

Michael A. Berardi Director Service Engineering Operations Ford Customer Service Division Ford Motor Company P. O. Box 1904 Dearborn, Michigan 48121

October 28, 2010

TO: All U.S. Ford and Lincoln Mercury Dealers

SUBJECT: Safety Recall 10S13 - Supplement #3

Certain 1998-2003 Model Year Windstar Vehicles Operated in Corrosion States

Rear Axle Inspection and Repair

REF: Safety Recall 10S13 – Supplement #2

Dated October 5, 2010

New! REASON FOR THIS SUPPLEMENT

 Provide additional information on the streamlined rental vehicle approval and claiming procedures.

- Provide information related to long term storage of vehicles with a cracked or perforated axle.
- Provide most recent information on repair and service parts availability.
- Provide additional information on the Reacquired Vehicle (RAV) process.
- Expanded Dealer Q & A.

AFFECTED VEHICLES

Certain 1998 through 2003 model year Windstar vehicles built at the Oakville Assembly Plant from September 1, 1997 through February 28, 2003 and originally sold in, or currently registered in the following states:

Connecticut	lowa	Michigan	New York	West Virginia
Delaware	Kentucky	Minnesota	Ohio	Wisconsin
District of Columbia	Maine	Missouri	Pennsylvania	
Illinois	Maryland	New Hampshire	Rhode Island	
Indiana	Massachusetts	New Jersey	Vermont	

Affected vehicles are identified in OASIS. In addition, for a list of vehicles assigned to your dealership, visit https://web.fsavinlists.dealerconnection.com. This information will be available by October 15, 2010.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, the rear axle could potentially fracture when operated in high corrosion areas (where salt is used on the roadways during winter months) for an extended period of time. If the rear axle should fracture, vehicle handling may be affected which could increase the risk of a crash.

New! SERVICE ACTION

Dealers are to clean and inspect the rear axle beam for cracks or perforations (holes). Based on the results of the inspection, dealers will perform one of the following service actions:

- If the rear axle beam passes the inspection, return the vehicle to the owner along with the Passed Rear Axle Inspection No Crack or Perforation Customer Information Sheet attached.
- If the rear axle beam of a 1998-2000 model year vehicle did not pass the inspection, offer the customer rental transportation (prior approval not required) and contact the Special Service Support Center (SSSC) as soon as possible at 1-800-325-5621 to discuss potential RAV offer.
- If the rear axle beam of a 2001-2003 model year vehicle did not pass the inspection, offer the customer rental transportation and provide them with a copy of the Did Not Pass Axle Inspection Customer Information Sheet.

This service must be performed on all affected vehicles at no charge to the vehicle owner.

New! IMPORTANT NOTES:

- We understand that the unique challenges of Safety Recall 10S13 are placing an excessive administrative burden on the dealerships. As such, prior approval for rental vehicles is no longer required. If you have a customer with unique transportation issues, please continue to contact the SSSC for assistance.
- In the interest of meeting the diverse needs of our dealerships, claims for rental reimbursement can either be submitted on a monthly basis to assist with cash flow or once when the customer no longer needs the rental.
- At this time, Ford is extending repurchase offers to owners of 1998-2000 model year vehicles
 that do not pass axle inspection. In order to facilitate the RAV process and help alleviate long
 term vehicle storage issues, dealers are still required to contact the SSSC if a 1998-2000 MY
 Windstar axle does not pass inspection; this will allow us to immediately initiate the RAV offer.
 Please be aware that Ford may discontinue repurchase offers when anticipated rental time
 decreases.
 - The average RAV acceptance rate is 55%. Please continue to utilize the repurchase amount offered by Ford (Kelly Blue Book value assuming excellent condition) and the incentive money available to increase acceptance rate and help alleviate vehicle storage concerns.
- Ford recognizes that we have placed a burden upon the dealers due to the unique long term vehicle storage requirements of this safety recall. Therefore, we will provide an allowance to ensure the vehicle is returned to the owner in good, operable condition after the axle is replaced. At least once per month, dealers are requested to perform the following maintenance items:
 - Start and run the engine for approximately 15 minutes to keep the battery charged.
 - o If possible, move the vehicle to avoid tire flat spots and apply the brakes several times to minimize brake rotor corrosion.

