most recently published rating of such obligations by a nationally recognized investment rating service. All such investments under this paragraph are not be exceed 15 percent of the bank's total investment portfolio.

(7) Repurchase agreements of eligible investments.

(8) Notes, bonds, debentures, bills, or similar obligations of any State, territory, or possession of the United States, or political subdivision thereof, including any agency, corporation, or instrumentality of any State, territory, possession, or political subdivision thereof, provided:

(i) The obligations are rated A or better (or the equivalent) by a nationally recognized rating service.

(ii) The obligations mature within approximately 10 years.

(iii) The obligations are readily marketable.

(9) Loans of unsecured day(s) funds to an insured bank or other federally insured financial institution (i.e., Federal funds or similar unsecured loans), provided that such loans will mature in 90 days or less.

(10) Shares or certificates in any open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940, while the portfolio of such company is restricted by its investment policy, changeable only by vote of the shareholders, to investments authorized by this section.

(11) Any Systemwide funding reserve maintained by the fiscal agency or other institution of the Farm Credit System for the retirement of Systemwide debt as necessary. Investments of such reserve must be eligible under this section.

(12) Other types of investments authorized by the Farm Credit Administration.

(b) The collateral value of eligible investments supporting System obligations shall be the lower of cost or market value.

5. Section 615.5141 is revised to read as follows:

§ 615.5141 Production credit associations.

Production credit associations shall invest in obligations eligible as investments for liquidity purposes under § 615.5140, as authorized by the supervising bank.

6. Section 615.5142 is revised to read as follows:

§ 615.5142 Federal land bank associations.

A Federal land bank association shall invest its excess cash in unsecured obligations of its supervising bank or in obligations eligible as investments for liquidity purposes under § 615.5140, as authorized by the supervising bank.

7. Section 615.5144 is added to read as follows:

§ 615.5144 System service organizations.

A service organization incorporated by the Farm Credit System banks under Title IV, Part D, of the Act and § 611.1150 of this changer may invest in obligations eligible as investments for liquidity and other purposes approved by the Farm Credit Administration under § 615.5140.

Donald E. Wilkinson,

Governor.

[FR Doc. 85-29456 Filed 12-11-85; 8:45 am]

BILLING CODE 6705-01-M

FEDERAL TRADE COMMISSION

16 CFR Part 13

[File No. 802 3128]

Saab-Scania of America, Inc.; Proposed Consent Agreement With Analysis To Aid Public Comments

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair acts and practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would require an Orange, Conn. wholly-owned subsidiary of a Swedish automobile company, among other things, to make repairs or reimburse consumers for costs they incurred because of paint problems with Saab cars assembled at the company's factory in Malines, Belgium, from 1976 to 1978. The offer to repair or reimburse would be made to consumers who bought a new Belgian-made Saab after December 31, 1977 and to subsequent owners who bought their vehicle within the first 36 months after the original purchase. The repair or reimbursement cost would be up to $ 2,000 per car, except for cars purchased in Massachusetts. The Attorneys General in Massachusetts, Maine and Vermont have reached separate aggreements with Saab in those states over the paint problem, but Saab consumers in Maine and Vermont would be eligible for the repair or reimbursement program.

DATE: Comments must be received on or before February 10, 1986.

ADDRESS: Comments should be addressed to: FTC/Office of the Secretary, Room 136, 6th St. and Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Phoebe Morse, Director, Boston Regional Office, Federal Trade Commission, 150 Causeway St., Room 1301, Boston, MA 02114 (312) 353-4423.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the following consent agreement containing a consent order to cease and desist, having been filed with an accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. Public comments is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with § 4.9(b)(14) of the Commission's Rules of Practice (16 CFR 4.9(b)(14)).

List of Subjects in 16 CFR Part 13

Automobiles, Trade practices.

Before Federal Trade Commission

[File No. 802 3128]

In the matter of Saab-Scania of America, Inc., a corporation. Agreement containing consent order to cease and desist.

