

EM0005: The Globe and Mail, August 11, 2000, pages B1 and B5

# Bridgestone recalls Canadian tires

*About a million of affected brands are on selected SUVs and trucks*

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**B**ridgestone/Firestone Canada Inc. followed the lead of its U.S. counterpart yesterday and announced a sweeping recall of roughly a million tires on selected sport utility vehicles (SUVs) and trucks in Canada.

The announcement comes as U.S. safety regulators investigate 270 complaints about accidents that led to 46 deaths and 80 injuries that could be related to failed Firestone tires.

Bridgestone/Firestone Inc. of Nashville said Wednesday it was recalling and replacing certain sizes of tires made at its Decatur, Ill. plant. Late Wednesday night, the company, a unit of Japan-based Bridgestone Corp., extended to Canada its voluntary recall and replacement of Firestone Radial ATX and ATXII tires in the size P235/75R15, and Wilderness AT tires in the size P235/75R15.

"We're confident in the safety of our product, but we appreciate our customers' concerns, and that's why we are taking this voluntary step," said Jerry Priddle, a spokesman for Bridgestone/Firestone Canada.

The company's headquarters in Mississauga were flooded with "a couple of thousand" calls, with many people unable to get through because of the volume.

In North America, 14.4 million of these tires have been produced. The majority of them in Canada are on Ford SUVs and trucks.

Customers with 1991-96 Ford Explorers, 1991-96 Ford Rangers and roughly 10 per cent of 1991-94 Ford F-150 pickup trucks will have their tires replaced at no cost with new Wilderness AT or other Bridgestone/Firestone tires.

Owners of 1997-2000 Ford Rangers and 1997-2000 Ford Explorers, except the Eddie Bauer and Limited models, must take their vehicles in for an inspection to determine if the tires were produced at the Illinois plant, said a spokesman for Oakville, Ont.-based Ford Motor Co. of Canada Ltd.

Ford's John Arnone says there are roughly 283,000 of these vehicles in Canada.

Bridgestone/Firestone has said the recall will be conducted in three phases, with the first replacements offered in the southern United States, followed by the rest of the country. Mr. Priddle said Canada will probably be in the final phase of replacement, although that will be confirmed by the weekend. No timetable was given for the completion of the recall.

Given that a replacement tire costs about \$150 – with four tires plus a spare per vehicle – the cost for the Ford vehicles alone could easily soar past \$212-million in Canada.

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Mr. Arnone said the 555 Ford Canada and Ford Lincoln dealers across the country will immediately begin inspecting and replacing the Firestone tires, adding that "we are working very hard to stock the stores with tires."

But one Toronto dealer who asked not to be identified said that although his phone had been ringing all day, he had no tires in stock and didn't expect to receive any soon.

Mr. Priddle said the details of the recall in Canada will be announced today, and the vehicles will be serviced through Bridgestone/Firestone Canada's 570 authorized dealers.

The U.S. National Highway Traffic Safety Administration (NHTSA) is investigating the complaints that may be related to the Firestone tires.

The complaints say Firestone tires peel off their casings, sometimes while vehicles are travelling at high speeds. The mounting

safety concerns have prompted some U.S. retailers to stop selling the tires.

"We know that the Decatur plant is over-represented in the accident claims and that the majority of the incidents are in the southern American states, suggesting a direct correlation between the heat and the tire performance," Mr. Priddle said.

Transport Canada says it has no plans to launch a similar investigation because it has received only one complaint about the tires. That complaint, about a splitting tread, was made last week in Ontario, Transport Canada spokesman Robert Greenslade said.

For 20-year-old Toronto resident Cecily Wills, who drives her 1996 Ford Limited on the highway to work each day, the situation "makes me worried. Plus, we take it up north every weekend."

She plans to take advantage of the replacement tires, although she said it will "be a real pain."

Bridgestone/Firestone officials urged consumers to make sure their tires are properly inflated, noting that this will prolong the life and safety of the tires.

The Tokyo-based parent said yesterday that it will record a US\$350-million one-time accounting charge on its earnings to cover the costs of the recall. It said the extraordinary charge will reduce earnings by 26 per cent to \$620-million for the fiscal year ending Dec. 31.

Bridgestone's already depressed stock price sank deeper on the announcement, which was made at a news conference at company headquarters yesterday afternoon. The company's shares lost 11 per cent of their value, closing at ¥1,849 or about \$17.12. Bridgestone shares have declined 27 per cent since news of the tire troubles emerged Aug. 1.

The largest previous tire recall for the company was in 1980, when Firestone Tire and Rubber Co. said it was voluntarily recalling 1.8 million steel-belted radial 500 tires. The company also recalled half a million 500s in 1978, including 50,000 tires in Canada.

The article EM0005 reprinted above is relevant to Part 11 of the STAT 221 Course Materials.