After the axle has been replaced, please thoroughly clean the interior and exterior of the vehicle before returning to the owner. Ford will provide an allowance of \$150 per vehicle to complete the maintenance and cleaning requested. Please reference the Claims Preparation and Submission section for further instructions.

Ford acknowledges that physical storage space for grounded Windstars may be an issue in certain geographic areas. We are committed to helping the dealers with this concern and will work with you through your Regional Management Team to develop a plan. The results will be communicated as soon as the plan is finalized.

- Ford expects to begin seed stocking parts in November 2010 to reinforce axles without a
 crack or perforation. Replacement rear axles are expected to be available beginning January
 2011. Ford will publish another supplement with parts ordering information and updated
 service procedures in November.
- If a vehicle is not included in OASIS, and an owner believes it should be included in the recall (due to evidence of a crack, perforation, or having been operated in a corrosion environment), contact the SSSC at 1-800-325-5621 to request approval of coverage by Safety Recall 10S13.
- Vehicles that pass inspection will be returned to the owners until parts are available to reinforce the axle. Ford will advise owners via U.S. mail when parts are available.
- Rental vehicles will be claimed under a separate program (79M01).
- Performing (and claiming) the inspection will **NOT** "close-out" Safety Recall 10S13.

OWNER NOTIFICATION MAILING SCHEDULE

Owner Letters were mailed the week of October 11, 2010. Dealers should perform an inspection on any affected vehicles identified in OASIS that arrive at their dealerships, whether or not the customer has received a letter.

New! ATTACHMENTS

Attachment I: Administrative Information

Attachment II: Labor Allowances and Parts Ordering Information
Attachment III: Technical Information (Overview and Important Notes)

Attachment IV: Dealer Q & A

Attachment V: Reacquired Vehicle Process Overview

Customer Information Sheet: Passed Rear Axle Inspection – No Crack or Perforation

Customer Information Sheet: Did Not Pass Rear Axle Inspection - Crack or Perforation Found

Recall Reimbursement Plan

QUESTIONS & ASSISTANCE

Special Service Support Center (Dealer Assistance Only) ______1-800-325-5621

Sincerely,

Michael A. Berardi

Certain 1998-2003 Model Year Windstar Vehicles Operated in Corrosion States Rear Axle Inspection and Repair

OASIS ACTIVATED?

Yes, OASIS was activated on August 26, 2010.

FSA VIN LIST ACTIVATED?

Yes, FSA VIN list is available through https://web.fsavinlists.dealerconnection.com. Owner names and addresses will be available by November 5, 2010.

NOTE: Your FSA VIN list may contain owner names and addresses obtained from motor vehicle registration records. The use of such motor vehicle registration data for any purpose other than in connection with this recall is a violation of law in several states, provinces, and countries. Accordingly, you must limit the use of this listing to the follow-up necessary to complete this recall.

STOCK VEHICLES

Inspect all affected units in your used vehicle inventory before delivery.

SOLD VEHICLES

- Owners of affected vehicles will be directed to dealers for repairs.
- Correct other affected vehicles identified in OASIS which are brought to your dealership.

TITLE BRANDED / SALVAGED VEHICLES

Affected title branded and salvaged vehicles are eligible for this recall.

RELATED DAMAGE

If a related damage condition exists that you believe to be caused by the covered condition, call the Special Service Support Center to request approval **prior** to the repair of any related damage. Requests for approval after completion of the repair will not be granted. Ford Motor Company reserves the right to deny coverage for related damage in cases where the vehicle owner has not had this recall performed on a timely basis.

ADDITIONAL LABOR TIME

- If a condition exists that requires additional labor to complete the repair, call the Special Service Support Center to request approval **prior** to performing any additional labor. Requests for approval after completion of the repair will not be granted.
- If you encounter aftermarket equipment or modifications to the vehicle which might prevent the repair of the covered condition, call the Special Service Support Center.

