EA02-025

FORD

OCTOBER 27, 2003

APPENDIX N

BOOKS 44 OF 61

PART 2 OF 4

[redacted]

Transportation Assistance Program

MATERIAL ORDER FORM

Date: ________________

To: Transportation Assistance Program Headquarters
P.O. Box 27128
Detroit, Michigan 48227-0986
Telephone# (800) 330-0798
Fax# (313) 225-5141

Ship To: ________________________________ P&A Code: ____________

Dealership: ________________________________

Address: ________________________________

City, State, ZIP Code: ________________________________

Attention: ________________________________

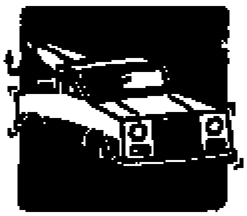
Material Requested	Item Number	Maximum Order Amount	Quantity
Material Order Form	TAP-001	5	
TAP Insert-Road Map Binder	TAP INSERT	2	
Vehicle Utilization Log	TAP-003	10 pads	
Shuttle Utilization Log	TAP-004	2 pads	
Rental Agency Approval Form	TAP-005	2	
Lincoln Registration Form	TAP L-8 REG. FORM	5	
Shuttle Registration Eligible Van & Ford/Mercury Form	TAP-006	5	
1999 TAP Brochure	MMS-33725 7/98	2	

TAP-001

- Order additional Road Maps by calling Gage at [illegible].
- Order Rental Agreements and [illegible] Claim Forms by contacting Reynolds & Reynolds representative or calling [illegible].

[redacted]

What Are Emergency Roadside Services?



Emergency Roadside Services provide Ford Motor Company customers convenient access to emergency roadside benefits. Roadside services are available to buyers/lessees of Ford and Lincoln Mercury cars and light trucks.

These include:

- Roadside Assistance
- Lincoln Commitment
- Red Carpet Lease
- Ford Auto Club Products

Although these emergency roadside services have many of the same features and benefits, each is designed to meet the needs of a particular Ford Motor Company customer. It is important to know the differences among each of these services so you and your dealership team can explain them to your customers. Please refer to the following pages for descriptions of each service.

WHO HAS ROADSIDE ASSISTANCE

All retail customers of Ford and Lincoln Mercury cars, light and medium trucks receive complimentary Roadside Assistance during the Bumper-to-Bumper Limited Warranty period. Roadside Assistance is separate from the new vehicle warranty and is NOT an auto club.

Roadside Assistance

Many customers who have used Roadside Assistance say that because of their satisfaction with the Roadside Assistance experience, they are now more likely to buy or lease another Ford Motor Company product.

SERVICES

Roadside Assistance covers six basic services:

- Warranty towing
- Non-warranty towing (including accident)
- Battery jump-starts
- Fuel delivery (up to two gallons)
- Flat tire change
- Lockout assistance

Roadside Assistance is available:

- 24 hours a day, seven days a week
- In the 50 United States, Canada, and Mexico

ELIGIBILITY

Roadside Assistance benefits are included on all 1994 and newer model year retail and lease Ford, Lincoln or Mercury cars, light trucks and medium trucks (excluding major daily rentals). It is for the term of the Bumper-to-Bumper Limited Warranty. Dealer-owned vehicles within the limited warranty receive Roadside Assistance benefits.

DAILY RENTAL VEHICLES

- Major daily rentals are NOT eligible for Roadside Assistance.
- Major daily rental vehicles are eligible for WARRANTY-RELATED TOWING ONLY through a Ford or Lincoln Mercury Dealer.
- Warranty towing claims for daily rentals must be submitted for payment by the dealership through ACES II.

Roadside Assistance
(Continued)

VEHICLES IN DEALER STOCK

- These vehicles are NOT eligible for Roadside Assistance but may be eligible for warranty towing. Refer to the Warranty & Policy Manual.

ELECTRIC VEHICLES

- Tow to nearest electric vehicle certified Dealer.

FRCS AND LMCRS

- Daily rental units within the Bumper-to-Bumper Limited Warranty put into service through the Ford Rental Car System (FRCS) or the Lincoln Mercury Car Rental System (LMCRS) are eligible for all Roadside Assistance benefits.

RENTALS SOLD TO ALL RETAIL CUSTOMERS

- When a daily rental is removed from service and sold to a retail customer, the vehicle receives all Roadside Assistance benefits for the remainder of the Bumper-to-Bumper Limited Warranty period.

