

EXHIBIT 2
Ford Motor Company's Critical Accounting Policies
 (Excerpts from Form 10-K for the Fiscal Year Ended December 31, 2005)

Other Postretirement Employee Benefits (Retiree Health Care and Life Insurance)

Nature of Estimates Required. The estimation of our obligations, costs and liabilities associated with other postretirement employee benefits ("OPEB") (i.e., retiree health care and life insurance) requires that we make use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as health care cost increases, salary increases and demographic experience, which may have an effect on the amount and timing of future payments.

Assumptions and Approach Used. The assumptions used in developing the required estimates include the following key factors:

- Discount rates
- Salary growth
- Retirement rates
- Expected contributions
- Health care cost trends
- Expected return on plan assets
- Mortality rates

Our health care cost trend assumptions are developed based on historical cost data, the near-term outlook, anticipated efficiencies and other cost-mitigation actions (including eligibility management, employee education and wellness, competitive sourcing and appropriate employee cost sharing) and an assessment of likely long-term trends. We base the discount rate assumption primarily on the results of a cash flow matching analysis, which matches the future cash outflows for each plan to a yield curve comprised of high quality bonds specific to the country of the plan. The salary growth assumptions reflect our long-term actual experience, the near-term outlook and assumed inflation. The expected return on plan assets assumption reflects historical plan returns and inputs from a range of internal and external advisors for capital market returns, inflation, bond yields, and other variables, adjusted for specific aspects of our investment strategy. We also consider peer data in setting the expected return on asset assumption. The expected amount and timing of contributions is based on an assessment of cash availability and other considerations (e.g., funded status and tax efficiency). Retirement and mortality rates are developed to reflect actual and projected plan experience. Plan obligations and costs are based on existing retirement plan provisions. No assumption is made regarding any potential future changes to benefit provisions beyond those to which we are presently committed (e.g., in existing labor contracts). The effects of actual results differing from our assumptions and the effects of changing assumptions are included in unamortized net gains and losses. Unamortized gains and losses are amortized over future periods and, therefore, generally affect our recognized expense in future periods.

See Note 23 of the Notes to the Financial Statements for more information regarding costs and assumptions for other postretirement benefits.

Sensitivity Analysis. The December 31, 2005 OPEB obligation is affected by December 31, 2005 assumptions. OPEB expense for 2005 is based on the plan design and assumptions as of December 31, 2004. Note that these sensitivities may be asymmetric, and are specific to 2005. They are not additive, so the impact of changing multiple factors simultaneously cannot be calculated by combining the individual sensitivities shown. The effect of the indicated increase/(decrease) in selected assumptions is shown below (in millions):

Assumption	Percentage Point Change	Increase/(Decrease) on U.S. and Canadian Plans	
		Dec. 31, 2005 Obligation	2005 Expense
Discount rate	+/- 1.0	(\$5,540)/\$6,330	(\$460)/\$530
Health care cost trend rates — total expense	+/- 1.0	4,910/(3,890)	830/(650)
Health care cost trend rates — service and interest expense	+/- 1.0	4,910/(3,890)	490/(380)