WILLKIE FARR & GALLAGHER

David P. Murray

Washington, DC
New York
London
Paris

August 12, 1998

BY HAND

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

Dear Mr. Bromme:

This letter outlines the information and education program developed by Arctic Cat, Inc., Kawasaki Motors Corporation, U.S.A., Polaris Industries Inc., American Suzuki Motor Corporation, and Yamaha Motor Corporation, U.S.A. (collectively, the "Companies") The Companies intend to implement the program as part of their continuing efforts to promote safe and responsible use of ATVs, and have authorized me to send this letter on their behalf.

The Companies retained outside experts to assist them in developing the program. Several focus group interview sessions were conducted involving ATV owners and operators, including children, in various regions of the country. The focus group research was used to help identify appropriate message treatments and media for distributing them. The results of these efforts have been shared in detail with Commission staff at key points in the program development process. Commission staff has also provided comments and suggestions that have been incorporated into the program where appropriate.

Elements of the program include the following:

Interactive CD-ROM The Companies intend to create a CD-ROM program that will convey ATV safety information in a competitive, visually exciting manner that resembles the types of interactive video simulations that pre- and young teens find entertaining. The CD-ROM will be designed to provide a new and exciting way to warn children against the use of adult-sized ATVs and to teach them about other risks associated with ATV use. The Companies hope to include a capability that will allow program participants to create personalized achievement certificates based on their scores. These certificates can be printed and will restate some of the key safety information

Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20036-3384

202 328 8000
Fax: 202 887 8979
Direct: 202 429 4702

learned during the program, providing further exposure of the safety messages to parents, siblings, and others to whom the certificates are shown.

The CD-ROM will be packaged with all new ATVs for at least three years, beginning with the first model year cycle after the program is developed. Recent exposure survey data suggest that nearly half of ATV-owning households own personal computers. The Companies also plan to mail copies of the CD-ROM to selected school and public libraries, in order to make the program generally available to non-computer owning households. An effort will be made to create a rendition of the program that can be accessed through the individual Companies' websites and either played on-line or downloaded to the personal computer.

Video The SVIA-member Companies are developing a new video that will feature the safety themes and messages developed through the focus group research. The video will also promote participation in the hands-on training program offered through ASI. Polaris intends to revise its video to incorporate the same safety themes and messages. Copies of the new video will be packaged with all new ATVs for at least three years, beginning no later than the first model year cycle after the video is developed.

Safety Reminders The Companies will launch a direct mail effort to new ATV purchasers directed at parents. A direct mail piece incorporating the safety messages will be sent to new owners within a few weeks of vehicle purchase. The SVIA-member Companies will also use the *Enrollment Express* capability to reach new purchasers by telephone with the safety reminders.

School and Library Distributions As noted, the Companies intend to distribute copies of the CD-ROM to selected school and public libraries. Together, these library distributions will target approximately 22,000 middle, junior, and senior high schools in non-urban areas and approximately 5,000 public libraries. Additional safety instructional materials will be distributed for classroom use through Lifetime Learning's Weekly Reader-affiliated resource. We have been advised that Lifetime Learning's format is highly regarded by teachers and facilitates integration of the safety messages into classroom instruction. School mailings will include a teacher's lesson plan kit, handouts, a poster, and take-home sheets that students can share with their parents and siblings. The Companies intend to sponsor two school distributions of the safety materials, one in 1999 and one in 2000. Distributions will be made to an estimated 22,000 middle, junior, and senior high schools in non-urban areas, reaching an estimated audience of 5 million students, parents, and teachers per distribution. At Commission staff's request, the Companies will explore expansion of this effort, in consultation with Lifetime Learning (*e.g.*, by increasing the number of teacher kits or by adding a third year of distribution).

Pediatric Office Distribution The Companies intend to distribute a poster and accompanying brochures to pediatricians' offices in selected regions of the country through the American Academy of Pediatrics ("AAP"). This distribution is subject to approval by the AAP, and would involve mailings to as many as 8,262 Board-certified pediatricians and 607 hospitals.

Website As noted, the Companies also intend to expand their individual company websites to the extent feasible to provide on-line access to a rendition of the CD-ROM program and other safety information. The Companies hope to provide a capability allowing persons to download the CD-ROM program from these websites.

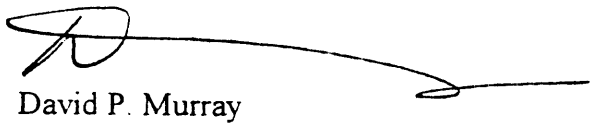
Print Ad Campaign The Companies intend to integrate information about the availability of the new CD-ROM program in their general ATV advertising during the first year of the program's creation. The Companies also intend to turn the two most powerful print messages from the focus group research (*i.e.*, "looks like you, hunts like you" and "top of the car" messages, which stress personal and family responsibility) into print advertisements for selected enthusiast and women's magazines (*e.g.*, *ATV Magazine*, *Four Wheeler*, *Dirt Wheels*, *Redbook*, *Good Housekeeping*). These advertisements will be targeted for the spring of 2000, when the farming and summer vacation seasons begin and children are likely to be out and riding.

Program Budget Estimates The Companies anticipate that the direct costs of the program will range from approximately $6,000,000 to $7,000,000 over the next three years. A break-down of these estimates was provided at our last meeting. These estimates do not include numerous additional costs of the program, including the costs of company website expansion and maintenance, use of *Enrollment Express*, the value of the safety messages integrated into general ATV advertising, and other internal company expenses. The SVIA-member Companies estimate that they will invest an additional $3,300,000 in training incentives during the next three years, above the costs of the ASI hands-on training program. Additionally, the program budget estimates do not include Polaris' costs for its training program. All of these actions and costs demonstrate the Companies' ongoing commitment to promoting safe and responsible use of their ATV products.

The Companies appreciate the assistance and suggestions that Commission staff have provided over the past several months as the Companies developed the scope and content of the information and education program. We look forward to working with

Commission staff in implementing aspects of the program over the next several months. In the meantime, please let me know if you have any questions.

Very truly yours,



David P. Murray

cc: Annamarie Daley, Esq.
Jim Olds, Esq.
John Walsh, Esq.
Michael Wiegard, Esq.