat to Chrysler's safety leadership claims. This was especially true with respect to the Ford Windstar.

Tom Gale, vice president-minivan, appointed me as chairman of the SLT in December 1992 (Tab 20). The SLT was comprised of mostly engineers, and also included representatives from sales, marketing, consumer research, manufacturing, competitive information, government affairs, product planning, finance, et al. There were fifteen highly qualified members. Our main concern was the safety and well-being of minivan owners and passengers.

I also conceived the SLT in the 'team format' for the explicit purpose of usurping the "business as usual" approach to safety. **This archaic attitude denigrates safety to court room ruses, government regulatory bureaucracy, or the motivations and unsubstantiated opinions of executives; supported and eventually defended by their sycophantic lawyers.** My motivation was to elevate management of the safety issue to a broad-based expertise and consensus. In retrospect, this was a bold and somewhat naive endeavor; given the entrenched and powerful constituencies of the "business as usual" approach. With these and other aspects of our SLT mission well-understood, it was my task as chairman to determine how to re-establish and maintain true leadership.

THE SLT ENDORSES THE **REAL WORLD** ALA MERCEDES - BENZ

In March 1993 I played a *CBS News 60 Minutes* video tape at an SLT meeting (Tab 21). The *60 Minutes* program depicted the attitude that NHTSA and most automobile companies had with respect to safety. NHTSA, and those auto companies which were/are the defendants in numerous (seat failure) lawsuits, refused to be interviewed for the *60 Minutes* program . . . the prominent exception was Mercedes-Benz.

Dr. Tom Bologa of Mercedes-Benz safety engineering was interviewed by reporter Ed Bradley about their approach to safety. Dr. Bologa explains :

> *"Mercedes-Benz tests with the weight of a person in the seat . . . To simulate what's going on in the* ***real world."***

The SLT unanimously endorsed using the "real world" as a starting point in our mission to provide true safety leadership. The SLT, like most working-level staff, made compelling observations. For example :

1. There was nothing "real world" in the fact that after the Hartshorne infants were killed, Chrysler did no (crash) testing whatsoever to determine if the liftgate latch was adequate. Indeed, subsequent to this accident, we were directed not to document any SLT discussions/recommendations regarding the liftgate latch defect. There was nothing "real world" in the legal ruse that NHTSA did not (then) require a safety standard for the minivan liftgate, despite a 1990 petition : PE90-079 (Tab 22).

2. There was nothing "real world" about not adding approximately $5.00 to the seat hardware, which would have kept George Baird alive. There was nothing "real world" about seat standard FMVSS-207 which NHTSA officials had openly admitted was inadequate.

3. There was nothing "real world" about crashworthiness standards such as FMVSS-208 which encourage air bag deployment force levels that protect adult male dummies in a compliance test, but decapitates children or smaller women during a parking lot bump (Tab 23).

4. There was nothing "real world" about completely ignoring what is called 'offset', despite knowing that it was a statistically significant crash mode, and as such is required in Europe (Tab 24).

5. There was nothing "real world" about Chrysler's testing for side crash standards (FMVSS-214) without "fuel" in the test vehicle gas tank! NHTSA has now escalated their investigation of the resulting safety defect on the 1996 through 1999 Chrysler minivans under EA99-013 (Please see "BLATANT DUPLICITY OR LESSONS LEARNED ?" discussion under Tab 25).

The SLT unanimously agreed with the attitude demonstrated by Mercedes-Benz. I published meeting minutes that summarized the strong SLT reaction to the *60 Minutes* program; especially the "real world" approach to safety leadership. As usual, these minutes were distributed to upper Chrysler management. Within days I was told that Francois Castaing, executive vice president of engineering, was "livid". Castaing ordered that I "retrieve and destroy" the minutes. I retrieved the minutes but retained two copies in my SLT file. However, Judge David Breck of Oakland Circuit Court has recently ordered that discovery regarding the whereabouts of these and many other file documents are **banned** from my lawsuit against Chrysler (Tabs 11 & 26).

The "retrieve and destroy" directive and other malicious management directives were endured during the two years of SLT existence; rendering our efforts and recommendations unheeded. Mere weeks prior to the Chrysler raid of my office, Ron Zarowitz of Government Affairs hand-wrote the following 1993/1994 performance appraisal comment (Tab 27):

> *"Paul (Sheridan) does a thorough, detailed, organized, and tireless job. He became an active promoter of advancing safety in the (minivan) program* ***only slowing when the reality of the interest from management became apparent to him."***

Top management permanently disbanded the SLT on November 7, 1994 (Tab 28). It appeared that our work would end; never to be heard of again. I did not anticipate that my position as chairman of the SLT would eventually become a discussion item for the highest court in the United States.

UNITED STATES SUPREME COURT CASE #96-653 : PAUL SHERIDAN, KEN STARR ET AL.

In March 1997 I was contacted by associates of Professor Lawrence Tribe. Tribe is the Constitutional law professor at Harvard University. His Massachusetts and Washington associates had been introduced to my person/case by the *ABC News 20/20* program (Tab 8).

USSC case #96-653 involved the notion that a Michigan state court could assist corporate suitors when the latter sought to deny a plaintiff's access to testimony/evidence for product liability cases; despite when such lawsuits are filed in non-Michigan federal courts (?). **Ken Starr of Whitewater ilk** had been retained by defendant General Motors. Starr essentially argued that testimony involving the safety and well-being of taxpayers should not be subject to "full disclosure". Many felt this demonstrated Starr's blatant duplicity. For example, in the Clinton/Lewinsky sexual matter he demanded the exact opposite : complete disclosure.

Arguments were heard on October 17, 1997. On January 13, 1998 the Supreme Court ruled unanimously against Starr and his corporate client(s). When asked by the *Detroit News* for public comment, I tried to emphasize a subtle theme of my Safety Leadership Team (SLT) concept (Tab 29) :

> *"In the long run, eliminating the muzzle order (legal) option will ultimately reduce product liability litigation by ensuring that safety is prioritized."*

The SLT concept, which predated this ruling by over five years, demanded the opposite of that argued by Starr. The Chrysler/NHTSA/DOJ conspiracy to deny public access to the November 1994 conclusion of EA94-005, during 'the crucial one-year period' is even more abhorrent (see page 3 above). In this context, let us review **just one** example of the "real world" implication(s) of this conspiracy.

THE BRANDON AUER DEATH CASE - A LESSON FROM THE **REAL WORLD**

In early September 1995, the Auer family was driving their Chrysler minivan on a familiar Illinois road. The other driver ran a stop sign, and collided with the Auer minivan. Mr. and Mrs. Auer were in the front seats; their doors did not open, and they walked away from the accident. Alex was in the middle seat; his door did not open, and he walked away from the accident.

Nine-year-old Brandon was in the rear seat. He was wearing seat belts. During the accident the latch failed and the liftgate opened. Brandon and the minivan seat were both ejected through the liftgate opening. Brandon did not walk away from the accident. **Brandon was pronounced dead at the scene.**

At the time of this accident, I was under an *ex parte* muzzle order issued in behalf of Chrysler by Michigan's Oakland Circuit Court. At the time of this accident, Chrysler and NHTSA were declaring that the EA94-005 liftgate latch defect investigation was "open" , and therefore citizens such as the Auer family were not allowed to know the results of testing *that their taxes had funded.* Prior to and at the time of Brandon's death, agreements were in effect between Chrysler, NHTSA and the **Department of Justice,** as documented by the first paragraph of Eaton deposition exhibit #21, and Lutz exhibit #3 (Colored Tab) :

> ***"NHTSA has agreed that they will deny all FOIA requests to place their investigative files, including the [EA94-005] crash test videos, on the public record and that the Department of Justice will defend any lawsuits seeking to compel production under FOIA."***

I am confident that if the Auers had been allowed to view the real world crash test videos which were presented to Chrysler on November 17, 1994; that Brandon would be alive today. I am confident that if the Auers had known of my recommendations regarding minivan seats and liftgate latches, unfettered by Chrysler's *ex parte* muzzle order; that Brandon would be alive today. **I am confident that if the Auer family was aware of Eaton deposition exhibit #21 and Lutz deposition exhibit #3, prior to their September 1995 accident; that Brandon would be alive today.**

(Brandon's parents were interviewed for the October 27, 1995 airing of ABC News 20/20 ; see Bud Liebler December 8, 1995 letter to Brandon's elementary school teacher - Tab 8. Also review March 27, 1995 "Service Action" announcement made by Liebler - Page 1 above.)

PRODUCT LIABILITY "REFORM" : A VIEW FROM THE WHITE HOUSE

In mid-March 1996 I was telephoned by White House staff member Jim Dorskin. He announced that President Clinton was "deeply concerned" that an upcoming vote in Congress on a product liability reform bill might have enough support to be "veto proof ". Dorskin was requesting my availability for testifying before a Senate committee regarding my experiences with Chrysler. The portent of my testimony would have presumably supported opposition to the bill; at least to the extent that, if passed, President Clinton could still exercise his veto. Later I was chaperoned by Mike Fuller, and had conversations with Steve Nolet of the White House staff.

I made myself, and relevant public documents available for review by Dorskin/Fuller. I shipped these documents to the White House via Fedex on at least two occasions (Tab 30). Dorskin later exclaimed that he was very excited about my availability/testimony, and that I had been added to the list of witnesses. As I recall, the bill was not voted on, because the two-thirds support never materialized.

It is clear that President Clinton was, and is still opposes any government activity that directly or indirectly threatens the rights of individual American citizens, especially when these Constitutional rights have a demonstrated effect on their safety and well-being. The taxpayer has also heard Al Gore proclaim this **"pro consumer"** sentiment as intrinsic to his bid for the Democratic presidential nomination.

THE PUBLIC'S RIGHT-TO-KNOW

It is deeply ironic that I write this letter to a United States Attorney General that was twice nominated by a Democratic White House. Famously, and perhaps historically, it has been the Democratic Party that has proclaimed its commitment to 'The Public's Right-To-Know'. Nowhere had this political mandate been realized more profoundly than when Democratic President Jimmy Carter enacted the Freedom of Information Act (FOIA). **The primary beneficiary of FOIA is the common U.S. taxpayer.**

When I review the implications of the subject with common taxpayers, they are outraged. Indeed, I could present this and related (Chrysler minivan safety) subjects in more depth and breath than any other : As founding chairman of the minivan Safety Leadership Team (SLT), I was responsible for doing just that. However, additional evidence surrounding this subject only corroborates far greater offenses than what has been introduced above (Please see question VII below).

As their Attorney General, I believe that the public has the right-to-know your opinion(s), and your intended administrative response, to the subject. In this context I pose the following initial questions :

I. Do you believe in the First Amendment to the Constitution? Do you believe it protects my right as an American citizen to provide an interview to the media without the abuse-of-court process, and intentional intimidation exemplified by the Chrysler damages claim of $82,000,000 ? In this context, especially as it relates to limiting compensation awarded to injury/death plaintiffs; is it double-dealing when special interests like Chrysler vigorously lobby for "product liability reform" ?

II. Do you believe that automotive crash test information, which confirms the contemporaneous existence of a safety defect; whether it involves liftgate latches or crashworthiness, should be treated as a "trade secret" ? "Confidential" ? "Proprietary" ?

III. Do you believe that information such as that discussed in II should be obscured from the public under the guise of an "open investigation" , despite the fact that injury and death were **known** to be occurring, known to be involving children; **during the time the obscuring took place** ? Do you believe that information/conclusions such as that generated by NHTSA during 1994 under EA94-005 should be disclosed sooner rather than later, so that affected (Chrysler minivan) owners can make informed and timely decisions regarding their safety and well-being ? Please respond to this question in the context of the Brandon Auer tragedy discussed on page 7 above.

IV. In the context of public service, do you feel that it is proper behavior of U. S. Congressmen to assist special interests such as Chrysler Corporation with the intimidation of a safety regulatory agency such as NHTSA ?

V. Do you believe that a safety regulatory agency such as NHTSA should capitulate, under the legal and financial power of major automotive companies and their lobbying organizations; and enact safety standards that have little or no relevance to the "real world" ?

VI. Do you believe that an individual, that has direct knowledge and expertise regarding the existence of defective components (or practices) that are currently in the public domain; has the right and responsibility to inform the appropriate government agencies such as NHTSA of same, without the use/threat of professional, emotional, financial or physical harm ? *Ex Parte* lawsuits ? (Tab 31)

VII. Do you believe that individuals that commit acts of commission or omission of a wanton or willful nature, showing a reckless or indifferent disregard of the rights of others, under circumstances reasonably calculated to produce injury or death, or which make it <u>not improbable</u> that injury or death will be occasioned, and these individuals know or are charged with knowledge of the probable result of their acts; are culpable or criminal ?

VIII. Do you believe that it is a responsibility of the **Department of Justice** to provide legal assistance in civil lawsuits in behalf of special interests such as Chrysler Corporation, whether directly or indirectly (i.e. inter-agency protocol) , for the explicit purpose of obscuring vital safety information from the taxpayer; **information that is explicitly available under the Freedom of Information Act**; during a period of time that injury and death were known to be continually and predictably inflicted on innocent children ? Do you believe that legal assistance of this type is consistent with the call to "use government . . . to further the common good" ?

IX. Were you directly or indirectly aware that the conspiracy discussed above, and confirmed by Eaton and Lutz, and documented on Eaton deposition #21 and Lutz deposition exhibit #3, had in fact occurred between Chrysler, NHTSA and the **Department of Justice** ?

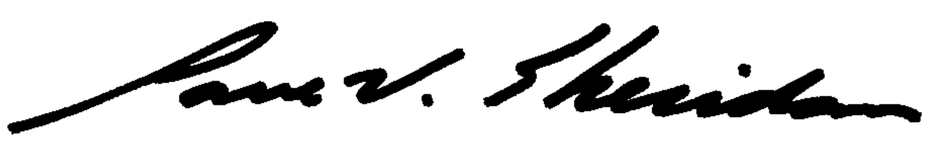
<u>IT TAKES A VILLAGE : AND OTHER LESSONS CHILDREN TEACH US ??</u>

In her book, First Lady Hillary Clinton proclaims :

> *"For the sake of our children, we ought to call an end to false debates between values and policies. Both personal and mutual responsibility are essential, and we should work to strengthen them at all levels of society. Let us admit that some government programs and personnel are efficient and effective, and others are not. Let us acknowledge that when it comes to the treatment of children, some individuals are evil, neglectful, or incompetent, but others are trying to do the best they can against daunting odds and deserve not our contempt but the help only we--through our government--can provide. Let us stop stereotyping government and individuals as absolute villains or absolute saviors, and recognize that each must be part of the solution.* ***Let us use government, as we have in the past, to further the common good."***

I am confident the First Lady would be appalled with the subject; and how related events destroyed the well-being of an Illinois family during the 'crucial one-year period' in 1995 (page 3). I am equally confident that "A Village" cannot be taught lessons from our children . . . if they are dead.

Sincerely and respectfully,



Paul V. Sheridan
Ex-chairman :
Chrysler minivan Safety Leadership Team

attachments

Chrysler Minivan Liftgate Latch Failures : Known Injury and Death Accidents *

THE *EX PARTE* MICHIGAN MUZZLE ORDER - THE CRUCIAL ONE-YEAR PERIOD

December 27, 1994
Oakland Circuit Court Issues Ex Parte Restraining Order Against Paul V. Sheridan

through

October 27, 1995
Date of Airing of ABC News 20/20 Program featuring Sheridan interview about latch*

Listed by Month in 1995:

January 1995

Ornelas v Chrysler ; Date of Accident : January 21, 1995
Lorena Casteneda, 2 years old, Killed
Diana Perez, 3 years old, Killed
Arecelas Casteneda, 20 year old man, Killed
Iscelas Ornelas, 21 year old woman, Killed

Pinkston v Chrysler ; Date of Accident : January 31, 1995
Jeff Pinkston, injury/death status TBD

Vega v Chrysler ; Date of Accident : January 1, 1995
Daniel Vega, injury/death status TBD

February 1995

Haas v Chrysler ; Date of Accident : February 6, 1995
Frank Haas, injury/death status TBD

March 1995

Bonnici v Chrysler ; Date of Accident : March 3, 1995 - Featured on Canadian News/TV
Thomas Bonnici, 5 year old boy, Killed

Woodard v Chrysler ; Date of Accident : March 11, 1995 - Featured on *ABC News Inside Edition*
Crystal Woodard, 8 year old girl, Killed
Tyndall Woodard, boy, serious injury
Sherri Lynn Woodard, girl, minor injury

Stewart v Chrysler ; Date of Accident : March 16, 1995
Michael Stewart, injury/death status TBD

March 1995 con't

Danish v Chrysler ; Date of Accident : March 17, 1995
Anjum Danish, injury/death status TBD

Vela v Chrysler ; Date of Accident : March 26, 1995
Maria Vela, injury/death status TBD

April 1995

None Admitted to by Chrysler

May 1995

Bordelon v Chrysler ; Date of Accident : May 8, 1995
Terry Bordelon, injury/death status TBD

June 1995

Ramjohn v Chrysler ; Date of Accident : June 5, 1995
J. Ramjohn, injury/death status TBD

Riley v Chrysler ; Date of Accident : June 25, 1995
Renada Riley, injury/death status TBD

July 1995

(Chrysler Files 'Contempt of Court' Allegation against Sheridan, Morgan and Mazur)

Zimmerer v Chrysler ; Date of Accident : July 2, 1995
Dylan Zimmerer, injury/death status TBD

Maxwell v Chrysler ; Date of Accident : July 4, 1995
Karle Maxwell, injury/death status TBD

Tatom v Chrysler & Prudhomme v Chrysler ; Date of Accident : July 16, 1995
Bernadine Tatom, girl, injury/death status TBD
Cynthia Prudhomme, girl, injury/death status TBD

Abercrombie v Chrysler ; Date of Accident : July 21, 1995 - Featured on ABC News 20/20*
Van Nguyen, woman, amputation of left arm
Mark Jones, 20 year old, serious injury
Tyler Hearndon, 7 year old boy, minor injury
Kim Nguyen, 30 year old woman, serious injury
Dao Nguyen, 70 year old woman, killed

July 1995 con't

Matthews v Chrysler ; Date of Accident : July 24, 1995
Stevie Weston, 14 year old girl, paraplegic

August 1995

Gross v Chrysler ; Date of Accident : August 12, 1995 (not listed on Eaton Exhibit #40)
Sandra Tate Gross, woman, killed
Tiffany Grady, woman, serious injury
Alica Gross, girl, serious injury
Cedric Gross, man, minor injury
Billy Ray Gross, Jr., man, minor injury

Yoo v Chrysler ; Date of Accident : August 24, 1995
Soo Ok Yoo, injury/death status TBD

September 1995

Auer v Chrysler ; Date of Accident : September, 4, 1995 - Featured on ABC New 20/20*
Brandon Auer, 8 year old boy, Killed

Duke v Chrysler ; Date of Accident : September 22, 1995
Lois Duke, girl, injury/death status TBD

Cockerel v Chrysler ; Date of Accident : September 24, 1995
K. M. Cockerel, injury/death status TBD

October 1995

Edwards v Chrysler ; Date of Accident : October 25, 1995
Chris Edwards, boy, injury/death status TBD

Hong v Chrysler ; Date of Accident : October 26, 1995
Sok Hong, unknown, injury/death status TBD

* Source : Chrysler submission to NHTSA.

Colored Tab

MINIVAN LATCH ISSUE

Proposed Agreement with NHTSA

1. **Crash Test Video and the Public Record:**

   - NHTSA has agreed that they will deny all FOIA requests to place their investigative files, including the crash test video, on the public record and that the Department of Justice will defend any lawsuits seeking to compel production under FOIA.

   - We would agree with NHTSA that their engineering analysis will remain open while we conduct the service campaign to provide them additional bases to argue that release of the materials would interfere with their investigation.

   - The Department of Justice says there is less than a 50/50 chance of keeping the video off the record for the full duration of the investigation, i.e. the campaign, if there is a court ruling. Given the possibility that a lawsuit could be filed at any time, they anticipate that the legal process would take at least four months, regardless of the outcome.

2. **Service Action Only - No Recall:** NHTSA has agreed that a Chrysler service campaign would fully satisfy all of their concerns and they would give full public support to such an effort. The critical elements that differentiate the service campaign from a recall (mostly reflected in the two attached letters) are as follows:

   - no admission of defect or safety problem;

   - stated purpose of the campaign - to ensure peace of mind in light of media coverage;

   - campaign does not count as a NHTSA action - not included in NHTSA recall numbers, no Part 573 or Part 577 letters;

   - statements to owners, the public and NHTSA assert that no defect has been found; and

   - NHTSA acknowledges that replacement latch is not a 100% solution.

3. Chrysler Announcement: Chrysler controls publication of its action with the following provisions:

- Chrysler goes first with its own statement and reads approved NHTSA statement supporting Chrysler's action;
- Chrysler characterizes campaign as done solely to ensure the peace of mind of its owners, i.e. "your concern is our concern";
- Letter from Martinez to Chrysler and NHTSA press statement praise Chrysler action as fully satisfying all of NHTSA's concerns and state that Chrysler is a safety leader;
- NHTSA officials acknowledge publicly that there has been no finding of defect and that there will be none; and
- NHTSA officials acknowledge that owners should not be concerned over the delayed implementation of the action and that they can best protect themselves by keeping seat belts buckled at all times.

4. Additional Provisions: The following points have been requested by NHTSA and appear to be reasonable:

- The letter to owners makes reference to the NHTSA hot line phone number;
- Latch replacement will be offered as part of any routine minivan servicing (once replacement latches are available);
- Chrysler will submit six quarterly reports on the progress of the campaign (helps to support defense of FOIA requests); and
- NHTSA can make reference to the service campaign in response to owner inquiries.

TAB 1

Advertising
Classifieds
Personals
Job listings
Model Homes
Place an ad

Essentials
Editorials
Horoscope
Lottery
Weather
Death Notices
CyberSurvey
Search Engine
Back Issues
Site highlights

News Sections
Accent
Autos
Business
Casino Guide
Comics
Comic Books
Cyberia
Food
Homestyle
Letters
Metro
Money
Movie Finder
Nation/World
Next!
Obituaries
Outlook
On Detroit
Pets
Rearview Mirror
Screens
Showtime
TV Listings
Voices

Sports Sections
Sports
Lions
Pistons
Tigers
Wings
College
U-M
MSU
State Colleges
High Schools
Motor Sports
Golf Guide

Chrysler sues former employee for $82 million in minivan affair

By Kenneth Cole / Detroit News Washington Bureau

Sheridan

WASHINGTON -- Chrysler Corp. is seeking $82 million from a former safety staffer-turned-whistleblower who's testifying in high-stakes lawsuits involving latch designs on the automaker's older minivans.

The demand, long kept secret, was disclosed in a just-settled rear liftgate latch lawsuit in Los Angeles.

The $82-million figure represents Chrysler's estimate of its losses following an October 1995 interview of Dearborn resident and former Chrysler employee Paul Sheridan on ABC-TV's 20/20 news program.

Legal experts say it may be the largest sum ever sought from a whistleblower by a corporation.

It is only one highlight of Ornelas vs. Chrysler, which was settled for an undisclosed amount this week in Los Angeles Superior Court. The case involved four passengers allegedly ejected from a Chrysler minivan in a low-speed crash in 1995.

"I don't track it, but I'd be surprised if an individual has ever been sued for more by a corporation," said Clarence Ditlow, executive director of the Center for Auto Safety in Washington, D.C. "It is reflective of how much a whistleblower can cost a company -- especially when it's tried to cover up a defect."

Tom Kienbaum, the Birmingham attorney representing Chrysler in its lawsuit against Sheridan, was not available for comment.

David Tyrrell, the company's lead counsel in the minivan-latch lawsuits, described Sheridan as "a disgruntled former employee."

Chrysler fired Sheridan in December 1994 for allegedly disseminating secret crash-test data on the 1996 minivan. It sued him in Oakland County Circuit Court later that month for "in excess of $10,000."

The company amended the lawsuit in the fall of '95 after Sheridan appeared on 20/20 and said the company knew its minivan latches weren't strong enough to secure the rear liftgate in even low-speed

Scoreboards
Sports Talk
Wing Nuts

Contacts
By e-mail
Post letters to The News
Person-to-person
Staff addresses
By phone
Departments and editors
Circulation
Home delivery

Search

accidents.

According to federal regulators, malfunctions with Chrysler minivan latches have resulted in at least 37 deaths and 100 serious injuries.

Sheridan, 45, declined to comment. His attorney, Courtney Morgan of Detroit, said Chrysler contends in the lawsuit that Sheridan's interview hurt sales of its 1996-model minivans. They had just gone on the market when the TV show aired.

"Never mind the fact that Paul never said a word about the 1996 minivans on the show," Morgan said.

The $82 million Chrysler is seeking from Sheridan is based on lost sales and how much it figures it would have had to spend on television ads rebutting Sheridan's interview.

"But even if that logic holds, how the hell can you get the money if you never spent it?" argued Morgan, who is representing Sheridan in a countersuit against the automaker.

Elletta Callahan, a professor of law and public policy in Syracuse University's School of Management, concurred Chrysler will have a difficult time collecting, saying: "It's always difficult to prove lost profits."

Chrysler attorneys apparently believe it will be equally difficult to convince juries that there never was a problem with its pre-1995-model minivan latches. The Ornelas case is the third the company has settled this year since a South Carolina jury rendered a record $262.5-million verdict in a similar case.

"They recognize that if a juror sees all the evidence they'll lose over and over again, so they're paying very large and very secret amounts of money to keep that from happening," said Mikal Watts, a Corpus Christi, Texas, attorney representing many plaintiffs in latch lawsuits against the company.

Ken Gluckman, assistant general counsel for product liability litigation at Chrysler, said the settlements simply reflect a flawed judicial system.

"The sad truth is that in today's judicial system, jurors can do anything," he said. "They're guided by emotion and aren't controlled by factual circumstances."

Four passengers -- including 1-year-old Lorena Casteneda and 4-year-old Diana Perez -- were allegedly ejected from the back of a Chrysler minivan in a low-speed crash in Los Angeles on Jan. 21, 1995, in the Ornelas case.

Gluckman noted 13 people were riding in the minivan designed for seven. Many were unbelted, he said, and there's evidence the minivan driver may have run a light.

"The plaintiffs in this case broke three laws," Gluckman said. "Yet we're supposed to be the evil ones."

Larry Grassini, the plaintiff's attorney in Ornelas, said his client "made a mistake by allowing so many people to ride" in the minivan.

"But that was a short-term mistake," he said. "Chrysler knew about their's for a long time."

Grassini said six of the 12 Ornelas jurors and one of the four alternates accepted questions from attorneys after the case was settled. He said they told a Chrysler jury consultant they would have wanted to hear from Sheridan, had the case gone trial.

"The jurors saw him as a key witness in what many of them said seemed to be some sort of corporate cover-up involving these latches," Grassini said.

Chrysler's Tyrrell said there was no cover-up and if the case had been tried, jurors would have learned Sheridan was not an engineer.

"Rather, he held a marketing position," Tyrrell said. "He never designed a liftgate latch and he never tested a latch."

Chrysler demoted Sheridan for poor job performance before firing him, Tyrrell said, and that further impugns his testimony.

That, however, contradicts Chrysler's performance evaluations of Sheridan obtained by The Detroit News. As recently as October 1994 -- two months before the automaker canned him -- various company brass wrote:

* "Paul does a thorough, detailed, organized and tireless job. He became an active promoter of advancing safety in the minivan program, only slowing when the reality of the interest from management became apparent to him."
* "Paul (Sheridan) did a good job as Chairman of the Minivan Safety Leadership team."
* "He is extremely knowledgeable and may very well be one of the best all around technical persons on staff."
* "Overall, I think Paul has done an excellent job."

What Sheridan said

Former Chrysler employee Paul Sheridan was fired in December 1994 for allegedly disseminating secret crash-test data on the 1996 minivan. He later appeared on 20/20 and said the automaker knew its minivan latches weren't strong enough to secure the rear liftgate in even low-speed accidents.

The law

Three years ago tomorrow, Sheridan sued Chrysler and three of its employees alleging they violated his rights under whistleblowers' protection laws. Those laws offer protection from companies that lash out against staffers who uncover wrongdoings. Chrysler, however, has argued Sheridan was fired for defensible reasons.

Who is Paul V. Sheridan?

The former employee at the center of high-stakes litigation involving Chrysler's minivan rear liftgate latches worked for two of the Big Three automakers since the early '80s.

Employment: Worked from 1981-84 for Ford Motor Co., including product and powertrain planning. From 1984-94, his duties at Chrysler Corp included engineering planning, helping arrange a

deal to equip Chrysler trucks with Cummins diesel engines and working on the minivan platform team.

Status: Seeking full-time employment. Chrysler fired him after finding phone records traced to a reporter for the trade weekly Automotive News. The automaker later sued him for disclosing company secrets involving minivan crash tests and comments about minivan latches on TV.

What's next

This week Chrysler settled a minivan latch case in Los Angeles before Sheridan was set to testify. It faces at least six more latch cases in next four months. Lawsuits between Sheridan and Chrysler are scheduled to go to trial in June.

Comments?

TAB 2

EMPLOYEE NEWS DAILY

Thursday, March 19, 1998

Top Story

Chrysler is seeking $82 million from former employee Paul Sheridan, who was dismissed by the company for releasing confidential engineering information to the news media. Sheridan has testified against Chrysler in lawsuits involving the liftgate latch design on older-model Chrysler minivans. The $82 million represents the estimated loss in sales and potential advertising costs that resulted from an October 1995 interview with Sheridan that aired on the television program "20/20," during which he criticized Chrysler products.

Chrysler News

Bill O'Brien, Chrysler Vice President, General Counsel and Secretary, was honored last night in Chicago with the Minority Corporate Counsel Association's (MCCA) Diversity 2000 Award for his exemplary efforts in promoting diversity within Chrysler's legal department and with firms that supply legal services to Chrysler. The MCCA is a national, nonprofit organization created to promote the advancement of minority attorneys in corporate law departments.

The Jeep® Wrangler is the best value for a sport-utility vehicle under $25,000, according to the research firm IntelliChoice. The firm tracks the average cost of owning a new vehicle and says that these costs may be down for the first time in a decade. A 1998 car costs an average of $37,322 to own over five years, according to IntelliChoice. That cost includes depreciation, fuel, financing, maintenance, repairs, fuel and state fees. The estimate, while even with last year, was based on gas at $1.22 per gallon. Fuel prices since have fallen to less than $1 per gallon in many states. IntelliChoice President Peter Levy credits higher-quality cars for the drop in costs. "Repairs continue to be a smaller and smaller portion of expected costs," he said. (*Associated Press*)

Chrysler today celebrates its 1-millionth Neon produced at Belvidere (Ill.) Assembly Plant. Company and city officials will present owners of the Neon with keys and gifts from the plant. The plant produces Dodge and Plymouth Neon models and Chrysler Neon models for international markets.

In Today's *Chrysler Times*

The *Times* interviews Tom Pappert, the Vice President who guided Chrysler sales and service for many years. Pappert, who is retiring March 31,

Chrysler seeks $82 million from ex-employee

By David Lawder

DETROIT, March 19 (Reuters) - Chrysler Corp. <C.N> is seeking $82 million from a fired employee-turned-whistle blower who testified about the controversial rear-door latches in the company's older model minivans, lawyers involved in the lawsuit said Thursday.

The estimate of damages in the 3-year-old case in Oakland County Circuit Court surfaced this week in a just-settled Los Angeles case involving the minivan latches.

Chrysler alleges that an October 1995 interview of ex-product planner Paul Sheridan on ABC-TV's "20/20" news program cost the company an undetermined amount of damages.

On the broadcast, Sheridan said the company knew the latches on its 1984-95 minivans were not strong enough to keep the rear door from popping open in slow-speed, rear-end crashes, allowing unbelted passengers to be thrown out.

In a deposition last year, a Chrysler official estimated that Sheridan's statements cost the company $82 million -- including lost sales of minivans and an estimate of costs for a never-aired television advertising campaign refuting Sheridan's allegations.

The automaker in March 1995 agreed to replace latches on some 4.5 million 1984-1995 model minivans, but has steadfastly maintained the old latches contained no defects. The 1996 vans used a different latch design.

Chrysler attorney Steven Hantler said the company's main objective in the lawsuit is for Sheridan to abide by agreements he signed as a Chrysler employee not to disclose confidential and proprietary information.

"We have not come to rest on what we'll ask a jury for, maybe more or maybe less," Hantler said.

Chrysler continues to battle latch-related lawsuits, some of which include testimony from Sheridan.

The No. 3 Detroit automaker is appealing a $262.5 million South Carolina jury verdict in a latch case involving the death of a 6-year-old boy who was thrown from a minivan in a crash. The award is the largest jury verdict ever against an automaker in a product liability case.

The $82 million lawsuit is the latest in a continuing series of legal squabbles between Chrysler and Sheridan, who was fired in December 1994 for allegedly leaking confidential crash test data on the company's then-forthcoming 1996 minivan to an outside party.

The data, which claimed the vans had failed a government crash test, was later given to industry trade journal Automotive News, which published it.

Sheridan sued Chrysler in 1994, claiming the automaker owed him an undetermined amount of damages for wrongfully firing him, defaming him and damaging his reputation.

In that case, which is expected to go to trial this summer, Sheridan also claimed Chrysler rejected his proposals that the company use a stronger latch design and stronger seat frames in the new minivan design.

Sheridan's attorney, Courtney Morgan, said the latest lawsuit is aimed at intimidating the company's employees into keeping quiet about potential safety problems.

"It's clearly designed to have a chilling effect," Morgan said. "They're doing this as publicly as they can to make the message real clear to employees that this is what happens to people like Paul Sheridan."

22:12 03-19-98

TAB 3

Next Story
Return to the section index
Return to The Detroit News Home Page

August 4, 1996 BUSINESS

Door latch deal not as open, shut as thought

By Richard Willing
Chrysler Corp. continues to insist the rear door latches on its popular 1984-95 minivans are safe.

It is replacing them, the company says, to allay doubts raised by misleading reports in newspapers and on television.

But research done by the National Highway Traffic Safety Administration and contained in NHTSA files paints a different picture.

The latches, NHTSA determined, were significantly weaker than competitors' latches, more likely to open during a side-impact crash and to result in the ejection of rear-seat passengers who have mostly been children.

In November 1994, an NHTSA engineering analysis concluded that the "latch failure is a safety defect that involves children."

Four months later, Chrysler agreed to the replacement campaign, and NHTSA agreed not to enter a defect finding or to recall the vehicles.

"A deal was cut that allows a replacement campaign to proceed at a snail's pace," says safety consultant Ralph Hoar, Chrysler's chief critic in the matter.

"It was cut from a rigged deck Chrysler provided."

Comments? Criticism? Story ideas? Talk to us.
Check Net Mail for comments and replies.

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

INVESTIGATION REVIEW

COPY OF MATERIALS
SHOWN TO CHRYSLER OFFICIALS;
NOVEMBER 17, 1994

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

DOOR LATCH SPECIFICATIONS

- **FMVSS No. 206 (SIDE DOORS) REQUIRES: (1) PRIMARY AND SECONDARY LATCH POSITIONS (2) NON-SEPARATION UNDER TRANSVERSE LOAD OF 2000 LBS. ON PRIMARY AND 1000 LBS. ON SECONDARY (3) NON-SEPARATION UNDER LONGITUDINAL LOAD OF 2500 LBS. ON PRIMARY AND 1000 LBS. ON SECONDARY. NO REQUIREMENT FOR LIFTGATE LATCH.**

- **CHRYSLER SPECIFICATION FOR REAR HATCH: (1) ONLY ONE LATCH POSITION (2) TRANSVERSE DIRECTION- 750 LBS. (3) NO REQUIREMENTS FOR THE LONGITUDINAL DIRECTION.**

- **FORD AEROSTAR AND GM APV SPECIFICATIONS: (1) PRIMARY AND SECONDARY LATCH POSITIONS (2) NON-SEPARATION UNDER LOADS THAT EQUAL OR EXCEED STANDARD 206 REQUIREMENTS FOR BOTH THE LATERAL AND LONGITUDINAL DIRECTIONS. THE FORD LATCH IS ENCLOSED IN A METAL CASE, AND THE APV INCORPORATES TWO LATCHES ONE ON EACH SIDE OF THE LIFTGATE.**

- **MOST OTHER PEER MINIVANS AS WELL AS STATION WAGONS INCORPORATE PRIMARY AND SECONDARY LATCH POSITIONS.**

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

TESTING (STATIC)

- **ODI STATIC TESTING OF CHRYSLER AND PEER MINIVANS (FMVSS 206)**
  - **CHRYSLER MINIVANS, FORD AEROSTAR, CHEVROLET LUMINA APV, TOYOTA PREVIA MITSUBISHI EXPO, VOLKSWAGEN EURO VAN, MAZDA MPV, NISSAN QUEST, AND MERCURY VILLAGER WERE ALL TESTED AGAINST FMVSS No. 206.**
  - **PRE 1989 CHRYSLER MINIVANS HAVE NO LONGITUDINAL RETENTION CAPABILITY (NO UPSET HEAD ON STRIKER).**
  - **ONLY CHRYSLER MINIVAN LATCHES HAD FAILURE LOADS BELOW THE FMVSS 206 REQUIREMENT FOR THE TRANSVERSE DIRECTION (A MEAN OF 1300 LBS., 700 LBS BELOW THE 206 REQUIREMENT). THE MODIFIED LATCH FOR 1995 MODELS PASSED THE REQUIREMENT IN THE TRANSVERSE DIRECTION (2202 LBS).**
  - **MAZDA MPV LATCHES HAD FAILURE LOADS BELOW THE FMVSS 206 REQUIREMENT FOR THE LONGITUDINAL DIRECTION (A MEAN OF 1885 LBS., 615 LBS. BELOW THE 206 REQUIREMENT). TOYOTA PREVIA MARGINALLY FAILED AT 2437 LBS.**

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

TESTING (STATIC)

- STATIC TESTING (MODIFIED LATERAL FMVSS 206)
  - GOAL WAS TO DUPLICATE THE FORK BOLT-DETENT LEVER BYPASS FAILURE SEEN IN THE FIELD
  - LATCH WAS TESTED AT ANGLES BETWEEN +90 AND -90 DEGREES.
  - THE 1991-1993 CHRYSLER MINIVAN WAS THE WORST PERFORMER IN ALL BUT THE -90 DEGREES DIRECTION AMONG ALL THE LATCHES TESTED. THIS DIRECTION IS SIMILAR TO A RIGHT-SIDE IMPACT TO THE VEHICLE.
  - THE DAMAGE PATTERN SEEN IN THE REAL WORLD WAS DUPLICATED IN +90 DEGREES DIRECTION. THE FORK BOLT AND DETENT LEVER BYPASSED EACH OTHER AND THE RESTRICTOR SLIPPED BEFORE ANY SIGNIFICANT BENDING HAD OCCURRED.
  - CHRYSLER'S TEST RESULTS COINCIDE WITH ODI'S TEST RESULTS.

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

TESTING (DYNAMIC, LEFT REAR QUARTER PANEL, MOVING DEFORMABLE BARRIER, MDB)

TEST NO.	MODEL	IMPACT SPEED	IMPACT DIRECTION	IMPACTING OBJECT	HATCH OPENED	EJECTION	REAR SEAT
1	'87 CARAVAN	33.6 MPH	26.4 DEG. FORWARD	3600 lb MDB	YES	2 DUMMIES	BENT
2	'91 CARAVAN	30.2 MPH	26.4 DEG. FORWARD	3600 lb MDB	NO	NO EJECTIONS	BENT
3	'91 CARAVAN	31.1 MPH	15 DEG. REARWARD	3600 lb MDB	YES	1 DUMMY	BENT
4	'91 AEROSTAR	31.1 MPH	15 DEG. REARWARD	3600 lb MDB	NO	NO EJECTIONS	OK
5	'91 MAZDA MPV	31.2 MPH	15 DEG. REARWARD	3600 lb MDB	NO	NO EJECTIONS	OK
6	'95 LATCH	31.1 MPH	15 DEG. REARWARD	3600 lb MDB	NO	NO EJECTIONS	BENT

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

CONCLUSIONS

- ANNECTODAL CASES
  - AT LOW AND MODERATE IMPACT SPEEDS, LIFTGATE OPENS AND OCCUPANTS ARE EJECTED.
  - LIFTGATE LATCHES EXHIBIT A COMMON FAILURE MODE (FORK BOLT-DETENT LEVER BYPASS).

- FARS DATA
  - CHRYSLER EJECTION RATE FOR KNOWN EJECTION PATHS IS TWICE THAT OF ALL OTHER MINIVANS.
  - 75% OF EJECTIONS ARE CODED UNDER UNKNOWN EJECTION PATHS. ANALYSIS OF THESE UNKNOWN CASES INDICATES THAT MANY MAY BE LIFTGATE FATAL EJECTIONS.