The Federal Trade Commission having initiated an investigation of certain acts and practices of Saab-Scania of America, Inc., a corporation, hereinafter sometimes referred to as proposed respondent, and it now appearing that proposed respondent is willing to enter into an agreement containing an order to cease and desist from the use of the acts and practices being investigated,

It is hereby agreed by and between Saab-Scania of America, Inc., by its duly authorized officer, and its attorney, and counsel for the Federal Trade Commission that:

1. Proposed respondent Saab-Scania of America, Inc. (Saab), is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut, with its office and principal place of business located at Saab Drive in the Town of Orange, State of Connecticut.

2. Saab admits all the jurisdictional facts set forth in the draft complaint here attached.

3. Saab waives:

(a) Any further procedural steps;

(b) The requirement that the Commission's decision contain a statement of findings of fact and conclusions of law; and

(c) All rights to seek judicial review or otherwise to challenge or contest the

validity of the order entered pursuant to this agreement.

4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify Saab, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute an admission by Saab that the law has been violated as alleged in the draft complaint here attached.

6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of § 2.34 of the Commission's Rules, the Commission may, without further notice to Saab, (1) issue its complaint corresponding in form and substance with the draft complaint here attached and its decision containing the following order in disposition of the proceeding and (2) make information public in respect thereto. When so entered, this order shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the United States Postal Service of the complaint and decision containing the agreed-to order to Saab's address as stated in this agreement shall constitute service. Saab waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

7. Saab has read the proposed complaint and order contemplated hereby. It understands that once the order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the order. Saab further understands that it may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final.

Order

For the purposes of this order, the following definitions shall apply:

1. "Saab" means Saab-Scania of America, Inc., its successors and assigns.

2. "Saab-Scania AB" means Saab-Scania AB, of Sweden, the parent corporation of Saab-Scania of America, Inc.

3. "Motor vehicle" means a passenger car.

4. "Belgian Saab" means a Saab motor vehicle that was assembled at the factory of Saab-Scania AB in Malines, Belgium and that was delivered to the first retail purchaser on or after January 1, 1978, as indicated by the date the warranty period began according to Saab's records.

5. "Paint condition" means the incomplete adhesion of the exterior paint to the underlying metal of a Belgian Saab causing the paint later to lift, peel, or blister. This term does not include paint problems or rust caused by accident, normal road hazard, or other external conditions.

6. "Repair" means the performance of all tasks necessary to restore completely the area where the paint condition exists, whether visibly or latently. The repair includes, but is not necessarily limited to, stripping the paint on the exterior surface of the motor vehicle to the sheet metal surface; correcting all rusting; and preparing, priming and repainting the surface in a color matching the exterior body color.

7. "Complete repair" is a repair which was preformed by Saab at no charge to the owner and which was valued at $800 or more according to Saab's records.

8. "Person" means any individual, partnership, corporation, firm, trust, estate, cooperative, association, or other entity.

9. "Dealer" means any person who, pursuant to a sales and service agreement with Saab, purchases or receives on consignment motor vehicles from Saab for resale or lease to the public, including any dealer owned or operated by Saab.

10. "Months-in-service" is calculated as beginning on the date on which Saab or a dealer delivered the motor vehicles to the first retail purchaser.

11. "Warranty period" means the first twelve months-in-service.

12. "Owner" means any person who lawfully acquired custody and/or possession of a Belgian Saab within the vehicles' first 36 months-in-service. This term include, but is not limited to, any past or current register owner or person acting on such owner's behalf. This term does not include a dealer or person in temporary possession of the vehicle by right of a lien.

13. "Original owner" means that owner who was the first retail purchaser.

14. "Subsequent owner" means any owner who owned a Belgian Saab after the original owner.

15. "Attorney General settlement" means any formal or informal agreement with the Attorneys General of the states of Maine, Massachusetts, or Vermont.