SERVICES COVERED THROUGH ROADSIDE ASSISTANCE

- Transportation service such as labor performed at the site of the disablement (e.g., changing a tire).
- Service call for jump-starting, lockout service, or delivery of gasoline.
- Towing of the vehicle — regardless of the reason it needs to be towed.
  - One tow per disablement.
  - Nearest qualified Dealer or Dealer of customers choice — up to 35 miles.

ITEMS NOT COVERED THROUGH ROADSIDE ASSISTANCE

- Parts, rental of towing equipment, storage fees, tire repair or any labor performed at a garage or service facility.
- Parts involved in lockout service.

Roadside Assistance
(Continued)

- Any form of impound towing or towing by other than a licensed service station or garage.
- Assistance from someone other than a licensed service station or garage employee.
- Recovery — getting a vehicle to a roadside location.
- Cost for PATS keys or programming.

HOW CUSTOMERS RECEIVE ROADSIDE ASSISTANCE

There are three ways that a customer can receive Roadside Assistance:

- Calling Roadside Assistance 800 number (1-800-241-3673)
- Calling a Ford or Lincoln Mercury dealership
- Calling the Ford Customer Assistance Center (1-800-392-3673)

WHEN A CUSTOMER CALLS ROADSIDE ASSISTANCE

When a customer calls Roadside Assistance (1-800-241-3673), the call is answered by a Customer Service Representative (CSR).

The CSR is responsible for:

- Verifying customer safety and contacting the local police or public safety authorities, if necessary.
- Taking the necessary information from the customer:
  - Customer name
  - License plate number
  - Vehicle Identification Number (VIN)
  - Vehicle color
  - Recontact phone number
  - Exact location
- Contacting the towing company to dispatch assistance.
- Advising the customer of the estimated time of arrival and the name of the Service Provider.

Roadside Assistance
(Continued)

WHEN A CUSTOMER CALLS THE DEALERSHIP

Occasionally, a customer may call the dealership for Roadside Assistance.

When this happens, you have three choices in handling the call:

1. Forward the customer's call to Roadside Assistance (1-800-241-3673) by using call forwarding.

2. Obtain customer information and call Roadside Assistance.

   - Get information from the caller including name, license plate number, VIN, vehicle color, recontact number and exact location.

   - Call Roadside Assistance at 1-800-241-3673 and relay the information so an approved towing/service provider can be dispatched.

3. Use the Direct Contact Option (DCO). The DCO allows you to directly contact an approved Roadside Assistance towing company to arrange assistance for your customer.

   - Get required information including customer name, license plate number, VIN, vehicle color, recontact phone number and exact location.

   - Contact an approved Roadside Assistance towing company to arrange for assistance.

As you explain the Roadside Assistance program to your customers, inform them that when they call Roadside Assistance, the CSR will ask several questions. The reason for this is that it is important to pinpoint the exact location so help can arrive as quickly as possible.

[redacted]

Roadside Assistance
(Continued)

- Within 3 days, fax to Roadside Assistance Headquarters (fax number: 972-653-9302), the following:
  - Customer name, address and phone number
  - VIN
  - Vehicle make, model, color, mileage
  - Type of service
  - Date of service
  - Name of approved service provider
  - Dealership name
- Roadside Assistance Headquarters will call the tower/service provider to arrange direct payment to them.

WHEN A CUSTOMER DIRECTLY CALLS A SERVICE PROVIDER

In cases where the customer has arranged and paid for a Roadside Assistance service without going through the Roadside Assistance 800 number, reimbursement will still be made through Roadside Assistance. The customer can request claim information by calling 1-800-241-3673.

Towing Company Nomination Process

Dealerships can nominate towing companies. Usually, dealerships nominate companies they have used and want to continue to use based on prior good service.

- To qualify as an approved towing service, certain standards must be met:
  - 24-hour service
  - Appropriate insurance coverage
  - Applicable licenses for business and operation
  - Quality towing equipment (preferably Ford)
  - A commitment to customer satisfaction
- To begin the process, the dealership requests a nomination package by calling the Roadside Assistance Dealer Relations Department at 1-972-653-9108.