- NASS DATA
  - LIFTGATES OPEN DURING LOW AND MODERATE IMPACT SEVERITY.
  - LIFTGATE LATCH FAILURE ACCOUNTS FOR THE MAJORITY OF THE FAILURE MODES IN CHRYSLER MINIVANS.
  - CRASH SEVERITY IS LESS ON CHRYSLER VEHICLES.

EA94-005 CHRYSLER MINIVAN LIFTGATE LATCH FAILURE

CONCLUSIONS (CONT.)

- **STATIC COMPONENT TESTS**
  - **CHRYSLER'S DESIGN CRITERIA FOR THE LIFTGATE LATCH ARE LOWER THAN PEER AND FMVSS 206 STANDARDS**
  - **ONLY CHRYSLER MINIVAN LATCHES FAILED THE FMVSS 206 REQUIREMENT IN THE TRANSVERSE DIRECTION.**

- **DYNAMIC TESTS**
  - **AT A MODERATE SPEED IMPACT (30 MPH), CHRYSLER MINIVANS RESULT IN LIFTGATE LATCH FAILURE AND OCCUPANT EJECTIONS.**
  - **UNDER THE SAME TEST CONDITIONS, PEER VEHICLES' LIFTGATES REMAIMED CLOSED.**

- **LATCH DESIGN**
  - **CHRYSLER HAS BEEN MODIFYING THE LATCH/STIKER MECHANISM SINCE JANUARY OF 1988.**
  - **THE LATEST MODIFICATION IMPROVES THE STRENGTH OF THE LATCH BY 50% AND IS CURRENTLY BEING USED IS 1995 MODEL YEAR VEHICLES. IT COULD ALSO BE USED IN 1991 THROUGH 1994 MODEL YEAR VEHICLES.**
  - **THE INCREASED STRENGTH IN THE 1995 LATCH WAS DEMONSTRATED IN BOTH COMPONENT AND CRASH TESTS.**

- **THE LATCH FAILURE IS A SAFETY DEFECT THAT INVOLVES CHILDREN.**

TAB 4

Article 30 Return to Headlines

BUSINESS
Chrysler to replace latches on more than 4 million vans
Bryan Gruley and David Sedgwick

03/28/1995
The Detroit News
2DOT
Page E1

The Detroit News

Chrysler Corp., facing a festering dilemma over the safety of its best-selling minivans, can thank federal safety regulators for helping it find a way out.

The automaker's decision to replace allegedly defective rear-door latches on more than 4 million minivans resulted from months of fierce debate inside the company, and top executives' reluctant admission that the automaker had more to lose than gain by fighting federal safety regulators.

But what cinched the deal announced Monday was the government's acceptance that **Chrysler** would conduct a "service campaign" rather than a "safety recall."

A recall would have forced **Chrysler** to admit to a safety defect, which would have hurt its image with customers and hamstrung its defense of the minivans against lawsuits.

Critics say the minivans' rear lift gates pop open in crashes, allowing passengers to be ejected. The National Highway Traffic Safety Administration (NHTSA) has reports linking ejections to 28 deaths.

Chrysler , which says the minivans are safe, now can boast of serving customers with a program that will cost only $100 million to $200 million, small change for a company with $8.4 billion in cash. **Chrysler** will replace the rear-door latches on 1984-94 minivans with slightly stronger 1995 latches at no cost to owners.

The campaign, to be touted in television and print ads beginning today, could bring crowds of customers into dealerships just as **Chrysler** begins to sell its newly styled 1996 minivans.

Arthur C. "Bud" Liebler, **Chrysler** 's vice-president of marketing and communications, said the company does not believe the old latches are defective as critics allege.

But escalating media coverage of the federal safety investigation and several recent minivan crashes have prompted "growing concern" among customers, he said.

"We just can't let this go on any longer," Liebler said. "We're taking action we believe will give (customers) peace of mind."

Chrysler will send letters notifying 3.9 million minivan owners in the United States and 600,000 in Canada of the service campaign. A follow-up letter will tell when replacement parts are

available. And owners who bring minivans to dealers for any reason will be asked if they want the latches replaced.

NHTSA has been investigating the minivans for 18 months. **Chrysler** proposed replacing the latches a week and a half ago _ but insisted it would not say the vehicles are in any way defective.

"That was key," one **Chrysler** official said.

NHTSA Administrator Ricardo Martinez signed off on the campaign early Monday, faxing a letter to **Chrysler** Chairman Robert J. Eaton that praised the company for "safety leadership."

Martinez was not directly involved in the negotiations, but spoke with Eaton about NHTSA's investigatory process in the case at least twice in recent weeks, said Philip Recht, the agency's top lawyer.

Some minivan owners and safety advocates criticized the agreement as inadequate. Service campaigns usually don't get as much consumer response as recalls, which explicitly raise safety concerns.

"The only way to prevent future loss of life is to do a recall so people realize it's a safety problem," said Nancy Hartshorne of Mt. Pleasant, whose two young children died after they were flung from a **Chrysler** minivan in 1992.

Ralph Hoar, an Arlington, Va., consultant who has pressed for a recall, said, "I don't know how they convince people to bring in their minivans . . . all the while saying there's nothing wrong with them."

But **Chrysler** 's Liebler said the company expects to reach "more people than NHTSA normally would." The agency will keep its investigation open to monitor the response, Recht said.

NHTSA began investigating the minivans in October 1993.

By last fall, some **Chrysler** executives were quietly arguing that the company should put the controversy behind it. While **Chrysler** President Robert A. Lutz and others argued for resisting anything that resembled a recall, a camp led by Liebler backed remedial steps.

Chrysler grew increasingly frustrated with NHTSA's apparent refusal to agree that crash statistics showed the vans were safer than virtually any other vehicle. Eaton vented that frustration and foreshadowed Monday's decision _ in a recent speech in Detroit.

After blasting lawyers who sue manufacturers as "parasites" who feed off the regulatory process, Eaton said: "The safest thing to do whenever the government . . . suggests a voluntary recall is simply to comply _ whether there is any justification for it or not."

Increasingly, **Chrysler** has gotten hammered in the media. The television news program Inside Edition aired two critical stories, and 20/20 has been preparing a story to air soon.

"It does no good for us to complain about unfairness, questionable sources, accuracy or data," Liebler said. "Such coverage . . . causes tremendous concern for our family of minivan owners."

Display as: Full Article

Return to Headlines

Chrysler Minivan Liftgate Latch
Press Conference
Monday, March 27, 1995

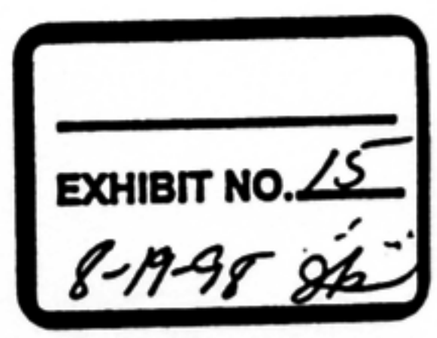
Chris Theodore Q & A Responses

Question :

"What are you replacing them with, and how are you fixing them?"

Answer :

"Excuse me. The latches we'll be replacing them with are the 1995 model year latches, as part of our continuous improvement program on the whole product; we're continuously trying to improve the vehicle. So we've been strengthening our latches over the years, just as we improve our air bag systems and everything else. So the 95 latch we will be putting on are 1991, excuse me, 1990 through 1994 model minivans, and something similar to it on prior model years."



Chrysler Minivan Liftgate Latch
Press Conference
Monday, March 27, 1995

Chris Theodore Q & A Responses

Question :

"Could you tell me if the new latch is going to be a double stage latch, or simply a stronger latch?"

Answer :

"It's a single latch; it does not have a secondary. Nor is there a need for a secondary in our mind because a secondary is replicated in our minivan by having a liftgate ajar light and a warning chime."

Chrysler Minivan Liftgate Latch
Press Conference
Monday, March 27, 1995

Chris Theodore Q & A Responses

Question :

"What are the mechanical changes in this latch that make it better; qualitatively better than the old one?"

Answer :

"Well, maybe I should show them to you later. It's just under extreme deformation, we limit the amount of deformation that can go on in the latch, and it does make it a little stronger. I can show you the details afterwards."

Chrysler Minivan Liftgate Latch
Press Conference
Monday, March 27, 1995

Chris Theodore Q & A Responses

Question :

"Can you talk about much greater crash force this new latch can withstand compared to the previous latches? I mean, is it 50% greater or something like that?"

Answer :

"No. You're really into an esoteric issue. I think Dale (Dawkins) and I would love to regale you all with all the intricacies of latch. First of all, everyone ties into latch, but it's the entire hatch and the body structure and everything else. We can spend a couple of hours going through it. The strength of the latch is increased but you have to consider the entire system and that becomes a very, very complicated discussion."

"Let me continue . . . Again, if you look at the data that Bud (Liebler) presented, clearly it's not happening there in the real world. So the amount of incremental improvement that you get as far as hatch openings is concerned; it's probably unmeasurable, but it's directionally correct and that's why we're taking that action."

Article View

Article 1 of 1

Chrysler Asserts Pact With Regulators To Fix Minivan Latches Isn't Binding

By Bryan Gruley

11/30/95
The Wall Street Journal
Page A4

WASHINGTON -- Chrysler Corp. told a federal court the auto maker has no legally binding agreement with safety regulators to fix rear-door latches on more than four million minivans, and the company is "free to discontinue" the repair program at any time.

The statements in a 27-page brief filed in San Francisco appear to conflict with Chrysler's public vow to replace the latches on its 1994-95 minivans at no charge to owners. The commitment prompted the National Highway Traffic Safety Administration last month to close its investigation of potential safety defects in the latches.

But now Chrysler is trying to persuade a federal judge to approve a proposed settlement of seven class-action lawsuits involving the same issue. The company's legal brief attempts to rebut opponents who want the settlement rejected because, they contend, it doesn't offer minivan owners anything more than what Chrysler already has agreed to.

Chrysler's brief says opponents are mistaken because "there was no binding and written agreement with NHTSA." Further, the brief says, NHTSA has "no regulatory authority" over the latch-replacement campaign and Chrysler is "free to discontinue its service action at any time."

Chrysler says those arguments are technically correct but the company has no intention of abandoning the repair campaign. Lewis Goldfarb, Chrysler's assistant general counsel, said, "The commitment to NHTSA is a promise, while the [class-action] settlement is a contract." Mr. Goldfarb said the settlement, if approved, would make Chrysler's commitment to NHTSA legally binding.

But critics say the company is playing word games to gain approval of the settlement, which would shield it from lawsuits under which owners could demand that their minivans be replaced or purchased by Chrysler.

"If what Chrysler says is true, they're thumbing their nose at the regulatory agency and sending a signal that any car company can cut a deal [with regulators] and renege on it," said Clarence Ditlow, director of the Center for Auto Safety, a Washington consumer group that is opposing the settlement in court.

NHTSA investigated whether the door latches were prone to fail in crashes, allowing passengers to be ejected. On March 27, Chrysler told the agency it would replace the latches. Last month, the agency formally closed its investigation, amid criticism that regulators had abdicated their responsibility to determine whether the vans posed a safety hazard.

Separately, Chrysler agreed to settle class-action suits alleging the door latches are defective. Under the settlement, Chrysler would do what it has told NHTSA it would do. In addition, the company agreed to spend at least $14 million to notify minivan owners of the campaign if at least 60% don't

bring minivans in for new latches within 18 months.

Lawyers for the class-action plaintiffs would be paid $5 million in fees. The settlement also would release Chrysler from claims that could be made under state consumer-protection laws.

The Center for Auto Safety and a handful of minivan owners have urged the court to reject the settlement because it is essentially the same as Chrysler's commitment to NHTSA.

Barry McCahill, a NHTSA spokesman, said the agency believes it has an agreement with Chrysler, "and any effort to slip on that will not be tolerated." Among other things, NHTSA could reopen its investigation if Chrysler failed to fulfill its vow.

Oral arguments in the class-action case are scheduled for today.

Chrysler's brief also raises the possibility that delay in approval of the settlement could bring the repair campaign to a halt, if the court insists on considering whether the replacement latches are adequate. Chrysler, in its brief, argues that NHTSA's endorsement of the replacement parts is sufficient.

Return to Headlines

TAB 5

CHRYSLER CORPORATION

Theodor R Cunningham
Executive Vice President - Sales and Marketing
General Manager - Minivan Operations

Dear

There has been recent and highly visible media coverage questioning the safety of liftgate latches on 1984 - 1994 Chrysler, Plymouth and Dodge minivans. This coverage is emotional in nature, and may have raised concern among some of the four million owners of Chrysler, Plymouth and Dodge minivans. Peace of mind among minivan owners is very important to Chrysler, so we are writing to explain our views and the actions we intend to take.

Chrysler Corporation firmly stands behind the quality and safety of our minivans, including the liftgate latches. There has been no formal determination that a safety defect exists with minivan latches. However, to help ensure peace of mind that your minivan is safe, Chrysler has decided to provide a stronger latch. We will replace your minivan's liftgate latch with a stronger component at no charge to you.

Because new latches must be tooled and fabricated to fit your minivan, it will take some time to have a supply of new latches available. During the next several months, we will notify you when the proper parts are on hand at dealerships to perform this service action. All you need do when you receive the notice is to telephone your dealer to schedule an appointment. Your dealer will schedule you for the earliest possible appointment as soon as parts availability permits. For more information regarding minivan liftgate latches and anticipated parts availability, please call us toll-free at 1-800-MINIVAN (646-4826).

We believe, and the National Highway Traffic Safety Administration (NHTSA) agrees, that the single most important safety action you can take is to ensure that all occupants are wearing seat belts properly at all times. And, of course, never allow anyone to occupy the cargo area. Also, please ensure that any removable seat has been securely reattached before the vehicle is driven.

NHTSA has been conducting an investigation of the latches on these vehicles. If you have any concerns regarding this service action, you may call the NHTSA Toll Free Safety Hotline at 1-800-424-9393.

Chrysler Corporation has a history of safety leadership. We take it very seriously. We at Chrysler Corporation want you to be safe--and certain.

Sincerely,

Chrysler Corporation
P.O. Box 3118
Bloomfield Hills, MI 48302-3118

840787222

Süddeutsche Zeitung
"Cars and Traffic"
Saturday, July 25, 1998

The allegedly weak door latch on the Voyager leaves Chrysler with explaining to do

Replacing the part is "not relevant for us in Europe"

Tailgate opens in side collisions/Controversial part was apparently only used in the U.S.

Embarrassed silence prevails at the German branch of Chrysler, the third largest U.S. auto manufacturer. The company is being pilloried because of possible safety defects in the European edition of its Voyager minivan. At least, that's how it looks to Ralph Hoar, safety consultant from Arlington, Virginia, who specializes in automotive engineering. He is trying to prove that Chrysler is treating European Voyager owners like second-class customers.

At least 37 deaths have resulted in the U.S. when Voyager tailgates opened on (side) impact during accidents. Passengers were ejected from the third row of seats in the minivan through the open tailgate. After these deaths, Chrysler installed new tailgate latches for its approximately 4.5 million Voyager customers in North America.

For the approximately 200,000 European customers who drive Voyagers which are '95 and earlier models, there has been no recall campaign from Chrysler up to this point. Safety-conscious Ralph Hoar supposes that they are driving around just like before with the old, less securely designed tailgate latch.

In order to confirm his suspicions, Hoar recently had the tailgate latch removed from a 1991 and a 1994 Voyager in Baden-Württemberg. This revealed that these latches were the old version of the component. Hoar had both latches sent to the U.S. as evidence. New latches were installed on both vehicles. One latch was sent from the U.S. and the other was a replacement part purchased for DM 118.47 at a German Chrysler dealership.

During the early stages of the latch exchange, Chrysler USA explained that there was a recall action in Europe and that "thousands of latches" had already been replaced. According to Chrysler Deutschland at first, however, "replacing the part is not relevant for us in Europe." Concerning the contradictory statements from Chrysler USA and Chrysler Deutschland, and the results of the latch exchange mentioned, Andrea Leitner, press representative for Chrysler Deutschland, simply said, "We have no comment on that."

AXEL WOLF

RALPH HOAR & ASSOCIATES LLC

1001 North Highland Street, Suite 300, Arlington, Virginia 22201
Phone: 703-841-8384 *Facsimile*: 703-841-8390
E-mail: rha@safetyforum.com
Website: http://www.safetyforum.com

FOR IMMEDIATE RELEASE
TUESDAY, AUGUST 11, 1998

CONTACT: RALPH HOAR
703-841-8384
www.safetyforum.com

SAFETY CONSULTANT OFFERS DM1,000 FOR COPY OF CHRYSLER'S EUROPEAN MINIVAN LATCH LETTER

Auto safety consultant Ralph Hoar is offering 1,000 Deutschmarks for a copy of the minivan latch warning letter that Chrysler claims it sent to 200,000 European Chrysler minivan owners. Hoar has a safety consulting firm in Arlington, Virginia. He has been a long-time critic of Chrysler's minivan rear liftgate latches, and of Chrysler's efforts to minimize the hazards associated with the defective latches.

Last month, Hoar announced that Chrysler had "failed to tell European van owners of the faulty latches" and had "not offered to replace defective latches on the rear doors of minivans it sold overseas as it has in the U.S."

Chrysler immediately issued a statement saying, "Nothing could be further from the truth." Chrysler claimed that it "did notify distributors, and even notified customers directly in the two countries with the most minivan sales – Germany and France." The company claimed "we followed the same formula around the world." The company accused Hoar of "spreading false claims."

"Chrysler has distorted the truth about its defective minivan latches since the controversy began. It's unlikely to change now," Hoar said. "It will be interesting to see which attitude toward safety will prevail when Chrysler and Mercedes join forces. Chrysler could learn a few things from its new partner," Hoar added. He noted that Mercedes spent enormous sums of money to redesign, recall and change the entire suspension in its new "A" car when it proved prone to rollover. "We've urged Chrysler to stop treating its European customers like second class citizens. Chrysler should warn Europeans of the hazard that the latches pose and offer to replace latches on European vans at no charge – just as they've done in the U.S. and Canada – nothing more, nothing less," Hoar said.

Chrysler's statement last month claims they've already done so. "Chrysler has repeatedly refused our request and the requests of others for copies of the letters that they sent to European van owners. That's why we're offering DM1,000 to the first European Chrysler minivan owner

who provides us with a copy of a letter from Chrysler warning that the latch might fail and offering to replace the latch at no cost to the van owner. The letter must predate our July 10, 1998, announcement," Hoar said.

German journalist Axel Wolf reported on July 25, 1998, in *Suddeutsche Zeitung* that in Germany "there has been no recall campaign from Chrysler up to this point." Contrary to what Chrysler was saying in the U.S., a Chrysler Germany spokesperson told Wolf "replacing the part is not relevant for us in Europe." Concerning the contradictory statements from Chrysler USA and Chrysler Germany, Andrea Leitner, press representative for Chrysler Germany, stated, "We have no comment on that."

The letter can be sent via fax to 703-841-8390 or via mail to 1001 N. Highland St., Suite 300, Arlington, Virginia, 22201, U.S.A. For further information visit http://www.safetyforum.com

TAB 6

U.S. Department
of Transportation

**National Highway
Traffic Safety
Administration**

400 Seventh Street, S.W
Washington, D.C. , 20590

SEP 28 1995

Mr. Dale Dawkins
Director, Vehicle Compliance and Safety Affairs
Chrysler Technology Center
800 Chrysler Drive (CIMS 482-00-01)
Auburn Hills, MI 48326-2757

Dear Mr. Dawkins:

As I indicated in my letter to you dated September 25, 1995, the National Highway Traffic Safety Administration (NHTSA) was very concerned by a recent national television report which showed Chrysler's minivan hotline operators minimizing the safety implications of Chrysler's latch replacement campaign in the course of various phone calls with minivan owners.

Since sending that letter, NHTSA has obtained a copy of the question and answer script which the minivan hotline operators have been using to respond to owner inquiries. In a phone conversation on September 27, you confirmed that the script was being used by the operators.

NHTSA is very troubled by the tone and substance of the script. Like the operators shown on the television report, the script attempts to minimize, if not deny outright, the safety concerns which prompted NHTSA to open its investigation into the minivan latches. To resolve these concerns, NHTSA insisted on Chrysler's agreement to provide stronger, safer latches at no charge to all minivan owners.

Indeed, the script leads minivan owners to incorrectly believe that NHTSA found the minivan latches to contain no defect. For example, at one point, the script states that NHTSA has "made no finding of defect;" a few lines later, the script states, "there is no defect with the current latch." Perhaps most disturbingly, the script states that "[a]fter careful review and extensive cooperation with NHTSA it is clear that there is no problem with the minivan latch and no safety defect."

As Chrysler is well aware, NHTSA at no time made any finding that the minivan latches contain no defect. Rather, shortly before the point in the investigation when NHTSA would have decided whether a safety defect exists, Chrysler offered to conduct a latch replacement campaign which will provide minivan owners with a stronger, safer latch at no charge. NHTSA accepted the offer because it promised to provide minivan owners with all the safety benefits of a formal recall campaign at the earliest possible date. Under the circumstances, it was no longer necessary for NHTSA to decide whether to make a formal defect finding. NHTSA did not do so. NHTSA at no time found the latches to be safe.

NHTSA's concerns with the hotline script are not simply academic. Indeed, while it disturbs us that our position in this investigation would be distorted, we are much more disturbed by the prospect that numerous minivan owners are being led into a false sense of security about the safety of their minivan latches. This could lead them to be less concerned with buckling up and less prone to have their latches replaced.

In our most recent conversation concerning this matter, you stated that, in response to NHTSA's concerns, Chrysler would take immediate action to revise the script to eliminate the misleading portions. We look forward to working with you to assure that the revisions do not mislead the public.

In the meantime, Chrysler should communicate in the near future with its minivan owners to inform them of the replacement schedule, to clearly convey the safety concerns which underlie NHTSA's investigation, and to encourage them to have the repairs made promptly upon being notified that parts are available.

Sincerely,

Michael B. Brownlee
Associate Administrator for Safety Assurance

TAB 7

RADIO TV REPORTS

New York: 212-309-1400
Chicago: 312-541-2020
Detroit: 810-344-1177
Boston: 617-536-2232
Philadelphia: 215-567-7600
San Francisco: 415-395-9131
Miami: 305-358-3358
Washington: 301-656-4068
Los Angeles: 213-466-6124

TRANSCRIPT

FOR	CHAMBERS, STEINER, MAZUR, ORSTEIN	**STATION**	WNYW-TV
PROGRAM	A CURRENT AFFAIR	**CITY**	CHICAGO
DATE	09/20/95 06:12PM	**AUDIENCE**	
SUBJECT	CHRYSLER MINI VAN HOTLINE STORY		

JON SCOTT, ANCHOR: If you don't own a Chrysler mini van, chances are somebody you know does. They are enormously popular. But after questions arose about the safety of one of the van's key components, Chrysler promised it would take action. How's it going? Well see what you think after you watch this from our investigative reporter, Karl Idsvoog.

ANGELA WOHLDMANN, MARITZ, INC. OPERATOR: Okay sir.. Sir, do you understand that this is not a recall, that they have not found any type of defective work here?

KARL IDSVOOG, REPORTER: What this woman is talking about is one of the most popular family vehicles ever made: the Chrysler mini van. (Visual: Chrysler mini van on road) Chrysler Corporation is doing something absolutely unheard of in automotive history. It is spending millions of dollars to replace the rear door latch on it's 1984 to '95 mini vans it says is not defective. Why would you replace a part when there's nothing wrong with it?

CLARENCE DITLOW, EXECUTIVE DIRECTOR, CENTER FOR AUTO SAFETY: This is one of the most lethal defects that we've seen in auto safety history.

IDSVOOG: Clarence Ditlow (sp?) is Executive Director for the Center for Auto Safety. The Center has been analyzing mini van latch complaints for the past 5 years. (Visual: Ditlow in his office)

DITLOW: There've been at least 41 people killed in ejections from the rear. An average recall doesn't have a single death, let alone 41 deaths. Even the Ford Pinto, which people think of as one of the worst safety defects ever, only had 28 known deaths at the time the government ordered the recall in that case.

IDSVOOG: Last March, the government made a deal with Chrysler Corporation. Chrysler agreed to replace the latches and the government did not order a recall.

(Visual: Wohldmann at work in Maritz office) As part of what Chrysler calls, it's 'service action', it hired this St. Charles, Missouri telemarketing firm, Maritz, to set up it's toll-free mini van hotline. (Visual: Maritz, Inc. building) Maritz operators have Chrysler's scripted answers to almost every conceivable question. So when you call with a question, operators read you a carefully prepared response. (Visual: printed document of Chrysler scripted answers seen)

Chrysler says it's all to give its customers peace of mind.

CLIP OF CHRYSLER TV AD: Your concern is our concern..

IDSVOOG: But what's really going on here? With her manager laughing in the background, here's how an operator from the mini van hotline responds to a customer worried about safety. (Visual: Wohldmann on a call at work, Lou Nimnick laughs in background)

WOHLDMANN: Make sure your children are properly seated in the rear seat in the rear seat belts. My name is Angela Wohldmann, W-O-H-L-D-M-A-N-N.

IDSVOOG: Watch and listen to what happens when the caller isn't satisfied with the response and wants to talk with someone else. And by the way, the guy in the background is the top manager of the hotline, Lou Nimnick (sp?). We'll hear from him later.

WOHLDMANN: (talking to customer) I am a supervisor sir. There is nobody above me. (pause for response) Okay, well let me go try to find a supervisor for you, but I.. have to.. (call is ended)

WOHLDMANN: (looking at phone) Dick!

IDSVOOG: Keep in mind, Chrysler set up this hotline to respond to the safety concerns of it's mini vans owners. (Visual: graphic reads 1-800-MINIVAN with Chrysler logo underneath) And with some reports of accidents where the hatch opened upon impact and people flew out the back and were seriously injured or killed, owners may have good reason to be concerned. (Visual: Chrysler mini vans on road, and a damaged mini van)

But that's not what the mini van hotline operators are scripted to say. We repeatedly heard operators tell callers, there was nothing to be concerned about.

FEMALE MARITZ OPERATOR: No, there's no problem with the latch. (Visual: operators in Maritz office)

MALE MARITZ OPERATOR: Let us say, they did find no defect..

IDSVOOG: Some mini van owners told A Current Affair, when they called the hotline, they felt mislead and mistreated. (Visual:

Wohldmann walking around smiling smugly)

BRENDA WARE, HOTLINE CALLER: He called me a liar.. He made me feel like I was like, this small.. (Visual: she indicates smallness with fingers)

STUART NIXON, HOTLINE CALLER: The way she put it, it was a nuisance-type problem. And to me, that's not a nuisance; that's a potential hazard.

IDSVOOG: Another person who didn't like what he heard from the mini van hotline, was a man who used to work there.

BRIAN RANDAM: I don't think the American public were getting the straight scoop.

IDSVOOG: He's Brian Randam (sp?) and he wanted the public to know what he learned. (Visual: Brian Randam in parking lot) That's when A Current Affair got involved. We hired him to wear a hidden camera and document what he observed. He had worked on Maritz's projects for 7 weeks and his last 2 days, recorded what happens when customers called. (Visual: more Maritz operators; Bill Sissler and children in his mini van) Customers like Bill Sissler (sp?) of Winchester, Maryland, who hauls his kids everywhere in his mini van.

BILL SISSLER, PARENT: We're in it practically every day. I don't want an accident to occur like it has happened to other people.

IDSVOOG: Sissler's had no problems with the latch on his van and he wants to make sure he never does. So he called the hotline.

SISSLER: I was not very satisfied with the answer and I asked for, you know, to speak with someone else.

MALE MARITZ OPERATOR: Do you want me to hand you over to my supervisor now sir? (Visual: inside Maritz office)

IDSVOOG: Did you ever wonder what happens when you ask to speak to someone's supervisor? Well here's what happened with Bill Sissler's call. The operator tells the supervisor an upset customer wants to talk. (Visual: a supervisor is standing next to operator on phone with Sissler)

MALE OPERATOR: You want to talk to him Lou? Or do you want me to get his name and number?

MARITZ SUPERVISOR OPERATOR: Get his name and number, 'cause I'm about to go to lunch.

IDSVOOG: With one supervisor heading to lunch, our man seeks out another.

WOHLDMANN: This guy can stew for a minute..

IDSVOOG: After letting him stew, the call gets passed to Lou Nimnick. He's the guy you saw laughing before. He tells Bill Sissler there's nothing wrong with his van.

LOU NIMNICK, HEAD SUPERVISOR OF MARITZ: The latch on your vehicle is safe.

IDSVOOG: But just listen to what he says the next day..

NIMNICK: They certainly could have built a better latch, to start with. There's no question; they built a helluva van.. However if you look at it, it is the safest car (censored word) on the road, as a class, which means that, if you're gonna analyze it, even though Chrysler could have done a better job on their latches there's a (garbled word) and a few people killed that wouldn't be.. There's no question.. There's probably been.. as many as 20 or 30 or 50 people who were killed in the mini van or severely screwed up when there would have only been maybe five or so..

IDSVOOG: One thing to keep in mind: A manager of a consumer hotline is not a safety engineer. (Visual: Nimnitz and Wohldmann) So when the manager tells an employee people have died because of a problem with the latch, that's simply his opinion.. not Chrysler's.

Although the National Highway Traffic Safety Administration, NHTSA, has not officially declared the mini van latch defective, a top NHTSA official told A Current Affair just 2 weeks ago, "The bottom line is, there's a safety problem." When we told that official the mini van hotline was telling customers the government found no problems with the latch? He disagreed, telling us, "That infers we gave Chrysler a clean bill of health. That is certainly not the case."

The government's auto safety experts refused to be interviewed on camera for our story. (Visual: government building, Chrysler TV commercial) So did Chrysler executives. Chrysler told us, it would answer absolutely no questions from A Current Affair. One person who was able to get candid comments was our man on the inside. Listen to what the head of the mini van hotline said about customers' safety concerns when he wasn't reading the Chrysler script. (Visual: Lou Nimnitz in Maritz office)

NIMNICK: Why do they keep these damn, unsafe, terrible, horrible latch.. screwed up latch mini vans? If they're so concerned about their children? And I'm serious. If it's that much of a (censored word).. If it really is that big of a deal, why don't they take the damn Caravan and go and trade it in for a new Windstar or whatever..

IDSVOOG: I think it's time Chrysler took a look at the operation of it's hotline as well as it's tailgate latches.

[End]

TAB 8

CHRYSLER CORPORATION

A C Liebler
Vice President
Marketing and Communications

December 8, 1995

Mrs. Ananias
Sugar Creek Elementary School
c/o Ciskey
1303 Courtland Avenue
Normal, IL 61761

Dear Mrs. Ananias:

I am enclosing a letter to respond to your students and to try to put some perspective into the suffering they have endured over Brandon Auer's death. As you might imagine, we take great exception to the way "20/20" reported the story on the minivan latches, but that's beside the point.

Frankly, I'm a little bit surprised that you would have your students write letters like these to Chrysler. It seems like a rather maudlin and painful assignment from the students' point of view, but maybe you felt it was therapeutic to them and, if it was, then I guess it was a worthwhile exercise. I'm not sure the idea of making them afraid to get into their parents' minivans was a very good idea, though, and I'd be surprised if so many of them came up with that sentiment on their own.

I am also not sure you will want to share my letter with your students. That's your call. My intent was simply to tell them that Chrysler does care about what happens in its vehicles, and that we do care a great deal when people like Brandon Auer are injured or lose their lives. At the same time, I hope you recognize that we do everything possible to avoid such injury and loss of lives and understand the loss and pain even without a package of letters from sad and confused third graders.

Sincerely,

Bud Liebler

ACL/mlz

Marketing and Communications
Chrysler Corporation
12000 Chrysler Drive
Highland Park MI 48288-0001

CIMS 416-19-04

This transcript has not yet been checked against videotape and cannot, for that reason, be guaranteed as to accuracy of speakers and spelling. (LW)

ABC NEWS 20/20 Transcript #1543

October 27, 1995

HUGH DOWNS, ABC News: Good evening. I'm Hugh Downs.
BARBARA WALTERS, ABC News: And I'm Barbara Walters and this is 20/20.
HUGH DOWNS, ABC News: Good evening. I'm Hugh Downs.
BARBARA WALTERS, ABC News: And I'm Barbara Walters and this is 20/20.
ANNOUNCER: From ABC News, around the world and into your home, the stories that touch your life, with Hugh Downs and Barbara Walters, this is 20/20.

Tonight, an inside story— as tragic accidents continue to happen.

TIM HARTSHORNE: The back hatch opened and the children were thrown out and that killed them.

ANNOUNCER: A 20/20 investigation of Chrysler minivans and the rear latch that can fail.

ALEX BOYD: *[sp?]* I was sitting in the back seat and I had a lap belt on and I flew out the back.

ANNOUNCER: Now, you'll see it in writing, hear it from an insider.

JAMES WALKER, ABC News: How long has Chrysler known about this?

ANNOUNCER: Are your passengers safe in the back?

JAMES WALKER: Chrysler says they are fixing the latches.

BRIAN AUER: Well, not fast enough.

DONNA AUER: Not fast enough.

ANNOUNCER: James Walker's report could save the lives of the people you love— Open To Danger?.

And, the controversy that stirred up this crowd may divide your family. Whose side would you take? The student who sued her public school?

RACHEL BAUCHMAN: I can't identify with kids singing Jesus is my savior when Jesus isn't my savior.

ANNOUNCER: Or the community that united against her?

JOHN BRINTON, Choir Member: We just want to sing beautiful music.

ANNOUNCER: Should Christian music be sung in a public school choir?

JOHN STOSSEL, ABC News: Nobody else is complaining.

ERIC BAUCHMAN, Rachel's Father\: Nobody else wanted to complain.

ANNOUNCER: John Stossel with a Jewish teenager who refused to sing with the crowd and the school that turned against her— Standing Alone.

Plus, the story you've been waiting for— the new life of an extraordinary family. You met their beautiful little girls, born as one. You shared their anguished decision to separate them. Now, see what love and time can do. Plus, the Holtons reach out to another family like them. Hugh Downs with a tender saga of love, loss and remarkable spirit. An inspiring new chapter in this 20/20 classic— Divided By Love.

Those stories tonight, October 27th, 1995, after this brief message.

[Commercial break]

Open To Danger?

BARBARA WALTERS: We begin with the new and troubling headlines about one of America's most popular family vehicles, the Chrysler minivan. More than four million of them are on the road now. This week, government safety experts announced what Chrysler has denied for years and continues to deny today— that the minivan has a safety problem, a rear latch that can open in collisions, allowing passengers to be thrown out, sometimes to their deaths.

HUGH DOWNS: And this news was not a surprise to us. For the past nine months, 20/20 has been investigating complaints about these rear latches and what we discovered has raised some serious questions. As correspondent James Walker reports, why has Chrysler waited years to strengthen this latch and is the government doing enough to protect minivan passengers?

JAMES WALKER: *[voice-over]* There was Alex Boyd in North Carolina.

ALEX BOYD: I was sitting in the back seat and I had a lap belt on and I flew out the back of that door and I got stitches there and stitches up there.

JAMES WALKER: *[voice-over]* Graham Woodbrook *[sp?]* in Florida.

GRAHAM WOODBROOK: I turned around to see if everybody was okay and I didn't see the two girls and I couldn't see Heidi and the rear door was open.

JAMES WALKER: *[voice-over]* And Tim Hartshorne in Michigan.

TIM HARTSHORNE: The only thing I know for sure is that the seat belts came undone and then the back hatch opened and the children were thrown out and that killed them.

JAMES WALKER: These accidents, which involved Chrysler minivans, have something in common. When the vans were hit, even at moderate speeds, this rear door latch apparently twisted. The lift gate popped open and passengers sitting in this removable seat, some wearing seat belts, some not, were ejected out of the back.

TIM HARTSHORNE: It was being hurled from the car that caused their deaths. It was the breakage of all their bones that caused their deaths.

JAMES WALKER: *[voice-over]* Eight-year-old Michael Hartshorne and his 15-month-old sister Katherine *[sp?]* were ejected from their parents' Plymouth minivan. The accident, in Mt. Pleasant, Michigan, happened in 1992.

JEFFREY SHELL, Officer, Mt. Pleasant, Michigan Police: The eight-year-old is the one that landed next to the house in the bushes and the infant and the car

seat were thrown into this area of the yard over here.

JAMES WALKER: *[voice-over]* The Hartshornes sued Chrysler, alleging a weak latch was responsible for their children's deaths. The company settled the lawsuit out of court. Last fall, the federal government conducted these crash tests, which it made public two days ago. When a Chrysler minivan is hit at 30 miles an hour, the rear hatch opens and passengers are ejected. By March of this year, the government had received reports that 32 passengers had been killed and 76 injured in these types of accidents. Under mounting pressure and with the g's blessing, Chrysler responded.

A.C. "BUD" LIEBLER, Vice President, Chrysler Corporation: *[March 27, 1993]* Today we are announcing an unprecedented action that is going to put the issue of Chrysler minivan lift gate latches behind us.

JAMES WALKER: *[voice-over]* Chrysler insisted that the rear door latch was safe.

A.C. "BUD" LIEBLER: Now throughout this investigation, Chrysler has maintained that there is no safety defect in our minivan latches and we continue to believe that today.

JAMES WALKER: *[voice-over]* Without admitting a safety problem, the company offered to replace the rear latch on four million Plymouth, Dodge and Chrysler minivans. It was not a government ordered recall, but a voluntary service action.

COMMERCIAL: Your concern is our concern. So for your peace of mind, we will replace your 1984 through '94 lift gate latch with a stronger latch free.

JAMES WALKER: *[voice-over]* Remember, it was just this past March that Chrysler made the offer. But according to this man, Paul Sheridan, Chrysler had known for years that it had a safety problem with the latch.

[interviewing] How long has Chrysler known about this?

PAUL SHERIDAN: Well, I'm going to say Chrysler has known about this for at least the last four to five years. I became aware of it in a direct sense in 1992.

JAMES WALKER: *[voice-over]* Why should he know the inner workings of Chrysler? Because he was there, on the inside, for 10 years. For nearly two of those years, until late last year, Paul Sheridan was chairman of Chrysler's minivan safety team. When we spoke to him in March, he told us what his safety team had learned about the rear latch.

PAUL SHERIDAN: In minor accidents, the latch fails, the hatch opens and occupants are being ejected out of the back of the minivan. This causes serious injury and, unfortunately, in some cases, it has caused death.

JAMES WALKER: *[voice-over]* But despite what Sheridan said Chrysler knew, this March, the company still maintained publicly that the latches were safe. The auto maker sent out letters to minivan owners blaming emotional media coverage for the controversy and they reassured owners "there has been no formal determination that a safety defect exists". Edna Benziger, *[sp?]* from Bronxville, New York, says the letter gave her no cause for alarm.

EDNA BENZIGER: I really didn't think it was a real safety issue. I thought it was just a small part of the lock system that was defective that we would just replace. But when they told me they didn't have the parts, they didn't tell me there was an urgency, either. They said call back in three months.

JAMES WALKER: *[voice-over]* Months went by and the latches still were not available. The reason, according to Chrysler, engineering delays. Meanwhile, Chrysler had set up a telephone hot line. Operators were given this script. When asked why owners should feel safe, the operators were instructed to say, "There is no defect with the current latch. Owners can best protect themselves by using seat belts at all times." But seat belts did nine-year-old Brandon Auer. His parents, Donna and Brian, were among minivan owners who say they had no safety concerns after receiving the letter from Chrysler.

DONNA AUER: They implied there was not really a safety concern, that they were doing it just for the peace of mind of their valued customers. So we didn't think that our family was in danger.

JAMES WALKER: *[voice-over]* Just last month, more than five months after Chrysler insisted it's latch was safe, the Auers were driving their 1989 Plymouth Voyager on this Illinois road. Both of their sons, they say, were wearing seat belts— Alex in the middle seat, Brandon in the rear. A car ran a stop sign and slammed into the van, propelling it into this corn field.

BRIAN AUER: Donna yelled for me to get Brandon and she would get Alex and I turned around and looked and my gate was open and my rear seat is gone and I yelled, "Oh my god, Brandon's gone."

JAMES WALKER: *[voice-over]* Brandon was ejected. His mother found him at least 58 feet from the van. He was still buckled into his seat.

DONNA AUER: He was slumped over in his seat and I undid his seat belt and there were two people there already and we laid him down on the ground and they started CPR on him immediately.

JAMES WALKER: But it didn't do any good?