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OWNER REFUNDS

- This safety recall must still be performed, even if the owner has paid for a previous repair. Claiming a refund will not close the recall on the vehicle.
- Ford Motor Company is offering a refund for owner-paid repairs covered by this recall if the repair was performed prior to the date indicated in the reimbursement plan, which is posted with this bulletin. Owners are directed to seek reimbursement through authorized dealers or, at their option, directly through Ford Motor Company at P.O. Box 6251, Dearborn, MI 48121-6251.
- Dealers are also authorized to refund owner-paid <u>emergency</u> repairs that were performed away from an authorized servicing dealer after the end date specified in the reimbursement plan. Non-covered repairs, or those judged by Ford to be excessive, will not be reimbursed.
- Refunds will only be provided for the cost associated with the repair or replacement of a cracked or perforated rear axle.

New! RENTAL VEHICLES

Based on the unique conditions of this recall, the following rental guidelines have been enhanced:

- Rentals will only be provided for vehicles that are found to have a cracked, perforated, or fractured rear axle.
- Due to the unique circumstances of 10S13, the maximum daily rental rate has been increased to \$38 a day to cover costs associated with the vehicle and insurance, when required. Ford will pay for up to *90 days* of vehicle rental, except for fuel and tax, which will be at the owner's expense. These enhancements are also retroactive for previously approved rental vehicles.
- Enterprise Rent-A-Car is offering a discount on long term rental rates, along with a reduced Collision Damage Waiver daily rate of \$8. Please reference source code "WINDSTR" with your local Enterprise office to procure these rates.
- ALL RENTAL EXPENSES MUST BE CLAIMED ON A SEPARATE REPAIR ORDER FROM 10S13 UNDER PROGRAM CODE 79M01.
- Based on parts availability, Ford may offer to extend rental transportation assistance beyond 90 days.
- We understand that the unique challenges of Safety Recall 10S13 are placing an excessive administrative burden on the dealerships. As such, prior approval for rental vehicles is no longer required. If you have a customer with unique transportation issues, please continue to contact the SSSC for assistance.
- In the interest of meeting the diverse needs of our dealerships, claims for rental reimbursement can either be submitted on a monthly basis to assist with cash flow or once when the customer no longer needs the rental.
- The rental vehicle claim (under 79M01) submission time limit has been extended.
- 10S13 claims are still subject to normal submission time limits and should be submitted as soon as possible.

Certain 1998-2003 Model Year Windstar Vehicles Operated in Corrosion States Rear Axle Inspection and Repair

New! CLAIMS PREPARATION AND SUBMISSION

- Enter claims using Direct Warranty Entry (DWE).
- Refer to ACESII manual for claims preparation and submission information.
- Related damage must be claimed on a repair line that is separate from the repair line on which the FSA is claimed. Related damage requires prior approval from the Special Service Support Center.
- "MT" labor should be submitted on a separate repair line with the related damage flag checked. "MT" labor requires prior approval from the Special Service Support Center.
- Refund Claiming Information (Submit on separate repair line.)

Program Code: 10S13
 Misc. Expense: ADMIN
 Misc. Expense: 0.2 Hrs.

- All rental expenses must be claimed on a separate repair order from 10S13 under program code 79M01. Dealers can submit for rental reimbursement on a monthly basis. Enter the total amount of the rental expense (up to \$38 per day) under Miscellaneous Expense code "Rental". Contact the SSSC if you have a customer with unique transportation issues. For flexibility in claiming, the submission time limit for 79M01 claims (not 10S13 claims) has been extended.
- Claiming information for Vehicle Storage Maintenance and Cleaning (Submit on same repair line as the repair.) This allowance can only be claimed if the vehicle was stored for 30 days or more and in combination with labor operation 10S13C Replace Rear Axle.