- The dealership, in cooperation with the nominated towing company, completes the necessary information and mails it to the Roadside Assistance Center along with:
  - Photograph of the building
  - Photograph of the towing equipment
  - Copy of insurance policy
  - Copy of drivers' licenses of all operators
  - Descriptions of geographic area covered within 30 minutes
  - Descriptions of geographic area covered within 45 minutes
  - Descriptions of total geographic area covered

Towing Company Nomination Process
(Continued)

Dealerships that own a wrecker or tow service and do not provide 24-hour service may become part of the national network.

- The package is evaluated and, if complete, the nomination process begins.
- When approved, the dealership's nominated towing company is entered into the Roadside Assistance towing network and is "linked" to the specific dealership as the preferred towing company.
- The approval process usually takes from 45 to 60 days after the nomination package is received complete.
- Dealerships can themselves apply to become part of the Roadside towing network.

Lincoln Commitment

TERM

- The period of the Lincoln Commitment — 4 years.

COVERAGE

- Any Lincoln model (Lincoln Town Car, Continental, Mark, Navigator, LS, etc.)

MEMBERSHIP 800 NUMBER

- 1-800-521-4140

ADDRESS

Ford Auto Club: MAIL
PO Box 224688
Dallas, Texas 75222-4688

Ford Auto Club: PACKAGES
6400 Las Colinas Blvd., 1st Floor
Irving, Texas 75039-2900

EMERGENCY ROADSIDE SERVICES

- 24 hours a day, 7 days a week via an 800 toll-free phone number.
  - Towing
  - Flat tire change
  - Fuel delivery
  - Jump-start
  - Lockout assistance
- The member pays only for service costs of more than $100. Or, the member can arrange for his/her own service and receive reimbursement up to $100.

[redacted]

Lincoln Commitment
(Continued)

EMERGENCY TRAVEL EXPENSE (REIMBURSEMENT)

- Emergency expenses are covered if the member's vehicle becomes disabled due to a collision or covered mechanical breakdown when more than 100 miles from home.
- While the vehicle is being repaired, the member can be reimbursed for up to $1,000 for up to three days for expenses such as meals, lodging, car rental or commercial transportation.

TRIP ROUTING

- This up-to-date computerized service is custom designed to the member's travel needs. It includes easy-to-follow maps, a highlighted routing, travel tips, driving information, a list of places of interest, and other useful materials to make trips easier and more enjoyable. To receive this benefit, the member should send in the request form, included in the membership kit, to the Ford Auto Club address or call the membership 800 number.

DESTINATION ASSISTANCE

- Provides reimbursement for emergency transportation up to $250. Emergency transportation could include a rental vehicle, taxicab, bus, etc. for the members to reach their immediate destination.

Lincoln Commitment
(Continued)

- This reimbursement is intended to provide transportation in the event of a collision or a mechanical breakdown requiring emergency repairs. Members can claim reimbursement by sending original paid receipt(s) to the Ford Auto Club.

Note: Replacement vehicle expenses on scheduled repairs are not covered under this benefit.

AUTO THEFT PROTECTION

- Not available.

CAR RENTAL DISCOUNT

- Provides car rental discounts to members at participating car rental agencies nationally. Details are included in each membership kit and on each membership card.

OTHER BENEFITS AND CONTACTS

- When traveling, the following benefits are available:
  - Dealer locator
  - Police connect
  - Weather information
- Contact the membership 800 number for access to these benefits.

MEMBERSHIP FULFILLMENT

- Each Lincoln Commitment member receives a membership package within 30 to 60 days from the date of vehicle delivery.

Red Carpet Lease
New Ford, Mercury, Lincoln

- Standard Roadside Assistance Benefits
- Membership Number: 1-800-241-3673

Used Red Carpet Lease Vehicles

TERM

- The term of the Red Carpet Lease.

COVERAGE

- 'he Red Carpet Lease vehicle.

MEMBERSHIP 800 NUMBER

- 1-800-348-6220

ADDRESS

Ford Auto Club: MAIL	*Ford Auto Club: PACKAGES*
PO Box 224688	*6400 Las Colinas Blvd., 1st Floor*
Dallas, Texas 75222-4688	*Irving, Texas 75039-2900*

EMERGENCY ROADSIDE SERVICES

- 24 hours a day, 7 days a week via 800 toll-free phone number.
  - Towing
  - Flat tire change
  - Fuel delivery
  - Jump-start
  - Lockout assistance
- The member pays only for service costs of more than $75.00. Or, the member can arrange for his or her own service and receive reimbursement up to $75.00.