[voice-over] A corner's jury concluded Brandon was killed because he was ejected due to the failure of the van's latches. This summer in Dallas, David Evercrombie *[sp?]* says he asked his local Chrysler dealer about the new latch.

DAVID EVERCROMBIE: And I said, "When are they going to replace the latch?" and he said, "They haven't manufactured it yet and really, it's not that big a problem."

JAMES WALKER: It's safe to drive was your impression.

DAVID EVERCROMBIE: It's safe to drive, yeah, and if it wasn't, why would they let me go?

JAMES WALKER: *[voice-over]* Evercrombie set out on a long trip with his fiancee, Lynn Jones, *[sp?]* and her family. It was this past July, nearly four months after

Chrysler announced the offer to replace the latch. In the New Mexico desert, Lynn, who was driving, lost control of the van. Police say the rear struck this guard rail and the van rolled over. Five passengers who were not wearing seat belts were ejected, including Lynn's son Mark.

DAVID EVERCROMBIE: I remember just being shot straight out the back of the van. I was just immediately thrown onto the pavement and skidded about 15 feet, 20 feet.

JAMES WALKER: *[voice-over]* Lynn's sister, according to police, was ejected, too. She lost an arm. Her mother, who was also ejected, was killed. Evercrombie, his fiancee and her family are suing Chrysler.

JOAN CLAYBROOK: *[sp?]* Well I believe that this latch is unsafe. It's a threat to the public.

JAMES WALKER: *[voice-over]* Joan Claybrook is president of Public Citizen, a consumer advocacy group. She once headed the National Highway Traffic Safety Administration, NHTSA, the same agency at the Department of Transportation that permitted Chrysler to conduct a less urgent service action instead of a safety recall.

JOAN CLAYBROOK: The Department of Transportation allowed this to happen. All this delay and dilly dally and letters that deny that this is a safety hazard and hot lines that deny there's a safety problem are examples of what happens when you make the first mistake in the very beginning, which is to allow Chrysler to call the shots.

JAMES WALKER: *[voice-over]* Last month, NHTSA suddenly spoke out In an angry letter about the script operators used on the Chrysler telephone hot line, an official wrote, "NHTSA is very troubled by the tone and substance of the script. We are disturbed by the prospect that numerous minivan owners are being led into a false sense of security about the safety of their minivan latches." As far back as 1990, according to this internal company memo, Chrysler managers considered strengthening the rear door latch. The manager who wrote the memo estimated a stronger latch would cost $.25 to $.50 each. But he felt the weaker latch was not a significant problem and recommended keeping it unless mandated by the government to change it. And Paul Sheridan, who ran Chrysler's minivan safety team, says he urged Chrysler not only to develop a stronger latch, but to add a back up latch.

PAUL SHERIDAN: During early 1993, for example, I made a presentation recommending that the current latch be upgraded to what we call a dual stage latch.

JAMES WALKER: *[voice-over]* And even though every competing minivan, like this one, had a dual stage latch, Sheridan says Chrysler did not want it.

PAUL SHERIDAN: And I was told that to upgrade the latch, especially in terms of it's design philosophy, in terms of going from a single to a dual, to make that drastic a change on the latch would indict all the previous latches. You effectively are admitting to guilt. That's what I was basically told, and so it was on that basis that the safety leadership team recommendation to upgrade to a dual stage latch was rejected.

JAMES WALKER: *[voice-over]* Chrysler turned down our request for an interview. The company has stated that it spent millions of dollars on safety features, but did not think upgrading the latch would increase safety. Sheridan says that last year, Chrysler disbanded his safety team, after company officials repeatedly objected to his recommendations.

PAUL SHERIDAN: I began to recognize that anything negative associated with safety, anything negative at all was to be quieted and hushed.

JAMES WALKER: *[voice-over]* Chrysler fired Sheridan and is suing him for defamation and for allegedly disclosing confidential information. In court papers, the company claims because Sheridan is not an engineer, he was not qualified to make safety engineering suggestions or decisions. Sheridan denies Chrysler's charges and is suing the company. After all this, the question remains, is the latch safe? Just this week, the National Highway Traffic Safety Administration closed it's two-year investigation by concluding it is not safe enough.

RICARDO MARTINEZ, M.D., NHTSA Administrator: *[Wednesday]* The safety of millions of minivan owners and their families is at stake here. This latch needs to be stronger and safer.

JAMES WALKER: *[voice-over]* In a prepared statement to the press after NHTSA's announcement, Chrysler continued to insist it's minivan is safe.

A.C. "BUD" LIEBLER: Minivans as a category are among the safest vehicles on the road and Chrysler's minivans are among the safest of all minivans anywhere and we're going to stand behind the safety of these vehicles.

JAMES WALKER: *[voice-over]* But how can the government claim the latch is not safe enough and yet not order an urgent safety recall? According to Joan Claybrook, Chrysler got off easy.

JOAN CLAYBROOK: They're trying to get the best of both worlds, not admit any liability, not admit they made a mistake, not admit that there's a safety hazard, not really alert the public, but at the same time, do lots of communication to try and show that the company is concerned about the peace of mind, as they say in their letter.

JAMES WALKER: *[voice-over]* Chrysler, which has begun to install the new, stronger latches, now says it will step up it's efforts. Still, the company admits that it could take more than a year to complete the process.

[interviewing] Chrysler says they are fixing the latches.

BRIAN AUER: Well not fast enough.

DONNA AUER: Not fast enough when people are dying. If our son had stayed inside the van, there's no doubt he would have walked away from the accident just like the rest of us did. So how can they say there's not a problem?

HUGH DOWNS: James, if the government has determined that these latches are not safe enough, why

hasn't it ordered a recall?
JAMES WALKER: Well the government says that Chrysler could fight a recall in court, delaying production of the stronger latches, and that with this agreement, the stronger latches are being installed. But I must tell you that we called around to some dealerships today which did not have them.
HUGH DOWNS: Now what are the owners of these minivans and their passengers supposed to do?
JAMES WALKER: Well, first of all, if you have a '95, '96 model minivan, no problem. They've got the stronger latches. If you have an older minivan, the suggestion is this— wear seat belts at all times. Double check that rear seat to make sure it's properly installed and finally, even though the number of ejections is statistically rare, perhaps maybe you shouldn't use that last seat.
HUGH DOWNS: They may be a statistical rarity, but if it happens to you, it's 100 percent and that's rough. Thank you James.
BARBARA WALTERS: Well later in the program, the continuing saga of the Holton family, whose twin girls shared one body. But next, you've probably told your kids, don't follow the crowd. But now you'll see how tough that can be. Standing up to the crowd can be a very lonely business, as this Jewish teenager found out. John Stossel has her provocative story, after this.
[Commercial break]

Standing Alone

BARBARA WALTERS: Now a controversy that could ignite a hot debate in your house. It's about a teenage girl who stood up to the crowd, who held to her beliefs in the face of intense pressure to give in. Her parents were proud. Her school community was outraged. As John Stossel guides you through what became a delicate dilemma, ask yourself, whose side would you take? In this country, should one discordant voice be heard over the harmony of so many others?
JOHN STOSSEL: *[voice-over]* This is what the conflict is about— beautiful music that talks about god. Some people say that when this Mormon choir director asks public school kids to sing songs that mention god, it's like telling them to pray, and that's illegal. It's not surprising that this conflict has come up here. Utah is an unusual state in that most of the population is Mormon.
[on camera] In fact, many came here to Salt Lake City because they were persecuted in other parts of the country because they were different. So it's interesting that in this case, some people are saying it's the Mormons who are being intolerant.
ERIC BAUCHMAN: What you're talking about is a theological national socialism of religion in public schools. These are not neo-nazis, these are theo— nazis and they're just as dangerous as their predecessors in Germany.
JOHN STOSSEL: *[voice-over]* The people Eric Bauchman's upset about are the Mormons who dominate Utah's high schools. The controversy began a year ago, when Bauchman's 16-year-old daughter, Rachel, joined the choir at West High in Salt Lake City.
RACHEL BAUCHMAN: Well I started noticing, as soon as received our Christmas repertoire, a preponderance of Christian religious devotionals and—
JOHN STOSSEL: Like?
RACHEL BAUCHMAN: Pieces which contained lyrics such as "All believers are heaven-bound", meaning if you don't believe in Jesus, then you're not going to heaven. Things like, "Jesus is my savior, he's my king."
JOHN STOSSEL: Why is that a problem?
RACHEL BAUCHMAN: I can't identify with kids singing "Jesus is my savior" when Jesus isn't my savior.
JOHN STOSSEL: *[voice-over]* Jesus isn't her savior because Rachel is Jewish, and although she has no problem singing some Christian songs, she says she was uncomfortable singing mostly Christian music. She wanted other religions represented. She talked to her parents about it.
CHERYL BAUCHMAN, Rachel's Mother: If you're going to praise Jesus, if you're going to praise god, it doesn't matter what religion you are, then you should be able to do it, you should do it in your church, your synagogue, your mosque, a meeting hall, but not in a public school where a child is— has to sit there for an hour and a half every other day and constantly be brainwashed.
JOHN STOSSEL: *[voice-over]* The a capella choir is widely respected in Salt Lake. Rachel had to audition to get in and she was honored to be selected. She became one of the few non-Mormon members of the choir. They performed in auditoriums and churches around town.
ERIC BAUCHMAN: The first concert was held at the First Presbyterian Church. I didn't mind the fact that there were two crucifixes in the background. However, the majority of the songs that Rachel's a capella choir class sang in that first concert were Christian devotional songs.
JOHN STOSSEL: Nobody else complained.
ERIC BAUCHMAN: Nobody else wanted to complain. Rachel approached other kids and they said that they were afraid to.
JOHN STOSSEL: *[voice-over]* Few wanted to challenge Richard Torgerson, *[sp?]* the choir director. He's led the choir for 10 years and made it successful. A deeply religious man himself, many members of the choir say he's been an inspiration to them.
MAIJA-LIISA PHIPPS, Choir Member: Mr. Togerson has been a big help to me in my life. He's been there for me at every— he—
JOHN STOSSEL: How did he inspire you?
MAIJA-LIISA PHIPPS: Just through his music. He was just— he just showed you how much he loved what he was working with and he loved the music so much and he tried to get kids to show him what a spectacular experience it is.
JOHN STOSSEL: Now remember, one of America's founding principles is religious freedom. The Bill of Rights was written to make sure the government

ABC News 20/20 147 Columbus Avenue New York NY 10023 (212) 456 2020

28 March 1995

Courtney E. Morgan
Michael S. Mazur
Chambers Steiner
1490 First National Building
Detroit, MI 48226

Dear Messrs. Morgan and Mazur:

On Friday, March 24, 1995, I faxed and sent a letter to Rick Deneau at Chrysler. In the letter we asked for an interview regarding:

> "overall safety record, alleged problems with rear latch doors and injuries alleged to be caused by such problems, and issues raised by Paul Sheridan, formerly of Chrysler."

Should we need any follow-up response from you or Mr. Sheridan after the interview I am hoping we can call on you.

Sincerely,

Allan Maraynes
Senior Investigative Producer

TAB 9

Article View

THE WALL STREET JOURNAL.

Article 36 of 64

Chrysler Claims U.S. Uses ` Flawed ' Test on Minivans

02/01/95
The Wall Street Journal
Page A4

HIGHLAND PARK, Mich. -- **Chrysler** Corp. yesterday accused the federal government of using a " **flawed** " crash test that it said was specifically designed to make the rear door of the **Chrysler** minivan spring open.

The National Highway Traffic Safety Administration has been privately urging **Chrysler** to recall voluntarily more than four million minivans and replace the rear latch, according to people within the agency. NHTSA has calculated that about 25 people were killed in crashes when the rear door of a **Chrysler** minivan opened. In nearly all the deaths, the victims were ejected from the vehicle, according to NHTSA.

However, **Chrysler** maintains that its minivan is one of the safest vehicles on the road. The reason more people have been ejected from **Chrysler** minivans, the company says, is that **Chrysler** has sold more minivans than other manufacturers.

"We have told NHTSA that the [government] test is **flawed** because they devised the test specifically to cause a liftgate opening on a **Chrysler** minivan," **Chrysler** said in a statement.

NHTSA officials couldn't be reached for comment last night.

Return to Headlines

Number of Latch/Striker Related Liftgate Openings Per 1,000 Crashes

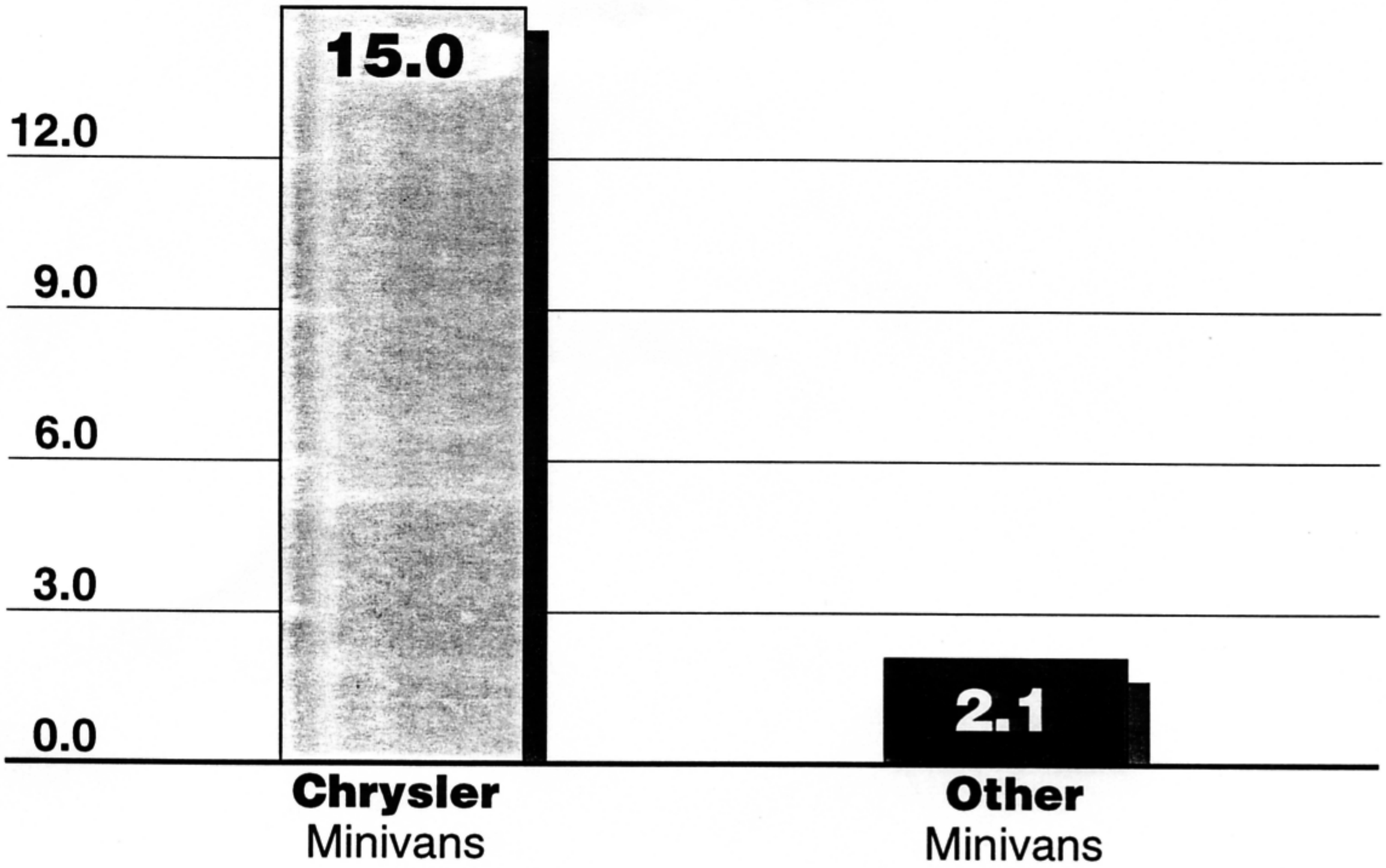


Table 29. Weighted Number of Latch/Striker Related Liftgate Openings for Minivans in Crashes: NASS; 1988-94

Vehicle Type	Total Number of Crashes	Total Crashes with Liftgate Opening from LATCH Failure Mode	Number of LATCH Related Openings per 1,000 Crashes
Chrysler Minivans	114,619	1,715	15.0
Other Minivans	151,846	323	2.1

NHTSA Concludes: "The above data demonstrate that the latch failure rates for Chrysler minivans is higher than those of other minivans. This is consistent with field data and with ODI's FARS analysis of unknown ejection paths."

Source: Table 29, Engineering Analysis EA94-005 Chrysler Minivan Liftgate Latch Investigation Engineering Analysis Technical Report 10/25/95.

…rofits; workers likely to share

…conditions in the U.S. …where Chrysler's sales …ed," Chrysler said in its … report to the SEC.

…ant weakening of eco…ns in the U.S. and Cana… …ruption in production as …or disputes could result …g of third-quarter 1996 planned production."

But the automaker again raised its estimate for total 1996 U.S. auto industry sales, this time from 15.3 million to 15.5 million vehicles. Chrysler had nudged up the estimate by 200,000 units in April after better than expected first quarter results were posted.

The average vehicle sales price for the second quarter was $18,649 after rebates, $451 more than in the second quarter of 1995, Chrysler told the SEC. Gross profit per vehicle averaged $1,905, Valade said.

During the second quarter, rebates averaged $625 per vehicle, compared with $640 in the first quarter and $1,035 a year ago. They should get much higher for the rest of the year, said Jim Holden, Chrysler executive vice president for sales and marketing.

Holden also said he expects Chrysler to hold most of the market share it gained in the second quarter. Its share rose from 16.3 percent in the first quarter to 16.7 percent in the second.

2,119 minivan latch openings outlined in Chrysler documents

Engineers debated ways to fix problem

BY JANET L. FIX
Free Press Washington Staff

Liftgate latches on Chrysler's popular minivans popped open 2,119 times while being transported from factories to dealers in 1994, according to internal Chrysler documents made public Friday by a Texas judge.

A state court judge in Palestine, Texas, ordered the documents released after a lengthy hearing stemming from a suit against Chrysler on behalf of a Texas teenager who became a paraplegic after a minivan accident.

The documents detail how Chrysler for years debated ways to strengthen the latches before finally agreeing last year to replace them on 4.5 million 1984 to 1995 minivans.

And they seem to contradict some public claims by Chrysler, which continues to defend the latches as safe and effective.

Despite assertions by Chrysler Thursday that there had been only 200 latch openings in transit, notes from an Aug. 23, 1994, brainstorming session with Chrysler engineers indicate more than 2,000 openings. Between May and August 1994, engineers had reports of 2,119 latch openings in transit, the bulk of which — 1,743 — involved minivans transported by railroad.

The liftgate latches popped open repeatedly — even after minivans were driven off the delivery ramp and into a parking lot, the documents indicate. In some cases, latches popped open in transit several times.

Under possible root causes, the engineers included: "the latch itself," sabotage, drivers failing to close the door properly, and "Ford slipping driver money" — although the latter was noted to be only a rumor.

Chrysler spokesman Rick Deneau blamed the latch openings during transit on the fact that the minivans were tied down, robbing them of their normal suspension.

Deneau said Chrysler wasn't aware of thousands of openings. "The engineer who looked into the transport issue told me he recollected 150 to 180 latch openings in transit," Deneau said.

A Dec. 21, 1994, memo noted "some 220 reports of liftgate openings in shipping." But that memo conceded that it is "also likely that some instances went unreported" and not all reports had been documented. Assuming there were 300 incidences, the memo says, less than 0.2 percent of minivans transported had popped open.

Federal safety officials say more than 35 people have died after the latches popped open in crashes and the victims were ejected from the vans.

But federal safety officials did not declare the latches defective. Instead, they agreed to let Chrysler replace the latches in a controversial service campaign.

MICHIGAN STOCKS

Stock	% YTD	Last	Change
AJL n	+ 6.4	20¾	− ⅜
AdcoTech	+ 22.2	8⅝	− ⅛
AeroflRty	+ 24.8	18¼	+ ¼
AlldDgtl	− 33.3	2⅝	− ⅛
AllPosD n	− 27.7	4¼	
AmDental	+327.3	7⅞	− ⅛
Amerhwd	+ 58.1	6⅛	− ⅛
AmeryAs	− 18.2	27⅝	− ⅜
AmwayJ	+ 12.2	23⅝	− ¼
ArborDrg	− 8.3	19⅝	+ ¼
Autocam	− 27.7	10⅝	− ⅜
BankWest	+ 13.6	11½	
Borders	+ 70.9	31⅛	− 1⅜
CFSB	− 5.8	20¾	− ½
CMSEner	+ 3.3	30⅝	+ ¼
CMSG n	− 6.6	17⅝	
Cadalnd	+120.0	1⅜	
CapitBc		9⅝	
Caltoman	+ 44.4	1	
CharmEnt	+ 36.3	21⅛	+ ¾
ChateauP	− 6.6	22⅝	
ChmFin	− 15.2	34⅝	− 1¼
ChildtmenN	− 38.9	8¼	+ ½
Chrysler	+ 2.0	56¼	− 1¼
CitzBkg	− 7.1	27⅝	− ⅞
CodeAlarm	− 24.0	4⅝	
Comerica	+ 6.9	42⅝	− ¼
Compuwr	+106.8	38¼	+ 1¼
Comshr s	+ 5.8	27½	+ ¾

Stock	% YTD	Last	Change
FdScrw	+ 23.3	26	
FirstnMeir	− 15.4	10½	
FrstalAm	− 0.6	44⅛	− ⅛
FstMich	+ 15.6	30½	+ ¼
FordMo	+ 6.5	30⅝	− ⅜
Foremost	+ 10.8	56¼	
FrmLBk	− 17.2	10¼	
Gantos	+100.0	4	− ⅛
Gelman	− 14.8	21	− ¾
GM	− 8.7	48¼	− 1
Gentex s	+ 65.9	18¼	
Handlm	+ 8.7	6¼	
HortnGo	− 12.8	20⅝	
Howlin	+ 27.2	31	
IndianBnk	+ 9.3	29¼	+ 1
Interface	− 41.2	7½	
JPE	− 5.1	9⅛	
Jacbsn	+ 30.6	11⅝	− ¼
Kmart	+ 54.4	11	+ ⅛
Kellogg	− 1.9	75⅝	+ 1½
KellySA	+ 10.8	30⅝	+ ¾
KnapeV	− 12.7	15	+ ⅞
Kysor	+ 8.5	24⅝	+ ¼
LaZBoy	− 4.9	29⅝	+ ⅛
LearCorp	+ 12.9	32⅝	− ⅜
MCN	+ 7.0	24⅞	+ ¾
MSB Fncl	− 9.2	16½	
Maion	+ 17.2	14½	+ ¼
Manstn	− 12.5	1⅜	

Stock	% YTD	Last	Change
OIS	− 12.9	3⅜	+ ⅞
OldKent	− 1.6	38½	+ ⅛
OmegHlt	+ 5.6	28⅛	− ¼
Ottawa	+ 4.0	16¼	− ⅞
PICOM	+ 2.3	22	
Perceptr s	+ 38.2	30¾	+ ¼
Perrigo	− 10.5	10⅝	+ ¼
Pinnacle	+ 19.7	20¾	
Pulte	− 24.9	25¼	+ ¼
ecRander	+ 42.9	⅝	+ ⅞
RepBcp	+ 5.8	11⅜	+ ⅛
Rouge	− 7.9	21⅞	− ⅛
SJS Bcp	+ 1.9	20¾	
SPX Cp	+ 51.2	24	− ⅜
SeaaCms	+ 56.7	20⅝	− ⅜
Scherer	− 13.2	42⅝	
Secom	− 15.9	7⅞	− ⅛
Shoreline	+ 24.3	22	
Simslnd	+ 1.4	9⅝	+ ⅛
Somanetc	+333.5	7¼	+ ⅜
Sothbys	− 2.6	13⅞	− ⅛
SMchG	− 0.7	17	
SmartMot	− 35.2	7⅛	
Spartan	− 8.6	4	− ⅛
StdFedBnk	− 2.2	38½	− ⅛
Stryker s	− 20.0	21	− 1
SunCmts	− 2.4	25⅝	− ¼
SureShot	− 4.3	3⅝	− ⅞
Taubmn	+ 0.8	10⅞	− ⅛

Close	Chg.	Stock	Div	Sales	Close	Chg.
[illegible]	[illegible]	SubLease		1766	[illegible]	[illegible]
[illegible]	[illegible]	Sudbury		651	[illegible]	[illegible]
[illegible]	[illegible]	SUGEN		275	[illegible]	[illegible]
[illegible]	[illegible]	Sumana		264	[illegible]	[illegible]
[illegible]	[illegible]	SumitMda		737	[illegible]	[illegible]
[illegible]	[illegible]	SumitTcs		4502	[illegible]	[illegible]
[illegible]	[illegible]	SunMics		4208	[illegible]	[illegible]
[illegible]	[illegible]	SunTV	.84	512	[illegible]	[illegible]
[illegible]	[illegible]	SunGrd		2278	[illegible]	[illegible]
[illegible]	[illegible]	Sunglass		7894	[illegible]	[illegible]
[illegible]	[illegible]	SunrAssa		1957	[illegible]	[illegible]
[illegible]	[illegible]	Supercut		941	[illegible]	[illegible]
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R 2 OF 6 PAPERSMJ Page

U.S. Agrees to Disclose Chrysler Minivan Crash Test Data
Courts: Lawyers for the government say they will release a videotape and other materials involving the safety of rear-hatch latches on the vehicles.

Los Angeles Times (LT) - TUESDAY August 29, 1995
By: DAVID WILLMAN; TIMES STAFF WRITER
Edition: Home Edition Page: 12 Pt. A
Word Count: 893

TEXT:

WASHINGTON - Under pressure from an activist's lawsuit and facing a skeptical federal judge, government lawyers announced Monday that they intend to make public a videotape of crash tests focusing on the controversial rear-hatch latches of Chrysler minivans.

The agreement to release the videotape and other materials by the end of October was revealed in court here by lawyers representing the government and a safety consultant who has sued an agency of the Department of Transportation to obtain the data.

The judge overseeing the dispute over release of the materials also questioned why none of the latches have yet been replaced. Chrysler and federal transportation officials had announced March 27 that the company, while maintaining that the original latches are safe, would replace the components at no cost to concerned vehicle owners. But the new latches are not yet available to minivan owners.

"Why in the world has it taken four to five months to get a prototype of these latches when you know full well that it takes months (longer) for consumers to actually get their vans in, to get the repairs made, for Chrysler to do what it's supposed to do?" U.S. District Judge Gladys Kessler asked a lawyer for the government.

"What in the world has taken so long, while these vehicles are on the road, being driven by families with children in those vans?" she added.

Failure of the latches may have contributed to the deaths of 37 people and injuries to 76 others, according to investigative reports compiled as of mid-July by the federal Department of Transportation.

Patricia Russotto, a lawyer for the department's National Highway Traffic Safety Administration, told Kessler that the replacement latches still must undergo physical testing to ensure their adequacy.

A Chrysler spokesman said last week that in September, the company hopes to begin contacting the first of more than 4 million van owners who would be eligible to have rear latches replaced. A Chrysler lawyer earlier had argued against release of the government's videotape, saying that the result would be a flood of demands for new latches.

Lewis H. Goldfarb, assistant general counsel for Chrysler, said that the company's efforts to replace the latches have been slowed by the difficulty of designing a related, remote-release component that is standard in the 1990s models. Kessler, he said, "really didn't understand" the design issue.

As evidenced by Kessler's comments, the dispute over the status of the videotape and other government investigative data has refocused attention on the Transportation Department's compromise agreement with Chrysler in March.

Safety activists have criticized the Clinton Administration for deciding not to declare the latches defective or to seek a formal recall.

In the event of a recall, an auto maker is subject to increased penalties and vehicle owners are informed, unambiguously, that a safety problem exists.

Under the compromise agreement announced in March, Chrysler has stated in television and print-media ads that the original latches are safe and that the government has not found otherwise but that replacements would nonetheless be offered.

In an interview, Philip R. Recht, a presidential appointee who is deputy director of the highway safety administration, said that the agreement with Chrysler was intended to avoid the delays of protracted litigation.

"We have got to keep our eye on the long-term goal here, which is safety," Recht said.

Yet in court Monday, Kessler took issue with the agency's handling of the latch-replacement matter. Kessler said that when the highway safety agency announced the agreement with Chrysler in March, no indication was given that it would take so long to accommodate minivan owners seeking to replace their original latches.

By the time Chrysler begins replacing the first of the latches, Kessler said, "we are talking about an eight- or nine-month delay between the time of an announcement that got a whole lot of publicity--I think it's fair to say favorable publicity, for the government and the manufacturer--and the time in which any consumer can actually take advantage of that offer in order to make their vehicle safer for themselves and their family. . . . I find that a bit disturbing.

"I think the (highway safety administration's March 27) press release certainly suggested something different to the public and that is of great concern to me," the judge added.

As for the videotape and the other investigative materials, lawyers for the highway safety administration had contended that the data was exempt from disclosure under the Freedom of Information Act because the agency has not formally closed its investigation of the minivan latches. The exemption

they cited allows an agency to withhold data if disclosure "could reasonably be expected to interfere with enforcement proceedings."

Russotto said that the government expects to close its investigation by mid-October.

Katherine A. Meyer, a lawyer for Ralph Hoar, the consultant who sued to force disclosure of the investigative materials, reiterated Monday that she believes the government's earlier compromise agreement with Chrysler marked the end of that investigation.

The materials Hoar is seeking, in addition to the videotape, include the "analysis, conclusions and recommendations" of the highway safety administration's staff. The agency showed all of the data to Chrysler's lawyers on Nov. 17, 1994.

Kessler said that if the government does not make public the videotape and the other materials by Oct. 30, "then I am certainly anxious for this case to proceed quickly."

DESCRIPTORS: CHRYSLER CORP; AUTOMOBILE SAFETY; UNITED STATES--GOVERNMENT; VIDEO RECORDINGS

TAB

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July 14, 1995

Thomas G. Kienbaum, Esq.
500 Woodward Ave., Suite 4000
Detroit, Michigan 48226-3406

Re: Chrysler vs. Sheridan

Dear Mr. Kienbaum:

I am in receipt of your most recent correspondence regarding the magistrate's recommendation and our providing of information to you regarding office materials. I do not know how you could have reasonably concluded from the correspondence that was forwarded to you that we are of the opinion that there is no basis to conclude that evidence may have been tampered with in this case. Indeed, the anxiety exhibited by the fact that you immediately faxed your reply to me suggests that in reality you hold the opposite opinion. Due to the necessity of my attendance at federal court in Wichita, Kansas this week, I did not believe that I was going to be able to comply with the July 14, 1995 deadline. Now, it appears that we are in a position to comply.

The information provided hereunder is based upon our limited and restricted ability to review materials which were allegedly seized from Mr. Sheridan's work space. That review is neither complete, nor did it have as its purpose the ferreting out of all details of evidence tampering which may exist. Lack of inclusion of any specific item in this list shall not be taken as an admission of the authenticity of such a document or other tangible item.

The document submitted by the plaintiff entitled, "Confidential Inventory of Material from Paul V. Sheridan's Cubicle at the Chrysler Technology Center", dated March 16, 1995, has numerous general inconsistencies and inaccuracies based on defendant's knowledge and cursory examination of the actual inventory:

1. This "inventory" fails to list and does not contain the following files:

- Liftgate Latch - General
- Liftgate Latch - Competitive
- Safety Leadership Team - Meeting Minutes
- Safety Leadership Team - Preliminary
- Liftgate Latch - Safety Office
- H. G. Cook Study
- FMVSS 206 - General
- Seat Back Strength - General
- Seat Back Strength - FMVSS 207 Specifications
- Offset Impact - General
- Rear Crash Survivability - General
- FMVSS - 301
- Side Crashworthiness Issues
- FMVSS - 214
- Bumper Issues - General
- NS-Body Bumper
- Taillamp Studies - Zarowitz
- Amber Taillamp - NS-Body
- Rear Seat Headrest - General and Zarowitz
- Back-up Light - General

2. The "inventory" lists files but inaccurately portrays their original/current contents:

- Box #1 - File "NS Liftgate System". This file contained subfiles such as "Customer Injury", "Saginaw", et al. Also contains photographs that were originally in the "Liftgate Latch - General" file which is missing per #1 above. (see page 4 of inventory).

- Box #1 - File "NHTSA News" contains only half its original contents (see page 4 of inventory).
- Box #1 - File on "Muth Technologies" not listed; subfile "RSZ" not listed (see page 4).

- Entry on page 8 of inventory indicates that a file contained "correspondence for Dr. Detroit Motorsports". No correspondence was ever sent to Mr. Sheridan's Chrysler office for Dr. Detroit Motorsports, nor was any on file at that location.

3. The "inventory" identifies files and file locations by box number but the location identified was found to be inaccurate.

4. The "inventory" fails to explain/list file materials that were found in the actual inventory by defendant:

- Documents relating to FMVSS-208 dated December 21 were found in Box #1 in file "NS-Restraints". This file is not listed on inventory. (see page 4)

5. This "inventory" fails to accurately explain/list documents allegedly found in the cubicle, as described during the deposition of plaintiff's investigators.

6. The "inventory" fails to list files that were found in the actual inventory.

7. The "inventory fails to list/identify location of specific video tapes:

- Environmentally Safe Oil Changes
- Formula SAE
- IIHS Bumper Tests
- Etc.

8. The "inventory" fails to accurately list contents of computer disks and computer hard drive.

This response is not complete. Further examinations of inventory is still pending. Preliminary examinations cover documents listed through page 18, but not Box #7. Document listings from page 18 through 39 have not yet been examined.

Sincerely,

Courtney E. Morgan, Jr.

CEM/mn
cc: George Googasian, Esq.
(Via Facsimile)

TAB

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THE WALL STREET JOURNAL INTERACTIVE EDITION

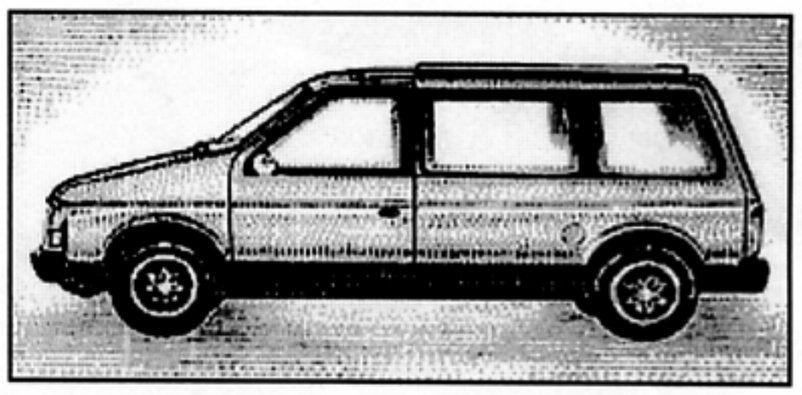
FROM THE ARCHIVES

The Wall Street Journal Interactive Edition -- November 19, 1997

Why One Jury Delivered a Big Blow To Chrysler in Minivan-Latch Case

By MILO GEYELIN
Staff Reporter of THE WALL STREET JOURNAL

Two months before Sergio Jimenez II was thrown from the back seat of his parents' 1985 Dodge Caravan and killed three years ago, a group of production experts at Chrysler met to review recommendations that might make future minivan models more competitive.



At the top of the list was safety. Chrysler's rear-door latches appeared to be failing sometimes, even in low-speed accidents, allowing the lift-up doors, or liftgates, to pop open and passengers to be hurled out. Why not make the latches stronger, like those on a later minivan model, the Ford Windstar, suggested Paul Sheridan, then head of Chrysler's Minivan Safety Team.

"That ship has sailed," the minivan's top production engineer replied, according to Mr. Sheridan. "We told you that last time. Next subject." The engineer says he was misunderstood.

Link

How a Tiny Law Firm Won a Mammoth Case

Last month, a federal jury in Charleston, S.C., awarded Sergio's parents and sister $262.5 million in damages, including $250 million intended to punish Chrysler Corp. After deliberating 2 1/2 hours, the jury found that Chrysler's negligent design and testing of the latch had caused six-year-old Sergio's death.

Narrow Focus

The award, which Chrysler intends to appeal if the judge doesn't set it aside, set a record in the auto industry and shocked Chrysler. The company strongly denies any defect involving the latch and maintains that crash statistics prove its minivans are among the safest on the road. At the month-long trial, it argued that Sergio was thrown out a side window, not the rear door. It also contends the judge erred in narrowing the trial's scope so that jurors couldn't hear certain testimony, such as that Sergio's mother may have caused the accident

by running a red light and that Sergio wasn't wearing a seatbelt.

"The magnitude of the verdict suggests that something really went wrong with the process of the trial," says Kenneth Gluckman, Chrysler's top in-house lawyer for product-liability lawsuits.

Two years ago, the National Highway Traffic Safety Administration calculated that Chrysler liftgates pop open in collisions more frequently than its competitors'. It said the rate of passenger ejections was nearly double that of the rest of the minivan industry. Facing a possible recall, Chrysler agreed to replace the latches on 4.3 million minivans it had built since 1984. So far, Chrysler has spent $115 million notifying minivan owners and installing new latches on about 61% of its minivans on the road that had the old-style latches.

More Coming

The threat of high-profile safety litigation is one the auto industry has lived with for decades, from Pinto gas tanks to sudden-acceleration claims to allegedly unstable sport-utility vehicles to GM pickups with side-mounted fuel tanks. Thirty-seven people have been ejected from Chrysler minivans and killed, according to the NHTSA. That is more than the 26 who died from burns in Ford Motor Co.'s Pinto but fewer than the 168 fatalities in General Motors Corp.'s C/K pickup trucks with side fuel tanks.

The Chrysler litigation is potentially more volatile because many of the suits involve children. "Basically you're gambling when you take one of these to trial," says Clarence Ditlow, a consumer advocate in Washington. "If your judgment is wrong, you come up with verdicts like in South Carolina. The potential amount of the award is so large that even if only 25% of the cases come up winners, you're still talking big money."

Arrayed against Chrysler is an alliance of plaintiffs' lawyers who have been jousting with the company for two years to gain access to internal documents and depose witnesses. Leading the Jimenez case was the Washington firm of Ross, Dixon & Masback, notable because the firm normally specializes in defense work. Chrysler currently faces about 40 injury or wrongful-death suits involving the latch, and more are expected. In the only other one to go to trial, Chrysler won when the jury found that the latch was defective but the victims fell out a side window.

While the damage award in the Jimenez case is likely ultimately to be reduced, the case raises concerns that seem sure to haunt the nation's No. 3 auto maker in future trials.

Among them:

- Chrysler marketed the minivan since the early 1980s as a family vehicle, but used a latch variation in early models that the rest of the industry had abandoned for passenger doors in the 1960s. The company altered the latches for new vehicles in 1988 but didn't inform owners of models already on the road, including the Jimenez family. And the modified latches still didn't meet the federal safety standard for passenger doors, a

standard that Chrysler's competitors either met or came closer to.

- Chrysler destroyed early films of minivan-crash tests, design documents and computer records, actions the company says are routine.
- Engineers considered an additional method of strengthening the latches on new models for as little as 25 cents apiece in 1990 but didn't do so because the move would have undercut Chrysler's position with safety regulators that there was no problem with the latches.
- Chrysler tried political persuasion to resist a recall after being warned by NHTSA in November 1994 that "the latch failure is a safety defect that involves children."

Cumulatively, says one of the jurors, the evidence painted a devastating picture of corporate indifference. "We want people to understand why we made the decision we did," says Linda Jordan, a 42-year-old business consultant. "We knew what we were doing. When you speak to a company as big as Chrysler, you've got to speak to them on terms they'll understand."

Chrysler conceived of the minivan, with its huge rear door, or liftgate, in the early 1980s and marketed it primarily to mothers with young children. The doors are latched secure at the bottom of the door frame and swing up and out of the way for ease in loading and unloading. The vans, the Dodge Caravan, the Plymouth Voyager and the Chrysler Town and Country, caught on immediately and helped bring about the company's resurgence. They were widely imitated, but Chrysler continues to dominate the U.S. market.

In the early 1980s, however, the concept was so new that there were no federal safety standards in place for liftgates. Chrysler was left to create its own.

What it came up with was weaker than the standard for passenger doors. Most of the pending lawsuits contend the latches are substandard because they bend or tear loose in an accident, freeing the hatch to pop open. But lawyers in the Jimenez case pointed to another alleged flaw: the design of the latch in early minivans. The company used a claw-shaped fork that latched around a thumb-sized metal post at the base of the door.