I

It is ordered that respondent, Saab-Scania of America, Inc., a corporation, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, offering for sale, sale or distribution in the United States of any motor vehicle, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from failing to:

Notification

A. Identify owners to be notified of their potential eligibility for repair of the paint condition and/or reimbursement for past repairs to correct the paint condition, as specified below:

1. Each original owner shall be notified except: a) any owner who has received a complete repair of the paint condition or b) any owner who purchased his/her Belgian Saab in a state in which there was an Attorney General settlement; and

2. Saab will use own records to obtain the names and addresses of original owners to be notified;

B. Within sixty (60) days after the date of the service of this order, send, by first-class mail in an envelope on which is disclosed the vehicle identification number (VIN), to each original owner, as identified in Paragraph I.A., a self-addressed, postage pre-paid enveiope and a copy of the Notice Package (using the exact language and format used in Attachment A) which shall include: (a) One (1) copy of the "Notice of Program to Determine Eligibility for Free Repair or Reimbursement," (b) one (1) copy of the "Request Form" and (c) one (1) self-addressed, postage pre-paid postcard;

C. Within thirty (30) days of an inquiry or sixty (60) days after the date of service of this order, whichever is later, send the Notice Package to each owner of a Belgian Saab who inquiries of Saab or one of its dealers about Saab's program for repair and reimbursement due to the paint condition; however, it shall not be

necessary to mail the Notice Package if the owner states that the paint condition did not appear within the first 36 months-in-service or that he/she did not own the Belgian Saab within the first 36 months-in-service or that he/she previously received a complete repair;

D. Within thirty (30) days of identification, send a copy of the Notice Package and return envelope, as described in Paragraph I.B., by first class mail to each subsequent owner of a Belgian Saab that has been identified by an original owner as having been sold within the first 36 months-in-service or within an unspecified time; provided that, if the original owner fails to specificially or completely identify the subsequent owner by name and/or address, Saab shall expeditiously attempt to identify the name and address of the current owner of that Belgian Saab, based on the Vehicle Identification Number, using either Saab's corporate or dealer records or state motor vehicle records and send the Notice Package to that address within thirty (30) days of identifying the current owner;

E. For any Notice Package (other than those sent pursuant to Paragraph I.F.) that is returned to Saab as being undeliverable, make a reasonable attempt to obtain the original owner's present address and send the Notice Package and return envelope by first class mail to that address; however, if unable to locate the original owner, send the Notice Package and return envelope by first class mail to the person identified as the current owner of that Belgian Saab based on the Vehicle Identification Number in Saab's corporate or dealer records, and, if unable to so identify and locate the current owner, take additional steps to make a reasonable attempt to obtain the current owner's present address and send the Notice Package and return envelope by first class mail to that address; however, such additional attempts need not include use of a commercial locator service except as provided in Paragraph I.F.;

F. Use a commercial locator service to endeavor to obtain correct addresses and locate owners if, at any time within ninety (90) days of the date the Notice Packages were sent, as provided in Paragraphs I.B. and I.D., Saab learns from dealers, the United States Postal Service, or otherwise that the Notice Packages have not been or will not be delivered to twenty percent (20%) or more of the number of owners eligible pursuant to Paragraph I.A.;

Inspection

G. Within sixty (60) days after the owner submits the Request Form to Saab requesting an inspection, schedule and perform inspections of each Belgian Saab for which:

1. The owner has completed and mailed to Saab the Request Form requesting inspection/repair within sixty (60) days after Saab sent the Notice Package to this owner;

2. The owner can provide reasonable proof that he/she owned and/or legally possessed the Belgian Saab within its first 36 months-in-service; and

3. The owner has stated in a signed statement that the paint condition occurred within the first 36 months-in-service;

H. Have a representative of Saab conveniently available to the owner to arrange for inspections and repairs, to review documentation, and to determine eligibility for repair;