Note: Refer to note on Matrix page 18.

Roadside Assistance Program
F-650/750 Vehicles

FEATURES/BENEFITS

- Towing
- Lockout Assist (doesn't include home site/Dealer site service)
- Jump Start
- 24-hour availability

ELIGIBILITY

- Eligible during normal warranty period (2 years/unlimited miles).
- 2000 model year and forward
- United States ONLY

IMPORTANT CONSIDERATIONS

- Will TOW to Ford Dealer as designated by Program Office
- Customers can be reimbursed when towed by a tower other than Roadside certified
- Unlimited mileage (2 years maximum)

WHAT IS NOT COVERED

- Tire service
- Unloading cargo
- *Home site/Dealer site service* Lockout Assist
- Recovery (e.g., stuck in mud at a job site)
- Fuel service

HOW TO GET SERVICE

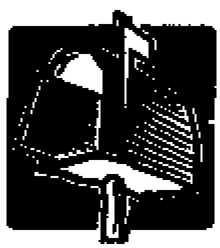
- Call 1-800-241-FORD (3673)

WHEN PROGRAM WILL LAUNCH

- By 5/17/99

[redacted]

Ford Auto Club



TERM

- Membership term ranges from one to six years.

COVERAGE

- The specific vehicle.

MEMBERSHIP 800 NUMBER

- 1-800-346-5220

ADDRESS

Ford Auto Club: MAIL
PO Box 224688
Dallas, Texas 75222-4688

Ford Auto Club: PACKAGES
6400 Las Colinas Blvd., 1st Floor
Irving, Texas 75039-2900

EMERGENCY ROADSIDE SERVICES

- 24 hours a day, 7 days a week via 800 toll-free phone number.
    - Towing
    - Flat tire change
    - Fuel delivery
    - Jump-start
    - Lockout assistance
- The member pays only for service costs of more than $100. Or, the member can arrange for his/her own service and receive reimbursement up to $100.

Ford Auto Club
(Continued)

EMERGENCY TRAVEL EXPENSE (REIMBURSEMENT)

- Emergency expenses are covered if the member's vehicle becomes disabled due to a collision or covered mechanical breakdown when more than 100 miles from home.
- While the vehicle is being repaired, the member can be reimbursed for up to $1,000 for up to three days for expenses such as meals, lodging, car rental or commercial transportation.

Note: Claims/receipts should be submitted within 20 days of the incident.

Note: Not available to Texas residents due to state laws.

QUEST® INTERNATIONAL MEMBERSHIP

- Entitles Ford Auto Club members to a guaranteed 50 percent savings off the standard "rack" (retail) rate at more than 2,000 hotels, motels and resorts. Subject to availability.

TRIP ROUTING

- This up-to-date computerized service is custom-designed to the member's travel needs. It includes easy-to-follow maps, a highlighted routing, travel tips, driving information, a list of places of interest, and other useful materials to make trips easier and more enjoyable. To receive this benefit, the member should send in the request form, included in the membership kit, to the Ford Auto Club address or call the membership 800 number.

DESTINATION ASSISTANCE

- Provides reimbursement for emergency transportation up to $75. Emergency transportation could include a rental vehicle, taxicab, bus, etc. for the members to reach their immediate destination.
- This reimbursement is intended to provide transportation in the event of a collision or a mechanical breakdown requiring emergency repairs. Members can claim reimbursement by sending receipt(s) to the Ford Auto Club.

Note: Replacement vehicle expenses on scheduled repairs are not covered under this benefit.

Note: Not available to Texas residents due to state laws.

Ford Auto Club
(Continued)

AUTO THEFT PROTECTION

- A $5,000 reward will be paid for information leading to the arrest and conviction of the person or persons responsible for theft of an automobile owned by a Ford Auto Club member. Theft deterrent decals are provided with membership kit.

CAR RENTAL DISCOUNT

- Provides car rental discounts to members at participating car rental agencies nationally. Details are included in each membership kit and on each membership card.

OTHER BENEFITS AND CONTACTS

- When traveling, the following benefits are available:
  - Dealer locator
  - Police connect
  - Weather information
- Contact the membership 800 number for access to these benefits.

MEMBERSHIP FULFILLMENT

- Each Ford Auto Club member receives a membership package within 30 days from the date of sign up.