The posts, known as strikers, had been manufactured for decades with mushroom-shaped heads at the top. The reason: The impact of a collision could force latches to ride over "headless strikers," popping open the door. And since ejections from vehicles had long been recognized as a leading cause of death in car accidents, headless strikers hadn't been used in passenger doors since the 1960s.

But Chrysler chose to mill off the heads. Engineers believed the head, or flange, might snag cargo, such as grocery bags. Federal regulators required no crash tests on the new latches, and Chrysler performed none.

That was the first of many decisions that would trouble the jury. "I think we all felt that any time you're designing something new to put on a vehicle that you're marketing to a family, you should be

checking out every aspect of what you're doing," Ms. Jordan says.

Missing Reason

Then came Chrysler's decision in mid-1988 to replace the headless striker in new models with a flanged striker. The witness Chrysler used to explain why, a retired body designer, wasn't involved in the decision. "We can't explain the reason for making that change," said Jerome E. Mitchell Jr., who, like most Chrysler witnesses, testified in a videotaped deposition. In a postverdict interview, Chrysler officials still couldn't explain the change.

A midyear design alteration would normally involve stacks of paperwork, proposals and meeting minutes. "It was a number of years ago and those documents simply don't exist any more," Mr. Mitchell said. He testified that he asked the people who were involved in the decision, but no one could recall.

That hurt Chrysler's credibility. "They never could say why they did it," says juror Linda Ward, a 48-year-old secretary who bought her third Chrysler minivan in June to haul around her two grandchildren. "You know they did it for a reason. You know they did it because they felt it was unsafe."

Another problem for Chrysler was that two films of tests involving left-side crashes at Chrysler's proving grounds in Michigan in 1983 were missing. The executive in charge of impact testing at the time, William Shollenberger, testified that Chrysler always filmed its tests and always kept a record of any anomalies in a computer log. But he couldn't explain why films of the two tests had been pulled from the archives, shredded and burned in 1988. Films of tests done at about the same time, involving front-end collisions, were still available. Two lines of data from the log had also been deleted.

Films Destroyed

Mr. Shollenberger said the company routinely destroys test films after five years, unless the vehicle is the subject of a lawsuit. He had no explanation for why films of left-side collisions were destroyed, but not some films of tests performed before and after involving front-end collisions. And two lawsuits involving the latch were pending when the films were destroyed. Chrysler said the tests were irrelevant because they had been done to see how the minivan's fuel tank held up, not its rear-door latch. Moreover, while no one could recall whether latches broke, Chrysler re-enacted the tests for the trial and found nothing wrong.

"That seemed very deceitful to me," Ms. Ward says. "I mean, why would you just lose that certain test in that certain year? I work in a real-estate office, and I know how important it is to save every note and every piece of paper."

By May 1990, regulators at NHTSA were becoming concerned about the crashworthiness of rear-door latches, noting in a letter to all manufacturers that liftgates and hatchbacks tended to fly open in accidents far more frequently than passenger doors. The safety agency asked each company to look at its own crash-test standards

for liftgates to determine whether they should be toughened.

Although some competitors' liftgates also didn't meet the federal standard for passenger doors, all came closer than Chrysler's. Still, the company maintained that an upgrade wasn't needed. Seat belts were the best protection against being ejected from a minivan, it wrote to the agency.

But when Chrysler tested its latch, the results were mixed. In one test, it pulled apart at 1,300 pounds of force, far below the federal passenger-door standard of 2,000 pounds, according to internal records presented by the plaintiffs at the trial. The company assigned senior engineer Henry G. Cook to calculate the cost of meeting the federal standard. His estimate: 25 to 50 cents per latch, plus a one-time cost of $125,000 to retool machinery to make thicker and stronger parts, he wrote in a July 1990 memo. The latches could be modified in 32 weeks, he estimated.

But Mr. Cook recommended against it. "As stated in our response to NHTSA that we do not believe there is a significant problem with liftgate retention," Mr. Cook wrote in July 1990, "I recommend that we continue with the current latch system at least through 1993 unless mandated to change by NHTSA."

The jurors saw that as shortsighted. "I was surprised they didn't go ahead and correct the problem," juror Bennie Rhett says. "I felt like they should have done it," Ms. Jordan says. "I have no idea why they didn't, and they couldn't tell you why."

Slipping Sales

For Chrysler, the latch problem -- and how it ultimately would come to be perceived by jurors -- would only get worse in the early 1990s. While the company was marketing safety as its first priority in national ad campaigns, it was concerned about minivan accidents in which children had been killed. In the Detroit suburb of Mount Pleasant in late 1992, a Chrysler-minivan liftgate had popped open in an accident in which two infants in the rear seat had been ejected and killed.

Mr. Sheridan testified that at the time, when he was a Chrysler planning analyst, the company had another concern: Sales appeared to be slipping because of safety concerns. To attack the problem, he said, Chrysler appointed him as chairman of a 13-member Minivan Safety Team. The group, Chrysler maintained at trial, was assembled to look at marketing concerns about safety that could be addressed in a revamped design for the 1996 minivan.

When it met for the first time in February 1993, Mr. Sheridan said, the Mount Pleasant accident was fresh in the minds of all. An in-house lawyer cautioned the group that no notes should be taken, Mr. Sheridan said, adding that meeting minutes he drafted later and circulated were ordered rounded up and destroyed. And in April 1993, when he recommended to the development team that latches be replaced in existing vehicles, Mr. Sheridan testified, he was turned down.

Any drastic changes in the existing latch, he said he was told by Chrysler's top production engineer for minivans, Chris Theodore, "would indict everything we have done in the field." It was a year later, Mr. Sheridan testified, when he raised the issue again, that Mr. Theodore told him, "That ship has sailed."

Credibility Strategy

Mr. Theodore says he doesn't recall the earlier meeting. As for the remark about the ship having sailed, Mr. Theodore says he wasn't addressing the issue of whether to replace existing latches but rather a question about latches for a coming minivan model.

However, at the trial, Chrysler presented no witnesses to dispute Mr. Sheridan. This is a move, the spokesman says, that the company isn't likely to repeat in any future trial. The defense team, which was led by David Tyrrell of Tampa, Fla., confined itself to attacking Mr. Sheridan's credibility.

Defense lawyers cast him as a disgruntled and dishonest former employee who had no engineering experience. Mr. Sheridan had been demoted on grounds of poor performance and later fired for allegedly leaking crash-test results unrelated to the minivan to a trade magazine, the defense said. Mr. Sheridan says he didn't leak any results.

The jury found him credible. An accomplished race-car builder, Mr. Sheridan had at times received glowing performance reviews at Chrysler. In 1985, he had won the coveted Lee Iacocca Chairman's Award for excellence. And unlike many of Chrysler's witnesses, jurors noted later, Mr. Sheridan wasn't paid to testify.

"I believed every word he said," Ms. Jordan says. "I really did, because I felt like he really didn't have anything to lose."

Jurors also didn't believe Chrysler expert witnesses who said the child must have been ejected through a side window, not the back. Plaintiff lawyers unearthed six crash witnesses, who testified that Sergio was thrown out the back door.

By the time Mr. Sheridan was fired in December 1994, federal regulators were taking a hard look at the minivan latch. A preliminary inquiry had been launched a year earlier after two children had been ejected from a 1992 Chrysler minivan outside Washington, D.C., and one was killed. The police officer who investigated had complained to NHTSA that the impact of the collision wasn't severe enough to justify a liftgate's popping open.

In February 1994, the inquiry had broadened into a full-blown investigation of all Chrysler minivan latches. But by then, Chrysler had already decided to make the latches 50% stronger for models beginning in 1995. The question was whether it should replace latches in vans already on the road as part of a voluntary recall. NHTSA had the authority to request such a recall by issuing a public letter even before it pinpointed the precise defect.

And indeed, asking for a voluntary recall appeared to be the direction

the agency was taking when, in November 1994, it invited a team of Chrysler executives to review data and crash-test films in Washington. Using an overhead projector, NHTSA investigators flashed bar graphs of data comparing Chrysler minivan accident statistics with its competitors'.

Chrysler minivan liftgates, they said, popped open twice as frequently. In two crash-test videos played in slow motion, Chrysler minivans were rammed on the left rear side at speeds of 31 to 37 miles per hour. Each time, the liftgates buckled and tore off at the latch as the vehicles spun violently, hurling unbelted test dummies out the back door. In similar tests of its competitors' vehicles, the doors held. And, in fact, the door also held in a test of a 1991 Chrysler minivan fitted with the strengthened latch.

Political Moves

But Chrysler wasn't persuaded. It countered with a blizzard of its own data challenging the government's. And then, in a move that jurors said disturbed them, the company mounted a campaign in Washington to pressure NHTSA into dropping its voluntary-recall policy.

"If we want to use political pressure to try to squash a recall letter we need to go now," Vice Chairman Tom Denomme told Chairman Robert Eaton and President Robert Lutz in December 1994, according to a memo shown to jurors.

Chrysler's Washington office mobilized, contacting the House Commerce Committee, which oversees NHTSA and where auto makers have an ally in Michigan's Rep. John Dingell, the committee's ranking Democrat, according to correspondence used as evidence at the trial. Chrysler helped committee staffers draft a letter criticizing the recall policy. It was signed by Mr. Dingell and Committee Chairman Michael G. Oxley and sent in January to Richard Martinez, NHTSA's administrator at the time.

Publicly asking auto makers to recall cars because of a suspected defect before an investigation is complete could hurt a company's safety record, the congressmen complained. Instead, why couldn't NHTSA and auto makers agree to a "confidential settlement"?

The letter didn't specifically address Chrysler, and NHTSA says no pressure was exerted. However, in March 1995 Chrysler agreed to replace the latches on existing minivans without acknowledging they were defective or that passengers could be killed or injured in ejections.

Under terms described in one Chrysler document shown to the jury, which the company called a proposed settlement, there would be "no acknowledgment of [a] defect to NHTSA or to owners' and "no acknowledgment of [a] safety problem." In Chrysler's proposal, NHTSA would agree to deny requests by the public for copies of the crash tests. NHTSA denies knowing of any proposed settlement and says its policy is always to block the release of findings, including crash-test films, until its investigations are formally closed and the agency issues a report.

Chrysler maintained throughout the trial that its lobbying effort wasn't aimed specifically at the minivan. "No sir. That absolutely did not happen," said Chrysler's chairman, Mr. Eaton. But the jury wasn't persuaded. "All of that just incriminated them so badly it wasn't funny," Ms. Jordan says. "I just think it was one more piece of the same puzzle. It was very damaging to them. On a scale of one to 10, it was about an eight."

And Mr. Eaton, she and two other jurors who were interviewed agreed, was a terrible witness. Appearing to some jurors as indifferent in his videotaped deposition, Mr. Eaton staunchly defended the old latches and the minivan's safety record. But Mr. Eaton testified that he didn't know why passenger-door safety standards were promulgated, had never reviewed NHTSA's materials regarding the Chrysler latch, didn't know about the Minivan Safety Team, was unaware of whether Chrysler had ever conducted minivan crash tests and had never looked at a latch.

"Every question he was asked, he answered, "I don't know. I don't remember. I can't recall," " Ms. Jordan says. "If you're going to be chairman of the board of a company you've got to know what's going on. None of us believed he didn't know what was going on."

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CBS

CBS Evening News

January 7, 1998

DAN RATHER, anchor:

Tonight's Eye on America digs deeper into a story we first reported last year about a record liability judgment for the death of a child in a Chrysler minivan. What was not widely known at the time and what CBS' Anthony Mason now reveals, is how far Chrysler had gone to head off a costly and embarrassing safety recall of its best-selling vehicle.

ANTHONY MASON reporting:

This is where Sergio Jimenez died in 1994. This is how the six-year-old South Carolina boy was killed. Sergio's parents say their Chrysler minivan was hit crossing the intersection. The rear gate popped open. Sergio was thrown out. His skull was crushed. The family sued Chrysler, claiming the rear-gate latch was defective.

Unidentified Man #1: The latch can ride up and over it.

MASON: In October, the Jimenezes won the biggest judgment ever against an automobile company--$262 1/2 million.

The Jimenez case also revealed this series of confidential Chrysler documents that made a lasting impression on the jury. Critics say the documents portray a corporate giant ready to pull out all the stops to protect its most profitable product, ready even to manipulate the government agency that was threatening to order a recall.

NHTSA, the National Highway Traffic Safety Administration, had already conducted its own crash tests on Chrysler minivans. Watch the result: On side impact, the rear latch failed, the passengers flew out.

Mr. PHIL RECHT (NHTSA Deputy Administrator): This problem led to over 135 separate incidents of ejection, approximately 90 injuries, close to 40 fatalities.

MASON: NHTSA warned Chrysler that preliminary tests on its '84 to '94 minivan latches showed, quote, "a safety defect that involves children." The alarm sounded at Chrysler. A government-ordered recall would threaten $2 billion a year in minivan profits. The company chairman, Robert Eaton, was warned in an internal memo: `If we want to use political pressure to try to squash a recall letter, we need to go now.'

(Excerpt from videotape)

Unidentified Man #2: Have you ever tried to squash an investigation?

Mr. ROBERT EATON (Chairman, Chrysler): No, sir.

(End of excerpt)

MASON: When Eaton testified on videotape in the Jimenez trial, he didn't remember the memo.

(Excerpt from videotape)

Mr. EATON: Nor--nor to my--to my knowledge, was there any activity whatsoever to squash a recall letter because obviously we didn't get a recall letter. It was...

Man #2: Because you squashed it.

Mr. EATON: Definitely not, sir.

(End of excerpt)

Ms. JOAN CLAYBROOK (Consumer Advocate): It's obvious that--that Chrysler will do anything to stop this recall.

MASON: Joan Claybrook is a former head of NHTSA.

Ms. CLAYBROOK: They're willing to use political pressure or--or anything else to figure out how to stop the Department of Transportation from requiring them to recall these minivans.

MASON: So Chrysler went to Capitol Hill. A month later, another minivan latch memo to Chairman Eaton reported, quote, "We've been working on a letter with Hill staff." In the margin, a handwritten note, `Hopefully, this won't leak.' But Eaton testified he had no idea what `Hill staff' meant.

(Excerpt from videotape)

Man #2: But--but you know that the Hill staff are people who work for congressmen and senators on the Hill, right?

Mr. EATON: Very likely, but it could be some man or woman by the name of Hill.

(End of excerpt)

MASON: In fact, it was Congressmen John Dingell and Mike Oxley, whose committee controlled NHTSA's pursestrings. Just as NHTSA was considering a Chrysler recall, the agency received this letter from the congressmen, pointedly challenging its recall policy. The letter questioned NHTSA's practice of making preliminary data public, rather than waiting for conclusive findings. Written with Chrysler's help, the letter never mentioned the latches. But the congressmen clearly intended to chill the minivan investigation, according to Joan Claybrook.

Ms. CLAYBROOK: Dingell and Oxley framed their letter as a policy matter, but everyone knows that it's all about the minivan. These members of Congress wanted to stop a recall on behalf of one of their constituents, Chrysler Motor Company.

MASON: The congressmen and Chrysler declined to be interviewed on camera. They insist the letter was only intended to address broad NHTSA policy and that they did nothing improper.

NHTSA deputy administrator Phil Recht, who received the letter, did agree to speak with us on camera.

Mr. RECHT: I did not view this letter as any attempt to affect the outcome of--of this case.

MASON: But you felt no pressure at all from that letter?

Mr. RECHT: It really had no impact on us.

Unidentified Man #3: Today we are announcing an unprecedented action.

MASON: Nevertheless, just two months after the congressmen wrote their letter, Chrysler and NHTSA cut a deal: No recall. Chrysler agreed to replace the old latches, but on its terms, with no admission of a defect or safety problem.

(Excerpt from videotape)

Mr. EATON: They didn't find a defect, because there isn't a defect.

Man #2: Because you talked them out of it--your company talked them out of it by saying to them, `We'll voluntarily fix it. The deal will be...'

Mr. EATON: No. No, sir.

Man #2: `...no recall by you and we'll fix it,' right?

Unidentified Man #4: Objection.

(End of excerpt)

MASON: Chrysler is appealing the landmark $262 million judgment. Meanwhile, 1 1/2 million Chrysler minivans with the old latches are still on the road. Despite 37 deaths and 40 pending lawsuits, Chrysler continues to insist those latches are safe. In New York, I'm Anthony Mason for Eye on America.

(Announcements)

DAN RATHER, anchor:

Our top stories tonight dealt with universal life-and-death issues in the Terry Nichols jury room and in the cloning laboratory. There is also news about our place in the universe. Scientists today report the best evidence yet a big black hole is the gravity anchor at the center of our own Milky Way galaxy. And they've found another black hole that spews tremendous energy drawn from a nearby star every 30 minutes. They call it Old Faithful. And to underscore humanity's need to know what's out there, NASA's new lunar exploring satellite was successfully launched last night and is now well on its way to try and sniff out moon minerals and hidden ponds of moon water, all part of our worlds tonight.

DAN RATHER, anchor:

That's the CBS EVENING NEWS. Here's Bryant Gumbel now with a preview of tonight's "Public Eye."

BRYANT GUMBEL (Host, "Public Eye"): Tonight on "Public Eye," we talk exclusively with Susie Coehlo, ex-wife of the late Sonny Bono; plus a Church of Scientology mystery. When a young woman died after 17 days in her church's care, her family sued for wrongful death. Now the church is fighting back. "Public Eye" tonight.

RATHER: For the CBS EVENING NEWS, Dan Rather reporting. Good night.

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Article View

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BUSINESS
Chrysler joins forces with Dingell in attempt to avoid minivan recall Firm, congressman argue U.S. can't request a recall without first proving that vehicles pose unreasonable' safety risk.
Bryan Gruley

02/01/95
The Detroit News
2DOT
Page E1

Detroit News Washington Bureau

Chrysler Corp., with the help of two key congressmen, is trying to throw an unusual legal obstacle in front of federal safety regulators who would like the automaker to recall four million minivans.

In a Jan. 20 letter to the National Highway Traffic Safety Administration, **Chrysler** lawyer Lewis Goldfarb argued that the administration cannot request a recall without first proving that the minivans pose an "unreasonable" safety risk.

Reps. John Dingell, D-Dearborn, and Michael Oxley, R-Ohio, made similar arguments in a Jan. 17 letter to NHTSA chief Ricardo Martinez.

Oxley is chairman and Dingell is the ranking minority member of a House panel that soon will be reviewing the agency's budget.

The letters, obtained by The Detroit News, question NHTSA's long-used tactic of sending a written request to a manufacturer for a recall before reaching a final determination that a vehicle is unsafe.

The request is designed to give an automaker a chance to show why a recall is unwarranted.

The manufacturer can decline the request _ as General Motors Corp. did in 1993 when NHTSA asked for a recall of its 1973-87 pickup trucks _ or agree to a voluntary recall.

Dingell's letter said a recall request unfairly and publicly casts the manufacturer in a negative light before NHTSA has completed its work.

"Several auto companies raised this concern" in the wake of the controversial GM truck case which was settled last December, a congressional aide said.

The pleas by the congressmen and **Chrysler** suggest the automaker is leaning toward resisting a recall of its 1984-94 minivans, which are alleged to have defective rear-door latches that allow passengers to be ejected in crashes.

Last month the automaker sharply criticized NHTSA in two letters alleging that: NHTSA conducted crash tests that, in **Chrysler** 's view, were designed specifically to make the rear latches fail. "We know that any minivan can be opened with a similar test," said Steve Harris, a **Chrysler** spokesman. NHTSA's statistical analyses are flawed because they do not include all vehicles with rear hatches, such as station wagons and sport utility vehicles.

Sources close to the investigation say NHTSA officials don't consider the crash test to be their most important evidence and that a recall may be in order, although a final decision has not been made.

Some **Chrysler** officials have privately urged that the automaker take steps to remedy the latches.

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VIA FAX - Page 1 of 5

REDACTED DOCUMENT

Date
January 18, 1995

To - Name & Department
Bob Eaton, Tom Denomme, Ron Boltz, François Castaing, Rob Liberatore, Bud Liebler

From - Name & Department
Al Slechter

Client Number
936-00-00

Subject: **MINIVAN LATCH CASE**

Attached is the letter to Rick Martinez which we have been working on with Hill staff. The final is signed by Mike Oxley and John Dingell. Several things should be noted:

- Tom Bliley was briefed on this subject by staff and, for whatever reasons, he decided to defer the signature to Mike Oxley. This can be read as the first example of the "Bliley process" and signals less attention by Bliley to our industry problems. A second reading, however, is that the relationship between Bliley and Oxley has been somewhat strained and that Bliley is deferring to Oxley's subcommittee jurisdiction.

- As you will see, the letter was substantially toughened by staff and we are aware that Dingell's staff was instrumental in further fleshing out the questions raised in the letter.

- As you may be aware, GM delayed their approval of this letter in the final stages of drafting. [redacted]

- It would not be surprising if, when GM sees the final product, they are exercised that we did not give full weight to their input. We have only so much influence on the specific content of this type of letter once it is put in the hands of the staff for final work.

- From my vantage point, it is a much improved and tougher product and will hopefully have a positive effect on our situation.

AJS/st

Eaton
EXHIBIT NO. 18
8-28-97
M. MOORE

RECEIVED
JAN 1 1995
A.

AL000273

U.S. House of Representatives
Committee on Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515-6115

January 17, 1995

Dr. Richard Martinez
Administrator
National Highway Traffic Safety Administration
Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Dear Dr. Martinez:

As you know, early this year the Commerce Committee will consider legislation to reauthorize the National Highway Traffic Safety Administration (NHTSA). As part of our review of the agency's activities we will be examining the process by which NHTSA carries out its statutory mandate to ensure motor vehicle safety.

In light of the Inspector General's (IG) November 30, 1994 report to Congress regarding the NHTSA investigation of General Motors' C/K trucks, we would like to examine a number of NHTSA procedures. One of the procedures, the request for voluntary recall, figures prominently in the IG's analysis of the propriety of the departments handling of the investigation. In addition to responding to the specific questions set forth below we ask that your office conduct a thorough review of the use of this informal procedure in light of some of the problems that emerged in the course of the GM investigation.

Our understanding is that the request for a voluntary recall is made by the Office of Defect Investigations (ODI) at the conclusion of an engineering analysis (EA) but before there has been any determination of a safety defect. The letter requesting voluntary recall, which is made public, states the reasons why ODI believes that there may be a safety related defect and informally requests the manufacturer to conduct a recall. If the manufacturer declines, a defect review panel then determines whether the matter should be closed or proceed to a formal defect investigation.

We are concerned with this voluntary recall process for several reasons. The request for voluntary recall, because it is made public, can have an adverse impact on the safety reputation of the product as well as the manufacturer. It can create anxiety among all vehicle owners regarding the safety of their vehicles. It forces the manufacturer to choose between conducting a costly recall prior to any finding of defect OR risking a public perception that the vehicles are unsafe, with the attendant bad press. The exploitation of this process by trial lawyers and others is also troublesome. Given the frequency of ODI's subsequent closing of the case after the manufacturer declines a recall request, the process can be seen in many cases as a coercive device used to impose requirements beyond the law.

General Motors' experience with the C/K truck suggests that there may be a category of investigations where the use of the voluntary recall letter is contrary to the statutory purposes of the Safety Act. In the GM case the IG found that the recall request was made prematurely because in February 1993 Department officials wanted to speed up an investigation began only two months earlier, thereby misleading the public regarding the safety of the GbI truck and causing great hardship to GM. To placate those officials, NHTSA, not the ODI, recommended in April 1993 that the Secretary authorize ODI to send a voluntary recall letter to GM and to require GM to provide a detailed justification if they refused to do so. ODI anticipated GM's response would be negative and that the explanation would provide additional information relevant to the investigation. That was a misuse of the process based on interference in the investigation by the Department. The harm was compounded when the Secretary announced an initial decision based, in part, on his apparent belief that the voluntary recall request by ODI was tantamount to a staff finding of defect.

While the GM case may be unique in certain respects, it clearly illustrates how a well-intentioned, informal procedure can be grossly misconstrued by the public and senior policy makers, with extremely harmful consequences to a manufacturer and its products. The misuse of such a procedure, it seems to us, does a disservice to the agency and its mission to ensure the safety of our highways.

In addition to your general review of the voluntary recall request we ask that you respond to the following questions:

(1) What is NHTSA's authority under the Motor Vehicle Safety Act for using this process?

(2) What procedures are in place to ensure uniform application of this process?

(a) Is a threshold level of evidence required before a letter may be sent?

(b) Are staff decisions to request voluntary recall reviewed at a higher level?

(3) In light of the GM case, is it reasonable for us to assume that these procedures are not binding on the ODI or NHTSA and that they can be ignored at the whim of Departmental officials? Clearly, the ODI Control Plan is only a guideline document.

(4) What is the frequency of case closings after a voluntary recall request is sent?

(5) At the time a request for voluntary recall is made, how close is the agency to an initial decision of defect of closure?

(6) Has NHTSA considered any alternatives to this process that would accomplish the same purpose but avoid unfairly disparaging a product and alarming its owners?

(7) Can this process be revised to avoid the kinds of problems documented in the GM case?

(8) In light of the IG's finding in the GM case that NHTSA felt pressured to issue a recall request letter prematurely, what safeguards do you plan to put in place to assure that recall request letters are not issued until an appropriate investigation has preceded the decision to send such a letter?

(9) The IG's report confirmed that the "recall request letter" is a misunderstood device, and that even the Secretary of Transportation misconstrued the importance of the letter, erroneously believing it to reflect a definitive agency position. Given this confusion about the meaning and import of a "recall request letter," is it now appropriate to revisit the process by which it is decided to send a letter? In particular, what are the advantages and disadvantages of delaying the issuance of any such recall request until after the evidence in the investigation has been thoroughly reviewed by the Associate Administrator for Enforcement and the Defect Review Panel?

(10) It seems that a recall request letter resembles a settlement proposal, in which the agency staff suggests that its concerns about a matter could be resolved if the targeted company agrees to take a particular action, in this case a voluntary recall. Other law enforcement agencies under the jurisdiction of this Committee, such as the Consumer Product Safety Commission and the Federal Trade Commission, consider their comparable procedures to be confidential settlement discussions, and do not place records pertaining to such discussions on the public record. What is the rationale behind NHTSA's practice of preparing written "recall request letters" and placing them in the public record, rather than treating such staff requests as confidential settlement proposals? Why shouldn't NHTSA consider a "recall request" to be a confidential settlement proposal between the agency and the regulated party?

(11) At what stages of an investigation is information made public by NHTSA or ODI prior to any determination of defect? What is the origin of this policy? Is this a sound practice when an investigation may not be sufficiently complete to determine a defect?

(12) Does NHTSA have the legal authority to revise its defect investigation procedures in order to treat "recall requests" as confidential settlement proposals?

(13) In light of the GM experience, what actions are you taking or planning to take to improve the integrity of the investigative process as contemplated by the regulations and the precedents so that ODI experts can conduct investigations in a timely and fair manner without unnecessary interference from Departmental officials?

We appreciate your attention to this matter, and respectfully request your response within 10 business days. We presume that now that the GM case is closed, your recusal will no longer preclude you from responding to these matters. If that is not the case, please explain why and have the Deputy Administrator respond.

Sincerely,

Michael G. Oxley
Chairman
Subcommittee on Commerce, Trade and Hazardous Materials
Committee on Commerce

John D. Dingell
Ranking Democratic Member
Committee on Commerce

TAB

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In The Matter Of:

Paul V. Sheridan v.
Chrysler Corporation, et al

CLARENCE V. DITLOW
March 25, 1998

Beta Reporting
910 17th Street, N.W.
Suite 200
Washington, DC 20006
(202) 638-2400 or (800) 522-2382

Original File AADITLOW.TXT, 194 Pages
Min-U-Script® File ID: 1513910738

Word Index included with this Min-U-Script®

[6] **Q:** What is Exhibit 10?

[7] **A:** Looks like a transcript of a [8] program called "A Current Affair" on [9] September 20, 1995, and the subject of the [10] story is "Chrysler Minivan Hotline Story."

[11] **Q:** Are you a person who is quoted in [12] that particular presentation by "A Current [13] Affair"?

[14] **A:** Yes, I am.

[15] **Q:** And what is it that you indicated [16] on that program?

[17] **A:** That the Chrysler rear door latch [18] is one of the most lethal defects that we've [19] seen in auto safety history.

[20] **Q:** Have you ever been sued by Chrysler [21] for having made that statement, sir?

[22] **A:** No.

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[1] **Q:** Let me show you what's been marked [2] as Exhibit No. 11 and ask if you can identify [3] that.

[4] **A:** Yes. This is a letter from [5] Congressmen Dingell and Oxley to Dr. Richard [6] Martinez. It says Richard Martinez, but it's [7] actually Ricardo Martinez. He's the [8] administrator of the National Highway Traffic [9] Safety Administration.

[10] **Q:** Is that the letter you were [11] referring to earlier on the record that comes [12] from Exhibit 1 and was part of the effort by [13] Chrysler to use the federal Congress to [14] pressure NHTSA with respect to the recall?

[15] **MR. KIENBAUM:** Objection. Lack of [16] foundation.

[17] **THE WITNESS:** Yes. This letter is [18] written to be generic about questioning the [19] tactic of the agency of asking for a [20] voluntary recall request. And it was in no [21] uncertain terms taken to mean that they're [22] referring to the agency about the issue of

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[1] voluntary recall request for the Chrysler [2] minivan latch.

[3] **BY MR. MORGAN:**

[4] **Q:** Why do you say that?

[5] **A:** Because that was the hottest [6] investigation down there. The staff of the [7] agency were about to issue such a voluntary [8] recall request.

[9] **Q:** Do you have a source of information [10] at NHTSA for that testimony?

[11] **A:** Yes.

[12] **Q:** Was your answer yes?

[13] **A:** Yes.

[14] **Q:** Can you identify that person?

[15] **A:** No.

[16] **MR. MORGAN:** Mr. Ditlow, then I [17] have no further questions.

[18] **THE WITNESS:** Wait. I want to make [19] sure that I answered your question correctly. [20] You asked me can I or would I?

[21] **MR. MORGAN:** I did ask you "Can [22] you." The portent of my question is " Would

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[1] you."

[2] **THE WITNESS:** I can, but I won't.

[3] **FURTHER EXAMINATION BY COUNSEL FOR**

[4] **DEFENDANTS/PLAINTIFF CHRYSLER CORPORATION**

[5] **BY MR. KIENBAUM:**

[6] **Q:** Going back to that last question [7] and answer, Mr. Ditlow, tells me that what [8] you were talking about just before then was [9] based on something someone else has said to [10] you, but you're not prepared to identify the [11] speaker; is that correct?

[12] **A:** Yes.

[13] **Q:** In light of the fact that you have [14] acknowledged that you have never designed, [15] have never tested a latch, and don't consider [16] yourself an expert on latches, what is the [17] basis of the opinion about latches being the [18] most lethal defect, as you've testified, you [19] believe?

[20] **MR. MORGAN:** Objection to the form [21] and foundation. Go ahead.

[22] **THE WITNESS:** The National Traffic

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[1] and Motor Vehicle Safety Act of 1966 does not [2] require the agency to identify the failure [3] mode for a safety defect, just that there be [4] a substantial number of failures in use.

[5] The basis for my statement is that [6] the average safety recall, and the [7] government's conducted over 3,000 to date, [8] involves no deaths and no injuries. And for [9] a defect to have 41 deaths, let alone — you [10] know, 1 death, let alone 41, is an incredibly [11] high number.

[12] So that's why I say it's one of the [13] most lethal. If one goes down the history of [14] defects before the Department of [15] Transportation, I can only think of two [16] others that are higher, one of which is the [17] Ford transmissions that jumped from park to [18] reverse, and the other is the side-saddle gas [19] tanks.

[20] **BY MR. KIENBAUM:**

[21] **Q:** Well, my question, really, [22] Mr. Ditlow, is that part that got into your

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[1] answer, and that is the word "defect." [2] What's the basis of your opinion that the [3] latch was defective or is defective?

[4] **A:** The basis for my opinion is that [5] the latches on the Chrysler minivans were [6] failing. The hatches were popping open, and [7] occupants were popping out. And we had had [8] 41 deaths associated with the hatches coming [9] open in Chrysler minivans.

[10] And it's not important as to what [11] the particular failure mode is, just that [12] they're failing. And when one compared the [13] Chrysler hatches to the other minivan [14] hatches, the other ones weren't popping open [15] like the Chryslers.

[16] **Q:** Anything else that you base your [17] opinion on, other than what you've just [18] stated?

[19] **A:** Well, 25 years of experience of [20] working before the National Highway Traffic [21] Safety Administration and members of Congress [22] on this legislation and these recall

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[1] programs.

[2] **Q:** I don't understand that. What does [3] that add to the opinion concerning whether or [4] not a particular latch is defective or not?

[5] **A:** Well, you're asking basis for my [6] opinion, and the Center for Auto Safety has [7] filed more petitions and gotten more recalls [8] on safety defects than any other entity, you [9] know, outside of the National Highway Traffic [10] Safety Administration.

[11] **Q:** And when you file petitions, that [12] means you're advocating a certain cause of [13] action?

[14] **A:** That's right.

[15] **Q:** But that just again restates the [16] fact that you or your organization may have [17] an opinion, and I'm still getting back to the [18] basis of the opinion.

[19] **A:** The basis for the opinion is my [20] experience with the legislation, and looking [21] at — I mean, I personally have looked at the [22] investigatory files and the files of recalls.

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[1] I mean, I can say to you today that I've [2] looked at over 2,000 investigations and [3] recalls, and I know what goes into the [4] determination by the agency.

[5] And the statutory language is that [6] there be a defect affecting motor vehicle [7] safety, which is the possibility of death or [8] injury in a motor vehicle accident. And [9] there have been seven cases litigated [10] involving motor vehicle safety defects, and [11] when you look at these cases before the [12] courts, they have — for example, the [13] Chrysler —

not the Chrysler, but the [14] Cadillac Pittman arm, there was no deaths, no [15] injuries, and Cadillac's whole defense was it [16] was only in low-speed accidents where the [17] Pittman arm fails.

[18] Firestone recalled 21 million tires [19] for a defect out for which they never figured [20] out what the failure mode was; it's just that [21] the steel belt within the steel-belted radial [22] separated.

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[1] **Q:** Have you given me all information [2] now that you believe you have for the [3] formulation of that opinion you have stated [4] with respect to the quality or lack of [5] quality of the latch that we've been talking [6] about?

[7] **A:** Well, I also believe that if the [8] other — you know, the paper that would go [9] into that position would be, just look at the [10] investigative report of which they closed the [11] investigation.

[12] And this was a decision that was [13] pressured on the agency by Chrysler [14] Corporation, but that investigative report [15] goes into the comparative strengths of the [16] Chrysler latch versus other latches, what [17] happens in the crash tests. And on the [18] facts, it's right; on the decision, it's [19] wrong.

[20] **Q:** Your opinion is that NHTSA was [21] wrong in its conclusions?

[22] **A:** My opinion is that NHTSA's

Page 168

[1] evaluation of the facts was correct, but [2] NHTSA's decision to allow a service campaign [3] versus a safety recall was a disservice to [4] the American public and to Chrysler [5] Corporation.

[6] **Q:** And what is the basis of your [7] opinion that NHTSA was wrong in that regard?

[8] **A:** Because when you look at the facts [9] of the case, there should have been a safety [10] recall.

[11] **Q:** Do you know anything about the [12] underlying facts of any given accident: In [13] other words, vehicle speed, the angle of the [14] hit, that kind of thing?

[15] **A:** When one looks at the individual [16] facts of the individual cases, no.

[17] **Q:** Do you know anything about the [18] numbers of minivans that may be on the road [19] today compared to other minivans?

[20] **A:** I mean, I'm not sure what the [21] population of the other minivans is, but [22] certainly, Chrysler's minivans are about 4

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[1] million, the '84 through '95s.

[2] **MR. KIENBAUM:** Counsel, I gather [3] your earlier instruction with respect to the [4] question of work between the Center for Auto [5] Safety and plaintiffs' lawyers would still [6] hold, and you would prohibit me from [7] inquiring into that area?

[8] **MS. MATZZIE:** Right. There's two [9] answers. One, we asked for a stipulation and [10] you refused. And the second is, you went [11] into a line of questioning concerning whether [12] or not the Center for Auto Safety works with [13] plaintiffs' lawyers, and he's already [14] answered that.

[15] **MR. KIENBAUM:** You mean, amicus [16] briefs, that kind of thing?

[17] **MR. VLADECK:** No.

[18] **MR. KIENBAUM:** Does that mean the [19] issue's now open and moot, and I can ask the [20] question whether the statement —

[21] **MR. VLADECK:** No.

[22] **MR. KIENBAUM:** — can be answered

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[1] or not? Or is that instruction still —

[2] **MS. MATZZIE:** It's been answered. [3] We've been over a few grounds several times. [4] There's nothing added from this sentence.

[5] **MR. KIENBAUM:** All right. Well, [6] let me ask the witness.

[7] **BY MR. KIENBAUM:**

[8] **Q:** Does the Center for Auto Safety [9] assist plaintiffs' personal injury lawyers in [10] issues related to safety?

[11] **A:** No.

[12] **MS. MATZZIE:** Objection. It's [13] asked and answered.

[14] **THE WITNESS:** May I answer it?

[15] **MS. MATZZIE:** Yes, you may answer [16] it.

[17] **THE WITNESS:** No. We do assist [18] plaintiffs' lawyers in product liability [19] lawsuits.

[20] **BY MR. KIENBAUM:**

[21] **Q:** Do you have communications with any [22] plaintiffs' personal injury lawyers as the

Page 171

[1] Center for Automotive Safety?

[2] **MR. MORGAN:** Objection to the [3] foundation.

[4] **THE WITNESS:** Well, just like the [5] Society of Automotive Engineers, we have [6] publications which attorneys buy, both [7] plaintiffs' and defense attorneys.

[8] **BY MR. KIENBAUM:**

[9] **Q:** Have you ever communicated with the [10] organization known as the American Trial [11] Lawyers Association?

[12] **MS. MATZZIE:** Objection. Relevance [13] to this case.

[14] **THE WITNESS:** I have done an [15] interview for one reporter from the American [16] Trial Lawyers Association, just as I did an [17] interview for this intelligentsia which you [18] presented me with.

[19] **BY MR. KIENBAUM:**

[20] **Q:** And that's the only communication [21] you've had with them as an organization?

[22] **A:** Since I have been the director of

Page 172

[1] the Center for Auto Safety, I don't — I [2] mean, I occasionally get calls from the [3] American Trial Lawyers Association reporters [4] about proceedings before the National Highway [5] Traffic Safety Administration.

[6] But beyond that, I'm not aware of [7] anything that we do.

[8] **Q:** The question is, really, are there [9] communications between the Center for Auto [10] Safety and the American Trial Lawyers [11] Association?

[12] **A:** Are there communications?

[13] **Q:** Yes, sir.

[14] **A:** Well, I once went to a Roscoe Pound [15] Forum which I think ATLA sponsored, and I [16] suggested that instead of punitive damages, [17] we have criminal penalties for manufacturers [18] that produced those hazardous products. And [19] neither the manufacturers nor the trial [20] lawyers liked it, but I thought it was a [21] pretty good suggestion.

[22] **Q:** And that's the only communication

Page 173

[1] the Center for Auto Safety has had with [2] American Trial Lawyers Association?

[3] **A:** Since I have become the director — [4] I mean, you have to put some time limit on [5] this. I'm not knowledgeable of what happened [6] before I became the director for the Center [7] for Auto Safety.

[8] In the case of the GM side-saddle [9] pickups, we asked the Association of Trial [10] Lawyers of America to give us records on any [11] case in which they were aware in which a GM [12] gas tank resulted in a lawsuit. And we got [13] that information from them.

[14] **Q:** And your statement is that you [15] never receive requests for assistance from [16] plaintiffs' lawyers in connection with [17] litigation that may be pending at the time?

[18] **MS. MATZZIE:** Objection. [19] Relevance.

