

Ford Motor Company

July 29, 2004

Mr. Fabrice Demarigny
Secretary General
Committee of European Securities Regulators
11-13 Avenue de Friedland
Paris, France 75008

Dear Sir:

Re: CESR Call for Evidence (CESR/04-305)

This is in response to the Call for Evidence (CESR/04-305) requesting the views of interested parties regarding elements and concepts it should consider in developing its advice on the equivalence between certain third country GAAP and IAS/IFRS. We appreciate the opportunity to provide our views on these matters since their impact on our business is significant.

We are writing on behalf of ourselves and our subsidiaries, Ford Motor Credit Company, Ford Credit Canada Limited, Ford Credit Australia Limited and PRIMUS Financial Services, Inc. We are the world's second largest producer of cars and trucks combined. Ford Credit is one of the leading automotive finance companies in the world providing vehicle and dealer financing in 36 countries to more than 10 million customers and more than 12,500 automotive dealers. We are issuers in the global debt markets and are especially active in the European debt markets. Collectively, we presently have debt outstanding totaling approximately \$90 billion listed on exchanges within the European Union. Moreover, together we issued approximately \$13 billion and \$17 billion of corporate securities in 2003 and 2002, respectively, which were listed on European exchanges. These securities include asset-backed issuances by special purpose entities that have an interest in assets originated by us. We believe that we were a major contributor to the development of the corporate bond market in Europe.

As a result of our activity in debt and equity capital markets worldwide, we are concerned about the potential impact the implementation of Prospectus Directive and the determination regarding equivalency of third country GAAP with IAS/IFRS will have on our ability to sustain our level of participation in the debt and equity capital markets in Europe. We have expressed our broad support for the aims of this Directive, as well as our concerns, to CESR by letter dated May 22, 2003 and as part of a joint initiative with other international issuers (AFSA letter dated March 27, 2003). We have also made our concerns known to the EU Commission and the relevant committees of the EU Parliament.

In response to your request, we believe that the following elements and concepts should be considered in developing your technical advice:

1. Equivalency should be based on whether the third country GAAP provides investors with consistent and sufficient relevant information to enable them to make informed

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investment decisions. We believe that CESR should focus on the overall results of the third country GAAP, and whether those results provide the same protection to investors as IAS/IFRS. With that focus, we believe that US GAAP and IAS/IFRS provide equivalent disclosure of an issuer's financial results and condition in all material areas with substantially similar audit standards.

2. Equivalency should not be based on a line-by-line comparison of third country GAAP and IAS/IFRS. We believe this approach would ultimately focus on detailed differences between the two accounting systems, and would overlook the equivalency of the overall results of GAAP and IAS/IFRS. Also, to the extent that the analysis of the differences between third country GAAP and IAS/IFRS is required, the determination of equivalency of the accounting standards should be based on the materiality of the differences, rather than the fact there are differences.

In addition to the above concepts, we believe that CESR should take the following matters regarding US GAAP into consideration in developing its technical advice:

3. The capital markets presently using US GAAP are measured in the trillions of dollars and have the confidence of millions of investors.

4. US GAAP and IAS/IFRS continue to move to a consistent approach in accounting requirements. Although we believe progress toward greater equivalency will continue, full convergence will take time.

5. The environment in which the both US GAAP and IAS/IFRS accounting standards are applied, including the regulatory framework, corporate governance, audit standards and disclosure requirements, support the accurate and timely disclosure of relevant financial information regarding issuers to investors.

We firmly believe that US GAAP and IAS/IFRS provide investors with equivalent disclosure of relevant information sufficient to make an informed investment decision and comparable standards for corporate governance, audit review and regulatory review and therefore meets the objectives of the Prospectus Directive, as stated in Recitals 18 thereof.

Since the transitional arrangements expire January 1, 2007, international issuers need sufficient lead-time to implement effectively the eventual decision of the EU Commission. So, it is imperative that CESR work within its Work Plan included with the Call for Evidence so that it can provide its technical advice to the EU Commission by June 30, 2005, and the EU Commission adopts legislation by December 31, 2005.

We look forward to participating in the consultation process on the equivalency of third country GAAP. If you have any questions on the above, please contact Carol V. Rogoff at croff@ford.com or (313) 323-8804.

Very truly yours,

/s/

Neil Schloss
Assistant Treasurer
Ford Motor Company