Repair

I. Determine which owners are eligible for repair based upon the following criteria:

1. The owner owned the Belgian Saab within the first 36 months-in-service;

2. The paint condition occurred within the first 36 months-in-service;

3. The owner owned the Belgian Saab at a time when the paint condition occurred;

4. The owner has not previously received a complete repair; and

5. The original owner did not purchase the Belgain Saab in Massachusetts;

J. Except as provided in Paragraphs I.K. and I.M., send by first class mail within thirty (30) days after the inspection, described in Paragraphs I.G. through I.H., to each owner whose Belgian Saab was inspected, a letter informing the owner whether he/she is eligible for repair, and if not eligible, the reasons therefor, which letter shall contain the following:

1. If the owner's Belgian Saab is eligible for repair: (a) What Saab will do to repair the paint condition; (b) when Saab will provide repair, which shall not be at a time greater than sixty (60) days after receipt of the owner's request for repair following Saab's notification to the owner of his/her eligibility; (c) where the repair will be provided, whether at a dealership or other location convenient to the owner; (d) how the owner can arrange the date and time for the repair, or set the date and time for the repair with allowance for change by the owner if necessary; (e) how long the owner has to respond and request repair, but this period shall not be less than thirty (30) days from the date the owner receives this letter nor more than forty-five (45) days after Saab sends it; and (f) whom the owner should contact with questions about the repair procedure, with appropriate telephone number(s) and address(es); and

2. If Saab rejects the request for repair: (a) The reason(s) why the request was rejected and (b) instructions on how the owner can seek reconsideration of the rejection by Saab within forty-five (45) days of the date Saab mails this letter rejecting the repair request;

K. At its option, authorize dealers to arrange for performing repairs simultaneously with or immediately following the inspection; provided that such arrangements shall be at a time and place mutually convenient to the owner and the dealer, and if such arrangements are not made at the time of inspection, comply with the notification requirements as set forth in Paragraph I.J.;

L. Repair the paint condition on each eligible Belgian Saab at no cost to the owner within sixty (60) days after the owner requests an appointment for repair following Saab's notification to the owner of his/her eligibility; provided that:

1. The owner has not accepted any offer of cash settlement made by Saab, as set forth in Paragraph I.M., if Saab makes such an offer; and

2. Saab shall not be responsible or liable under this order for repair costs in excess of $2000.00 per Belgian Saab;

Cash Settlement

M. At Saab's option, offer the owner a cash settlement in lieu of repairs, as follows:

1. Any offer for a cash settlement shall be made to the owner in writing and shall be sent by first class mail to the owner, in duplicate, within thirty (30) days after the inspection and include a self-addressed, postage-paid envelope;

2. The offer shall explain that the owner may accept the cash settlement by signing and returning one (1) copy of the written offer within thirty (30) days in the envelope provided;

3. Saab may determine the amount of the cash settlement, but the letter, as described in Paragraph I.M.2., must include: (a) An explanation that accepting the cash settlement nullifies the owner's right to a free repair; (b) what Saab would do to repair the paint condition if the owner does not accept the cash settlement and the other information as required by Paragraph I.J. 1. and 2.; (c) Saab's estimate of the cost of repairing the vehicle if the owner has the repair made on his/her own; and (d)

instructions on how to obtain the cash settlement;

4. If the owner accepts Saab's offer, Saab shall send the cash settlement within thirty (30) days of receiving the owner's acceptance;

5. If the owner does not accept the offer within the later of thirty (30) days after the owner receives it or forty-five (45) days after Saab sends it, Saab shall perform its obligations to repair, as set forth in Paragraph I.L. as if no cash settlement had been offered;

Reconsideration of Rejection

N. Within thirty (30) days after an owner requests reconsideration pursuant to Paragraph I.J., review the rejected request and either (a) determine that the owner does not qualify for repair and send to the owner by first class mail a second letter describing the reason(s) for the rejection; or (b) determine that the owner does qualify for repair and notify the owner and provide repairs as set forth in Paragraphs I.J. and I.L. or offer cash settlement as set forth in Paragraph I.M.;