[20] **THE WITNESS:** There's a difference

TAB

16

Jimenez, et al. vs. Chrysler

Robert J. Eaton

August 28, 1997

Page 103

the assumption that we will eventually be requested to do a recall."
Q Thank you.
A That's a totally different statement than what we were just talking about, our operating under the assumption.
Q You were assuming -- I tried to use his words in my prior questions but you were assuming back in December of 19 -- strike that.
In December of '94, you were continuing to operate under the assumption that you would eventually be requested to do a recall, correct?
A That's what this says and there's no question that's one of the situations that we were dealing with, but there was also --
Q And did you think about -- strike that.
But if you thought you were going to have to at some point do a recall, did it occur to you that perhaps you should be letting consumers know sooner rather than later that there may be a problem with their car?
A There was no defect. You must understand that. There wasn't any, there isn't any. There was nothing to notify.
Q And, well, NHTSA was going to find a defect if

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you didn't strike a deal with them, right?
A Absolutely not. 3:44:40
Q Okay. Let me show you Exhibit 21. The title of the document is Minivan Latch Issue Proposed Agreement with NHTSA. Do you see that?
A Yes, sir, I do.
Q In paragraph one, you all got NHTSA to agree that they would deny all Freedom of Information Act requests to place their investigative files including the crash test video in the public record and that the Justice Department would defend any lawsuits seeking to compel production under the Freedom of Information Act; is that correct?
[redacted]
A FOIA. 3:46:00
Q Freedom of Information Act.
A Okay.
Q In other words, you all got NHTSA to agree that they would keep or fight the public in finding out what their crash test video showed, correct?

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[redacted]
THE WITNESS: That was while the investigation was going on, I assume. Obviously they were ultimately released, so there wasn't -- you know, I don't know.
Q They were released. I think there was a lawsuit to get them, but in any event, are you aware of any deals being struck with NHTSA?
A I do recall -- no, I'm not. I clearly remember that we were continually -- this investigation was hampered by leaks in various sensationalism in the press -- sensationalist press and we wanted all the facts to get out there and obviously all the data so that a proper conclusion could be made, and there isn't any doubt that we would not want to see pieces of the information get out until the investigation was complete, but I'm not familiar with, you know, exactly what happened.
Q Well, this is at the time the investigation was 3:47:33 effectively complete, wasn't it?
[redacted]
A. [redacted]: What is the date?

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Q [redacted] Well, if you look at the attached document, it's dated March 3, 1995?
[redacted]
Q (BY MR. GERSTEIN): Okay. Well, look at No. 2, paragraph two. Do you see where it says, "NHTSA has agreed that a Chrysler service campaign

Page 107

would fully satisfy all their concerns?"
A Yes.
Q [redacted]
[redacted] 49:11
Do you see where it says, "NHTSA has agreed that a Chrysler service action would fully satisfy all their concerns and they would give full public support to such an effort?"
A Yes, sir, I do.
Q Do you see where it says, "The critical elements that differentiate the service action from a recall (mostly reflected in the" -- attached --

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"the two attached letters) are as follows." Do you see that?
A Yes.
Q And then it says, "No admission of defect or safety problem." Do you see that? Do you see where it says, "Stated purpose of the campaign - to ensure piece of mind in light of media coverage?"
A I can assure you that was exactly what the safety action was all about.
[redacted]
Q (BY MR. GERSTEIN): Did you ever see this document?
A No, sir, I don't believe so.
Q [redacted]
Were you consulted by executives in your

CHRYSLER CORPORATION

Robert J Eaton
Chairman of the Board
Chief Executive Officer

March 30, 1995

SERGIO

The Honorable John D. Dingell
House Commerce Committee
2125 Rayburn House Office Building
U. S. House of Representatives
Washington, DC 20515

Dear Congressman Dingell:

I want to thank you for your personal involvement on behalf of Chrysler and other auto manufacturers regarding the NHTSA defect investigation process. I believe your oversight of NHTSA has played a significant role in causing NHTSA to alter its mindset as well as its processes in its handling of complex safety investigations. We at Chrysler intend to continue to speak out on this issue and hope you will continue your probing for an improved investigatory process.

I also want to provide you some insight on our recent decision on the minivan latch issue. As you are no doubt aware, with great reluctance we decided on March 27 to initiate a service campaign for our minivan owners, offering them a replacement rear door latch for model years 1984 through 1994. This decision was based solely on our determination that Chrysler minivan owners had become so misled by outrageous media sensationalism of this issue that further delay in adjudicating this investigation with NHTSA would be harmful to the company. It became necessary to put customer concerns first over our absolute insistence that no safety issue actually exists.

I have never doubted that NHTSA's evaluation of the facts in this matter would eventually conclude in their closing the case without an adverse finding. But to reach that conclusion would take many more months during which our exposure to continuing media barrages would not be abated.

It is regrettable that the NHTSA investigative process is wholly deficient in protecting the rights and reputations of manufacturers where there are: (1) large numbers of vehicles involved; (2) complicated technical issues; and (3) post facto and subjective determinations by NHTSA of on-road crashworthiness safety performance. I want to assure you that Chrysler will work diligently for changes to bring fairness to this system. I hope you will continue your invaluable oversight efforts to that end.

Thank you again for your support.

Sincerely,

Eaton
EXHIBIT NO. 25
8-28-97
M. MOORE

Chrysler Corporation
12000 Chrysler Drive

CHRYSLER CORPORATION

Robert J Eaton
Chairman of the Board
Chief Executive Officer

March 30, 1995

SERGIO

The Honorable Michael G. Oxley
Chairman-Subcommittee on Commerce,
Trade and Hazardous Materials
House Commerce Committee
2125 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I want to thank you for your personal involvement on behalf of Chrysler and other auto manufacturers regarding the NHTSA defect investigation process. I believe your oversight of NHTSA has played a significant role in causing NHTSA to alter its mindset as well as its processes in its handling of complex safety investigations. We at Chrysler intend to continue to speak out on this issue and hope you will continue your probing for an improved investigatory process.

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Thank you again for your support.

Sincerely,

Eaton
EXHIBIT NO. 26
8-28-97
MOORE

Chrysler Corporation
[illegible] Chrysler Drive

T. G. DENOMME

December 13, 1994

R. J. Eaton
R. A. Lutz
R. R. Boltz
F. J. Castaing
T. R. Cunningham
D. E. Dawkins
L. H. Goldfarb
S. J. Harris
T. J. Kowaleski
A. C. Liebler
C. P. Theodore
G. C. Valade

Attached is the agenda for the Minivan Latch meeting scheduled for 3 p.m. today in the Keller Building Conference Room A.

T. G. Denomme

/bw

Eaton
EXHIBIT NO. 15
8-28-97
M. MOORE

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To KOWALESKI	From DENOMME
Co.	Co.
Dept.	Phone #
Fax # 8-776-7947	Fax #

MINIVAN LATCH ISSUES
AGENDA

DECEMBER 13, 1994

Topic	Discussion Leader	Time
• Opening Comments	Denomme	5 minutes
• Update Since Last Meeting	Dawkins/Goldfarb	10 minutes
• Report on Latch Status for Field Campaign	Theodore	10 minutes
[redacted]	[redacted]	[redacted]
• Review of Communications Plans for a NHTSA Confrontation	Liebler	30 minutes
• Review of Focus Group Research	Liebler	10 minutes
• Discussion of Combined Offer to Replace/ Confrontation Strategy	Denomme	10 minutes
• Political Strategy	Liberatore	10 minutes
• Business Decision	Group	20 minutes
		1 hour, 50 minutes

12/13/94

T. G. DENOMME

December 9, 1994

R. J. Eaton
R. A. Lutz

Re Point #1 ... we've been talking to The Detroit News today re holding their latch story. Bud has worked out an arrangement whereby they will not run the story this weekend and we will agree to give them a one-day lead if we decide to do a customer-friendly action only (a voluntary recall).

If we decide to take on NHTSA, they understand that we will need to involve all media in that decision.

It should be noted, however, that if there are more leaks, or someone else breaks this story, then the News will go with theirs.

TGD:bw

Eaton
EXHIBIT NO. 14
8-28-97
M. MOORE

T. G. DENOMME

December 9, 1994

R. J. Eaton
R. A. Lutz

MINIVAN LATCH MEETING

A preview of next Tuesday's meeting:

1. Bad News ... Yesterday we received a call from Bryan Gruley (Detroit News Washington Bureau) who told us he and Bill Vlasic are working on a story for this weekend on the "raging debate within Chrysler on whether to recall the vans or take on NHTSA". This story, which may go on the Gannett wire (USA Today) will generate customer and dealer concerns, and could force NHTSA to dig in. Don't know the source, but the fact that their Washington Bureau got on it suggests either a NHTSA or a Consumer Advocacy source.

2. NHTSA Situation ... There was little discussion on our technical presentation last Monday. The consensus is that the new data we presented has bought us a little time ... there will probably be another technical session to discuss NHTSA's reaction to our data ... but it's unlikely we have changed their minds. Accordingly, we will continue to operate under the assumption that we will eventually be requested to do a recall.

3. Latch Fix ... Chris Theodore will update us. Because we have chosen not to contact external suppliers, our cost/timing estimates are very rough. But Chris will likely report that we could have some quantity of latches available for '91 to '94 models by early spring, and the new latch for the pre-'91 models in about nine months. I do not know where we stand on costs.

4. Take On NHTSA Strategy ... Tom Kowaleski will take us through a "script" for a media conference laying out our case. Bud Liebler will review the ads developed in conjunction with a decision to fight a recall. We will also review dealer/customer communication materials.

5. Research ... We are doing some focus group testing of the take-on-NHTSA approach. No one has seen the results yet, but early indicators are that customers "tune out" statistical arguments about accidents, fatalities, latch pull tests, etc., and focus on "what's Chrysler going to do to address customer concerns". There is no doubt that Chrysler has a special image and relationship with minivan customers when it comes to safety.

6. A Third Approach ... In addition to the voluntary recall path and the take-on-NHTSA path, a third path melding elements of a voluntary recall and a take-on-NHTSA approach will be discussed. Essentially, we would seize the high ground by going out with an offer to replace the latch for any of our owners who request a replacement (note this wording ... it is much softer and less urgent than the language NHTSA insists on under their recall procedure) and, at the same time, tell NHTSA to "pound sand". The obvious benefit of this approach is that we address our customer concerns without admitting to a defect (because there is no defect) and simultaneously engage NHTSA in the fight over principle.

[redacted] I should also point out that we have several other important cases under investigation by NHTSA, including minivan brakes, that we need to keep in mind before we engage them in a fight.

7. [redacted]

8. Recommendations ... There continues to be a divided house on what we should do once we know that NHTSA will send us a letter.

   - Sales/Marketing ... Wants us to address customer/dealer concerns and prefers a voluntary field campaign to a public fight on principle.
   - Public Relations ... Agrees with Sales.
   - Engineering ... Prefers we take on NHTSA.
   - Regulatory Affairs ... Prefers we take on NHTSA (but is supportive of the third alternative described in point #5).
   - [redacted]
   - Washington Office ... [redacted] but also sees some advantages to the third alternative.

9. Final Point ... Rob Liberatore makes the point that, regardless of what course of action we take, we should mount an aggressive effort in Washington to prevent the adverse use of bureaucratic power within NHTSA, specifically their funding from Congress, the process which allows NHTSA to design tests for the public record that play to the media and trial lawyers before ruling on a defect, the lack of objective criteria in determining whether a recall request is to be made, and the very fact that they can request a recall before establishing that a defect exists. I could not agree more.

If we want to use political pressure to try to squash a recall letter, we need to go now. We cannot expect to be successful if we don't activate until we are officially notified that a letter is coming. Of course, the risk of early action is that it may preclude NHTSA from exercising a close-the-case option.

T. G. Denomme

TGD:bw

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VOL. 13, NO. 9 | OAKLAND COUNTY'S AUTO INDUSTRY AND BUSINESS NEWSPAPER | MARCH 6, 1995

CUSTOM FIT

The Detroit Transportation Club hosted a U.S. Customs Service Special Agent at their February luncheon — he spoke on customs fraud, its application to shippers and the responsibilities of all parties involved.

See CUSTOMS, page 2 ➤

DEALERSHIP LOYALTY

Along with improved customer satisfaction, that's what Chevrolet is trying to promote with its new Career Builders program that honors salespeople who stay at dealerships for more than three years.

See CHEVROLET, page 6 ➤

MOTOWN HOEDOWN

The Motown Museum hosted its annual fund-raising dinner and dance last week to help with renovation of the old Hitsville USA studio on West Grand Boulevard in Detroit's New Center Area.

See PARTY, page 6 ➤

CLEAN AND CLEAR

Orbital Engine Co. has long said it would provide automakers with an alternative to the four-stroke engine with its two-stroke, however, U.S. emissions standards have stood in the way of the in-

EATON ATTACKS FEDERAL REGULATIONS

By Scott Roush
Staff Writer

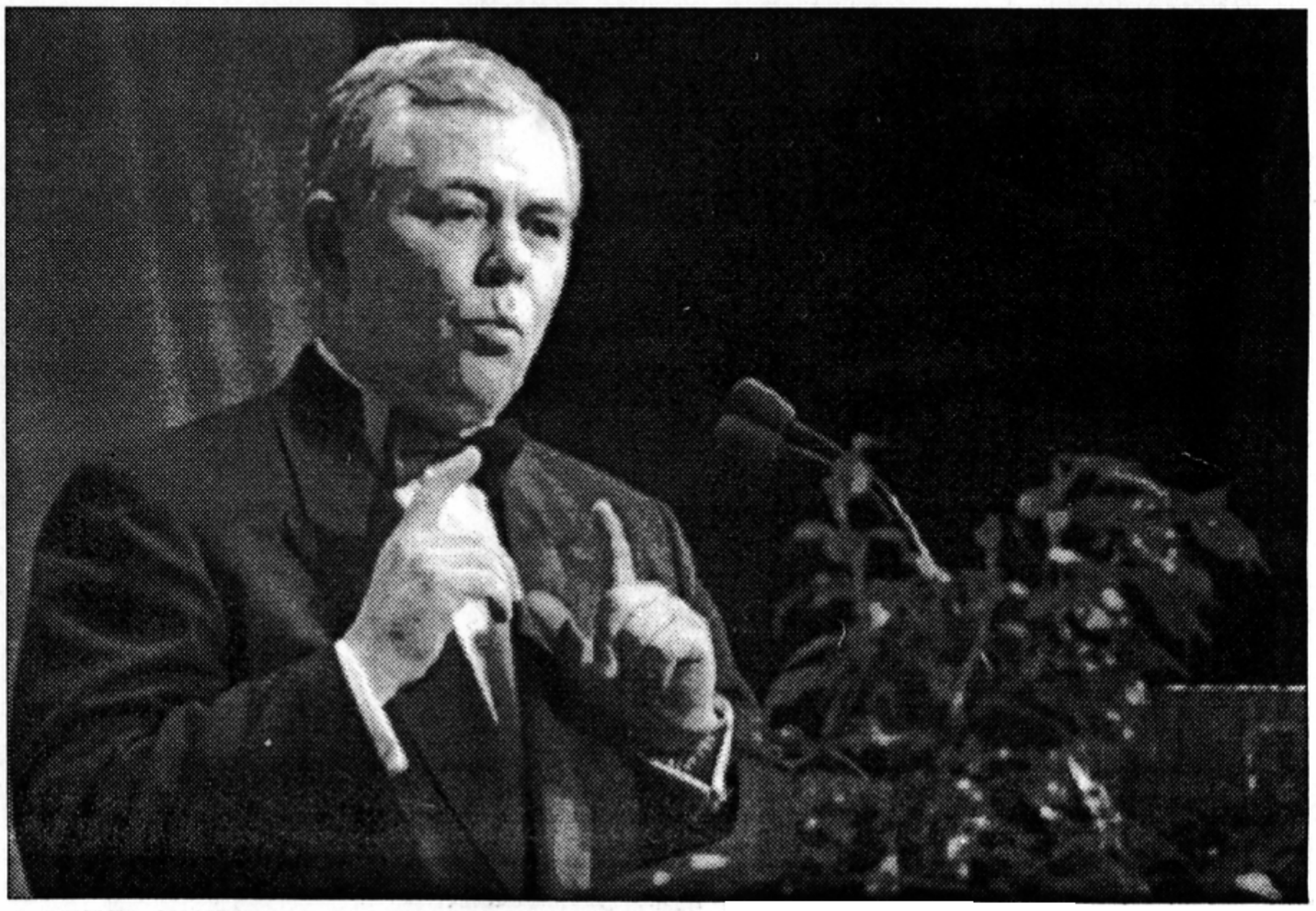
Chrysler Corp.'s Chairman Robert Eaton wrapped up the 1995 SAE International Congress and Expo with a speech that criticized the federal government for regulations stifling the growth of the auto industry.

From voluntary recalls and workplace streamlining to the average cost of today's vehicle, Eaton questioned the government's role in regulating business during his "Engineering for Value" presentation.

But Eaton did approve of what some of the government is doing. The Chrysler boss praised House Speaker Newt Gingrich and other Republicans' attempts to reduce some of the bureaucracy in Washington through the "Contract with America."

Eaton discussed how the automotive industry has reduced its workforce since 1950 and how the federal government has failed to reduced its workforce over the same time period. This, according

See EATON, page 4 ➤



CHRYSLER CHAIRMAN Robert Eaton's speech at the SAE Congress and Expo banquet at Cobo Center was critical of the number of industry regulations coming from Washington.

science and technology on March 6 from noon -1 p.m. Call (810) 370-3574.

QUALITY WORKSHOPS A nine-week workshop, Improving Productivity Through Statistical Quality Control, starts March 20, from 6 -9 p.m. at Oakland University. Another workshop at OU, Improving Customer Satisfaction Through Process Control and Quality Planning, starts March 21 from 6 -9 p.m. Call (810) 370-3120.

"LOVE LETTERS" St. Dunstan's Guild of Cranbrook presents "Love Letters" by A. R. Gurney March 10, 11, 17 and 18. This performance piece delivers letters exchanged over a lifetime between two people who grew up together, went their separate ways but continued to share confidences. The show starts at 8 p.m. in St. Dunstan's Playhouse in Bloomfield Hills. Call (810) 644-0527.

VOLUNTEERS NEEDED The Oakland County Retired and Senior Volunteer Program (RSVP) seeks volunteers 55 years and older to become involved with community agencies who need assistance. Varied opportunities are available at schools, hospitals, libraries, human service agencies, and cultural institutions throughout Oakland County. Contact Linda Kaniewski at (810) 333-3716 ext. 115.

CHILD SAFETY "Northwest Troy Partnership Talks Safety" will be presented March 8, 7 -9 p.m. at Hamilton Elementary School on Northfield Parkway in Troy. Presentations by members of the Troy Police Department will include: home security, bike safety, how to use your police department, K-9 officers, child safety and personal safety. Admission is free. Call (810) 740-0431.

MUSICAL CELEBRATION Inspired by stories from and about the AIDS Memorial Quilt, "Quilt, A Musical Celebration" fills the theater with images of laughing, living, leave-taking and love. The show takes the stage March 10 and runs for three consecutive weekends. Cal (810) 370-3013.

CANCER PROGRAM Crittenton Hospital in Rochester and the American Cancer Society are sponsoring a four-week "I Can Cope" program that began Feb. 22 and continues for four consecutive weeks. "I Can Cope" will be

tax strategies. Featured speakers include Peter Bewrchy, Richard Falck and Davis Senatore, financial consultants. The seminars will take place at the Columbia Center in Troy across from the Troy Marriott. Call (810) 227-1931.

"ROYAL TOMBS OF SIPAN" This heralded exhibit will be on display at the Detroit Institute of Arts from now through April 30. Tomb robbers unearthed treasures from a pyramid near Sipan, Peru, and flooded the international art market with gold and silver artifacts. The exhibit features exquisite gold and silver jewelry, semi-precious stones and other artifacts excavated from the richest tombs ever explored in the Americas. Call (313) 833-2323.

BIRDS OF PREY Join an expert ornithologist for a talk featuring live Michigan wildlife March 14, 7 -8 p.m., at Edsel and Eleanor Ford House. Special guests could include a Barn Owl, Red-tailed Hawk and American Eagle, among others. Suitable for adults and children 6 and older. Admission is $3. Call (313) 884-4222.

AUTOMOTIVE MAGNESIUM The International Magnesium Association is sponsoring an educational seminar on magnesium in automotive applications, Apr. 4, 8 a.m. -4 p.m., at Laurel Manor, 39000 Schoolcraft in Livonia. There is no charge for attending the seminar. Form reservations call (703) 442-8888.

RAPID PROTOTYPING Register now for the Rapid Prototyping & Manufacturing '95 Conference and Exhibition, May 2 -4, at the Hyatt Regency in Dearborn. The event, sponsored by the Society of Manufacturing Engineers, will feature 60 exhibitors and 40 conference presentations. Keynote speaker is Mary L. Good, undersecretary of technology at the U.S. Department of Commerce. For more information call 1-800-733-4763.

MANAGING DIVERSITY The University of Michigan-Dearborn's Center for Corporate and Professional Development helps you update your managing skills. The CCPD will be offering a course on "Diversity: Awareness & Understanding" March 20 and 21, 8 a.m. -5 p.m. The cost for this interesting program is $536 per person. Call

Eaton Says Governmental Regulations Negatively Impact Industry's Progress

From page 1

to Eaton, just one way the auto industry has streamlined and the government hasn't.

In 1978, the auto industry was at its peak employment at 1 million workers. That same year the federal government employed 2.8 million civilians. "Today the automotive industry has reduced its workforce to 575,000," he said. "What happened to those 2.8 million federal employees in the meantime? They grew by 100,000 (almost the size of Chrysler Corp.)."

Eaton also talked about process. "We figured out a few years ago that managing the process makes a lot more sense than just trying to manage the outcome," he said. "That's how we cut our workforce so much and got so productive."

Eaton continued by saying that no industry is more heavily regulated than the auto industry. He added that because the industry is so visible, there is no better target when the government pursues a crusade like voluntary recall.

Voluntary recall is negative for the industry, Eaton said, because of the bad public relations that go with a product recall.

"If you do what the government asks you to do, in the eyes of the public you must have a faulty product," he said. He referred to the dispute General Motors had concerning its pickup trucks as a prime example of where the automaker faces a no-win situation in public opinion.

Chrysler might be in a similar situation with one of its vehicles. Reports have criticized the car company for flawed rear door latches on its best-selling minivans from 1985 -94.

"The cost and the risk of defying them are too great for many companies to even contemplate," Eaton said of the agencies who regulate the industry.

Regardless, today's auto workers are more productive than in the past because of better management according to Eaton. In 1978, the industry produced 13 vehicles per employee. This year that figure is 21 vehicles per employee.

"We can continue this process," Eaton said of the improved production.

The federal government announced that the average price of a 1995 vehicle rose to approximately $20,000. Eaton said the government failed to include incentives when it calculated those figures, but that number could soon be reached due to government regulations.

"The public mood is decidedly anti-Washington, and that means the appetite for more rules and regulations is just about gone," Eaton said.

The auto industry itself needs to improve the affordability of cars, but with governmental interference it will be difficult to promote "Engineering for Value" according to Eaton.

"The future profits have to come from the product instead of the customer," he said. "Costs have to be engineered out, and they have to come out without compromising product integrity."

"I like religious fanatics, Sims—especially when they worship me."

TAB

17

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

CHRYSLER CORPORATION, a Delaware corporation,

Plaintiff,

-vs-

No. 94-489177-CZ
Hon. David F. Breck

PAUL SHERIDAN,

Defendant./

The deposition of ROBERT A. LUTZ,

taken pursuant to the Michigan General Court Rules before Rose Ann Zaidan, a Notary Public in and for the County of Oakland, acting in the County of Washtenaw, State of Michigan, at 2101 Hubbard Drive, Ann Arbor, on Friday, June 4, 1998, commencing at or about the hour of 9:20 o'clock A. M.

APPEARANCES:

KIENBAUM, OPPERWALL, HARDY & PELTON, P.L.C.,
BY THOMAS G. KIENBAUM, ESQ., (P15945),
and ROBERT B. BROWN, ESQ., (P51378),
325 South Old Woodward Avenue, Birmingham, MI 48009, 248-645-0000, appearing on behalf of the Plaintiff.

MAZUR, AMLIN, MORGAN, MEYERS & KITTEL,
BY COURTNEY E. MORGAN, JR., ESQ., (P29137),
and MICHAEL S. MAZUR, ESQ., (P29137),
1490 First National Building, Detroit, MI 48226, 313-961-0130, appearing on behalf of the Defendant.

ALSO PRESENT: Paul Sheridan

- - -

Rose Ann Zaidan, CSR-2217, RPR

R. A. ZAIDAN & ASSOCIATES, INC.
248-643-4740

press, which is a notoriously unreliable source.

Q. (BY MR. MORGAN) Okay. Let me show you what I've marked as Exhibit 3 and ask if you can identify that.

MR. KIENBAUM: Let me just note that this appears to be a document under protective order in the Jimenez (JIM-e-nez) --

MR. BROWN: Jimenez (HIM-e-nez).

MR. KIENBAUM: -- Jimenez (HIM-e-nez) case and I have no idea what the resolution of the Court's protective order is, but, you know, I...

MR. MORGAN: The document has in fact been published by the press. It was shown on CBS news on January 7, 1998. I can assure you, Mr. Kienbaum, I am legitimately in possession of this document.

MR. KIENBAUM: I said nothing about your possession. I'm only suggesting that if the press does something, that it doesn't necessarily mean that we as lawyers should not still be considerate of the order, whatever it may have been. That's all the point I'm making.

Secondly, we are getting squarely obviously into the issue that's precluded by the Court's order, so I don't know where we're going, but I suspect you're going to ask the question.

Q. (BY MR. MORGAN) My question is are you familiar with the document, sir?

A. I believe I have seen this document before.

Q. Okay. Did you know that NHTSA and Chrysler had agreed to endeavor to prevent the public from having access to their investigative files regarding the minivan latch?

MR. KIENBAUM: Let's have that one back please, could we?

(Whereupon the record, as requested, was read by the reporter).

A. Well, that's -- I would not say yes to the question characterized that way.

Q. (BY MR. MORGAN) The first bullet point under Crash Test Video and Public Record states that NHTSA has agreed they will deny all FOIA requests to place their investigative files, including the crash test video, on the public record and that the Department of Justice will defend any lawsuits seeking to compel production under FOIA.

A. Yes, that paragraph is there.

Q. And is that paragraph accurate? Did Chrysler and NHTSA agree to do that?

A. That's what this says.

MR. KIENBAUM: Well, have you asked the witness --

Q. (BY MR. MORGAN) Do you think it's proper?

MR. KIENBAUM: Have you asked the witness whether or not he knows what this is, knows anything about it, or are you simply asking him to read the document?

MR. MORGAN: I believe the witness has indicated some familiarity the document.

Q. (BY MR. MORGAN) Am I correct, sir?

A. Yes, I believe I've seen the document before.

Q. And this was a document that was presented to you while you were the Chief Operating Officer at Chrysler?

A. Right.

Q. And a member of the Executive Committee, correct?

A. That's correct.

Q. And did you know -- you learned at that time, sir, that NHTSA and Chrysler had agreed to deny all FOIA requests to place their investigative files, including the crash test videos, on the public record?

A. That is correct.

Q. And that the Department of Justice, funded by the taxpayers, would defend lawsuits seeking to compel

production under FOIA?

A. Where does it say --

Q. (Interposing) All right. I'll remove that clause and people can make their own conclusions about who paid the Department of Justice lawyers to do what it is they're doing.

MR. KIENBAUM: You're asking the witness now whether that was what this paragraph says?

MR. MORGAN: No, I'm asking him to affirm the fact that that agreement did take place and the Department of Justice did undertake to do those things.

A. All I really recall is that we came to a satisfactory resolution with NHTSA on how we were going to handle the action that they wanted to see taken on minivans and coinciding that with what we felt to be our legitimate interests.

Q. The crash test video referred to in that paragraph, is that the one done by NHTSA, the crash test, on the minivan?

A. I assume, yeah.

Q. All right. That's the one where the dummies, or the rear liftgate is seen opening and dummies are seen exiting the vehicle through the rear hatch opening?

MR. KIENBAUM: Mr. Morgan, we're getting

TAB

18

Inter Company Correspondence

To—Name & Department	Telephone	Date
	776-2909	January 27, 1993

From—Name & Department		CIMS Number
Please See Below		
R. A. Winter	General Product Manager - Minivan Operations C.T.C.	482-08-02

Subject: **Minivan Safety Leadership Team (SLT)**

TO:
D.P. Bostwick
T.M. Creed
D.E. Dawkins
R.L. Franson
M.R. Levine
T.S. Moore
J.W. Rickert
P.M. Rosenfeld
S.T. Rushwin
F.I. Sanders
R.A. Sarotte
C.P. Theodore
S.A. Torok

Safety has been an important consideration among Minivan buyers, and Chrysler has enjoyed a leadership position with the implementation of driver's air bag and child seats. The competition has passed us in 1993 by meeting passenger car safety standards, but we will retake the lead in 1994 with passenger side air bags.

In order to maintain our leadership position in this segment we need to provide a vehicle that has the most important safety attributes, and to that end the Minivan Safety Leadership Team is being formed. The purpose of the team is to re-establish Chrysler's advertisable safety leadership position, with particular emphasis on the NS-Body. The general format will focus effort in the areas of "Accident Avoidance", "Accident Survival" and other security issues, and the team will avail itself to all sources of expertise/assistance.

Attached is the current membership listing. Your support/awareness of this activity will enhance the ability of the team in this extremely important task. Your comments are welcome.

R.A. Winter

/sem
RAW#8\sltmemo

Attachment

NS-BODY
SAFETY LEADERSHIP TEAM (SLT)

- **Background**
  - Through its aggressive implementation of the air bag, and other safety related features, Chrysler enjoyed an advertisable safety leadership position through the 1990/1991 timeframe.
  - Current and projected competitive activity in the area of safety will erode our leadership position to that of parity, especially in the minivan segment.
- **Purpose/Mission Statement**
  - Accurately assess our current and projected status in the area of safety, using the following as a basis for discussion:
    - ▹ 1995 AS-Body exit levels
    - ▹ Documentation/specification of regulatory compliance plans
  - Define specific additional requirements/actions to re-establish an <u>advertisable</u> leadership position.
  - Focus will be on the NS-Body and the minivan segment, but SLT activity will be formatted to be transferrable/accessible to other platforms.
  - Monitor safety innovations.
  - Monitor competitive activity.
  - Estabilish/monitor consumer acceptance.
- **Format**
  - It is proposed that the SLT examine the safety leadership issue in the context of the following categories:
    - ▹ Accident Avoidance
      - – ABS
      - – Traction Control/Enhancement
      - – Speed Dependent Steering
      - – Active Suspension
      - – Driver Information Enhancement

- **Format** (continued)

  - ▹ Accident Avoidance (continued)
    - – Exterior Lighting/Signaling
    - – Mirrors/Visibility
    - – Back-up Alert

  - ▹ Accident Survivability
    - – Air Bags (Active)
    - – Occupant Restraints (Passive and Active)
    - – Crash Management
    - – Crash Intrusion
    - – Bumper Integrity
    - – Side Impact
    - – Roof Crush
    - – Rollover
    - – Seat Back Strength
    - – Headrests
    - – Glass Retention

  - ▹ Other
    - – Anti-theft
    - – Security Systems
    - – Mechanical Reliability
    - – Communications
    - – Comfort (anti-fatigue)
    - – IVHS

- **Organization/Membership**

  - Minivan Operations (Chair)
  - Safety Office
  - Engineering
  - International Operations
  - Liberty
  - Marketing
  - Sales
  - Design Office
  - Competitie Information Activity

  - ▹ Additional organization involvement will occur as appropriate.

- **Other**

  - To be effective, the SLT will require <u>empowerment</u> via executive level recognition of the SLT mission, and resultant dedication of staff support.

  - Meeting time tentatively set to alternate with existing Minivan Complexity Team on Tuesdays, 8:15 - 9:00 a.m.

  - Initial agenda priority will be review of the NS-Body ABS strategy.

NS-BODY
SAFETY LEADERSHIP TEAM (SLT)

MEMBERSHIP

Organization	Representatives	CIMS	Telephone	Telefax
Minivan Operations*	Paul V. Sheridan	482-08-02	776-4824	776-2261
Safety Office	Ronald S. Zarowitz	415-03-21	876-1126	822-5069
Engineering	TBD			
International Operations	Gregory A. Blindu	415-03-05	876-5983	876-4752
Liberty	TBD			
Marketing	William H. Hines (Dodge) Mark W. Clemons (C/P)	414-04-40 414-04-35	876-5523 876-3763	822-6957 822-6957
Sales	James L. Boeberitz	414-05-29	876-3942	822-7431
Design	TBD			
Competitive Information Activity	Michael T. Delahanty	414-02-16	876-1464	876-4241

*Chair

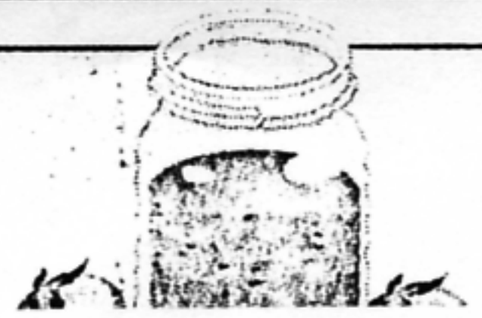
TAB 19

IAN
MER
knocks
festival
Page B-1

LIVING

JAM
TIME

Enjoy fruits
of your
Pa



Monday
June 22, 1992

INDEX

Cloud

70 The Saginaw NEWS

Mid-Michigan traffic kills three

Two children of CMU psychology professor among victims

BY DAVID OSBORN
News Staff Writer

MOUNT PLEASANT – Central Michigan University psychology professor Timothy S. Hartshorne teaches his students how to help children cope with tragedy.

Today, his home is the classroom.

Hartshorne, 43, had left the Mount Pleasant Summer Festival about 5:30 p.m. Saturday with his wife, Nancy S., and five children when his 1985 mini-van collided with another vehicle.

The impact threw their daughter, Katherine, 15 months, and Michael, 8, from the van, killing them.

The children were among at least three mid-Michigan fatalities this weekend. Robert C. Rutledge, 40, of Sanford, died when a car struck him as he walked about 2 a.m. Sunday near U.S. 10 in Isabella County's Wise Township.

Hartshorne's three other sons were injured in the Mount Pleasant crash. Joshua K., 11, and Nathan S., 9, were in good condition today at Central Michigan Community Hospital and doctors treated Jacob, 3, a spokeswoman said.

Jacob is deaf, visually impaired, and suffers from eating disorders, the father said.

"That's my area, therapy and children. But you can learn all that stuff and you teach it to other people, but it's different when it's you," said Hartshorne, who began teaching at CMU three years ago.

Hartshorne was driving east on Lincoln and a vehicle driven by John J. Guzman, 17, of Shepherd, was heading south on Kinney when they collided, said Julie L. Parks, a clerk with the Mount Pleasant Police Department.

Hartshorne recalled the impact, spinning, and then the van crashing on its side.

After the vehicle came to a halt, Jacob was crying and Joshua and Nathan were moaning, he said.

"I saw no sign of Michael and Katie," he said, noting the two were wearing seat belts.

Nancy Hartshorne received minor injuries.

The family had piled into the mini-van that day to attend the Summer Festival, where the children enjoyed carnival rides.

On Saturday Katherine was 15 months old, and it marked the first time she walked on her own, Hartshorne said.

"That was exciting," he said.

Michael enjoyed playing soccer, baseball and hockey and was a sociable child, Hartshorne said.

"He was very outgoing. He would pick flowers in our yard and take them to neighbors we didn't even know."

Hartshorne has set up counseling for himself and his family.

"It's the worst thing that has ever happened to me – or could ever happen to me," he said.

Fire safety efforts earn award

BY FRED E. GARRETT
News Staff Writer

A St. Charles resident's efforts to make mailbox addresses more visible has earned him the stamp of approval from the Michigan State

Charles and the townships of St. Charles, Swan Creek and Brant.

"I was totally surprised," said Morse, 510 Christy Drive. "I thought I had gone to Clare to make a presentation on MAIL.

"I'm proud and honored. But fire

mailboxes.

"Dave now is talking all over the state about mailboxes," said Rick Bolly of Plymouth, presi

TAB 20

Thursday, January 17, 1991 Vol. 11, No. 2

CHRYSLER CORPORATION

Times

A weekly newspaper for Chrysler employees and their families

Lutz named Chrysler Corporation President

Chrysler reorganizes to promote teamwork

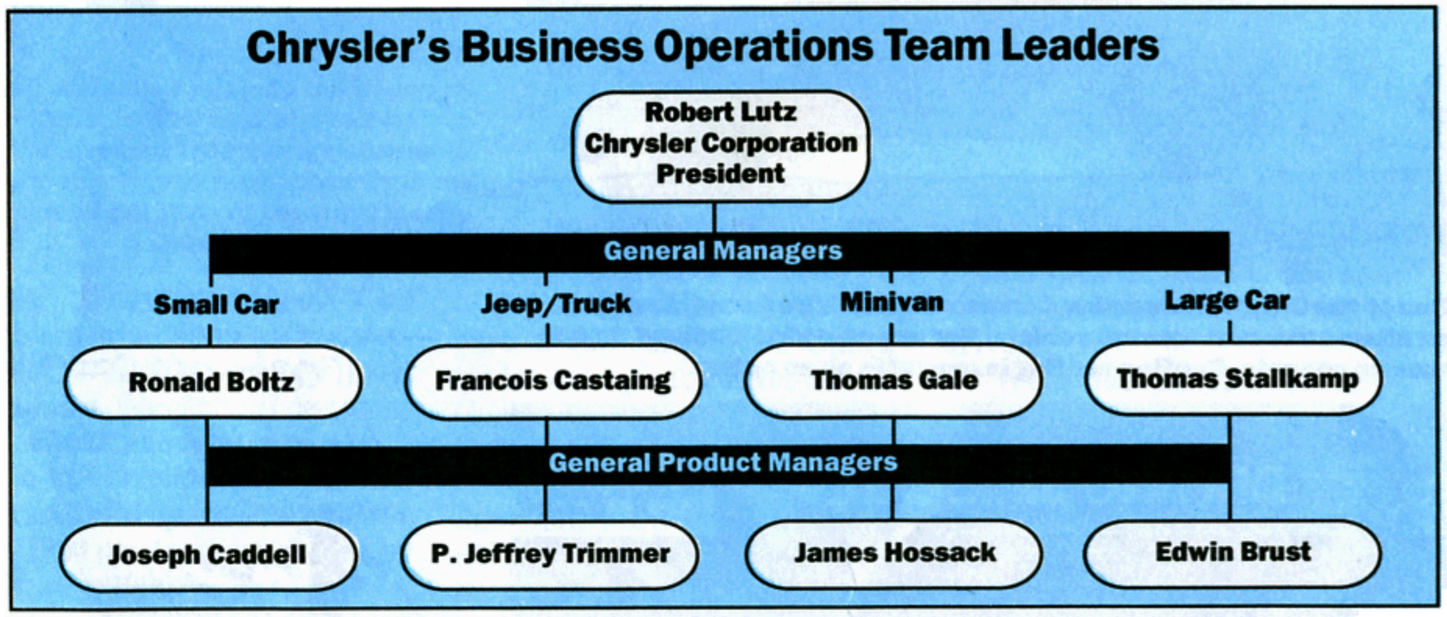
Chrysler made a series of organization changes Jan. 14, most of which are designed to strengthen the company's commitment to the platform team concept.

• Robert Lutz has been named President of Chrysler Corporation. His former title, President of Chrysler Motors, as well as the title of Chairman of Chrysler Motors, have been discontinued. Lutz is responsible for all North American automotive activities including sales, marketing, product development, procurement and supply, and manufacturing. He is also responsible for Acustar, Chrysler's parts subsidiary, and Chrysler operations in Mexico.

In addition, four general managers were appointed to coordinate all product development and market and consumer inputs for both current and future product lines. The four appointees are all currently company vice presidents and will retain their present areas of responsibilities in addition to their new general manager duties. All four executives report to Lutz.

• Ronald Boltz has been appointed General Manager—Small Car Operations and con-

see **Platform,** *page 4*



Briefs

Gulf crisis prompts security measures

Chrysler Security and Fire Prevention departments have increased precautionary security measures at U.S. manufacturing plants and major office locations in response to the Persian Gulf situation and the possibility of terrorist attacks.

Many of the preparations may not be noticeable, but increased personal identification and vehicle checks at traffic gates may result in delays while entering or leaving Chrysler facilities.

The Security Office also asked that employees notify local security personnel if they hear or notice anything out of the ordinary—for example, a package in an unusual location or unknown people or vehicles loitering around plant entrances.

International travel curtailed

Chrysler Special Security Operations issued a travel advisory suspending all international business travel with the exception of

brand-name drug whose patent has expired. A generic drug is sold under a common or "generic" name for that drug, not the brand name. Generics often become available for sale shortly after the patent on the brand-name product expires. And generic drugs usually cost less than brand-name drugs, yet work just as well.

There are more than 200 manufacturers of generic drugs in the United States. Some companies make only generic drugs while other companies make generic drugs.

If you have a specific question about your prescription, ask your pharmacist. In about two out of three cases, when a generic drug is available, the pharmacist will dispense a generic drug rather than a brand-name drug. This is because generic drugs cost less and save patients money, and they usually achieve the same medical results.

