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April 24, 1998

VIA FACSIMILE AND UNITED STATES MAIL

Jeffrey S. Bromme, Esq.
General Counsel
U.S. Consumer Product Safety Commission
4330 East West Highway, Room 700
Washington, D.C. 20207

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

Dear Mr. Bromme:

On April 28, 1998, the consent decree with Polaris Industries will expire. Although the consent decree required Polaris to provide certain warnings and information, *inter alia,* to consumers, Polaris already had been providing such information to consumers even before the existence of the consent decree. Since the implementation of the consent decrees with the ATV industry, we have seen substantial decreases in the deaths and injuries associated with ATVs.

Polaris has authorized me to send this letter as written notice from Polaris to the CPSC of the actions that Polaris will voluntarily undertake after expiration of the consent decree on April 28, 1998. Polaris' intentions to continue such actions have been discussed extensively with CPSC staff over the past several months in an effort to provide the CPSC with information responsive to potential CPSC concerns regarding ATVs. We have appreciated the opportunity to have those discussions with the staff.

To address the identified concerns of CPSC and to continue with its efforts to effectively promote the continued safe and responsible consumer use of ATVs, Polaris undertakes to continue and/or implement the following activities:

Age Recommendations

Polaris will not recommend, market, or sell adult-sized ATVs (*i.e.*, with engine sizes greater than 90 cc's) for use by persons under sixteen. If Polaris markets and sells youth model ATVs (*i.e.*, 70 to 90 cc's), it will do so only for use by children aged twelve or older.

Dealer Monitoring Regarding Age Recommendations

Polaris will continue to monitor its dealers for compliance with age recommendations. Polaris will maintain its current level of dealer monitoring, including on-site inspections of dealers conducted by an independent contractor. At least the same number of dealers will be selected using the same sampling methodology for monitoring for compliance with age recommendations. When, after a follow-up inspection of a dealership, Polaris finds evidence of a second violation of the age recommendation requirements (where the initial inspection was conducted by Polaris or the CPSC) or a third violation (where the initial report of non-compliance was from another distributor or other third party), Polaris will terminate or not renew the dealer's agreement or use other enforcement actions. The nature of that action will be determined on a case-by-case basis, in consideration of relevant factors, including but not limited to the applicable state law requirements, the length of time between reported violations, the circumstances of the reported violations, any intervening inspections in which the dealer was reported to be in compliance with the age recommendation requirements, and the strength of the evidence supporting termination.

Dealer Monitoring Regarding Training Requirements

Polaris will continue to monitor its dealers for compliance with training requirements. Polaris will maintain its current level of dealer monitoring, including random phone surveys of consumers and follow-up consumer surveys regarding compliance with training requirements, conducted by an independent contractor. At least the same number of purchasers will be selected using the same sampling methodology for monitoring for compliance with training requirements. Polaris will pursue actions to secure compliance with all safety requirements, which may include probation, suspension of product, termination or non-renewal. Polaris will terminate or not renew dealers where reliable and accurate information demonstrates a pattern of failure to comply with safety training obligations.

ATV Labels

In addition to its other product labels, Polaris will continue to use the general, passenger, age, and tire labels.

Owner's Manuals

Polaris will continue to use owner's manuals that include the substantive informational content requirements of paragraph H.2.b.(2) of the consent decree and any internal cross-references therein. Polaris may update and modify the format, language, corresponding illustrations, and other associated components used to convey those substantive messages and warnings in the owner's manuals, consistent with generally accepted communication techniques and standards. Polaris will provide copies of such manuals to CPSC if it updates or modifies these substantive content requirements.

Advertising

Polaris will continue to require its ATV advertising and promotional materials to conform to the General Provisions of Appendix J (which appear at Section II.A., paragraphs 1-4 and any internal cross-references therein), and to depict ATVs in a manner consistent with safe and responsible use of the product. In addition, Polaris will continue to include the substance of the safety messages currently required in Section III of Appendix J in its future ATV advertising and promotional materials. Polaris will use its best efforts to promote dealer compliance with Polaris' ATV advertising policies, including the requirement that advertising submitted for cooperative advertising reimbursement comply with Polaris' policy.

Hang Tags

Polaris will continue to use vehicle hang tags that convey the same substantive safety messages as the current hang tags. Polaris will use its best efforts to require dealers to display the hang tags on new ATVs.

Safety Alerts

Polaris will continue to provide to its dealers, for dissemination to prospective purchasers, information that conveys the same substantive safety messages as the current "ATV Safety Alert." Information concerning the estimated number of fatalities and injuries associated

with ATVs will be accompanied by an explanation that such numbers are estimated and do not imply any causative factors involved in such incidents.

ATV Safety Video

Polaris will continue to use an ATV safety video that conveys essentially the same safety and training-related information as contained in the current video. Consistent with Polaris' prior practice, it will provide a video with safety information to each purchaser of a Polaris ATV. Polaris intends to prepare a new video with substance that may be affected by the ongoing information/education effort described below.

Toll-Free Safety Hotline

Polaris will continue to maintain a toll-free safety "hotline" service to respond to consumer inquiries.

Training

Polaris will offer free hands-on training at time of sale to all purchasers of ATVs and members of their immediate families who meet ATV age recommendations. Polaris will provide warranty only to those purchasers who either complete the training program or can verify that they previously have completed the Polaris training program, the ASI program, or qualified state training program. The training program is in addition to the training information Polaris already provides in a variety of forms to all purchasers, including in the owner's manuals, hang tags, ATV safety video, and other media. The training program would be conducted in accordance with the CPSC-approved curriculum.

Information/Education Effort

Polaris is participating in the development of a new informational/educational effort to communicate age recommendation, passenger, and other safety-related information to consumers. Among other things, this effort will further promote Polaris's ongoing efforts to deter children under the recommended age from operating adult-sized ATVs. Polaris will continue to discuss with CPSC staff the nature and scope of this effort as it develops.

Three Wheel ATVs

As the CPSC has previously been advised, Polaris does not intend to market or sell three-wheel ATVs even though no product or design defect in three-wheel ATVs has been found.

Voluntary Standards

Polaris will participate in the ongoing efforts to update and revise the ATV voluntary standards. Potential technical issues identified by CPSC staff will be discussed and considered in good faith as part of those efforts.

Implementation

Implementing several of the plans outlined in this letter will require changes in existing procedures and development of new materials. Polaris will change procedures and use new materials reasonably promptly after their availability. Until any such new procedures or materials are available, Polaris will continue with current programs.

Polaris intends to continue with these actions indefinitely and will notify CPSC at least sixty (60) days in advance of terminating or materially changing any of the actions. Additionally, Polaris will provide information in response to reasonable requests from CPSC about these activities.

Please let me know if you have any questions.

Sincerely,

ROBINS, KAPLAN, MILLER & CIRESI L.L.P.

Annamarie A. Daley

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