Reimbursement

O. Determine which owners are eligible for reimbursement for past repairs based upon the following criteria:

1. The paint condition occurred within the first 36 months-in-service;

2. The owner owned the Belgian Saab within the first 36 months-in-service;

3. Initial repair(s) was (were) attempted within the first 42 months-in-service;

4. The owner has not previously received a complete repair;

5. The original owner did not purchase the Belgian Saab in Massachusetts;

6. The owner provides adequate documentation of the amount of expenses incurred and evidence that the expenses incurred were due to the paint condition; provided that (a) such documentation and evidence shall include but is not limited to itemized receipts for work done by dealers, auto body shops, or other providers of repairs; or cancelled checks paid to dealers, auto body shops, or other providers of repairs if accompanied by related evidence of prior contact with Saab or a dealer regarding the paint condition; or other records reasonably demonstrating that the owner's Belgian Saab had the paint condition and was repaired either partially or completely and (b) Saab shall instruct its dealers to provide, upon request, copies of repair bills or receipts for repairs performed by or through a dealer to assist the owner in obtaining documentation; and

7. The owner's request for reimbursement is mailed within sixty (60) days after the date Saab sent the Notice Package to this owner;

P. Within thirty (30) days after the owner has returned to Saab the Request Form requesting reimbursement and submitted evidence of repair expenses, as described in Paragraph I.O.4., reimburse in person or by first class mail each eligible owner of a Belgian Saab for all reasonable repair expenses (not to exceed $2,000.00) incurred for attempts to eliminate the paint condition, whether or not they eliminated the condition.

Q. In each instance where Saab rejects an owner's request for reimbursement or reimburses an amount less than the amount requested, provide the owner, in writing, within thirty (30) days after Saab receives the owner's request for reimbursement: (1) The specific reasons for the decision; and (2) how the owner may seek reconsideration by Saab;

Limitations

R. In the event that an owner (or owners) qualifies for both repair and reimbursement, provide free repairs and reimbursement as outlined in Paragraphs I.L. and I.P.; however, Saab shall not be responsible or liable under this order for a total of reimbursement and repair costs in excess of $2000.00 per Belgian Saab, and if the total amount for which the owner(s) would be eligible would exceed $2000.00, offer the owner(s) the choice of how to allocate the money as between repair and reimbursement;

S. Saab shall have no obligations under this Order.

(1) To any owner who has received a Notice Package from Saab, unless the owner has notified Saab of a request for inspection, repair, or reimbursement within sixty (60) days of the owner's receipt of the Notice Package; or

(2) To any owner who has not received a Notice Package from Saab, unless the owner has requested information from Saab concerning inspection, repair, or reimbursement related to the paint condition within 240 days from the date of Saab's initial mailing of the Notice Package to original owners pursuant to this order.

II

Notice to Dealers

It is further ordered that, within twenty (20) days after the date of service of this order, Saab shall:

A. Provide to every dealer a copy of the "Notice to Dealers" as provided in Attachment B to this order; and

B. Notify all dealers in writing to forward owner inquiries, as described in Paragraph I.C., to Saab within five (5) business days after the owner inquires.

III

It is further ordered that for three (3) years after the date of service of this order, Saab shall maintain and upon request make avialable to the Federal Trade Commission for inspection and copying, documents demonstrating compliance with this order, including but not limited to:

A. A log stating the name and address of each owner sent the Notice Package, the date on which the Notice Package was sent, the date of any response(s), and the nature and date of Saab's ultimate disposition of the owner's request for repair or reimbursement;

B. Copies of all correspondence and other communicatons to, from, or concerning any such owner;

C. The name and last known address of each original owner known to Saab who was not sent a Notice Package and the reason why the Notice Package was not sent; and

D. All documents relied upon, or concerning, any decision by Saab about inspecting, repairing, or offering a cash settlement for the paint condition.

IV

It is further ordered that Saab shall notify the Commission at least thirty (30) days prior to any change in its corporate structure, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of this order.