Ford Auto Club
(Continued)

ROADSIDE ASSISTANCE EXTENSION

This is a Ford Auto Club offering that enables the customer to continue Roadside benefits 1 to 3 years after the expiration of the Vehicle Limited Warranty. (See Matrix on page 18 for details and prices.)

ROADSIDE ASSISTANCE WRAP

This is a Ford Auto Club offering that:

- Provides additional benefits to the Roadside Service during the Ford, Lincoln Mercury Bumper-to-Bumper Limited Warranty.
- Extends the Roadside and Auto Club benefits 1 to 3 years after the expiration of the Ford, Lincoln Mercury Bumper-to-Bumper Limited Warranty. (See Matrix on page 18 for details and prices.)

PROGRAM SUMMARY

Roadside coverage within each program

Program	Term	Coverage	Towing	Flat Tire	Fuel Delivery	Jump-Start	Lockout	[illegible]	[illegible]	Trip Routing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	4 years	[illegible]	X	X	X	X	X	[illegible]		X	[illegible]		X		[illegible]	N/C	N/C
[illegible]	[illegible]	[illegible]	X	X	X	X	X								[illegible]	N/C	N/C
	[illegible]	[illegible]	X			X	X								[illegible]	N/C	N/C
[illegible]	[illegible]	[illegible]															
[illegible]			X	X	X	X	X								[illegible]		[illegible]
[illegible]			X	X	X	X	X										[illegible]
[illegible]			X	X	X	X	X										[illegible]
[illegible]	[illegible]	[illegible]	X	X	X	X	X	[illegible]	X	X	[illegible]	X	X	X		[illegible]	[illegible]
[illegible]			X	X	X	X	X		X	X		X	X	X	[illegible]	[illegible]	[illegible]
[illegible]			X	X	X	X	X		X	X		X	X	X		[illegible]	[illegible]
[illegible]			X	X	X	X	X		X	X		X	X	X		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	X	X	X	X	X								[illegible]	N/C	N/C
[illegible]		[illegible]	X	X	X	X	X	X	X	X	[illegible]	X	X	X	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	X	X	X	X	X								[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	X	X	X	X	X	[illegible]	X	X	[illegible]	X	X	X	[illegible]	[illegible]	[illegible]

[illegible]

N/C = No Charge

Commonly Asked Questions

Q. How can I get reimbursement for a customer that paid for their own tow?

A. Call the "Dealer Relations Hotline" at (972) 653-9108. They will provide directions for reimbursement.

Q. I need the procedure for how to file a claim.

A. Call the "Dealer Relations Hotline" at (972) 653-9108. They will provide directions for reimbursement.

Q. What number do I call to order Ford Auto Club materials?

A. 1-800-FORD-CLUB (1-800-367-3258).

Q. Can you explain why my "Preferred Tow Company" is not ALWAYS used to provide my customers service?

A.
1. Preferred company may not be available in a reasonable time frame or cover the breakdown location.
2. Customer is from a different selling Dealer (different preferred tower) but requested to be towed to your dealership.

Q. I have a tow company I would like to service my customers. How do I handle?

A. Follow the "Nomination Process" as outlined in this manual or call "Dealer Relations Hotline" at (972) 653-9108.

Commonly Asked Questions
(Continued)

Q. Once a TOWER NOMINATION is completed and turned in, how long will it take?

A. Usually a response is given within 60 days of receipt.

Q. How do I find out the status of my TOWER NOMINATION?

A. Call the "Dealer Relations Hotline" at (972) 653-9108.

Q. What does Roadside do under unique circumstances (severe weather, etc.)?

A. Towing network is expanded to all available towers (not just certified). Customers (or Dealers) are given the option to arrange their own Roadside Service and be reimbursed via the "Roadside" program. This is explained to the customer in the Roadside phone message when calling from a severe weather location.

Q. How do major "Daily Rental Fleets" or "Dealer In-Stock Vehicles" get Roadside Service?

A. They CANNOT get Roadside Service from 1-800-241-FORD. They must contact their rental agency or the nearest Dealer who in turn should arrange for assistance (tow, flat, etc.). IF the vehicle is still covered under the standard warranty, the Dealer will then claim via DWE/ACES II. See Section 6 of the "Warranty & Policy Manual."