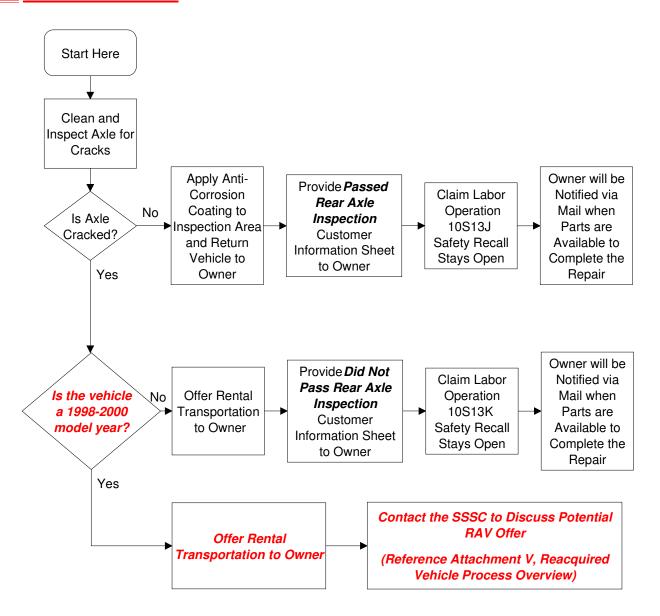
Program Code: 10S13Misc. Expense: CLEANMisc. Expense: \$150.00

 Claiming information for PM-13-A, Anti-Corrosion Coating, and application brush (Submit on same repair line as repair.)

Program Code: 10S13Misc. Expense: OTHERMisc. Expense: \$1.00

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Rear Axle Inspection and Repair

New! PROCESS OVERVIEW



Reference Attachment IV, Dealer Q & A.

Certain 1998-2003 Model Year Windstar Vehicles Operated in Corrosion States Rear Axle Inspection and Repair

New! LABOR ALLOWANCES

Description	Labor Operation	Labor Time
Clean and inspect, axle <u>not</u> cracked or perforated, apply Anti-Corrosion Coating, and return vehicle to owner Note: This is an interim repair only and will NOT close Safety Recall 10S13.	10S13J	0.5 Hours
Clean and inspect, axle <u>cracked or perforated</u> , hold vehicle for future repair Note: This is an interim repair only and will NOT close Safety Recall 10S13.	10S13K	0.5 Hours
Clean and inspect, axle <u>cracked or perforated</u> , replace rear axle	10S13B	1.5 Hours
Axle <u>cracked or perforated</u> , replace rear axle (previously inspected) Note: This labor operation is to be used for vehicles that were being stored while waiting for an axle. This labor operation WILL close Safety Recall 10S13.	10S13C	1.1 Hours

PARTS REQUIREMENTS / ORDERING INFORMATION

Axle not cracked or perforated

We expect that the majority of the vehicles will not have a cracked or perforated axle and will only require the application of Anti-Corrosion Coating at this time. Order this part through normal order processing channels.

Part Number	Description	Quantity
PM-13-A	Anti-Corrosion Coating Note: One 16 oz. container will repair approx. 30 vehicles.	Claim as MISC OTHER

Axle cracked or perforated

A small percentage of vehicles will require an axle replacement.

Axles are currently not available for open ordering. Dealers will receive a DOES II message when part requirements can be ordered through normal order processing channels.

Part Number	Description	Quantity
2F2Z-4B435-AA	Rear Axle	1

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The DOR/COR number for this recall is 50423.

Questions regarding parts should be directed to the SSSC (1-800-325-5621) or E-mailed to: Ford@Renkim.com

DEALER PRICE

For latest prices, refer to DOES II.

PARTS RETENTION AND RETURN

Affected axles are subject to random selection for return to the Ford Warranty Parts Analysis Center (WPAC). Refer to your daily PEARS (Parts Entry and Return System) register for part disposition and return instructions.

Follow the provisions of the Warranty and Policy Manual for "Parts Retention and Return Procedures."

EXCESS STOCK RETURN

Excess stock returned for credit must have been purchased from Ford Customer Service Division in accordance with Policy Procedure Bulletin 4000.