V

It is further ordered that Saab shall, within 65 days and 510 days after the date of service of this order, file with the Commission reports, in writing, setting forth in detail the manner and form in which it has complied with this order.

Attachment A

Notice of Program To Determine Eligibility for Free Repair or Reimbursement

[Date sent]

Dear Saab Owner: You may be eligible for a free repair or reimbursement for past repairs if your Saab developed a particular paint condition that occurred on a percentage of Saab automoblies built before 1979. It appears that the paint finish on some Saabs that were assembled in Belgium was not up to the usual high quality of Saab automobiles.

On some of these Belgium-assembled Saabs, the paint may lift or blister, sometimes

causing rust to form. The paint condition was caused by incomplete adhesion of the paint to the sheet metal. This condition is different from rusting that may result from road conditions, such as snow and salt. To repair the paint condition properly, affected body panels should be stripped to the sheet metal surface and prepared, primed and repainted. The paint condition does not affect the performance, operation, or safety of the car.

Because Saab-Scania has a continuing interest in the quality of our cars and the satisfaction of our customers, we have agreed with the Federal Trade Commission that under certain circumstances we will offer free repairs or reimbursement for repairs previously performed at your expense. It will be necessary to inspect your car to determine eligibility for free repairs.

You need not be the original owner or own the car now to be eligible. But, you must meet the following conditions and return the attached form within 55 days of the date of this letter.

You May Be Eligible for Inspection and Free Repair if

- Your car was originally purchased on or after January 1, 1978,
- The paint condition appeared within 36 months after the car was delivered to the first owner, and
- The car was never repaired or a partial repair was attempted and the condition reoccurred.

If You Request Inspection and Free Repair

- Please complete the enclosed form and send it to us within *55 days* of the date of this letter.
- We will get back to you within 60 days of receiving your completed form with the results of our review.
- We may then schedule a date for inspection of your car at a Saab dealer in your area.
- Within 30 days after the inspection, we will tell you whether and how your car will be repaired.

You May Be Eligible for Reimbursement if

- Your car was originally purchased on or after January 1, 1978,
- The paint condition appeared within 36 months after the car was delivered to the first owner, and
- You paid for a repair that was performed within the first 42 months.

If You Request Reimbursement

- Please complete the enclosed form and send it to us, with copies of all your supporting documentation, within *55 days* of the date of this letter.
- We will get back to you within 30 days of receiving your completed form with the results ofour review.
- If we approve your request, in whole or in part, we will include a check for your reimbursement.
- If we do not approve your request, in whole or in part, we will tell you the specific reasons for our decision.

If you believe you qualify for repair, reimbursement or both, please complete and sign the enclosed form and return it to us in the return envelope we have provided for your convenience. To be eligible for free repair or reimbursement, *you must return the form with any necessary documents within 55 days of the date of this letter.*

If you have any questions about this letter or Saab's offer, please call us at 203–795–5671 and ask to speak to our National Consumer Relations Coordinator.

Very truly yours,

Saab-Scania of America, Inc.

Alex S. Lieuwma,

National Service Manager.

P.S. In order to be sure we reach all Saab owners who may be eligible for repair or reimbursement, we need your help. *If you sold your Saab within the first 36 months, and you are not seeking reimbursement* for repairs made while you owned the car, *please send us the name and address of the person you sold the car to* and the approximate date on which you sold the car. You may use the enclosed postage-paid postcard, to let us know, that you sold your car. Even if you don't know the buyer's name or address, please return the card indicating that the car was sold within the first 36 months. Thank you for your assistance.

[Request Form]

SAAB–Scania of America, Inc.

Request for Inspection/Repair or Reimbursement for the Cost of Repair of Paint Conditions on Belgian-assembled Saabs

(Please retrun this form within 55 days.)

Name ———
Address ———
———
Vehicle Identification Number (VIN) ———

(The VIN is the number written on the envelope next to your address.)