Q. Who do I call if I or my customer has a complaint about Roadside Service?

A. Call the "Dealer Relations Hotline" at (972) 653-9108.

Roadside Contact Numbers

PROGRAM/ACTIVITY	PHONE/FAX/ADDRESS
ROADSIDE ASSISTANCE (car, light & medium truck)	1-800-241-FORD (3673)
CLAIMS for Roadside Service (Dealer or customer)	(972) 653-9108 – Dealer Relations (972) 653-9302 – FAX for claims Mailing Address: Roadside Dealer Relations *Mail:* PO Box 226525 Dallas, Texas 75222-4688 *Pkgs:* 6400 Las Colinas Blvd. Irving, Texas 75039-2900
QUESTIONS or Customer Concerns	(972) 653-9108 – Dealer Relations (972) 653-9302 – FAX
NOMINATE Tow Providers	(972) 653-9108 – Dealer Relations (972) 653-9302 – FAX Mailing Address: Roadside Dealer Relations *Mail:* PO Box 226525 Dallas, Texas 75222-4688 *Pkgs:* 6400 Las Colinas Blvd. Irving, Texas 75039-2900
Lincoln Commitment: ROADSIDE ASSISTANCE	1-800-521-4140
Red Carpet Lease: ROADSIDE ASSISTANCE	1-800-348-5220
Ford Auto Club	1-800-348-5220 Mailing Address: Roadside Dealer Relations *Mail:* PO Box 226525 Dallas, Texas 75222-4688 *Pkgs:* 6400 Las Colinas Blvd. Irving, Texas 75039-2900

What Are Owner Notification Programs/Recalls?

There are seven different types of field programs that can easily be differentiated by looking at the letter in the program number:

1. "S" Programs are Safety Recalls (98S36, 99S06, etc.). These remain open and the claim will be paid on an affected vehicle until recall repairs are completed. Vehicles affected by Safety Recalls are identified in OASIS until a claim is submitted for payment against the recall number. DO NOT code the claim as a warranty repair. If you do not submit the claim against the recall number, the vehicle will not be removed from OASIS and the customer will continue to receive recall reminder letters. In cases where the customer previously paid to have the repair performed, the customer is eligible for both a refund and a repair.

2. "E" Programs are Emission Recalls (97E61, 98E01, etc.). These remain open and the claim will be paid on an affected vehicle until recall repairs are completed. Vehicles affected by Emission Recalls are identified in OASIS until a claim is submitted for payment against the recall number. DO NOT code the claim as a warranty repair. If you do not submit the claim against the recall number, the vehicle will not be removed from OASIS and the customer will receive a recall reminder letter. In cases where the customer previously paid to have the repair performed, the customer is eligible for both a refund and a repair.

3. "B" Programs are Owner Notification Programs (98B23, 99B05, etc.). These programs request customers to return their vehicles without delay to receive a repair or update. "B" Programs typically expire after a certain time or mileage. Vehicles affected by "B" Programs are identified in OASIS until a claim is submitted for payment against the program number. DO NOT code the claim as a warranty repair. If you do not submit the claim against the program number, the vehicle will not be removed from OASIS until after the program has expired. In cases where the customer previously paid to have the repair performed, the customer is eligible for both a refund and a repair.

What Are Owner Notification Programs/Recalls?
(Continued)

4. "M" Programs are Owner Notification Programs (96M03, 99M01, etc.). These programs provide the customer additional coverage for a particular component or system. Repairs are to be made ONLY if the described condition occurs (i.e., "fix only if broken"). Prior to July 30, 1996, vehicles affected by "M" Programs were not identified in OASIS. New "M" Programs launched after July 30, 1996 (96M89 and subsequent "M" Programs) are identified in OASIS. Vehicles affected by "M" Programs are eligible for repeat repairs if the covered component or system fails again within the program coverage period. Also, in cases where the customer previously paid to have the repair performed, the customer is eligible for both a refund and a repair. Affected vehicles are not removed from OASIS until the program coverage expires.

5. "L" Programs are Label Revision Programs (98L22, 98L24, etc.). The customer is mailed a new or revised label (usually, but not limited to, a Vehicle Emission Control Information (VECI) label). Customers are requested to affix the label to their vehicles in the specified location. However, the customer may choose to have his/her Dealer affix the label. "L" Programs are also used to mail updated printed materials such as owner guides and warranty information booklets. Vehicles affected by "L" Programs are typically NOT identified in OASIS but remain eligible for approximately six months from the release date of the Dealer bulletin or until a claim is submitted for payment against the program number; typically after six months, eligibility for all affected vehicles is closed.