If you're concerned about the safety of your generic product, ask your pharmacist. Pharmacists receive bulletins from the

Remember, if you have a prescription that you are supposed to take until it is gone, do not stop taking it unless you have checked with your physician or pharmacist.

If your doctor determines it is medically necessary for you to receive a brand-name drug, he or she will write "DAW" (dispense as written) on the prescription. If your doctor does not specify DAW, and you request the brand-name drug from the pharmacist, you will be responsible for the difference in cost.

Market share ceiling sought

continued from page 1

increase in Japanese U.S. transplant production in recent years," Iacocca said.

"With their U.S. transplant factories producing 1.5 million units annually and growing, and with Japan's market share in the United States at 30 percent and growing, now would be an appropriate time for Japan to agree to a total market share restraint that would include both transplant and imported units.

"This approach would allow

continued growth in U.S. tra
plant operations while Japan
built-up imports, which cont
no U.S. added value and supp
no U.S. manufacturing jo
would decline," Iacocca said.

Following Japan's annour
ment on import restraints, 1
members of Congress release
letter they sent to Japan's Pri
Minister Toshiki Kaifu expre
ing disappointment in Japa
response to the Gulf crisis a
urging "meaningful" restrai
on auto exports. Ford Chairm
Harold Polling also called
Japan to roll back its exports.

Platform team concept expands; general managers named

continued from page 1

tinues as Vice President—Product Strategy and Regulatory Affairs.

- Francois Castaing has been appointed General Manager—Jeep/Truck Operations and continues as Vice President—Vehicle Engineering.
- Thomas Gale has been appointed General Manager—Minivan Operations and continues as Vice President—Product Design.
- Thomas Stallkamp has been appointed General Manager—Large Car Operations and continues as Vice President—Procurement and Supply.

Chrysler Chairman Lee Iacocca said, "The platform team concept we launched for the development of the new LH program is succeeding beyond our most optimistic expectations.

"The cross-functional teamwork idea is working so well that we decided to apply it to all of our product lines and broaden it to include not only the product development process, but also the important market and consumer inputs necessary to bring world-class vehicles to market.

"These new general managers," Iacocca added, "will be positioned to pull it all together because that's what it's going to take to compete in the '90s—great products totally in sync with our customers."

The new Business Operations activities will be organized on a cross-functional team basis and will incorporate Chrysler's existing platform team functions, expanded to include representatives from planning, sales, marketing, service and consumer activities.

Each of the team managers will have a general product manager:

- Edwin Brust has been appointed General Product Manager—Large Car.
- Joseph Caddell has been appointed General Product Manager—Small Car.
- James Hossack has been appointed General Product Manager—Minivan.
- P. Jeffrey Trimmer has been appointed General Product Manager—Jeep/Truck.

Chrysler also announced that Thomas Denomme has been named Executive Vice President—Corporate Staff Group. He had been Vice President—Corporate Planning and External Affairs.

Effective with this change, Anthony St. John, Vice President—Employee Relations, and Gino Giocondi, Vice President—Quality and Productivity, will now report to Denomme. They had reported to Lutz.

Denomme's responsibilities include Strategic Planning, Communications, Civic and Government Affairs, and Washington Affairs, in addition to Employee Relations and Quality and Productivity.

Concurrently, Corporate Economist Donald Hilty is reassigned from Denomme to Chrysler Corporation Vice Chairman R. Steve Miller Jr.

Times

Chrysler Times is published by Communication Programs, a department of Chrysler Corporate Communications, for all Chrysler employees, retirees and their familie Comments or questions should be addressed to:

CHRYSLER TIMES
Allan Nahajewski, Editor
Pamela M. Gross, Associate Editor
CIMS 416-13-06
Highland Park, MI 48288-1919

News updates are available daily through the *Chrysler Employee New Daily* system. Call tieline 876-2345 or, via computer, touch PF1 on the InfoCenter Main Menu.

Chrysler Times is printed on recyclable paper.

TAB

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NS-BODY
SAFETY LEADERSHIP TEAM (SLT)

	Members	CIMS	Telephone	Telefax
	Gregory A. Blindu	415-03-05	876-5983	876-4752
	James L. Boeberitz	414-05-29	876-3942	822-7431
▹	Mark W. Clemons	414-04-35	876-3763	822-8984
	Mark W. Crossman	482-02-13	776-4757	776-2250
▹	Michael T. Delahanty	483-10-08	776-6742	776-2822
▹	William H. Hines	414-04-40	876-5523	822-6957
	Neal E. Hoxsie	482-12-02	876-4898	776-2261
▹	Harlan E. Kifer	483-46-10	776-1258	776-2048
▹	Frank O. Klegon	482-12-01	776-2843	776-4516
▹	Kenneth S. Mack	463-00-00	880-5222	880-5234
	Richard Medel	233-02-22	833-2800	833-2792
▹	Fred W. Schmidt	482-10-02	776-4827	776-2261
▹	Paul V. Sheridan	482-08-02	776-4824	776-2261
▹	Ronald S. Zarowitz	415-03-21	876-1126	822-5069

CC

D. Bostwick	414-02-10	T. Moore	463-00-00
T. Creed	483-56-02	J. Rickert	482-02-08
D. Dawkins	415-03-17	F. Sanders	482-12-02
R. Franson	415-05-30	R. Sarotte	450-03-16
J. Herlitz	483-56-02	C. Theodore	482-08-02
K. Horbatink	414-05-29	S. Torok	414-04-41
M. Levine	414-04-40	R. Winter	482-08-02
D. Malecki	482-08-02		

AGENDA
MARCH 16, 1993, 8:15 - 9:00 a.m.
CTC PROCESS COURT - CONFERENCE ROOM 2A

"60 Minutes" Seatback Strength Video . . . . . P. Sheridan
NS-Body Safety Features List . . . . . P. Sheridan

▹Attended March 9 meeting.

CBS VIDEO
19 GREGORY DRIVE
SO. BURLINGTON, VT 05403
800-848-3256

CBS VIDEO = UPS SHIPPER NO.
19 GREGORY DRIVE = VT 047-471 =
SO. BURLINGTON, VT 05403 = PKG.ID 2245517 =
800-848-3256 ==========

SOLD TO
PAUL V SHERIDAN
22357 COLUMBIA STREET
DEARBORN MI 48124

PAUL V SHERIDAN
22357 COLUMBIA STREET
DEARBORN MI 48124

INVOICE DATE	DATE SHIPPED	OUR ORDER NO.	YOUR ORDER NO.	CUSTOMER NO.	TERMS	SHIPPED VIA
3-24-92		2245517		48124SV01	30 DAYS	UPS GROUND-RES.

QUANTITY ORDERED	QUANTITY SHIPPED	B/O	ITEM NO. PICK LOC.	DESCRIPTION	PRICE	AMOUNT
			* * * THIS ORDER FILLS A BACKORDER * * *			
			* * * ORIGINAL INVOICE NUMBER - 2102183 * * *			
1	1		T0216C A	CAR SEATS	29.95	29.95
				TOTAL PIECES SHIPPED: 1		
						29.95
				HANDLING CHARGE		3.50
				INVOICE AMOUNT		33.45
				Payment: Visa has been accepted.		33.45
				AMOUNT DUE:		0.00

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STATE OF VIRGINIA

IN THE CIRCUIT COURT OF PRINCE WILLIAM COUNTY

ALLYNNE L. BAIRD, Executrix
of the Estate of GEORGE N. BAIRD,
Plaintiff,
vs.
Law No. 34389
CHRYSLER CORPORATION, et al.,
Defendants.
_____/

APPEARANCES:

STEWART TILGHMAN FOX & BIANCHI, P.A.,
44 West Flagler Street, Suite 1900,
Miami, Florida 33130.
For the Plaintiff.
BY: DAVID W. BIANCHI.

CHAMBERS, STEINER, MAZUR, ORNSTEIN & AMLIN, P.C.,
1490 First National Building,
Detroit, Michigan 48226.
For the Deponent.
BY: COURTNEY E. MORGAN, JR.

VIDEOTAPED AND CONFIDENTIAL
DEPOSITION OF PAUL V. SHERIDAN
(Taken July 24, 1995)

CONFIDENTIAL

TAB

22

Inter Company Correspondence

To — Name & Department		Telephone	Date
J.K. Nemeth	General Manager, Mini-Van Platform	C.C.	July 27, 1990
From — Name & Department			**CMS Number**
H.G. Cook	Manager, Doors, Hardware and Sealing Engrg.	C.C./Aero	418-04-42
			416-25-14

Subject: **MINI-VAN LIFTGATE LATCH - LOAD CAPACITY**

As a result of an inquiry from NHTSA concerning the safety performance of the rear liftgates and latches, Mini-Van Door Engineering evaluated the capability of the 1991 AS-Body liftgate latch relative to FMVSS No. 206 "Door Locks and Door Retention Components" which specifies side door component requirements. FMVSS No. 206 essentially requires the following for a side door latch and striker assembly:

- Primary and secondary latch positions.
- Non-separation under a longitudinal load of 2500 lbs. on primary and 1000 lbs. on secondary.
- Non-separation under a transverse load of 2000 lbs. on primary and 1000 lbs. on secondary.

A cursory analysis of the 1991 AS-Body liftgate latch and some competitive vehicles provided the following:

Vehicle/Spec.	Primary Longitudinal/Transverse (Vertical/Open)	Secondary Longitudinal/Transverse (Vertical/Open)
FMVSS No. 206 Requires	2500/2000	1000/1000
Chrysler Specification Requires	----/750	----/----
1991 AS-Body Pull Test	3200/1300	None
Ford Aerostar Specification	3100/2500	1250/1250
GM APV Specification	2000/1350	2000/1000
Nissan Axxess	Latches contain both primary and secondary positions - load capacities unknown.	
Toyota Previa		

In order to modify the present AS-Body latch to meet the 2000 lb. primary transverse load requirement, the ratchet would require redesign to increase thickness and width and both the ratchet and pawl would require a higher strength steel. The piece cost penalty is estimated to be $.25 to $.50 and the tooling cost covering both suppliers is estimated to be $125,000. The timing to modify the latch is approximately 32 weeks.

84-110-7878

Door Engineering is presently conducting a study to incorporate a MAGNA latch system in the 1994 AS-Body. This MAGNA latch, which is presently released for the 1992½ ZJ, offers several improvements and would meet the FMVSS No. 206 primary strength requirements. It does not include a secondary latch position.

Based on Chrysler's position, as stated in our response o NHTSA that we do not believe there is a significant problem with liftgate retention, I recommend that we continue with the current latch system at least through 1993 unless mandated to change by NHTSA.

Our plan is to have trend numbers on piece cost and investment for the MAGNA latch by 8/1/90 so that Program Management can include this proposal in the Lutz presentation on 8/10/90. Our detailed study is scheduled for completion approximately 10/1/90. Please contact me if you need additional information.

H. G. Cook

H.G. Cook

/jmm

cc: E.J. Laginess
R.A. Blazic
R. Schwartz

TAB

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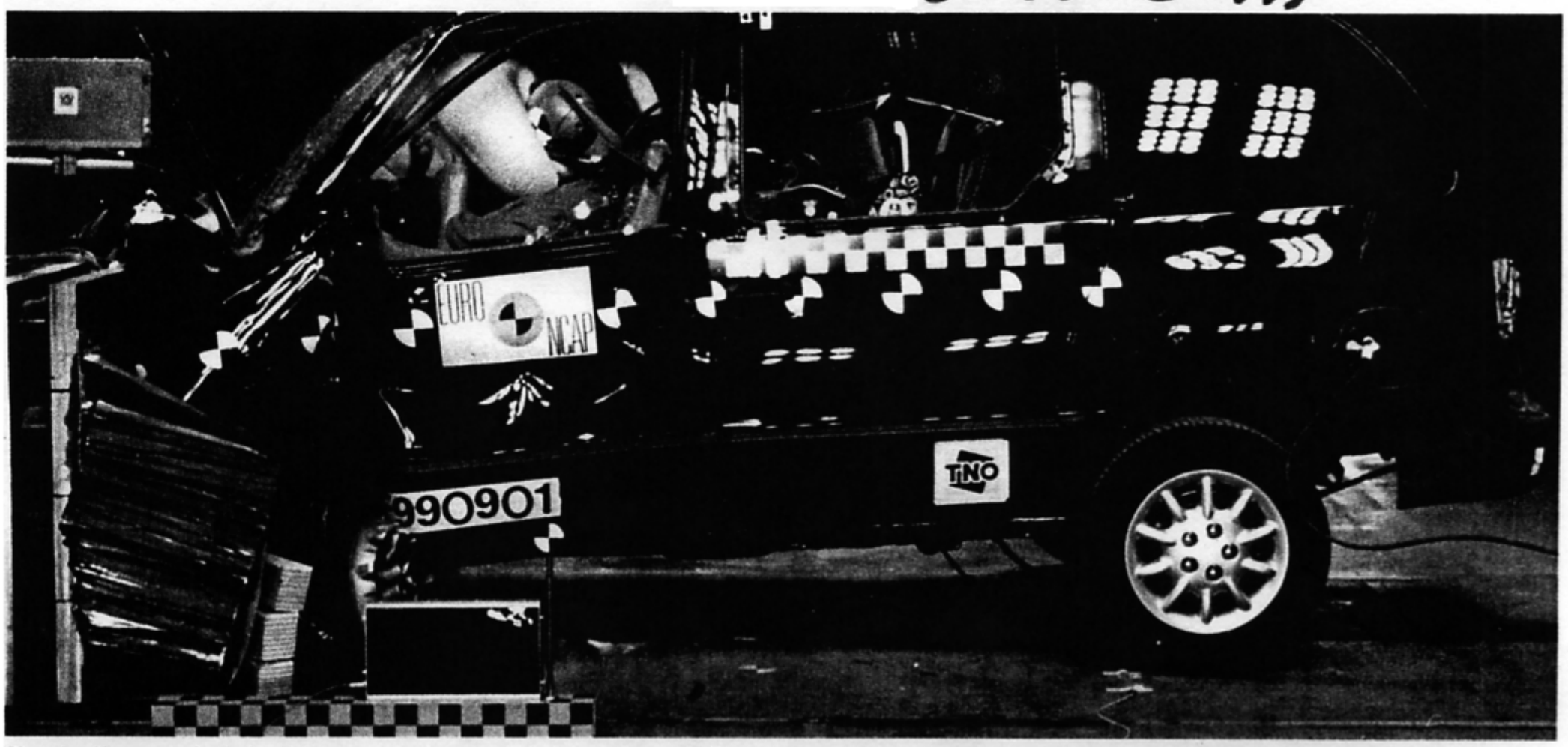
P.14 AUTOCAR MAGAZINE
30 JUNE 1999



Chrysler Voyager singled out for poor performance in latest Euro NCAP crash tests; it fared so badly in frontal impact that it was not awarded a score

Voyager gets zero in crash test

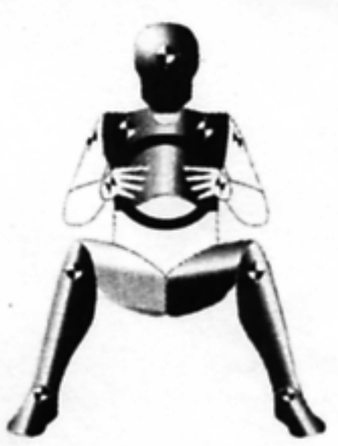
Chrysler's Voyager has been given the lowest-ever score in the latest round of Euro NCAP crash tests.

The Voyager, the UK's second best-selling MPV, was given a zero rating in a 40mph head-on collision – which means that there was virtually no chance of escaping life-threatening injuries. By contrast, the Renault Espace was given a 67 per cent rating, making it the best in class.

Other poor performers included the new Mitsubishi Space Wagon and the discontinued Vauxhall Sintra, which received 24 per cent and 21 per cent respectively. NCAP safety experts said that the

Top-scoring Espace awarded four stars in frontal impact tests; overall score 84 per cent

HOW NCAP'S DUMMY DRIVERS FARED



	CHRYSLER VOYAGER	RENAULT ESPACE
Front and side impact rating	★★☆☆	★★★★
Pedestrian test rating	★☆☆☆	★★☆☆
Test scores: Front	0 per cent	67 per cent
Side	89 per cent	100 per cent
Overall	45 per cent	84 per cent

Good · Adequate · Marginal · Weak · Poor

US NEWS HOWARD WALKER

Volkswagen's Beetle plant in Mexico escaped serious damage in last week's earthquake, which measured 6.7 on the Richter scale.

Chrysler's first museum opens in Detroit in October. The Walter P Chrysler Museum will have 75 cars and trucks from the company's past.

Fender-bending drivers should avoid the Mitsubishi Shogun. In US insurance tests in which 4x4s were crashed at 5mph, the Shogun suffered $6242 (£3950) in damage, the Merc ML320 just $2918 (£1845).

Hummer has released a list of its celebrity owners. Boxer Mike Tyson has six, while movie star Arnold Schwarzenegger owns five. Others include tennis champ Andre Agassi, writer Tom Clancy and actor James Earl Jones.

Parts threat from BMW

BMW chairman Joachim Milberg has warned that Rovers will use more imported parts if the pound stays at its current high level.

Milberg, speaking after BMW secured a £152 million Government grant to save Longbridge, said the Rover 75 had only 75 per cent British parts against the 600's 85 per cent.

BMW will invest £3 billion in Rover in the next five years, starting with the 200 and 400 replacements.

Milberg: sterling too strong

MINIVAN1.SCR
7/Orr/Triay/Goldman/Shaffir
Chrysler Air Bag Deaths
Evening News 5/17/99

VO: THIS IS THE CRASH TEST THAT STUNNED FEDERAL REGULATORS. THE PASSENGER DUMMY IN THIS 1997 CHRYSLER MINIVAN SUSTAINED LIFE-THREATENING INJURIES -- INJURIES CAUSED BY THE VEHICLE'S AIR BAG.

NOW, CBS NEWS HAS LEARNED, THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, HAS COMPLETED 11 ADDITIONAL TESTS OF CHRYSLER MINIVAN AIR BAGS. AND IN MORE THAN HALF OF THOSE TESTS, THE PASSENGER SIDE AIR BAG CAUSED WHAT WOULD BE CATASTROPHIC INJURIES.

CHRYSLER CHALLENGES THE GOVERNMENT'S TESTING METHOD, CLAIMING THE SMALL DUMMY USED ISN'T YET PERFECTED...AND CHRYSLER CLAIMS ITS OWN TESTS SHOW THE AIR BAG IS SAFE.

(GRAPHIC #1)
SUSAN CISCHKE, CHRYSLER'S VICE PRESIDENT OF SAFETY, SAYS "WE DON'T BELIEVE THERE IS ANYTHING WRONG WITH THE AIRBAG SYSTEM."

(GRAPHIC # 2)
BUT, ALSO TROUBLING TO REGULATORS... IS WHAT THEY FOUND WHEN THEY TOOK A SECOND LOOK AT ACTUAL ACCIDENTS. THE GOVERNMENT'S SPECIAL CRASH INVESTIGATION HAS FOUND OF THE 22 AIR BAG RELATED DEATHS AND SERIOUS INJURIES OF PASSENGERS IN MINIVANS....20 OF THEM HAVE BEEN IN CHRYSLER MODELS, BUILT BETWEEN 1994 AND 1996.

Ditlow walk: NATS
"THE BAG IS TOO AGRESSIVE...."

VO: TWO AND A HALF YEARS AGO CLARENCE DITLOW, AN AUTO SAFETY ADVOCATE....

(GRAPHIC #2)
ASKED THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION TO INVESTIGATE THE CHRYSLER AIR BAG. AT THE TIME THERE HAD BEEN NINE PASSENGER FATALITIES. THE REQUEST WAS TURNED DOWN.

SOT/DITLOW 28-10 THE GOVERNMENT NOW HAS THE DEATHS IT WANTS. THE GOVERNMENT SHOULD NOW ORDER CHRYSLER TO DO A RECALL IF CHRYSLER WON'T DO IT ITSELF

NATS: ORR AND SANDERS WALKING

VO: ROB SANDERS ALSO WANTS CHRYSLER TO MAKE CHANGES. HIS DAUGHTER ALLISON WAS KILLED IN 1995 IN A LOW SPEED COLLISION INVOLVING THE FAMILY'S CHRYSLER MINIVAN.

THE SEVEN YEAR OLD HAD SLIPPED OFF HER SHOULDER HARNESS TO REACH FOR THE RADIO WHEN THE CRASH HAPPENED. THE AIR BAG EXPLODED IN ALLISON'S FACE.

SOT/ROB SANDERS
2105 AND THEN I TURNED OVER AND LOOKED AT ALLISON AND SAW THAT SHE WAS UNCONSCIOUS AND I WAS JUST SHOCKED AND HORRIFIED. I COULDN'T UNDERSTAND WHY SHE WOULD BE IN THAT KIND OF CONDITION IN SUCH A MINOR FENDER BENDER ACCIDENT.

VO: SANDERS IS NOW SUING CHRYSLER, ALLEGING THAT A DEFECTIVE AIR BAG SYSTEM CAUSED HIS DAUGHTER'S DEATH.

BUT, CHRYSLER SAYS, LIKE ALLISION SANDERS, NEARLY ALL OF THOSE KILLED WERE UNBELTED OR IMPROPERLY BELTED. CHRYSLER ALSO POINTS OUT IT HAS TWO THIRDS OF ALL MINIVANS ON AMERICA'S HIGHWAYS AND THEREFORE FACES A STATISTICALLY HIGHER PROBABILITY OF ACCIDENTAL DEATHS.

ALSO, CHRYSLER SWITCHED TO A LESS FORCEFUL PASSENGER SIDE AIR BAG DURING THE 1997 MODEL YEAR. AND WITH OTHER AUTOMAKERS, IN 1998, BEGAN USING AN EVEN LOWER-POWERED AIR BAG.

ORR CLOSE:
BUT, NEARLY TWO MILLION OLDER CHRYSLER MINIVANS, WITH THE ORIGINAL, MORE POWERFUL, AIR BAGS REMAIN ON THE ROAD. AT THIS POINT, CHRYSLER SAYS THERE IS NO NEED FOR A VOLUNTARY RECALL. BUT SOURCES SAY THE GOVERNMENT IS CLOSE TO DECIDING WHETHER TO LAUNCH A FORMAL "DEFECTS" INVESTIGATION THAT MAY ULTIMATELY FORCE THE ISSUE. BOB ORR, CBS NEWS, WASHINGTON.

VIA SATELLITE

USA TODAY

Money

FRIDAY, DECEMBER 15, 1995

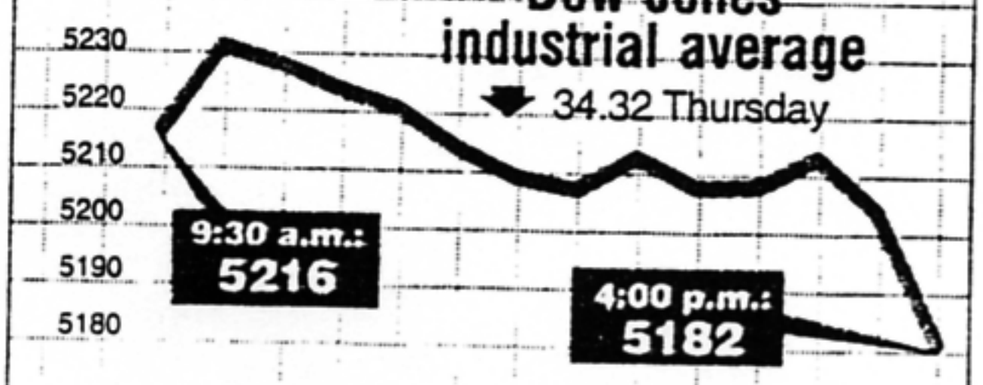
MC

MONEYLINE

A QUICK READ ON THE TOP MONEY NEWS OF THE DAY

MARKETS

THURSDAY



Nasdaq composite	1038.19	▼ 18.35
S&P 500	616.92	▼ 4.77
T-bond, 30-year yield	6.08%	▲ 0.01
T-bill, 3-mo. discount rate	5.26%	— unch.
Gold, oz., Comex	$386.00	▼ $0.40
Lt. sweet crude oil, N.Y. Merc.	$19.11	▲ $0.11

Market Scoreboard, 3B

CHIP TRADE: **Foreign companies' share of the** Japanese market for computer chips hit an all-time high of 26.2% the third quarter, the Clinton administration said Thursday. The White House said that is proof a controversial 1986 U.S.-Japan semiconductor trade agreement is working and should be renewed. The old record: 23.7% in fourth-quarter 1994. Japan says the pact is unnecessary and amounts to managed trade.

CRASH TESTS: **Chrysler's Dodge Grand Caravan** received the lowest score for driver protection among six 1996 minivans tested in 35-mph frontal crashes by the National Highway Traffic Safety Administration. The safety agency rates crash protection from one to five stars, with five the best head-and-chest protection. In results released Thursday, the Chrysler minivan scored three stars for driver protection and four for passenger. Top minivans: Ford Windstar, with five stars for drivers and passengers in an earlier test. The Ford Taurus sedan and Dodge Neon each received four stars both for driver- and-passenger protection. Lowest: the Toyota Tacoma pickup, at two stars for drivers and three for passengers. Vehicles are required to pass 30-mph crash tests. NHTSA conducts the higher-speed tests to help consumers compare vehicles.

Business Trave

By Rhonda Richard

'Round the Wor
resumes Pan Am's o
the-World service to
the first flight leaves
les for Hong Kong; N
India; London; and N

Weather watch:
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'News

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2 – Cable modem needed for full-

Source: NCTA, USA TODAY rese

Investors shell out

March 2, 1999

Regulators Raise Questions on Air Bags As Minivan Study Has Surprise Result

By ANNA WILDE MATHEWS and JEFFREY BALL
Staff Reporters of THE WALL STREET JOURNAL

Federal auto-safety regulators who set out to determine whether trucks pose an outsized hazard on the road scored another hit on air bags instead.

U.S. regulators said Monday that during crash tests involving several different types and makes of vehicles, staged last summer to gather data about the hazards light trucks pose to cars in collisions, a 1997 Dodge minivan air bag deployed with such force that a small female dummy seated on the passenger side showed far-worse-than-expected results for neck injury.

Safety experts said the outcome could well be equivalent to a broken neck in a real woman.

The disclosure -- which surprised officials of DaimlerChrysler AG, maker of the Dodge miniva -- partly overshadowed the National Highway Traffic Safety Administration's findings about car-truck crash safety. The government said its tests confirmed that light trucks tend to do more damage in accidents, but concluded that more study is needed before any regulatory action. A separate study from researchers at the University of Michigan concluded that 2,000 people died in 1996 because their cars were hit by a truck instead of a car with more forgiving crash performance.

Interest in the issue was spurred by the increasing numbers of light trucks and sport utility vehicles on the road.

But agency officials said the surprising data from the air-bag incident have caused them to take immediate actions, launching new research into **Chrysler** minivan air bags. The agency said it expects to wind up the probe this summer. One question is whether the result was caused by a quirk in the design of the dummy.

The passenger air-bag system used in the 1997 model was also used in 1996, DaimlerChrysler said, but not in 1998 or 1999, when federal regulations changed to allow less-powerful air bags. The company

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sold about a million of the 1996 and 1997 minivans.

Order in Philadelphia

The announcement comes at a bad time for DaimlerChrysler, which has long emphasized the safety of its minivans to families. Earlier last month, a Philadelphia jury ordered the company to pay an estimated $63.6 million to Pennsylvania owners of **Chrysler** cars from the late 1988, 1989 and 1990 model years whose driver-side air bags could burn a driver's hands when the bags deployed. The company plans to appeal.

The NHTSA announcement, made at the Society of Automotive Engineers conference in Detroit, also comes as DaimlerChrysler and its competitors are pushing harder than ever to develop more-sophisticated technology to alleviate public concerns about air bags.

Air bags deploy in a collision when an explosive charge inflates a fabric bag, and they have saved thousands of lives. But high-powered air bags also have killed 125 people, mostly children and small adults, since 1990. Both Ford Motor Co. and General Motors Corp. have announced plans to introduce so-called smart air-bag systems that would pose less threat to children and small adults. Federal regulators are moving to mandate such systems for all light vehicles.

But in the meantime, auto makers face risks of litigation and potentially costly recalls related to previous-generation airbag technology, which was effectively mandated by the government.

A spokesman for DaimlerChrysler, which was only informed of the test outcomes Monday, said the company was "outraged that NHTSA would wait almost eight months to release these results." The spokesman said the company is "taking NHTSA's concerns very seriously, and we share their concerns." He said it would be "speculative" to gauge the test's effects on the company's liability.

Petition in 1996

Safety advocates filed a petition in 1996 for a safety investigation of the air bags in **Chrysler** minivans, along with two models from other companies. The NHTSA turned down the request by the Center for Auto Safety, which centered on the air bags' tendency to deploy in low-speed crashes.

If a systematic problem were eventually found with the passenger-side air bags, a recall and replacement would likely be very costly, because of the complexity of the air-bag system.

In the test that caused the recent result, the NHTSA was ramming the minivan into the left front of a midsize sedan. Both vehicles were moving at 35 miles per hour, and the dummies in the front seat were wearing seat belts. Federal regulators have proposed that auto makers be required to score 1.4 or lower on the neck-injury criteria; the minivan scored 4.4 on the test.

DaimlerChrysler's competitors cautioned against reading too much

into the NHTSA announcement. "That could just be a bad test," said a Ford spokeswoman, who added that Ford is "very comfortable" with the safety of its own air-bag systems. At GM, Bob Lange, director of safety engineering, assailed the way NHTSA released the results. "It's difficult to be blindsided by a test result that, on its face, appears to be pretty negative."

The studies on crashes involving cars and trucks confirmed earlier NHTSA findings that the weight and design of a light truck affect how much damage it does to a car. Heavier trucks, with front ends that are less likely to crush in a crash, do more harm. Moreover, the location of the crash has an effect: A front-to-side impact does more damage than a front-to-front accident.

In a separate study released Monday at the Detroit conference, researchers found that three-point seat belts provided the best protection for pregnant women, while a powerful air bag could pose risk to the fetus. The researchers, from the University of Michigan, estimated that 1,500 to 5,000 fetal losses occur each year in the U.S. because of all auto crashes.

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Article 7

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NEWS
`Both Air Bags Exploded' / Man says he turned van's key, and in a flash he was hurt
Merle English. STAFF WRITER

04/03/99
Newsday
QUEENS
Page A21

A Flushing resident who says dual-side air bags exploded simultaneously Thursday when he turned the key in his minivan's ignition, forcing him from the vehicle and causing injuries, is planning to sue the carmaker.

Mohinder Singh, 21, said Friday he will file a $5-million lawsuit in State Supreme Court on Monday against DaimlerChrysler Corp., alleging negligent manufacture of his 1996 Dodge Caravan and product liability.

"It's obscene to think that something that's supposed to protect you does harm," said Mason-Blake Pimsler, Singh's attorney. "Air bags are to be deployed only in a total impact, never when you turn a car on."

According to Singh, the minivan was parked in front of a courier business at 125 E. 23rd St. in Manhattan, where he works. "I got into the car, turned the ignition to heat up the car, and both air bags exploded," he said in a telephone interview.

The explosion knocked him through the driver's-side door, Singh said, and he became unconscious for a few minutes. Emergency Medical Service technicians were called and he was given an ice pack, he said, but he told them he wished to see a private doctor.

Singh, who went to the doctor Friday, said he suffered injuries to his neck, head, back and right wrist.

"I cannot even sleep at night," he said. "I hurt now. My fingers are tingling." He said "the whole dashboard exploded" and pieces of plastic hit him.

"I'm so scared to drive my car," Singh said.

DaimlerChrysler was closed Friday in observance of Passover and Good Friday; no one there could be reached for comment.

Singh said he has had the vehicle regularly serviced by Dodge dealers, most recently about three months ago. The bags never deployed before, he said.

The National Highway Traffic Safety Administration has been investigating more than 800,000 Dodge Caravans from model years 1994 and 1995. There were 28 consumer complaints, most involving driver air bags that blew open just after the driver turned the ignition key.

The status of the investigation could not be determined Friday.

Newsday Photo / Ken Sawchuk - Mohinder Singh, left, and his attorney, Mason-Blake Pimsler, with one of the Dodge Caravan air bags that Singh says exploded Thursday as he turned the key in the minivan's ignition. Singh, who says he was injured, is planning to sue the carmaker.

Display as: Full Article

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NEWSPAPER

Automotive News®

DECEMBER 12, 1994 $80/YEAR; $2/COPY

late news

Japan importer reports loss

TOKYO — Yanase & Co. Ltd., Japan's largest auto importer, reported that it has lost money for the second straight year as it goes through a painful restructuring.

Yanase, which imports and distributes vehicles from Mercedes, GM North America and Opel, said it had a net loss of 6.27 billion yen, or $63 million, in the fiscal year through September. Revenue dropped 9.7 percent from a year earlier to $3.8 billion.

The importer slipped into the red for the first time in 61

see LATE NEWS, 2

Chrysler races minivan fixes

Crash-test woes stall prototypes

JOSEPH BOHN
Truck Editor

Chrysler Corp. is racing to put together a production-viable prototype of its new 1996-model minivans, after crash tests in mid-October and in early November showed the new minivans did not meet Federal Motor Vehicle Safety Standard 208.

FMVSS 208, a major standard, requires that an unbelted test dummy withstand a 30 mph front impact without serious injury.

Any substantial production delays could prove costly as Chrysler prepares its 1996 minivans to compete with the Ford Windstar in defense of Chrysler's minivan sales crown.

KPG PHOTOGRAPHY

This computer-enhanced shot of a body shell gives a good indication of the overall styling of Chrysler's 1996 minivan.

With only nine weeks til the planned Feb. 13 production launch at St. Louis, Chrysler is on a tight schedule to comply with the standard using new componentry. In late November, the company moved back Job 1 dates by 1½ months at its two other minivan plants.

Since Nov. 4 Chrysler has put together engineering prototypes that passed FMVSS 208 in three crash tests. Another test was slated for Chrysler's Chelsea, Mich., proving grounds last Friday. But the modified vehicles require new componentry, some of which must be tested and tooled.

Chris Theodore, general manager of Minivan Platform Engineering, says development of the new minivan, code-named NS, is running ahead of some of Chrysler's previous new-model programs. But a hot topic among minivan engineers at a Dec. 6 Minivan Platform meeting was whether engineers will need to work Christmas Day.

Theodore says he doubts the engineers will work Christmas Day. But he says he has told his engineering team not to plan any extended vacations over the holidays for the next year.

12 AREAS EFFECTED

According to an internal status report, as of Dec. 1, Chrysler engineers recommended changes to design and components in 12 major frontal areas of the NS to enable it to pass FMVSS 208.

But Theodore says, "Everything we are doing is known and timed out and will be verified before production."

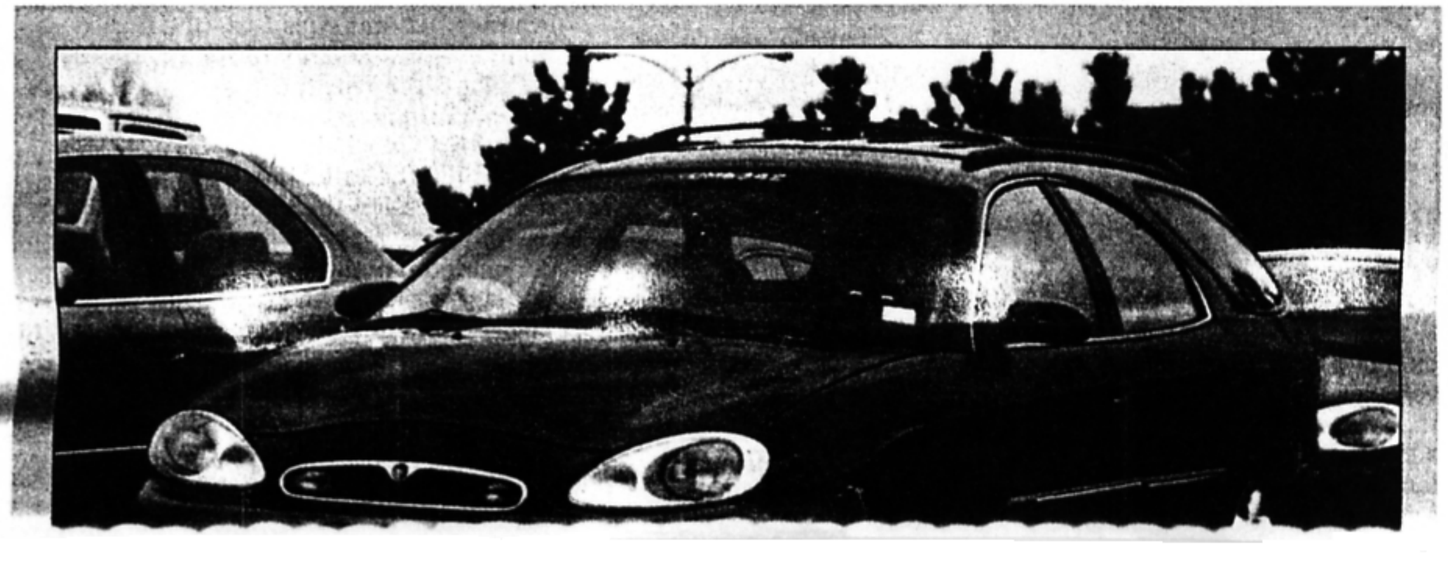
He won't say if the production

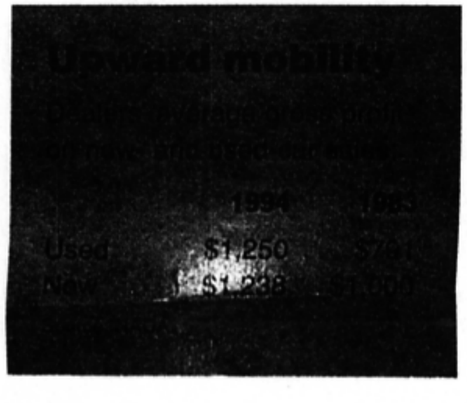
see MINIVAN, 33

Ford cuts Mark VIII price tag in Calif.

$4,475 jump start may go national

MARY CONNELLY





Dealers reap more profits

ers sell roughly 1.2 million program vehicles annually.

According to NADA, the rise in used-vehicle profits results from dealers retailing more late-model used cars and selling at wholesale more older, less-profitable vehicles. A Midwest dealer said his average gross profit in November on low-mileage, used vehicles was $1,418, compared to $987 in gross profit for the same models new.

The $400 difference is due to the growing consumer demand for used cars because the supply of late-model used cars is coming. Two- and three-year leases are more than a million vehicles will expire this year; up to 700,000 of these vehicles will be available for dealers to sell. AN

MINIVAN

Testing woes delay Chrysler

continued from PAGE 1

startup at St. Louis will be set back for a second time. St. Louis had originally been slated to start regular dealer production in January, but earlier this year the date was moved back to Feb. 13.

"We don't confirm dates," says Theodore. But according to Chrysler's internal report, the company will delay startup of NS production at Windsor until next July and at the Graz, Austria, plant until September in order to give the St. Louis launch team more time to get the NS rolling.

TESTING HISTORY

Chrysler has done 17 prototype crash tests for various federal safety standards, according to an internal report. But in a crucial eight-month period between January and mid October this year, it did not do any NS prototype crash testing for FMVSS 208. The failure of its two planned production prototypes caught engineers by surprise and set off the scramble to make the minivans comply.

The company first crash-tested two very early versions of the NS last December and January, but they were not intended as production models. Both passed FMVSS 208 requirements. In a Jan. 21, 1994 test of an NS equipped with a 2.4-liter four-cylinder engine and three-speed automatic transmission, the test dummy hit the airbag with a force of 41 G's, well within the government's limit of 60 G's and Chrysler's standard of 48 G's for impact deceleration without injury.

But, on Oct. 14, in its first crash test of a production-planned prototype — four months before Job 1 — the test dummy hit the steering wheel with a force of 69 G's, enough to crush its chest.

To double-check, Chrysler ran another crash test at Chelsea Nov. 4. This time, the dummy fared even worse, smashing the wheel with a force of 75 G's, according to an internal report.

Since then, the company has sharply stepped up its FMVSS 208 testing. It conducted three crashes from prototypes put together by its engineers that passed FMVSS 208. A fourth was planned last Friday.

Chrysler has made considerable progress in the last four weeks.

In tests Nov. 21 and Nov. 29, for example, dummies in the modified NS models crashed into a wall at Chelsea with a force of 44.6 G's and 47.8 G's, respectively.