1. When did you purchase your Saab?

2. From whom did you purchase your Saab?

Name:———
Address: ———
———

3. Since your bought your Saab, either new or used, has the paint peeled or blistered:
Yes—— no ——.

4. If the paint peeled or blistered, please answer the following questions. (If the paint has *not* peeled or blistered, please use the attached postcard instead of this form.)

(a) When did the peeling or blistering first occur? Month ———, year ———.

(b) Please describe the extent and location of the peeling or blistering. ———
———
———

(c) Did you try to have the condition repaired?
Yes ——, no ——.

5. If your tried to have the condition repaired, please answer the following questions.

(a) When were the repairs done?
Month ———, year ———.

(b) Who did them?
Name:———
Address: ———
———

(c) Did you pay any money attempting to have the condition repaired?
Yes ——. If yes, how much did you pay? ——.
No ——.

(d) Have you been reimbursed by Saab or the dealer or any of this cost?
Yes ——. If yes, when? ——. How much?
$——.

6. Has the paint condition reoccurred on any portion of the car?
Yes ——, no ——.

7. If the paint condition reoccurred, please answer the following questions.

(a) When did it reoccur?
Month ———, year———.

(b) Please describe the extent and location of any peeling or blistering. ———
———
———
———
———

(c) Did you try to have the condition repaired?
Yes ——, no ——.

8. If you tried to have the paint condition repaired, please answer the following questions:

(a) When were the repairs done?
Month ———, year ———.

(b) Who did them?
Name:———
Address: ———
———

(c) Did you pay any money attempting to have the condition repaired?
Yes ——. If yes, how much did you pay?
$——.
No ——.

(d) Have you been reimbursed by Saab or the dealer for any of this cost?
Yes ——. If yes, when? ——. How much?
$——.
No ——.

9. If you paid for repairs and were not reimbursed, you may be eligible for reimbursement.

Please supply copies of the following documents if you have any of them:

(a) Repair orders, letters or other written records to or from any Saab dealer, Saab-Scania of American, Inc., and any government or consumer organization, or others discussing the paint condition and the date it occurred.

and

(b) Paint repair bills or invoices showing the date of repair, a description of the repair and the actual cost of the repair.

If you do not have all of the forms mentioned, send copies of whatever relevant records you do have. The repair shop or dealer may have copies of bills, and you may be able to get copies from them.

You may be eligible for reimbursement even if you no longer own your Saab.

10. If you own a Saab in which the paint condition occurred during the first 36 months and the *condition is still unrepaired,* you may be eligible for free repair of the condition. If you are in this category and would like Saab to inspect your car to determine if it is eligible for free repair, please tell us the name and address of the dealer most convenient for you.
Dealer Name: ———
Address: ———
———

11. If your have sold your Saab, please provide the approximate date on which you sold it and the name and address, if you know them, of the person to whom you sold it.

Date Saab Sold: _____
Buyer's Name: _____
Address: _____

_____

The above information is accurate to the best of my knowledge.

_____

Your signature

_____

Date

Thank you for filling out and returning this form. If you have requested free repair, we will let you know within 60 days whether you qualify for inspection and, if so, schedule and inspection date. If you have requested reimbursement, we will respond to you within 30 days.

Very truly yours,
Saab-Scania of America, Inc.
Alex S Liewma,
National Service Manager.

[Separate postcard]

(1) Your name: _____
Address: _____
Vehicle Identification Number (VIN) _____
(The VIN is the number written on the envelope next to your address.

(2) If your have sold your Saab, please provide the approximate date on which you sold it and the name and address, if you know, of the person to whom you sold it.
Date Saab sold: _____
Buyer's Name: _____
Address: _____

_____

(Please return this card even if you don't know the name of the person who brought your Saab. Just write in the approximate date on which you sold it.)

(3) If you still own your Saab and the paint condition has *not* occurred, please check here.——

Thank you.

Put only in letter to Mass. dealers.

• The car was not originally purchased in Massachusetts, and therefore was not included in a prior voluntary agreement entered into in that state.

