SUZUKI

AMERICAN SUZUKI MOTOR CORPORATION

April 24, 1998 Via Fax and U.S. Mail

Jeffrey S. Bromme, Esq.
General Counsel
U.S. Consumer Product Safety Commission
Washington, D.C. 20207

Re: *United States v. American Honda, et al.*,
Civil Action No. 87-3525

Dear Mr. Bromme:

I am pleased to inform you of American Suzuki Motor Corporation's ("Suzuki") plans concerning ATV safety programs it will voluntarily continue or introduce after the Consent Decree expires this coming April 28th. These plans have been created after extensive discussion with you and other CPSC staff, and address the areas identified by CPSC. Thank you for your cooperation in sharing your ideas with Suzuki and in reacting to Suzuki's ideas. Suzuki remains committed to promoting the safe and responsible use of ATVs, through these and other measures that may be developed in the future. Suzuki has authorized me to submit this letter to you.

I. AGE RECOMMENDATIONS

Suzuki will continue to represent affirmatively that ATVs with engine size over 90cc be used only by persons at least 16 years old, and that ATVs with engine size 70 to 90cc be used only by persons at least 12 years old (with adult supervision for operators 12 to 15 years old). Suzuki will use its best efforts, including monitoring dealers as outlined in the next section, to reasonably assure that Suzuki retail dealers do not recommend or sell ATVs for use by individuals under the minimum ages.

II. DEALER MONITORING

a. Monitoring program. Suzuki remains committed to requiring dealers to accurately convey the recommendations and safety messages associated with Suzuki products. Suzuki will continue its current program of undercover monitoring of sales presentations. Under this program, a number of dealers will be monitored each year by an outside survey company. The dealers will be chosen by random sampling, with the sample weighted toward the higher sales-volume dealers. The total number of dealers monitored will be equal to or greater than the number of dealers monitored under the current program.

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b. Terminations. To the extent that a Suzuki dealer's activities warrant, and state laws permit, Suzuki will take appropriate action, up to and including termination, to assure that dealers follow Suzuki's requirements.

III. HANDS-ON TRAINING COURSE

a. Free training. Suzuki will continue offering to purchasers and age-appropriate immediate family members the ATV Safety Institute's (ASI) hands-on training program, at no charge. As with current Suzuki policy, business and government purchasers will receive one free admission to the training program.

b. Incentives. Suzuki is proud of the efforts that ASI has put into encouraging purchasers, especially first-time buyers, to attend the free training class, and facilitating student participation. Suzuki is not aware of data indicating that monetary incentives are important in motivating participation in ATV training programs. Nevertheless, recognizing that CPSC considers incentives an important motivator for some purchasers who may not otherwise take the training course, Suzuki will offer an enhanced incentive of a $100.00 check to individual first-time ATV purchasers, and will continue to offer an incentive of a $50.00 check to purchasers who have bought an ATV before. Incentives are payable after the purchaser or age-appropriate immediate family member completes the training course. As with current policy, business and government purchasers will not qualify for incentives.

c. ATV Loan Program. Suzuki will continue to provide dealers with favorable financing terms for ATVs they lend to instructors for training purposes. The terms will be adjusted to be consistent with Suzuki's motorcycle loan program, whereby dealers receive a 20% discount off dealer net cost and 1-year deferred billing.

d. Rider training certificates. Suzuki will continue using rider training certificates to standardize the training course enrollment process at the dealership, and to present key safety messages to the purchaser. Such messages will be consistent with other point-of-purchase safety materials and the information and education effort.

IV. INFORMATION AND EDUCATION EFFORT

Suzuki will work with other ATV distributors to create and administer a new safety information and education effort. The effort will focus on educating consumers and users about the risk of injury to children and will complement Suzuki's existing efforts in this area. Industry members have already had several meetings with several professional communications agencies.