Even so, Chrysler's crash testing for FMVSS 208 so far has been limited to long wheelbase models, equipped with a V-6 engine and four-speed automatic transmission. It still has to prove the crashworthiness of short-wheelbase NS models, equipped with the four-cylinder and three-speed automatic and models equipped with Mitsubishi's 3.0-liter in meeting FMVSS 208.

The long-wheelbase models are slated to be built first. They present the biggest problem because they are the heaviest. Having the flexibility to build a variety of short- and long-wheelbase models at all plants is a key part of the NS production strategy.

SAFETY CHANGES

Engineers have recommended changes to the front body, chassis, engine mounts, steering column, wheels, front seats and front bumper of the NS models to bring them into compliance with FMVSS 208. Some of the component changes require new tooling.

In Chrysler's production prototype crash tests, the steering column tilted up, causing the test dummy to slide under the airbag, hit the steering wheel and break its chest. The company has re-engineered the tilt mechanism in the steering column to restrict its movement. It also changed the front seat tracks and is switching to a more secure, dual-tethered airbag for better deployment.

Originally, Chrysler planned a less expensive, untethered "E-fold" airbag that could be folded up by a machine. But now, supplier Morton International Inc.'s Automotive Safety Products Group in Ogden, Utah, will have to hand fold the dual-tethered bags before shipping them.

Chrysler also is adding double knee blockers, with a higher gauge strength, after tests showed the original knee blockers crumbling and the dummy's knees sliding underneath them.

Chrysler also will use a higher gauge steel in front bumpers than originally planned and cut holes in front bumper rails to reducing bending stiffness. It is adding multiple holes and slots to its lower radiator crossmember and longitudinal rails, and bevelling the left rail tip to provide more crush clearance for the transmission end cover.

Engineers are moving the driver closer to the restraint system and putting the driver in a more upright posture by inclining front seats to a full upright position. They also eliminated some down travel from the power seat adjusters. There are new engine mounts and other planned changes.

Chrysler will delay Job 1 for regular dealer output at Windsor by seven weeks to July 5, 1995, allowing its launch support team to get St. Louis up to full line speed, according to a memo. AN

Minivan production plans as of Dec. 1

Start date for	St. Louis	Windsor	Austria
LWB prevolume production	Jan. 30	—	—
LWB dealer production	Feb. 13	—	—
SWB prevolume production	March 1	—	—
SWB dealer production	March 27	—	—
SWB/LWB dealer production	—	July 5	
SWB/LWB dealer production	—	—	Sept. 25

Notes: LWB=long wheelbase models; SWB=short wheelbase models.
Source: Chrysler Minivan Status Review report

Minivan crown vulnerable

Changeovers and production delays in Chrysler Corp.'s new 1996 model minivans could well cost it minivan sales leadership next year.

Chrysler will headily take the minivan sales crown this year, as it has ever since it pioneered the segment in 1983. Production began Nov. 1, 1983.

In 11 months of calendar 1994, Chrysler retailed 488,378 minivans in the United States, giving it a 149,903 lead over Ford Motor Co.'s combined minivan sales.

But, recently, Ford Motor has closed the gap. The automaker offers the Aerostar, Windstar and Mercury Villager.

Chrysler Corp.'s models include the Chrysler Town & Country; Dodge Caravan, Caravan C/V and Grand Caravan; and Plymouth Voyager and Grand Voyager.

In November, combined Ford Motor Co. minivan sales totaled 30,207 units, within 3,169 units of Chrysler's 33,376.

Before the most recent delays, Thomas Pappert, Chrysler vice president of sales and marketing, already estimated Chrysler would lose about 60,000 minivan sales due to changeover. The delay at Windsor could cut an additional 4,741 units from Chrysler's total.

It now seems like model changeover downtime will cost Chrysler close to 65,000 minivans next year, an average of more than 5,000 a month, which puts Chrysler's minivan sales crown within striking range of Ford.

— Joseph Bohn

Extra '95 minivans boost bottom line

Chrysler needs to bring the 1996 minivans to market to compete with the Ford Windstar, but the automaker is trying to build carryover inventory.

On Dec. 1, there was a 93-day supply.

Although Chrysler will lose more production, internal calculations show that Chrysler will earn an extra $5.5 million profit from the changes.

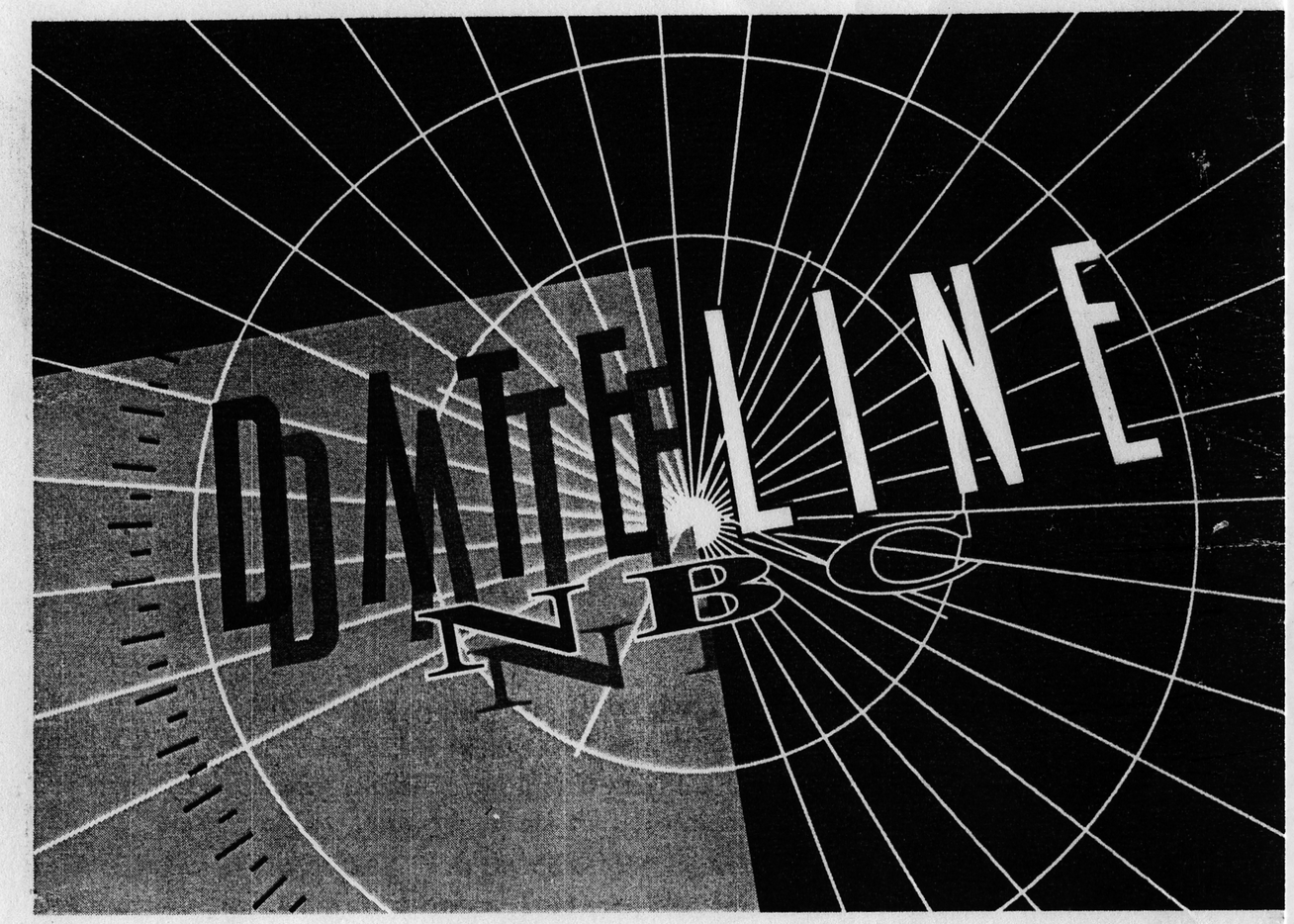
The company expects to earn $6,200 to $6,600 a unit from extra 1995 models built in Ontario during the first and second quarters and $5,500 to $5,800 per unit from 1996 models produced there in the second half.

— Joseph Bohn

TAB 24

NBC NEWS
30 Rockefeller Ctr. NY, NY 10112

Number 425



November 19, 1996

Transcript produced by *BURRELLE'S INFORMATION SERVICES*
Box 7 • Livingston, New Jersey 07039

DATELINE
NBC
BURRELLE'S TRANSCRIPTS
Box 7 • Livingston, NJ 07039

PAULEY: *(Voiceover)* Plus, art in a can, DATELINE's Picture of the Week.
(Picture of the Week graphic)
Announcer: DATELINE, with Jane Pauley and Stone Phillips, plus Tom Brokaw, Katie Couric, Bryant Gumbel, and Maria Shriver. DATELINE continues after this brief message.

CRASH TEST

Announcer: From Studio 3B in Rockefeller Center, here is Jane Pauley.
JANE PAULEY: Good evening. They've all but replaced the old station wagon. Soccer moms and dads all across the country drive them. In fact, roughly one out of every 10 cars sold in America is a minivan. They're the new family car. But have you ever wondered how well a minivan will protect you and your family if you're in a serious accident. Well, it's a good question. And the answer may depend on what make and model you're in. Tonight, see for yourself as chief consumer correspondent Lea Thompson brings you this DATELINE Exclusive.
Mr. BRIAN O'NEILL: *(Voiceover)* What these tests show is that in some of these minivans the chance of an injury are high.
(Crash test)
LEA THOMPSON reporting: *(Voiceover)* DATELINE cameras are behind the scenes at one of the most modern automobile crash test centers in the world.
(Researchers)
Unidentified Man #1: *(Trying to remove dummy from crashed vehicle)* It's not even budging.
THOMPSON: *(Voiceover)* Researchers here at the Insurance Institute for Highway Safety are trying to understand why one family minivan can look like this, while another looks like this, all in the same test.
(Researchers; crash tests)
Mr. O'NEILL: *(Show dummy in crashed minivan)* There's just no room left back down here. I believe that that foot is separated from the leg.
THOMPSON: *(Voiceover)* The commercials say they're the perfect family car for the '90s, millions on the road, many driven by mothers with their kids. So, how well would a minivan protect you in a serious crash at 40 miles an hour?
(Minivan commercial; highway)
Unidentified Man #2: *(With minivan)* Other way.
THOMPSON: *(Voiceover)* The Institute is about to find out.
(Institute)
Man #2: *(Setting up crash test)* Boy, that's right on the money.
THOMPSON: *(Voiceover)* It's funded by insurance companies and says its goal is to cut the cost of insurance claims by making cars safer. It will be testing some of the most popular minivans in America: the Dodge Grand Caravan, the Ford Aerostar, the newly designed van from General Motors—the Pontiac Trans Sport, nine minivans in all. Every one of these vans meets federal regulations. The question is, can they pass a test the government doesn't do? Two years ago the Institute began what it calls a revolutionary new series of crash tests, very different from the government's. The government tests cars by running them head-on into a flat wall, the force spread evenly across the front. But in any junkyard you'll see many accidents don't happen that way. So the Institute tests cars by hitting a wall off center—'off set' it's called—concentrating the forces on just one side. The test is carefully designed to simulate what happens if two cars hit like this, driver to driver at 40 miles an hour.
(Institute; minivans; crash test set up; crash test; simulated crash; junkyard; simulated crash test; video of crash)
Mr. O'NEILL: We've chosen the speed that is representative of serious, real world crashes.
THOMPSON: *(Voiceover)* And the institute's Brian O'Neill says some cars do well in the new test.
(Movie camera)
Mr. O'NEILL: *(Showing video of test)* This is the Ford Windstar. This is by far the best performer.
THOMPSON: *(Voiceover)* There's plenty of damage, but O'Neill says it's distributed around the driver, not into him. The safety cage holds. Any injuries at all to the dummy?
(Crash test)
Mr. O'NEILL: The injury measures on this dummy were all low, indicating that there was no significant risk of injury to any body region.
THOMPSON: *(Voiceover)* The Ford Windstar survives this crash. No serious injuries, not even to the legs. But how well will the other minivans hold up?
(Damaged Windstar; crash test set up)
Unidentified Woman #1: *(Writing figures)* Torso angle?
THOMPSON: *(Voiceover)* The Institute bought these brand new minivans right off dealer's lots. Each one will be tested at the same speed, same angle, same conditions. DATELINE had no say in how the cars were chosen, tested, or evaluated.

(Institute; "Test in Progress" sign)
Unidentified Man #3: *(Voiceover)* The car is good.
(Institute)
Unidentified Man #4: *(Crash test)* Three, two, one.
THOMPSON: *(Voiceover)* This is the Dodge Grand Caravan, the top selling minivan in America, at 40 miles an hour.
(Crash test)
Mr. O'NEILL: *(Inspecting damaged minivan)* There is major intrusion. This means that the chances of major leg and foot injuries in this crash are very, very high.
THOMPSON: *(Voiceover)* The Institute says that part of the floor near the pedals is rammed back more than a foot, and the news from sensors in the dummy is not good.
(Minivan after crash test)
Mr. O'NEILL: *(Inspecting damaged minivan)* Both legs?
Woman #1: *(Inspecting minivan)* Mm-hmm. Both left and right.
THOMPSON: *(Voiceover)* Watch the front tire. The Institute says the structure of the van causes the crash forces to be focused on the feet.
(Crash test)
Mr. O'NEILL: *(Voiceover)* As a result, both of the lower legs of the dummy indicated the risk of a serious injury.
(Crash test)
THOMPSON: Would both legs have been broken?
Mr. O'NEILL: We think that in this crash both legs would have been broken. That's correct.
THOMPSON: *(Voiceover)* Remember, the Ford Windstar protected the dummy's legs. In the same test, the Dodge Caravan didn't. This is the Chevrolet Astro, also called the GMC Safari.
(Dummy being removed; crash test)
Mr. O'NEILL: *(Showing damaged minivan)* It's jammed in there.
THOMPSON: *(Voiceover)* The floor has buckled, tipping the driver's seat forward.
(Damaged minivan)
Mr. O'NEILL: *(Showing damaged minivan)* This vehicle has almost got its back broken, if you know what I mean. It's come up and buckled.
THOMPSON: *(Voiceover)* In slow motion you can see how the air bag still manages to cushion the head. But at the feet the floor is rammed back as much as 15 inches, the door jammed so tight it has to be cut open. The Institute says one leg is probably broken. But remember, this dummy is the size of an average man.
(Crash test; door being cut; damaged minivan)

THOMPSON: What would have happened if this had been a woman, short and lighter?
Mr. O'NEILL: The shorter woman would presumably have the seat further forward, so there would be even less space. As the seat's pitching forward the steering wheel is coming back and up. This is a problem when we're losing s—what we call the survival space.
THOMPSON: *(Voiceover)* This is the Aerostar, an older design from Ford. Remember, the minivans are being tested at 40 miles an hour.
(Crash test)
Mr. O'NEILL: *(Inspecting damaged minivan)* This is extremely unusual because the steering wheel is in the lap of the driver.
THOMPSON: *(Voiceover)* The steering wheel has snapped off. In slow motion you can see it happen.
(Damaged minivan; crash test)
Mr. O'NEILL: *(Voiceover)* The steering column going upwards as the driver's face is going forward into the air bag. It bottoms at the air bag and actually breaks the steering wheel off the column.
(Crash test)
THOMPSON: *(Voiceover)* But amazingly, O'Neill says, the air bag still manages to catch the head and cushion the blow just enough.
(Crash test)
Mr. O'NEILL: *(Voiceover)* The forces on the drivers head were too high, but they were not high enough to produce a very serious injury.
(Crash test)
THOMPSON: This says a lot about air bags, doesn't it?
Mr. O'NEILL: Absolutely, because this is what air bags are all about.
THOMPSON: *(Voiceover)* Again, the door has to be pried open. Measurements show the floor has been rammed back as much as 15 inches. The computer says the left leg is probably broken.
(Damaged minivan)
THOMPSON: *(Voiceover)* The Institute says this minivan faired even worse, the Toyota Previa.
(Crash test)
Mr. O'NEILL: *(Inspecting minivan)* This is the worst we've seen, I think. This is just looking terrible. I mean, this steering column is almost up in the roof.
THOMPSON: *(Voiceover)* And the seatbelt has allowed the dummy to slip down, the legs wedged against the dash board. One is probably broken. And just watch what happens to the dummy's head.
(Damaged minivan; crash test)
Mr. O'NEILL: *(Voiceover)* The driver dummy in this crash...*(unintelligible due to audio difficulties)*...the head and the neck.

Troubling forces. It's hard to predict precisely what kind of injury that would produce, but there would be head and neck injury in this crash.
(Crash test)
THOMPSON: *(Voiceover)* Ironically, the man in charge of these tests owns a minivan like this one. Now he's selling it.
(Damaged minivan)
Mr. O'NEILL: When I saw the results of this test, I decided this is not a vehicle for my family.
THOMPSON: *(Voiceover)* Remember, there was a minivan that did well in this test. The Ford Windstar protected every part of the body. In the Toyota Previa, the institute says there's a chance the head, neck, and legs all were injured. But the Institute says, even worse than the Previa is this brand new design from General Motors, the Pontiac Trans Sport.
(Crash test; damaged minivan; crash test)
Mr. O'NEILL: *(Inspecting damaged minivan)* Looks like massive amounts of intrusion. We've got the chin of the dummy on the steering wheel, which isn't good.
THOMPSON: *(Voiceover)* The wheel is under the chin.
(Damaged minivan and dummy)
Woman #1: *(Examining film)* See the steering wheel rim here?
THOMPSON: *(Voiceover)* The slow-motion film shows the dummy's head snapping back.
(Film of crash test)
Woman #1: *(Voiceover)* The structure of the vehicle just collapses. It's obvious from his head motion that it's hit the steering wheel.
(Film of crash test)
THOMPSON: *(Voiceover)* General Motors says this is one of the few vans in which the seam welds, which hold sections of the car together, didn't separate. But the Institute says the floor has been rammed back as much as 19 inches. That's more than any other van. The dummy's left leg is trapped.
(Damaged minivan)
Unidentified Man #5: *(Pulling on dummy)* It's not even budging.
THOMPSON: *(Voiceover)* It won't come free even with a crowbar.
(Dummy stuck in minivan)
Man #5: *(Trying to remove dummy)* It's not moving, is it?
THOMPSON: *(Voiceover)* Technicians finally take the dummy apart at the knee just to get it out. But there's a problem. One of the speed readings for this test is too high.
(Dismantled dummy; researchers)
Unidentified Man #6: I got 41.4.

THOMPSON: *(Voiceover)* It's only a mile and a half over test speed at the most, but the damage is so severe the institute decides it must do the test again. This is another Trans Sport. This time, the speed readings are perfect, but the damage is similar.
(Speedometer; damaged minivan; crash test; damaged minivan)
Mr. O'NEILL: *(Inspecting minivan)* Massive structural collapse.
THOMPSON: *(Voiceover)* The dummy's left leg is trapped again.
(Damaged minivan)
Mr. O'NEILL: *(Inspecting minivan)* Well, this is really bad because the ankle is actually detached from the foot. I believe that's completely snapped off. So the loads on the dummy have been such that the metal leg—this is not a bone leg—this metal leg is snapped off.
THOMPSON: *(Voiceover)* And on the slow-motion film, watch carefully...
(Crash test)
Mr. O'NEILL: *(Voiceover)* What this crash illustrates is that when the compartment fails completely, as it's done here, and is collapsing all around you, the restraint systems can't offer much protection.
(Crash test)
THOMPSON: *(Voiceover)* O'Neill says the head snaps back. The survival space collapses so much that the steering wheel is driven right through the air bag into the dummy. This time, the injury readings are even more serious.
(Crash test)
Mr. O'NEILL: A major injury to the neck, to the cervical region.
THOMPSON: Is it possible that the person in this crash might have been killed?
Mr. O'NEILL: Well, we can never say for certain just based on dummy measurements, but the forces were certainly high enough that the injuries could have produced a fatal injury.
THOMPSON: *(Voiceover)* General Motors declined to talk about this test on camera, but in a letter GM said, `To assure overall safety at a variety of speeds, it ran 72 crash tests on its minivan, including an offset test at 35 miles-an-hour.' GM wrote, "The minivan performed very well," but declined DATELINE's request to release pictures of the test or the specific results. GM and the other automakers reminded us that all their vans meet or exceed federal safety standards, and they include safety features to help avoid accidents. The car companies have also criticized the Insurance Institute saying it has a `vested interest' and cares more about cutting insurance claims than the added cost of building safer cars, that it puts too much emphasis on this one crash

test. But most of all, the automakers said, the Institute's test was too fast.

(Crash test; letter; damaged minivans)

Mr. GEORGE PARKER: I would have to classify it an ultra high-speed test, compared to the types of crashes that happen in the real world.

THOMPSON: *(Voiceover)* George Parker represents the International Association of Automobile Manufacturers.

(Mr. Parker being interviewed)

THOMPSON: Are you saying that people don't have accidents at 40 miles an hour?

Mr. PARKER: They are very rare instances of crashes at that speed. You're probably talking less than 5 percent, maybe even less than 2 percent of all of crashes—offset crashes happen at that speed.

THOMPSON: *(Voiceover)* General Motors says it's even more rare, only about four hundredths of one percent of all the accidents the federal government tracks, and that designing cars to withstand high-speed crashes could actually contribute to injuries in more frequent, low-speed accidents. The institute says it picked the 40-mile-an-hour speed because, among fatal front end accidents, that speed is common. About half of deaths happen faster and half slower than 40.

(Letter; crash tests)

THOMPSON: *(Voiceover)* Tomorrow, the Insurance Institute releases its official rankings. The Ford Windstar, with no injuries, gets a "Good." But after that, a sharp drop. Four vans rated "Marginal": the Mazda MPV, Dodge Grand Caravan, Honda Odyssey, Nissan Quest. And these rated poor: the Chevrolet Astro, Ford Aerostar, Toyota Previa. And last on the list, the Pontiac Trans Sport. It's also called the Oldsmobile Silhouette and the Chevrolet Venture.

(Insurance Institute; text of ratings)

THOMPSON: If the Ford Windstar can protect passengers adequately at 40 miles an hour, then why can't all these other minivans do as well?

Mr. PARKER: Well, I think that's not the point. I think the point is that if you are a potential purchaser or owner of one of these vehicles, that I would be very cautious about putting a lot of importance to the results of this test, because these vehicles do well in the real world.

THOMPSON: *(Voiceover)* Brian O'Neill agrees that compared to some other cars, minivans do not have as many deaths and injuries. But he says, it's not because of the way they're built, it's because the people who drive minivans are middle-aged moms and dads—statistically some of the safest drivers on the road.

(Thompson and Mr. O'Neill at Insurance Institute; minivan on road)

Mr. O'NEILL: Minivans have a good on the road record because of their drivers.

(Voiceover) What we're saying, however, is, if you're driving one of these and you're unfortunate enough to be in a collision, some of them aren't going to offer the protection they should be offering.

(Crash test)

PAULEY: The automakers say the Insurance Institute runs its tests to get publicity, and they note the tests are not used to set the car insurance rates you pay. But in spite of the criticism, the federal government wants to develop its own offset test, similar to the one you've just seen.

(Voiceover) If you're interested in detailed van-by-van test results, they're available on DATELINE's Web site at www.dateline.msnbc.com.

(Web site graphic)

PAULEY: We'll be right back.

Announcer: This is DATELINE Tuesday, for November 19th, with reports tonight from chief consumer correspondent Lea Thompson and Chris Hansen.

Still ahead, could the ValuJet crash have been prevented by a device similar to one you have right in your home?

(Announcements)

Announcer: From our studios in New York, here is Stone Phillips.

STONE PHILLIPS: The miracle and the mystery of test-tube babies.

DAVID BRINKLEY reporting: *(From old broadcast)* Good evening. The first baby ever conceived outside the mother's body was born in England.

PHILLIPS: *(Voiceover)* Louise Brown was the world's first test-tube baby. With her was born a brave new world of science and law. On occasion, in vitro fertilization has resulted in bizarre crimes.

(Video of Louise Brown being cleaned off after birth; lab workers pouring substance into petri dish)

Unidentified Woman #2: I just want to know why he did it!

PHILLIPS: *(Voiceover)* Like a doctor who secretly used his own sperm to fertilize his patients.

(Man leaving building)

Mr. WILLEM STUART: Cornflakes.

Ms. WILMA STUART: Yeah, cornflakes.

Unidentified Boy: Yeah.

NS-BODY
SAFETY LEADERSHIP TEAM (SLT)

GENERAL INTRODUCTION

AND

ACTIVITIES/ISSUES REVIEW

Product Direction Team
February 23, 1994

Minivan Operations, February 14, 1994
PVS#10\sltpdt.cvr

NS-BODY
SAFETY LEADERSHIP TEAM (SLT)

"A" PRIORITY

SAFETY FEATURE INVESTIGATION ITEMS

Accident Avoidance

- Proximity Detection/Enhancement :
  - Side Object
  - Rear Object
- Traction Control
  - Low Speed
  - Full Speed
- Front O/S Lighting Enhancement:
  - Wipers On/Headlights On
  - Illuminated Entry/Keyhole
  - Remote and Delay Light-your-way
- Rear O/S Lighting Enhancement:
  - Bright B/U Lights
  - Fast Response CHMSL/Brake Lights

Accident Survivability

- Rear Seat Headrests
- Center Rear Headrests
- Child Safety Seat:
  - Split Recline
- Off-set Impact Protection
- Side Air Bags
- Seat Belt Pre-tensioners
- Automatic Power Door Lock Release
- Fuel Shut-Off Switch

Other

- Enhanced Celular Communications
  - Telephone*
- Remote Keyless Entry
  - Locator/Panic Alert
- 5 MPH Bumper
  - Front
  - Rear

Timing	Financials: Piece Cost	Financials: Investment	Volume	Weight

Information

to be

submitted/consensed

by

Minivan

Platform

Team

Submittal timing

to be

discussed

at

PDT

*Dealer installed at present.

TAB

25

NHTSA DEFECT INVESTIGATION PROCEDURES ? : 1994/5 VS. 1999
BLATANT DUPLICITY OR LESSONS LEARNED ?

ABC News 20/20 : "Open To Danger" (October 27, 1995 - Please see Tab 8)

On October 27, 1994 an initial secret meeting was held between NHTSA and members of the Chrysler legal and management staffs. Representatives of the NHTSA Chief Counsel's office and the Office of Defects Investigation (ODI) were present. At this meeting NHTSA decided to grant Chrysler :

"an opportunity to review the material developed in the course of NHTSA's (EA94-005) investigation before the agency completes this Engineering Analysis".

This "review" occurred on November 17, 1994; in stark contrast to long-established agency practice (Tab 3).

As detailed in my October 27, 1999 letter to U.S. Attorney General Janet Reno; Chrysler, NHTSA and the **Department of Justice** then conspired to obscure the November 17, 1994 conclusion of EA94-005 :

"The latch failure is a safety defect that involves children."

Due to this conspiracy, it took a lawsuit and one year before the U.S. taxpayer would be allowed to view the EA94-005 materials and crash test videos. It was not until October 25, 1995 that NHTSA Administrator Martinez would hold a news conference, wherein lose of the lawsuit was ostensibly/officially announced, and the crash test videos were released to the media. Thee prominent example of the media coverage was the October 27, 1995 airing of *ABC News 20/20* (Tabs 1 & 2).

ABC News 20/20 : "After the Crash : Parts I & II" (July 16, 1999)

Detailed here in Tab 25 is the current NHTSA EA99-013 defect investigation regarding Chrysler minivans. This fire-hazard defect involves at least two safety standards : FMVSS-214 and FMVSS-301. NHTSA had conducted compliance testing for the 1996 to 1999 Chrysler minivans during January and February 1999. In all tests, these Chrysler minivans consistently failed the fuel system integrity tests.

The EA99-013 is still "open". The EA99-013 crash testing of the Chrysler minivans was video taped.

However, in stark contrast to the treatment that injury/death victims endured during the EA94-005 latch defect conspiracy of 1994/5; the EA99-013 crash test videos were made available to the media in July 1999 while EA99-013 was still "open". When asked by *ABC News 20/20* reporter Arnold Diaz to comment on the 1996 - 1999 Chrysler minivan fuel system defects, NHTSA Administrator Martinez proclaimed :

"Because they're under investigation I can't say anything about it."

While death/injury were **known** to be occurring during the Chrysler/NHTSA/DOJ EA94-005 conspiracy, NHTSA hid the crash test videos from the public. But five years late; during an investigation involving the very same car company, involving the very same types of vehicles; NHTSA releases the EA99-013 videos to the very same media (*ABC News 20/20*) **while confirming that it is still "open" !** This begs the question "BLATANT DUPLICITY OR LESSONS LEARNED ? "

Gas tank probe grows

U.S. intensifies GM truck, Chrysler van investigation

Company officials dispute negative federal crash tests results with Chrysler minivans, such as the Plymouth Voyager, that show a fire hazard.

By Dina ElBoghdady / Detroit News Washington Bureau

WASHINGTON -- The National Highway Traffic Safety Administration upgraded its investigation into gasoline tanks on some DaimlerChrysler AG minivans and General Motors Corp. pickups that the agency suspects may pose a fire hazard during side-impact crashes.

The probe focuses on fuel tanks of roughly 2 million DaimlerChrysler minivans from model years 1996-1999 and about 1.3 million GM S-10 and Sonoma compact pickups from model years 1994-1999.

In both cases, leakage occurred during federal crash tests in which minivans and pickups were struck by other vehicles traveling 30 miles per hour or 34 miles per hour.

The investigation was upgraded from a preliminary evaluation to an engineering analysis -- which could lead to recall if sufficient evidence is found to warrant that action, The Detroit News learned.

Both automakers said they are cooperating with the investigation. But they add that the crash test results are at odds with their own testing and don't reflect real-world experience with these vehicles.

"We have millions of these vehicles out there and we have never seen this happen -- ever," said Sue Cischke, DaimlerChrysler's vice-president of vehicle safety.

Federal documents show a three-door 1999 Dodge Caravan spilled about 11 gallons of test fuel when a hose in which gasoline travels from the retail pump into the tank pulled loose at the bottom of the tank during a January crash test. A test in December using the four-

door 1999 Dodge Grand Caravan also produced fuel tank leaks.

The probe was extended to the Plymouth Voyager and Grand Voyager and the Chrysler Town and Country in case they have similar tanks.

A 1999 Chevrolet S-10 extended-cab pickup truck with a four-cylinder engine spilled 15 gallons of test fuel during a crash test, prompting a look at GM's S-10 and the Sonoma pickups.

GM put a shield at the lower rear area of the fuel storage tank in its V-6 pickups at the end of model year 1998. The shields were not added to four-cylinder pickups until December, after the federal crash tests. Under investigation are models without the shield.

633496

REPORT NO.: 214-MGA-99-05
SAFETY COMPLIANCE TESTING FOR FMVSS NO. 214
"SIDE IMPACT PROTECTION"

DaimlerChrysler Corporation
1999 Dodge Caravan 3 Door
NHTSA NO: CX0305

MGA PROVING GROUNDS
5000 WARREN ROAD
BURLINGTON, WI 53105

Test Date: January 5, 1999

Report Date: January 8, 1999

FINAL REPORT

Prepared For:

U.S. DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
ENFORCEMENT
OFFICE OF VEHICLE SAFETY COMPLIANCE
400 SEVENTH STREET, SW
ROOM 6115 (NSA-30)
WASHINGTON, D.C. 20590

TECHNICAL REPORT STANDARD TITLE PAGE

1. Report No. 214-MGA-98-05	2. Government Accession No.	3. Recipient's Catalog No.
4. Title and Subtitle Final Report of FMVSS No.214 Compliance Side Impact Protection Testing of a 1999 Dodge Caravan 3 Door NHTSA No. CX0305		5. Report Date January 8, 1999 6. Performing Organization Code MGA
7. Author(s) Dave Kosloske		8. Performing Organization Report No. MGA-DOT-214-05
9. Performing Organization Name and Address MGA Research Corporation 5000 Warren Road Burlington, WI 53105		10. Work Unit No. 11. Contract or Grant No. DTNH22-97-C-11033
12. Sponsoring Agency Name and Address U.S. Department of Transportation National Highway Traffic Safety Administration Office of Vehicle Safety Compliance 400 Seventh St., S.W., Room 6115 Washington, D.C. 20590		13. Type of Report and Period Covered Final Test Report January 5, 1999 - January 8, 1999 14. Sponsoring Agency Code NSA-30
15. Supplementary Notes		

16. Abstract

A 48/24 kph 90° Impact (Moving Deformable Barrier) Compliance Test was conducted on the subject 1999 Dodge Caravan 3 Door in accordance with the specifications of the Office of Vehicle Safety Compliance Test Procedure No. TP- 214D-04 for the determination of FMVSS No. 214 Side Impact Protection compliance. The test was conducted at MGA Research Corporation in Burlington, Wisconsin, on January 5, 1999.

The impact velocity of the Moving Deformable Barrier (MDB) was 52.6 kph, and the ambient temperature at the struck side of the target vehicle at the time of impact was 21.7°C. The target vehicle post test maximum crush was 369 mm between levels 1 and 2. The test vehicle's performance follows:

	DRIVER.	LEFT REAR PASS.
Left Upper Rib (LUR) Accel., g	36	32
Left Lower Rib (LLR) Accel., g	30	35
Lower Spine (T_{12}) Accel., g	49	51
Thoracic Trauma Index (TTI)	43	43
Pelvis (PEV) Accel., g	52	95

The door on the struck side of the vehicle did not separate from the body at the hinges or latch and the opposite doors did not open during the side impact event.

17. Key Words Compliance Testing Side Impact Protection FMVSS 214 Side Impact Dummy (SID)		18. Distribution Statement Copies of this report are available from: National Highway Traffic Safety Adm. Technical Ref. Division, Room 5108 (NAD-52) 400 Seventh Street, S.W. Washington, D.C. 20590 Telephone No. 202-366-4946	
19. Security Classif. (of this report) Unclassified	20. Security Classif. (of this page) Unclassified	21. No. of Pages 293	22. Price

Form DOT F 1700.7 (8-69)

DATA SHEET 16

FUEL SYSTEM INTEGRITY POST IMPACT TEST DATA

Vehicle Year/Make/Model/Body Style: 1999/Dodge/Caravan/3 Door

Vehicle NHTSA No.: CX0305 Test Date: January 5, 1999

TEST REQUIREMENTS:

Drain the test vehicle's fuel system and operate the engine until the fuel system is dry. Add Stoddard solvent, which has been dyed purple, until 92-94% of the stated usable capacity is reached. Operate the engine to assure the Stoddard solvent is present throughout the entire fuel system.

TEST VEHICLE IMPACT TYPE: X Left Side Impact MDB 32.7 mph (52.6 kph)

FUEL SPILLAGE MEASUREMENT:

POST IMPACT TEST	TEST RESULTS	MAXIMUM ALLOWABLE
1. From impact until vehicle motion ceases	unknown	1 oz
2. For 5 minute period after vehicle motion ceases	approx. 2 gal.	5 oz
3. For next 25 minutes	approx. 9 gal.	1 oz./1 min

FUEL SPILLAGE LOCATION(S): Stoddard solvent leaked from the fuel tank at the point where the fuel filler neck separated from the tank.

Note: Post-test static rollover was not conducted because it was obvious that the fuel system integrity had been compromised.

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

CHRYSLER CORPORATION, a Delaware corporation,

Plaintiff,

-vs-

No. 94-489177-CZ
Hon. David F. Breck

PAUL SHERIDAN,

Defendant./

The deposition of ROBERT A. LUTZ, taken pursuant to the Michigan General Court Rules before Rose Ann Zaidan, a Notary Public in and for the County of Oakland, acting in the County of Washtenaw, State of Michigan, at 2101 Hubbard Drive, Ann Arbor, on Friday, June 4, 1998, commencing at or about the hour of 9:20 o'clock A. M.

APPEARANCES:

KIENBAUM, OPPERWALL, HARDY & PELTON, P.L.C.,
BY THOMAS G. KIENBAUM, ESQ., (P15945),
and ROBERT B. BROWN, ESQ., (P51378),
325 South Old Woodward Avenue, Birmingham, MI 48009, 248-645-0000, appearing on behalf of the Plaintiff.

MAZUR, AMLIN, MORGAN, MEYERS & KITTEL,
BY COURTNEY E. MORGAN, JR., ESQ., (P29137),
and MICHAEL S. MAZUR, ESQ., (P29137),
1490 First National Building, Detroit, MI 48226, 313-961-0130, appearing on behalf of the Defendant.

ALSO PRESENT: Paul Sheridan

- - -

Rose Ann Zaidan, CSR-2217, RPR

R. A. ZAIDAN & ASSOCIATES, INC.
248-643-4740

Q. Are you familiar with a change in the type of inflator used in the front air bags in the NS minivans after their introduction, sir?

A. I think we're getting into good old last paragraph of the order here, are we not?

Q. I'm just asking you whether or not you're familiar with the change.

A. Well, I'm not going to answer.

Q. Okay. Are you familiar with any scrutiny by the NHTSA of those air bags currently ongoing?

A. I'm not going to answer.

Q. Okay. Are you familiar -- does Chrysler routinely certify compliance with 214 based on F1 tests?

A. I don't know what 214 is and I no longer am sufficiently aware of the definition of F1s and I'm not going to answer.

Q. 214 is a side impact standard. Does Chrysler routinely certify compliance with MVSS 301 based upon tests where the fuel tank is empty?

A. I'm not going to answer it.

Q. Does Chrysler routinely certify compliance with 301 based upon F1 testing?

A. Not going to answer.

Q. I want you to take a look at the bottom page of

TAB

26

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

Chrysler Corporation,

Plaintiff,

v

Paul Sheridan,

Defendant.

_____/

Case No. 94-489177-CZ
Hon. David F. Breck

Thomas G. Kienbaum (P15945)
325 South Old Woodward Ave
Birmingham MI 48009
Attorney for Plaintiff

Courtney E. Morgan, Jr. (P29137)
1490 First National Building
Detroit MI 48226
Attorney for Defendant

_____/

OPINION AND ORDER REGARDING DEFENDANT'S MOTION TO SET ASIDE RECOMMENDATIONS OF NORMAN L. LIPPITT

At a session of said Court held in the City of Pontiac, County of Oakland, State of Michigan, on

APR 0 8 1999

PRESENT: HON. DAVID F. BRECK
CIRCUIT COURT JUDGE

This matter having come before the Court on Defendant's Motion to Set Aside Recommendations of Norman L. Lippitt, and having heard oral arguments and reviewed the pleadings and the applicable law, this Court issues the following Order:

IT IS HEREBY ORDERED that Defendant's Motion to Set Aside Recommendations of Norman L. Lippitt is denied, Defendant having previously agreed to his involvement.

IT IS FURTHER ORDERED that Defendant is permitted to take the depositions of the following individuals: Peter Badore, Chris Theodore, Charles Centivany, Michael Muth, Michael Pitt, Joseph St. Lawrence, Robert Mocello, Francois Castaing, Robert Lutz and Leroy Richie.

IT IS FURTHER ORDERED that the testimony during deposition shall be limited to the elements of the alleged violations of the Whistle Blower Protection Act and retaliatory discharge in violation of public policy as set forth Defendant's Second Amended Counter Claim.

IT IS FURTHER ORDERED that no questions in deposition are permitted regarding any claimed violation by Chrysler of a government law or regulation, the production or future production of a product with a safety defect, or the concealment or destruction of information concerning the production of a product with a safety defect.

IT IS FURTHER ORDERED that this discovery is to be completed within 45 days.

DAVID F. BRECK
CIRCUIT JUDGE

HON. DAVID F. BRECK
CIRCUIT COURT JUDGE

A TRUE COPY
G. WILLIAM CADDELL
Oakland County Clerk - Register of Deeds
By: _____
Deputy

TAB

27

Summary of Performance Appraisal Comments
Filed by Chrysler Executives
Covering a Two Year Evaluation Period

Subject: Paul V. Sheridan
Reference: Minivan Safety Leadership Team

"Paul (Sheridan) does a thorough, detailed, organized, and tireless job. He became an active promoter of advancing safety in the (minivan) program only slowing when the reality of the interest from management became apparent to him..."

Ronald S. Zarowitz
Manager, Safety Office, (810) 576 - 7305
October 10, 1994

"(Paul Sheridan) has directed various team efforts well, with a strong goal orientation, especially the (minivan) Safety Leadership Team..."

Mark W. Clemons
Manager, Chrysler-Plymouth Marketing, (313) 956 - 3763
October 14, 1994

"Overall I think Paul (Sheridan) has done an excellent job...He has been eager to get involved...Always very open and candid...good planning skills...Good team leader..."

