

HEADLINE: Ford Is Expanding Recall To Fix Faulty Cruise Control

BYLINE: By JEREMY W. PETERS

The Ford Motor Company significantly widened a recall yesterday that already involved millions of vehicles with cruise control systems that are prone to catching fire.

Although Ford and the National Highway Traffic Safety Administration said they were confident they had determined the cause of the malfunction and had identified the vehicles at risk, the recall posed another costly problem for the financially troubled automaker.

Ford would not say how much it expected the expanded recall to cost, but agreed to install protective wire harnesses near the cruise control systems of an additional 1.2 million vehicles that were vulnerable to fires.

That brings the total number of vehicles recalled to 6.7 million, making it one of the largest auto recalls in American history. Vehicles included in the expanded recall are 1994 to 2002 models of the Ford F-250, F-350, F-450 and F-550 Super Duty pickup trucks; 2000 to 2002 models of the Excursion; 1994 to 1996 Econoline vans; 1996 to 2002 E-450 vans; and 1998 Explorers and Mercury Mountaineers.

The safety administration said it would now close its inquiry into the Ford fires, which was one of the most extensive auto safety investigations the government had ever conducted.

"They're confident, and we're confident, that this will address all the vehicles that potentially have a problem," a spokesman for the safety administration, Rae Tyson, said.

A Ford spokeswoman, Kristen Kinley, said the company decided to include the additional vehicles after completing its own review. "We were able to identify the contributing factors causing the leak," she said, "and we didn't have that information last year."

Until September, Ford had disputed that the systems were malfunctioning and sparking fires. But in a reversal that came amid a growing federal investigation and numerous lawsuits, the automaker said it believed that brake fluid might leak from the switch that deactivated the cruise control once the driver stepped on the brake. That fluid can drip onto the cruise control's electrical component, cause corrosion and ignite a fire.

In its review, which began in November 2004, the safety administration found that several factors, including the position of the switch and the level of suction created when a driver taps the brakes, contributed to the likelihood of fires.

So far, the safety administration has received 1,472 complaints about malfunctioning cruise controls. It has confirmed 65 vehicle fires, but no fatalities.

Several families, however, have filed wrongful death lawsuits against Ford.

The recall comes amid a week of turmoil at Ford. Late Wednesday, the automaker disclosed that its second-quarter loss was \$254 million -- more than twice the amount it initially reported. It cited pension costs as the major reason.

Ford also announced Wednesday that it had hired Kenneth H. M. Leet, a longtime investment banker, to study its troubled operations. Mr. Leet will examine whether the company should sell underperforming divisions like its luxury car group. He is also expected to look at whether it would benefit Ford to enter an alliance with another automaker, like General Motors, Nissan and Renault are now considering.