Generally, the agreement further provides that an owner is eligible for reimbursement for expenses incurred in repairing the condition in the past if:

• The car was originally purchased on or after January 1, 1978,

• The paint condition appeared within 36 months after the car was delivered to the first owner,

• The owner requesting reimbursement owned the car sometime during the first 36 months (regardless of whether the owner still owns the car) and paid for a repair that was performed within the first 42 months,

• The owner requesting reimbursement did not already receive a complete repair (that is, at a cost to Saab-Scania of $800 or more) free of charge,

Put only in letter to Mass. dealers.

• The car was not originally purchased in Massachusetts.

An owner may qualify for both repair and reimbursement.

Saab-Scania is identifying original owners of Belgium-assembled cars purchased on or after January 1, 1978 and will be sending information directly to these owners about Saab-Scania agreement. An owner seeking inspection/repair or reimbursement will be required to complete a Request Form which will be included in the Notice Package sent by Saab-Scania to the owner.

All determinations of eligibility for inspection, repair and/or reimbursement will be made by Saab-Scania.

If an owner contacts you for information about eligibility for inspection, possible free repair or reimbursement, please refer the owner to our National Consumer Relations Coordinator at Saab-Scania in Orange, and tell the owner that you will pass along the owner's name to Saab-Scania. We are requesting that all dealers notify Saab-Scania of the owner's name within 5 days after the owner makes such an inquiry. The National Consumer Relations Coordinator can be reached at 203-795-5671 or by writing to her at Saab-Scania, on Saab Drive, Orange, CT 06477.

Very truly yours,
Alex S. Lieuwma
National Service Manager.

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from Saab-Scania of America, Inc.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

The Commission's complaint in this matter charges Saab-Scania of America, Inc. (Saab) with selling some automobiles with exterior paint that did not properly adhere to the underlying metal. As a result, the paint later lifted, peeled, or blistered. This paint condition occurred on some but not all Saabs that were assembled in Belgium and sold in the United States from 1974 through 1978. The 1978 Saab discontinued operations at the Belgium plant. However, the Commission alleges that Saab knew or should have known about the paint condition as of December 31, 1977. Therefore, as to Belgian Saabs sold after that date, the Commission charges Saab with a failure to disclose material information in violation of section 5 of the Federal Trade Commission Act.

Saab denies the Commission's allegations. Nonetheless, Saab has agreed to provide free repairs or reimbursement for previous repairs to owners of Belgian Saabs under certain circumstances.

Under Part I of the proposed order, Saab shall notify owners of Belgian Saabs that were initially purchased on or after January 1, 1978, about the order and offer to inspect the cars and review documentation concerning past repairs. Belgian Saabs are eligible for inspection and free repair if:

(1) The car was originally purchased on or after January 1, 1978, (however, it is not necessary for the original owner to still possess the vehicle);

(2) The paint condition appeared within 36 months after the care was delivered to the first owner;

(3) The current owner requesting the repair is either the original owner or has owned the car since sometime during the first 36 months after the car was delivered to the first owner;

(4) The car was not previously completely repaired, or a partial repair was attempted and the condition reoccurred; and

(5) The car was not orignally purchased in Massachusetts (such cars are not included in this order because they were previously covered by a 1979 agreement between Saab and the Massachusetts Attorney General).

Similar conditons apply to eligibility for reimbursement for past repairs. In addition, owners seeking reimbursement must be able to show that the repairs were made within the first 42 months of ownership.

Owners may qualify for both repair and reimbursement, but Saab is not responsible for more than $2000 per vehicle.

Part II of the proposed order requires Saab to notify its dealers concerning the terms of the order. Parts III—V require Saab to notify the Commission of any proposed changes in its corporate structure and to file appropriate compliance reports.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Emily H. Rock,
Secretary.

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BILLING CODE 6750-01-M

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 166

Customer Protection

AGENCY: Commodity Futures Trading Commission.