Bernard E. Swanson
Executive Engineer-Minivan Platform
October 16, 1994, (810) 576 - 2908

"Paul (Sheridan) did a good job as Chairman of the Minivan Safety Leadership Team...He brings a valuable engineering perspective to his product planning role...He is willing to speak up when he disagrees, which is good..."

Scott A. Sullivan
Manager, Market Research
October 12, 1994

"I find (Paul Sheridan) to be very innovative and certainly not afraid to push the envelope. His professional yet open demeanor easily wins the respect of his colleagues. He is extremely knowledgeable, and may well be one of the best all around technical persons on staff...Paul is a valuable asset to the (minivan) platform and I rely on him to accomplish our mutual goals"

Paul T. Doolan
Engineering Programs Manager-Minivan
October 10, 1994, (810) 576 - 4837

MULTIPLE INPUT FORM – CONFIDENTIAL

The use of this form is optional. If it is used, however, the guidelines on the back of this form must be followed. Multiple input can provide supervisors with valuable, additional information to consider when completing employee appraisals and development plans. Your input regarding the employee's past year's results and behaviors is appreciated.

Employee Name Paul Sheridan Date 10-10-94

Provider Name (Optional) Ron Zarowitz How Long Have You Worked with the Employee? 2 years

Relationship to Employee:

____ Customer ____ Supplier ✓ Team Member ____ Subordinate ____ Peer ____ Other _____

RESULTS:

Please provide a brief summary of the employee's success or difficulty in fulfilling his or her job duties related to you. Include specific examples and results.

Paul does a thorough, detailed, organized, and tireless job. He became an active promoter of advancing safety in the NS program, only slowing when the reality of the interest from management became apparent to him. He created & led NS SLT to point of making data-based recommendations to NS management.

BEHAVIORS:

Please list areas where you feel the employee excels or has opportunity for development. Keep in mind the following behaviors:

Innovation/Risk Taking Continually attempts to push forward/try something new/ be inventive.

Teamwork Very interested in team dynamics consensus-building - good leader.

Encouraging/Valuing Diversity Different backgrounds/points-of-view sought out, encouraged.

Communication/Openness/Candor Direct, honest. to the point of being blunt

Continuous Process Improvement (no basis to evaluate)

Planning/Priority Setting Organized NS SLT & ran group effectively/ efficiently. Developed plan to prioritize group objectives.

Problem Solving Creative, up to point of "hitting the wall" - then process steps.

Leadership - good · encourages group input - leads group to make progress - has vision of ultimate goal.

Customer Responsiveness (no basis to evaluate)

Technical Expertise

People Management/Development (for supervisors only)

OTHER COMMENTS OR CONCERNS:

Very strong candidate who could work on achieving "grace under fire" - temper sometimes comes through too quickly when frustrated.

Please return to Dennis Malecki (Name) by _____ (Date)

Thanks!

MULTIPLE INPUT FORM - CONFIDENTIAL

The use of this form is optional. If it is used, however, the guidelines on the back of this form must be followed. Multiple input can provide supervisors with valuable, additional information to consider when completing employee appraisals and development plans. Your input regarding the employee's past year's results and behaviors is appreciated.

Employee Name ***Paul Sheridan*** Date ***October 14, 1994***

Provider Name ***Mark Clemons*** How long have you worked with the Employee? ***2 Years***

Relationship to Employee:

Customer Supplier ***X*** Team Member Subordinate Peer Other

RESULTS:

Please provide a brief summary of the employee's success or difficulty in fulfilling his or her job duties related to you. Include specific examples and results.

Paul has been successful in his duties, especially with the NS teams that he chairs. He is also an enthusiastic team member.

BEHAVIORS:

Please list areas where you feel the employee excels or has opportunity for development. Keep in mind the following behaviors:

Innovation/Risk Taking

Teamwork
Good team player. Assumes team goals well and works aggressively to accomplish team objectives.

Encouraging/Valuing Diversity
Paul is aggressive, opinionated and persistent, traits which can be assets when moderated. However, he occasionally allows his personal views to compromise his effectiveness.
Communication/Openness/Candor
Clear and concise. Expresses views well, both orally and written.

Continuous Process Improvement

Planning/Priority Setting
Has directed various team efforts well, with a strong goal orientation (especially the NS Safety Leadership Team leading up to the NS safety research).
Problem Solving
Good analytical skills. Researches issues well. Brings facts to bear for decision making purposes.

Role Model Behavior/Leadership
Effective in chairing NS Safety Leadership, NS Complexity and NS Exterior Ornamentation teams. Leads discussions well and assists teams in developing necessary outputs.
Customer Responsiveness
Keeps commitments to teams and team members.

Technical Expertise
Displays good understanding relating to chassis items and exterior ornamentation.

People Management/Development (for supervisors only)

OTHER COMMENTS OR CONCERNS:

Please return to ***Dennis Malecki*** by ***October 19, 1994***

Name Date

THANKS!

MULTIPLE INPUT FORM – CONFIDENTIAL

The use of this form is optional. If it is used, however, the guidelines on the back of this form must be followed. Multiple input can provide supervisors with valuable, additional information to consider when completing employee appraisals and development plans. Your input regarding the employee's past year's results and behaviors is appreciated.

Employee Name Paul Sheridan **Date** 10-16-94

Provider Name (Optional) B. E. Swanson **How Long Have You Worked with the Employee?** 2+ YRS.

Relationship to Employee:

____ Customer ____ Supplier __+__ Team Member ____ Subordinate ____ Peer ____ Other _____

RESULTS:

Please provide a brief summary of the employee's success or difficulty in fulfilling his or her job duties related to you. Include specific examples and results.

OVERALL I THINK PAUL HAS DONE AN EXCELLENT JOB IN CHAMPIONING REDUCTION IN COMPLEXITY. FROM A CHASSIS PERSPECTIVE, HE HAS BEEN EAGER TO GET INVOLVED IN ISSUES PRESENTED TO HIM. SOMETIMES IT APPEARS HE TAKES ISSUES AS WORK OR A PERSONAL "CRUSADE" RATHER THAN AN "EXPOSE THE BUSINESS ISSUES" FOCUS WHICH I THINK FRUSTRATES HIM WHEN HIS VIEW IS NOT ACCEPTED OR ACTIONED ON. THIS DOES NOT APPEAR TO AFFECT HIS EFFECTIVENESS, HOWEVER, IS A SOURCE OF FRUSTRATION TO HIM.

BEHAVIORS:

Please list areas where you feel the employee excels or has opportunity for development. Keep in mind the following behaviors:

Innovation/Risk Taking

Teamwork

Encouraging/Valuing Diversity

Communication/Openness/Candor – ALWAYS VERY OPEN AND CANDID WITH ME.

Continuous Process Improvement

Planning/Priority Setting DEMONSTRATES GOOD PLANNING SKILLS.

Problem Solving

Leadership TAKE INITIATIVE TO ADDRESS ISSUES. LEADS THE CHARGE

Customer Responsiveness HAS BEEN VERY RESPONSIVE TO CHASSIS ISSUES.

Technical Expertise – ADEQUATE TO MORE THAN ADEQUATE FOR CHASSIS.

People Management/Development (for supervisors only)

OTHER COMMENTS OR CONCERNS:

PAUL HAS A TENDENCY TO GAMBLE ABOUT THINGS WHICH I THINK IS MOSTLY A "PERSONALITY" THING.

Please return to Dennis Malecki **by** _____

Name Date

Thanks! DENNIS, SORRY ABOUT THE QUALITY OF MY WRITTEN RESPONSE. I WOULD BE GLAD TO DISCUSS PAUL

GOOD TEAM LEADER. HAS DONE WELL. HIS FOR EXPANDED ITS

MULTIPLE INPUT FORM – CONFIDENTIAL

The use of this form is optional. If it is used, however, the guidelines on the back of this form must be followed. Multiple input can provide supervisors with valuable, additional information to consider when completing employee appraisals and development plans. Your input regarding the employee's past year's results and behaviors is appreciated.

Employee Name Paul Sheridan Date 10/12/94

Provider Name (Optional) Scott Sullivan How Long Have You Worked with the Employee? 15 MONTHS

Relationship to Employee:

____ Customer ____ Supplier _X_ Team Member ____ Subordinate ____ Peer ____ Other _____

RESULTS:

Please provide a brief summary of the employee's success or difficulty in fulfilling his or her job duties related to you. Include specific examples and results.

PAUL DID A GOOD JOB AS CHAIRMAN OF THE MINIVAN SAFETY LEADERSHIP TEAM DURING THE TIME I WORKED WITH THAT GROUP. HE ACTIVELY PARTICIPATES IN THE PST DISCUSSIONS, AND HE BRINGS A VALUABLE ENGINEERING PERSPECTIVE TO HIS PRODUCT PLANNING ROLE.

BEHAVIORS:

Please list areas where you feel the employee excels or has opportunity for development. Keep in mind the following behaviors:

Innovation/Risk Taking - HE IS WILLING TO SPEAK UP WHEN HE DISAGREES, WHICH IS GOOD.

Teamwork

Encouraging/Valuing Diversity

Communication/Openness/Candor - HIS ARGUMENTS ARE, AT TIMES, A BIT TOO EMOTIONAL. THIS CAN

Continuous Process Improvement WORK AGAINST HIM IN TRYING TO CONVINCE OTHERS.

Planning/Priority Setting - IN A FEW INSTANCES WITH THE SAFETY LEADERSHIP TEAM PAUL GOT

Problem Solving BOGGED DOWN IN DETAILS WHEN THE GROUP WAS READY TO MOVE

Leadership FORWARD.

Customer Responsiveness

Technical Expertise

People Management/Development (for supervisors only)

OTHER COMMENTS OR CONCERNS:

Please return to Dennis Malecki by _____
Name Date

Thanks!

MULTIPLE INPUT FORM – CONFIDENTIAL

The use of this form is optional. If it is used, however, the guidelines on the back of this form must be followed. Multiple input can provide supervisors with valuable, additional information to consider when completing employee appraisals and development plans. Your input regarding the employee's past year's results and behaviors is appreciated.

Employee Name Paul Sheridan Date 10/10/94

Provider Name (Optional) PAUL DOOLAN How Long Have You Worked with the Employee? _____

Relationship to Employee:

____ Customer ____ Supplier ✓ Team Member ____ Subordinate ____ Peer ____ Other _____

RESULTS:

Please provide a brief summary of the employee's success or difficulty in fulfilling his or her job duties related to you. Include specific examples and results.

Some specific examples of Paul's contributions include: tire & wheel plan, suspension complexity reduction matrix, powertrain plan, tire & wheel volumes, and recently exterior ornamentation items.

BEHAVIORS:

Please list areas where you feel the employee excels or has opportunity for development. Keep in mind the following behaviors:

Innovation/Risk Taking

Teamwork

Encouraging/Valuing Diversity

Communication/Openness/Candor

Continuous Process Improvement

Planning/Priority Setting

Problem Solving

Leadership

Customer Responsiveness

Technical Expertise

People Management/Development (for supervisors only)

As a fellow member on several teams with Paul, I find him to be very innovative and certainly not afraid to push the envelope. His professional yet open demeanor easily wins the respect of his colleagues. He is extremely knowledgeable, and may well be one of the best all around technical persons on staff. He is detail oriented, and works hard at his craft. His work on complexity reduction demonstrates good planning and problem solving skills. He is also a very capable communicator, both written and verbal, and appears well organized.

OTHER COMMENTS OR CONCERNS:

Paul is a valuable asset to the platform, and I rely on him to accomplish our mutual goals

Please return to Dennis Malecki by _____
Name Date

Thanks!

Critics rave about Cummins-powered Ram pickups

If a Dodge Ram outfitted with the Cummins 5.9-liter turbo diesel engine were to race a Ford or Chevy truck up a Colorado mountain road, there would be no question who would win. The Dodge Ram would sail up the mountain, while its Chevy and Ford counterparts chugged along in its dust.

In fact, in just about any endurance competition imaginable, the Dodge Ram truck would obliterate its competition.

This is not frivolous hype or propaganda generated by zealous marketing types. The example is based on testimonials by industry trade journals.

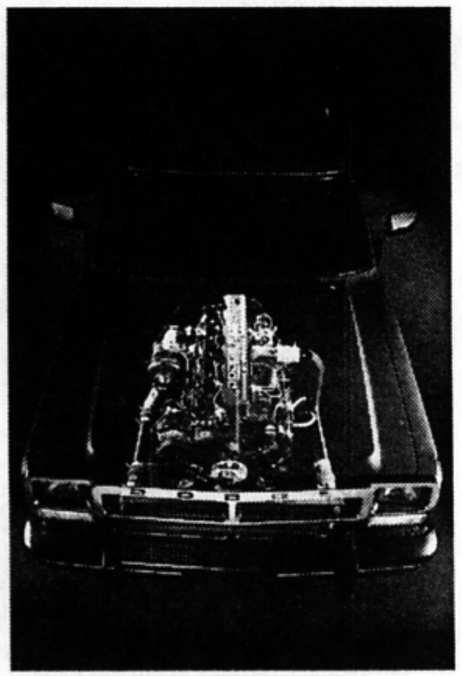
For instance, *Road Test Magazine* writes, "The Dodge-Cummins pickup outdistances its Ford and Chevy counterparts in every meaningful category."

"Dodgzilla" is a term coined by *Four Wheeler* magazine to describe the Dodge Ram pickup.

Why the acclaim? The engine powering the Dodge Ram—the Cummins diesel 5.9-liter six-cylinder turbo engine—has no equal, according to Paul Sheridan, Jeep/Truck Engineering Engine Program Manager. It's the only factory-installed turbo diesel available in a pickup.

Referred to by Sheridan as the "Ferrari of the diesel engines," the Cummins is largely responsible for the recent success of Dodge Ram trucks in the marketplace.

The Cummins engine is in nearly half of all Dodge full-size pickup trucks sold. Dodge sold 30,000 turbo diesel pickups in the 1990 model year and projects sales of 44,000 units in 1991.



The Cummins engine is in nearly half of all Dodge full-size pickup trucks sold. Dodge sold 30,000 turbo diesel pickups in the 1990 model year and projects sales of 44,000 units in 1991.

Jerome Magid

Among the Cummins diesel team members who worked to ensure a smooth launch were, from left, Eugene Shensky, Product Change Analyst; Ken Scobel, Cummins On-Time Assembly; Walter Ralph, Vehicle Development Specialist; Troy Simonsen, Product Planning Manager; Greg Henderson, Design Aids Supervisor; and Paul Sheridan, Engine Programs Manager.

"We are approaching 50 percent of Ford's volume after only three years in the diesel business," Sheridan added. "Our problem is not demand, but supply of available engines from Cummins. We can't fill customer orders fast enough."

The 1989 model year production was sold by December 1988, and 1990 production sold out by February 1990.

"We can't determine how great the demand is, because we haven't hit the ceiling yet," Sheridan said.

A diesel engine survey found that if given the option, one out of four Ford and General Motors diesel pickup buyers would pay an extra $1,000 for a truck powered by a Cummins engine.

The engine was first used in the Dodge Ram full-size pickup trucks in 1989, but preparations to modify a Cummins diesel for the truck date back to 1985.

Eight Chrysler employees, part of the core Truck Operations group, approached the Cummins people namely because at the time the company was "the only game in town," Sheridan said. Ford was getting its diesel engines through Navistar, and General Motors manufactured its own and purchased some from Detroit Diesel.

Chrysler provided Cummins with a Dodge Ram truck and the assignment of making a Cummins diesel engine that could fit into the chassis.

Cummins completed its assignment and the engine is now available in the Ram D-250 and D-350, both two- and four-wheel drive.

"We achieved this success over the years using a skeleton crew, minimal budget and a complicated but necessary release program," Sheridan said.

In addition to offering an engine intercooler to meet strict emissions standards, the 1991-½ model offers a four-speed automatic overdrive transmission that will boost the truck's current top speed of 80 mph and further improve its fuel economy and performance.

December 1990
Design Engineering/Manufacturing
Cost Reduction Results

Digest

In the News

STANDARD & POOR'S placed the Big Three automakers on its CreditWatch list Jan. 9 because of a worsening economic picture.

Chrysler said, "We are, of course, disappointed... but given the difficult environment the industry is in, we can understand their concern. We know our minivans and sport utilities face increasing competition, but are confident that they remain the class of the field and able to withstand the assault."

Chrysler will have an opportunity to present its case to Standard & Poor's.

Innovation

AL BARRETT, Mark Huber, Mike Larson, Don McCutcheon and Jim Pitt represented Chrysler in accepting an award from the Society of Automotive Plastics for the company's use of plastic in body interiors. In conjunction with Entech, Rockwell and General Electric, the group developed a plastic bolster that saves $18 per vehicle and 8.3 pounds in body weight. The bolster is used in the Eagle Premier and Dodge Monaco.

People

IN THE DODGE/WJR RADIO Quest for Excellence music competition, Beth Barley took first place and won a $5,000 scholarship. She is the daughter of Lou Barley, a tool engineer from Chrysler's Mound Road Engine Plant in Detroit.

IN RECOGNITION OF

EXCELLENCE IN ACHIEVING

...to be the BEST

"Your Personal Best"

1985

Advance Product Planning Office

to be the Best Goals

PAUL V. SHERIDAN

L. A. Iacocca

E. A. Reickert

P. C. Badore

J. M. Hossack

H. E. Cook

K. S. Mack

TAB

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MEETING REVISION NOTICE

SUBJECT: Safety Leadership Team Update

DATE: Monday, November 7, 1994

TIME: ~~11:00 - 12:00 noon~~
3:00 - 4:00 p.m.

LOCATION: T.R. Cunningham's CTC Conference Room
Executive Suite Conference Room F

CALLED BY: R.A. Winter

INVITEES:
M.W. Clemons
M.W. Crossman
T.R. Cunningham
M.T. Delahanty
W.H. Hines
N.E. Hoxsie
H.E. Kifer
K.S. Mack
D.C. Malecki
F.W. Schmidt
P.V. Sheridan
R.S. Zarowitz

Arranged by: Sue McKesson
776-2911

Intra Company Correspondence

To--Name & Department		Telephone	Date
		776-4824	October 26, 1994
	Executive Vice President - Sales & Marketing		CIMS Number
Theodor R. Cunningham	General Product Manager - Minivan		484-14-08
From--Name & Department			CIMS Number
	Chairman - Safety Leadership Team		
Paul V. Sheridan	Product Planner - Minivan Operations		482-08-02

Subject: Minivan Safety Leadership Team (SLT) - - Status Update (per your request)

STATUS

The SLT has not been meeting during the last 10 - 12 weeks. Member morale is low; they have relegated the subject to a lower priority. Please see 'Discussion' below.

BACKGROUND

The SLT was formed in March 1993, and continues to be chaired by Minivan Operations. The charter of the group was to provide the MPT with direction and priority regarding the implementation of safety features, in the context of maintaining safety leadership in the minivan segment. To accredit the SLT, membership included every relevant group, from Engineering to Competitive Analysis to Legal/Safety Office. The merits of this effort were verified via trends in the "Purchase Reasons" data for minivan owners/intenders. (This format was approved by you during a special Minivan Operations meeting in February 1993.)

The SLT workload was immediate and substantial. Early accomplishments included:

- Inputs to the Legal staff to refute the leadership claims made by Ford in their original Winstar copy.

- Coordination of standard ABS recommendation on NS-Body platform.

- Reinstatement of 5 mph rear bumper on NS-Body.

When a feature/concept was of debatable merit, or disagreement existed within or outside the SLT, both qualitative and quantitative research was employed to assist with resolution:

- Qualitative research was formulated to ascertain the overall opinions/biases of minivan customers in the category of safety. These focus groups were conducted in Chicago and San Diego to establish geographic inputs. This phase of SLT efforts was completed in November 1993.

- Quantitative research was formulated on the basis of the information provided in the November focus groups. The SLT feature questionnaire was formatted for inclusion with the advertising positioning research clinics conducted in May/June 1994. Again, geographic considerations were to be an important part of SLT recommendations, and therefore the clinics were scheduled for both the Boston and Santa Clara locations.

BACKGROUND con't

Three dominant themes emerged from the research:

- Safety is very important to the minivan segment, especially Chrysler corporate buyers.
- Safety features must be demonstrably substantial...not "gimmicks and gizmos".
- Our customers are increasingly satisfied with the safety features that protect them from frontal incidents. The execution of front seat belts, enhanced front seat position structural enhancements, and, most prominently, dual front air bags, have all contributed to this status.

Two strategies were developed in response to these themes/activities:

- There is an opportunity to enhance our position in the minivan segment by executing safety features for side related incidents , and to a slightly lesser extent rear incidents.
- Chrysler should not make overt safety leadership claims (ala Ford Windstar). Rather, we should execute substantial safety features, and allow our customers to conclude for themselves that Chrysler is the segment leader. An optimal mix of reality and image would be developed. The SLT led this discussion; now a corporate position.

Preparation for the May/June advertising positioning research involved time constraints that restricted the number/type of safety features to be researched. The SLT had documented a list of 50 - 60 items. We consolidated the list to 13 items for the Boston/Santa Clara clinics. Side-related features were prioritized. It was requested that the SLT questionnaire be limited to a 15 minute maximum. We accommodated that request.

DISCUSSION

There are three salient events that contribute to the STATUS.

The day just prior to the Boston clinic, it was requested that we remove 'side air bags' from the list. This late notice did not allow any further discussion within the SLT. 'Side air bags' had been discussed for over a year, and were thoroughly qualified/verified as a priority by the November 1993 focus groups. All represented groups to the SLT had strongly supported inclusion of 'side air bags' in the clinics. A substantial amount of last-minute work was expended to remove 'side air bags' since the question was already programmed. We are not able to make objective recommendations regarding minivan segment acceptability, cost/price sensitivity, technical approach/execution, etc. This latter deficiency continues to be problematic given intensive competitive activity/advertising on side air bags. The marketplace is generally aware of side air bags, but all related work that was proceeding on the MPT has been halted.

DISCUSSION con't

SLT membership attended both the Boston and Santa Clara research locations. To save costs, arrangements were made 3 - 4 weeks prior to the June 4 - 6 schedule in Santa Clara. On June 3 the safety research items were unilaterally removed from the Santa Clara clinic. Many SLT participants had already departed for the West coast, and therefore were not aware of this decision. If informed in a timely manner, it is highly likely that they would have chosen to save company time/expense, since their participation was now marginal or no longer required. Obviously they were "disappointed" upon arrival at the clinic. As a result we are not able to ascertain the geographic influences on the 13 safety features.

The SLT preferred to present your office with formal follow-up on the safety feature research results. This discussion would have allowed you to provide concurrence, empowerment, and specific feedback to SLT recommendations. Several of the 13 safety features submitted to the clinics were deemed to be "unprecedented" with respect to customer acceptance. Others were strongly rejected. In several cases, properties were used to demonstrate/substantiate a safety feature/concept. Only those features receiving very high scores were proposed for execution by the MPT. All appropriate areas within the MPT were involved, as were all appropriate meeting forums. These formalities involved substantial analysis/coordination/consensus prior to product plan inclusion. Engineering bulletins were subsequently written in response to the product plan updates. As of this writing, most MPT work on the SLT recommendations has been halted.

CONCLUSION

Other areas/platforms frequently look to the Minivan Platform as a precedent when embarking on a new topic. The Minivan Safety Leadership Team is a recent example. The Minivan Complexity Team is an ongoing example. There are others. However, it is not the magnitude (quantity) of our efforts that attracts attention, it is the formality (quality). Characteristically, the SLT has adhered to consensus, objectivity, and due process; financial, technical, etc. We avoid subjectivities, personal opinions, and organizational partialities. This *modis operandi* emphasizes customer preferences/requirements...our ultimate objective. SLT membership is concerned that its approach/subject is not fully endorsed, or a priority of upper management. Without this endorsement it is difficult for the SLT to deliver on the safety leadership agenda that you approved for the Chrysler minivan (i.e. NS-Body).

RECOMMENDATION

We do not believe that your office has had an adequate chance to participate in the decisions that will maintain Chrysler's momentum in safety leadership via the launch of the NS-Body. We recommend that you schedule a formal review of the work conducted to-date by the Minivan Safety Leadership Team.

cc: D. Bostwick, T. Edson, M. Levine, D. Malecki, C. Theodore, S. Torok, R. Winter, Minivan Safety Leadership Team

Perry & Haas, L.L.P.

ATTORNEYS AT LAW

2100 Frost Bank Plaza, P.O. Box 1500, Corpus Christi, Texas 78403-1500
Telephone: 512/880-7500 Facsimile: 512/887-9507
Direct Dial: 512/880-7543

July 15, 1996

Mr. Paul Sheridan
22357 Columbia Street
Dearborn, Michigan 48124-3431

Via Fax: (313) 277-5095

Re: *Gonzalez v. Chrysler*

Dear Paul:

On Friday, July 12, we had a hearing to try to release 30,000 pages of Chrysler documents, all of the depositions taken (including yours), and other materials produced in the case. The Judge basically produced it all. Here is some press coverage that relates to the same. The deposition that you gave in the case is no longer under seal and has been quoted extensively in the Dallas Morning News article. After we won the hearing, I gave them a copy of the transcript. The transcript and the videotape are now considered public record.

You may want to let Courtney know about this, as it may affect what you all want to do in terms of the next step of your lawsuit.

I assume that the above pleases you.

Very truly yours,

PERRY & HAAS, L.L.P.

Mikal C. Watts

Mikal C. Watts

MCW/jlh

Attachments

MIKAL C. WATTS
Attorney at Law

CAUSE NO. 37,316

JOHN AND TAMMY MATTHEWS, INDIVIDUALLY AND AS NEXT FRIENDS FOR STEVI WESTON, A MINOR	§	IN THE DISTRICT COURT OF
VS.	§	ANDERSON COUNTY, TEXAS
CHARLES ORTIZ SMITH, ELKHART INDEPENDENT SCHOOL DISTRICT, CHRYSLER CORPORATION, AND ROGER CONN CHRYSLER-DODGE-PLYMOUTH-JEEP-EAGLE, INC.	§	THIRD JUDICIAL DISTRICT

ORDER
RE: EXHIBITS TO PAUL SHERIDAN DEPOSITION

On July 12, 1996 certain documents consisting of Exhibits to the Deposition of Paul Sheridan were submitted for in camera inspection. After examining the documents submitted it is ordered that:

(a) The protections claimed for Exhibits: 8, 10, 12, 22 and 23 are denied;

(b) The protections claimed for Exhibits: 11, 14, 15, 16, 17, 18, 19, 20, 21 and 50 are sustained.

(c) The Exhibits which are protected pursuant to this order shall remain sealed and filed with the papers of this cause.

(d) The Exhibits submitted which are not protected pursuant to this order are ordered to be placed in a seperate envelope and sealed by the District Clerk for 14 days from this date.

If there is no further order before that date the Clerk is then directed to unseal those records and make them available for inspection during normal business hours

Signed this 22 day of July, 1996.

Presiding Judge

11:20 a.m.

JUL 22 1996

District Clerk

By

TAB

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Sports: Tigers
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GM can't gag critic, court says

Supreme Court rules against automaker for whistleblower

By Larry Bivins / Detroit News Washington Bureau

WASHINGTON -- The Supreme Court cleared a path for corporate whistleblowers Tuesday by ruling against General Motors Corp.'s attempt to prevent a former employee from testifying in product liability cases.

In a unanimous decision, the justices held that a Michigan court order does not preclude former GM engineer Ronald Elwell from testifying against the automaker in other states where he has been subpoenaed.

"Michigan has no authority to shield a witness from another jurisdiction's subpoena power in a case involving persons and causes outside Michigan's governance," Justice Ruth Bader Ginsburg wrote in the court's opinion.

The ruling has enormous financial implications for the nation's largest automaker and other companies that want to bar the testimony of expert witnesses, usually former employees, in liability lawsuits that could lead to jury awards of hundreds of millions of dollars.

"There was a potential to put a gag on all these people," Clarence Ditlow, director of the Center for Auto Safety in Washington, said of the case known as Baker vs. GM. "GM was hoping to leverage this case across the country."

GM issued no formal statement. Spokesman Kyle Johnson said the company "will be guided by the Supreme Court's ruling."

That ruling stemmed from a lawsuit filed in Missouri by the sons of Beverly Garner, who died in a fiery 1990 collision involving her Chevrolet Blazer.

A trial court awarded the plaintiffs $11.3 million. An appeals court overturned the decision, saying Elwell should not have been allowed to testify because of the Michigan injunction.

Elwell is a much-sought-after witness in lawsuits involving motorists who were killed in fiery crashes blamed on faulty GM fuel tank and fuel pump designs.

Supporters of the court ruling said the decision sends a signal that whistleblowers such as Elwell have protection.

"It sends a message to GM and to other corporations that they will not be able to pay witnesses for silence and get away with it," said J. Kent Emison, attorney for the Bakers.

Jeffrey White, a lawyer with the Association of Trial Lawyers in America, said the ruling was significant for product liability cases as well as environmental, employment discrimination and patent cases.

He said companies now would be reluctant to coerce gag-order settlements with employees.

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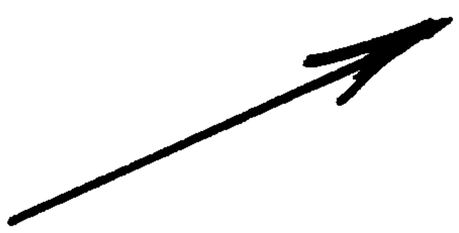

settlements with employees.

"Today the justices have told GM it can no longer gag its whistleblowers or smother their revelations, no matter how damaging they are for the company," said Public Citizen President Joan Claybrook.

GM's Johnson noted that the Supreme Court sent the case back to be retried. He said the company may pursue other tactics to prevent Elwell from testifying.

At the same time, Johnson tried to minimize the impact of Elwell as a witness, saying "there are cases where Mr. Elwell has testified and we have won the case."

One Detroit whistleblower who was buoyed by Tuesday's judgment is Paul Sheridan, a fired Chrysler Corp. employee who has spoken out about problems with the automaker's rear liftgate minivan latches.

His testimony about the latch designs played a role in a $265-million jury award against Chrysler in South Carolina, the largest against an automaker.

"In the long run, eliminating the muzzle order option will ultimately reduce product liability litigation by ensuring that safety is prioritized," Sheridan said.

His situation was mentioned in the Supreme Court case.

The Detroit News

Comments?

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By James Vicini

WASHINGTON (Reuters) - The Supreme Court Tuesday dealt a setback to General Motors Corp., unanimously ruling that courts in one state may not prevent courts in other states from hearing relevant testimony.

In a closely watched business case, the high court held that a ruling issued in one state may not be used to prevent relevant testimony in a separate lawsuit in another state.

Overturning a ruling that threw out an $11.3 million damage award against GM, the justices specifically said a former GM employee should be allowed to testify in a product liability case involving a fatal crash.

The justices held that a Michigan state court order does not bar the former employee from testifying in a federal trial in another state.

GM obtained a Michigan court order barring the former employee, engineer Ronald Elwell, from testifying as an expert witness in lawsuits against the company.

The order was part of a settlement of litigation between GM and Elwell, who sued the company in 1991. Elwell earlier had testified that the GM pickup truck fuel system was inferior to competing products.

In 1993 Elwell testified as a witness in a lawsuit brought in federal court in Missouri against GM by the children of Beverly Garner, a front-seat passenger in a 1985 Chevrolet Blazer who was killed in a 1990 crash.

The suit alleged that a fire after the collision had been caused by a faulty fuel pump.

Justice Ruth Bader Ginsburg said in the high court opinion that the Constitution requires courts in one state to give "full faith and credit" to court actions in other states. But, she said, the Michigan ruling does not bar Elwell's testimony.

``Michigan's judgment ... cannot reach beyond the Elwell-GM controversy to control proceedings against GM brought in other states by other parties ... asserting claims the merit of which Michigan has not considered," she said.

``Most essentially, Michigan lacks authority to control courts elsewhere by precluding them ... from determining for themselves what witnesses are competent to testify and what evidence is relevant and admissible in their search for the truth," Ginsburg said from the bench.

``Michigan, in other words, has no authority to shield a witness from a sister state's subpoena power in a case involving persons and causes outside Michigan's governance," she said.

Ginsburg added that a Michigan court decree ``cannot command obedience elsewhere on a matter the Michigan court lacks authority to resolve."

A jury awarded $11.3 million in damages to Garner's family, but a U.S. appeals court overturned the award on the grounds that the trial judge had been wrong in allowing Elwell to testify.

The Supreme Court overturned the appeals court decision.

GM had asserted in the case that the fuel pump was not faulty and was not the cause of the fire. It had also asserted that Garner was killed by collision impact injuries alone.

GM's lawyers said that if Garner's family wanted Elwell's testimony, they should have gone to Michigan and asked the court there to lift its order.

The ruling was a defeat for Whitewater independent counsel Kenneth Starr, who was listed in the briefs as GM's lead attorney. Starr has been criticized for continuing to work for private clients during the long Whitewater investigation.
^REUTERS@

12:43 01-13-98

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Sports: Lions
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Pistons
Sports: Wings
Sports: Tigers
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Justices review scope of state court's control

Case pivots around whether GM can stop whistleblowers from testifying against firm.

By Bradley A. Stertz / The Detroit News Washington Bureau Chief

WASHINGTON -- "So Michigan can rule the world?"

With that pointed question, Justice Ruth Bader Ginsburg and the rest of the U.S. Supreme Court tackled the high-stakes issue of whether companies like General Motors Corp. can run to their local courts to muzzle whistleblowers.

The case centers on a Wayne County state court injunction limiting testimony that Ron Elwell, a former GM engineer, can give against the automaker. Elwell has been a highly sought-after witness in lawsuits involving motorists who died in fiery crashes purportedly linked to faulty GM fuel tank and fuel pump designs.

The Supreme Court is reviewing an $11.3-million jury verdict against GM that was reversed by a judge who said Elwell should not have been allowed to testify in the Missouri case in which a woman died.

"Michigan is going to decide what evidence is going to come in all over the country?" Ginsburg asked in one of several sharp questions the panel asked GM's attorney, Paul Cappuccio.

The case -- called Baker vs. GM for the Missouri family suing the automaker -- is loaded with enough important implications to attract legal heavyweights such as Harvard constitutional law expert Laurence Tribe on the side of the Bakers and Whitewater special prosecutor Kenneth Starr on GM's team.

It also attracted Paul Sheridan who was fired by Chrysler Corp. and has since spoken out about problems with Chrysler's rear-gate minivan latches. His testimony played a role in a $262.5-million jury decision against Chrysler in South Carolina, the largest judgment any automaker has faced.

Sheridan paid his way from Dearborn to attend the Supreme Court arguments, only to spend the entire hour shivering outside in line.

Still, his interest in the case involving whistleblowers like himself was unabated. "The importance of this cannot be underestimated," Sheridan said.

The ruling that will come from the high court, perhaps by the end of this year, could affect the enforcement of such issues as child custody rulings and noncompete clauses in employment contracts if people move to different states. But the biggest impact will be felt in the arena of product liability and the ability of companies to wall off potential whistleblowers.

"It's a road map for keeping information out of the hands of the

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court and the public with far-reaching implications for product safety in America," said Clarence Ditlow, director of the Center for Auto Safety in Washington. "I don't know any whistleblower in the country who can stand up to the kind of pressure" that would come down if the court decides in favor of GM.

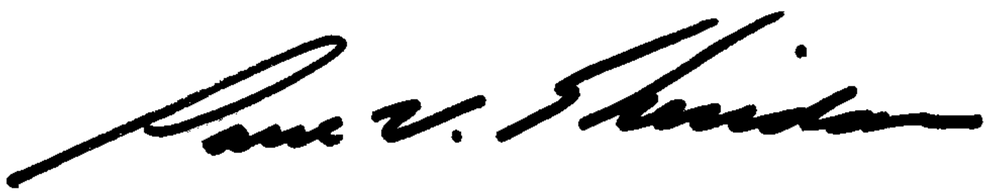
The Detroit News

Comments?

◀ INDEX ▶

Quote :

Our job on the Safety Leadership Team was to provide recommendations to upper management that maximized the safety of past, current and future Chrysler minivan customers and passengers. Muzzle orders or secret agreements issued from behind closed doors under the guise of 'trade secrets' were never a part of our recommendations. By severely limiting the legally-premised options, the Supreme Court has sent the signal that the approach taken by the minivan safety team is more consonant with the original genius of the First Amendment of the Constitution. In the long run, eliminating the muzzle order option will ultimately reduce product liability litigation by ensuring that safety is prioritized and executed on a product development basis, as opposed to a legal basis. This in turn will maximize the competence of the product and the actual goodwill of the automaker, making the plaintiff attorney's job virtually impossible.



Paul V. Sheridan
Former Chairman of Two Years (1993/1994)
Chrysler Minivan Safety Leadership Team
13 January 1998

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Federal Express Corporation
Customer Support
Domestic Trace
3875 Airways Boulevard
Module H, 4th Floor
Memphis, TN 38116

U.S. Mail: PS Box 727
Memphis, TN 38194-4643

Telephone 901-369-3600

Federal Express

May 12,1997

PAUL SHERIDAN
(313) 277-5095

Dear PAUL SHERIDAN:

This is in response to your request for proof of delivery for package tracking number 8967460810. You will find the delivery information below.

SHIPMENT INFORMATION:

Tracking No: 8967460810

Ship Date: March 21, 1996

Shipper: PAUL SHERIDAN
SHERIDAN,PAUL V
22357 COLUMBIA ST
DEARBORN, MI 48124
US

Recipient: MIKE FULLER
THE WHITE HOUSE
1600 PENNSYLVANIA AVEUE
WASHINGTON, DC 20502
US

DELIVERY INFORMATION:

Signed For By: R.BUENAFLOR

Delivered to: 1600 PENN AVE NW

Delivery Date: March 22, 1996

Delivery Time: 09:12 AM

Your business is greatly appreciated and we look forward to the opportunity of serving your future express shipping needs.

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Blue Cross
Blue Shield
of Michigan

March 29, 1995

BCBS of Michigan
Chrysler COBRA Unit, B463
600 Lafayette East
Detroit, Mi 48226
(810) 354-8420

Mr. Paul V. Sheridan
22357 Columbia
Dearborn, Mi 48124-3431

Account Number: 198421

Dear Mr. Sheridan:

This is to inform you that we are in receipt of your COBRA Enrollment Form.

After reviewing your enrollment form, we find that you and any dependents are ineligible for COBRA. This is due to the determination by your former employer, Chrysler Corporation, that for purposes of COBRA, your dismissal was as a result of gross misconduct.

Accordingly, you will receive no further correspondence from us on this matter.

Sincerely,

Michael Mattei
Administrator
Chrysler Membership Services

CHRYSLER SALARIED EMPLOYEES' SAVINGS PLAN

April 09, 1997

Soc. Sec. No. 131-42-3183

PAUL V SHERIDAN
22357 COLUMBIA
DEARBORN MI 48124-3431

700760
01925-01

Dear PAUL V SHERIDAN:

We have recently received notice that you have terminated your employment with Chrysler Corporation. You have the following options:

- **I.** If the vested value of your account is greater than $3,500.00, you can leave your assets in the Plan until the earlier of:

  a) March 1st of the calendar year in which you attain age 71 1/2, or
  b) you request a total distribution.

  You may also request partial withdrawals from your account in accordance with the provisions of the Plan.

- **II.** If your vested account balance is $3,500.00 or less, your account will automatically be paid out on the last business day of the third month following the month in which you terminated your employment. You will receive a separate notification regarding the distribution of your account if you do not request a total distribution.

  You may request a total distribution or partial withdrawal from your account prior to the automatic distribution. You may elect to receive your total distribution or partial withdrawal in cash only, in stock only, or a combination of both.

If you have an outstanding loan balance, you may continue making loan repayments by sending your check or money order and the Check Deposit Form directly to the Merrill Lynch Customer Service Center each month.

If you want to speak with a Customer Service Representative regarding your distribution options or loan repayments, or if you want to request a total distribution or partial withdrawal from your account, please call the Merrill Lynch Customer Service Center toll-free at 1-800-483-7283 (SAVE) any business day between 8:00 am and 7:00 pm Eastern Time.

Merrill Lynch Group Employee Services

Merrill Lynch

Criminal Gross Negligence

"Gross negligence" is culpable or criminal when accompanied by acts of commission or omission of a wanton or willful nature, showing a reckless or indifferent disregard of the rights of others, under circumstances reasonably calculated to produce injury, or which make it not improbable that injury will be occasioned, and the offender knows or is charged with knowledge of the probable result of his acts; "culpable" meaning deserving of blame or censure.

Bell v. Commonwealth, 170 Va. 597, 195 S.E. 675, 681.

END OF DOCUMENT