V. POINT-OF-PURCHASE MATERIALS

a. Labels and hangtags. Suzuki will continue using the current general, passenger, tire pressure/overloading, and age warning labels and handlebar hangtags. The general and passenger warning labels, and the hangtags, were recently updated as an industry effort and with CPSC cooperation. These new labels and hangtags appear on all 1998 model year Suzuki ATVs. Suzuki will provide CPSC with a copy of any label or hangtag that contains a material change in format or presentation. Suzuki field personnel will spot check that hangtags appear on ATVs on display at Suzuki dealerships.

b. Owner's manual. Suzuki will continue to supply owner's manuals that include the substantive information content of paragraph H.2.b.(2) (including relevant cross-references) of the Consent Decree. Suzuki reserves the right to modify the format, language, illustrations, and any other component used to convey the substantive safety messages and warnings in the owner's manual, consistent with Suzuki's judgment and generally accepted communication techniques and standards. Suzuki will provide CPSC with a copy of any owner's manual that contains a material change in format or presentation.

c. Videotape. Suzuki will work with other ATV distributors to create a new safety/training video that promotes the training course and provides key safety and risk information, such as the importance of keeping children under 16 from using ATVs with engine size over 90cc. This new video will be given to each purchaser and may also be used by the dealer at the point of purchase.

d. Rider training certificates. Suzuki will continue using rider training certificates to standardize the training course enrollment process at the dealership, and to present key safety messages to the purchaser. Such messages will be consistent with other point-of-purchase safety materials and the information and education effort.

VI. TOLL-FREE ATV HOTLINE

Suzuki will continue to help fund the toll-free ATV hotline administered by SVIA and will include the hotline phone number in owner's manuals, brochures, and print advertisements.

VII. ADVERTISING

In advertising and promotional materials, Suzuki will continue to depict the operation of ATVs in a safe and responsible manner which is appropriate to the machine and the situation depicted. Furthermore, Suzuki will continue to use the substantive information content of the General Provisions of Appendix K, Section II.A., paragraphs 1 through 4 (including relevant cross-references), as a guideline for advertising and promotional materials, with one modification: Suzuki may choose to portray for ATVs over 90cc

activities that require substantial experience or advanced skills, with any such portrayal accompanied by an appropriate safety message. An appropriate safety message may include the wording contained in Section II.H.4.a. of Appendix K.

Suzuki will also include in print and broadcast advertising the substance of the "summary" safety messages presented in Section III of Appendix K. Suzuki reserves the right to modify the language and presentation of safety messages, consistent with Suzuki's judgment and generally accepted communication techniques and standards.

Suzuki will use its best efforts to promote dealer compliance with these guidelines, including requiring that advertisements submitted to Suzuki for co-payment comply with the guidelines.

VIII. TECHNICAL ISSUES

Suzuki will participate with other ATV distributors and CPSC staff in revising the ANSI voluntary standard as appropriate. Suzuki products will continue to comply with the current standard until the standard is modified.

IX. THREE-WHEEL ATVS

Suzuki will not market three-wheel ATVs after April of 1998.

X. NOTIFICATION

Suzuki intends to conduct its business according to the plans outlined in this letter for the foreseeable future. Suzuki will give CPSC 60 days advance notice of any material change in these plans.

XI. IMPLEMENTATION

Implementing the plans outlined in this letter will require changes in existing procedures (as with training incentives) and development of new materials (as with the point-of-purchase videotape). Suzuki will change procedures and use new materials reasonably promptly after their availability. Until any such new procedures or materials are available, Suzuki will continue with current programs. This includes the distribution of current safety alerts until such time, if any, that a possible revised safety alert is developed.

Unless otherwise indicated in this letter, Suzuki will provide to CPSC information concerning the activities described in this letter upon reasonable request.

XII. CONCLUSION

Well before the Consent Decree was instituted, Suzuki promoted safe use of ATVs in the United States. After the Consent Decree expires, Suzuki will remain responsive and innovative in shaping its safety efforts in a changing marketplace. Suzuki will continue to work with its dealer network to promote safe and responsible use of ATVs by Suzuki's customers.

The plans outlined in this letter represent a major voluntary undertaking by Suzuki. Suzuki anticipates that these plans will be well received by the Commission. Suzuki also trusts that CPSC has found, as Suzuki has, the working relationship between Suzuki and CPSC to be effective and productive over the ten-year term of the Consent Decree.

Sincerely,

John B. Walsh
Attorney
Office of the General Counsel

cc: K. Glaser