What Are Owner Notification Programs/Recalls?
(Continued)

6. "R" Programs are associated with Regional Safety Recalls (98R01, 98R04, etc.). These remain open and the claim will be paid on an affected vehicle until program repairs are completed. Vehicles affected by "R" Programs are identified in OASIS until a claim is submitted for payment against the program number. DO NOT code the claim as a warranty repair. If you do not submit the claim against the program number, the vehicle will not be removed from OASIS. In cases where the customer previously paid to have the repair performed, the customer is eligible for both a refund and a repair. (Note: Vehicles affected by "R" programs may not need repair; service the vehicle if it has the same concern or condition as vehicles in the associated Regional Safety Recall or are operated in the affected regions as specified in the Regional Safety Recall bulletin.)

7. "T" Programs are special service instructions (97T01, etc.). These programs request Dealers to perform the specified service only if the vehicle is within the applicable warranty for the involved part. Vehicles affected by "T" Programs are identified in OASIS. Unlike the six previous types of field programs, Dealers must use the ACES II warranty screen to claim for "T" Program service rather than the recall screen. Also, there is no owner notification or involved vehicle listings.

Notification Guidelines

- Dealer receives a list of affected units (for Safety/Emission Recalls and "B"/"M"-type Owner Notification Programs), a Dealer bulletin outlining the Recall/ONP, and inspection and repair procedures. OASIS is ordinarily activated the first business day after all Dealers are faxed or mailed the Dealer bulletin.
- Customer receives a letter stating unit involvement (except for "T" Programs).
- Ford typically provides a media release (summary of concern and model/years affected).

Eligibility

RECALL

- VIN-specific program.
- No expiration dates on Safety Recalls. Generally, no expiration dates on Emission Recalls.
- Verified through OASIS. If there are any questions, call 800-325-5621.
- Customer letter not required for recall to be performed.

ONP

- **"B" Programs** — Consult OASIS. If OASIS shows that the vehicle is eligible and the vehicle does not exceed any program mileage limitations identified in the Dealer bulletin, the claim will be paid.
- **"M" Programs Issued Before July 30, 1996** — Consult the all-dealer bulletin dated August 1, 1998, regarding Owner Notification Program expiration dates to determine which "M" Programs are open and time/mileage limitations. Consult the Dealer bulletin for a specific program to determine whether a vehicle is involved in that program. Claims will be paid for eligible vehicles that do not exceed any time/mileage limitations. Vehicles affected by "M" Programs issued before July 30, 1996, are not identified in OASIS.

NOTE: Vehicles affected by "M" Programs are to be serviced only if the program concern is present (e.g., "fix only if broken").

Eligibility
(Continued)

- **"M" Programs Issued on or After July 30, 1996** — Consult OASIS. If OASIS shows that the vehicle is eligible and the vehicle does not exceed any time/mileage limitations identified in the Dealer bulletin, the claim will be paid.

  NOTE: Vehicles affected by "M" Programs are to be serviced only if the program concern is present (e.g., "fix only if broken").

- **Expired "S" or "M" Programs** — If an owner requests repairs under an expired program, or for an affected vehicle no longer listed in OASIS, repairs may still be covered under warranty if one of these conditions exists:
  - The vehicle has remaining eligible vehicle warranty coverage.
  - The vehicle previously received this repair and has remaining Service Parts Warranty coverage.

- **"L" Programs** — For customer-requested label instructions, determine if the program is six months or less since publication. If yes, claim will be paid even though "L" Programs are not typically shown on OASIS. If OASIS shows that the vehicle is eligible, the claim will be paid.

- **"T" Programs** — Consult OASIS. If OASIS shows that the vehicle is eligible and if it is within the applicable warranty for the involved part, the claim will be paid.

Policy

RECALL/"R" Program

- After completion, the vehicle is removed from OASIS (one repair only).
- After repair, the customer receives the service part warranty or the remainder of the applicable factory vehicle warranty.
- Related damage caused by the concern can be repaired under the terms of the program. See the Warranty and Policy Manual, Section 4.

"B"-Type ONP

- After completion, the vehicle is removed from OASIS (one repair only).
- Repair can be performed as long as program exists, providing vehicle is within any program mileage limitations.
- After the repair is performed, the customer receives a service part warranty and remainder of factory vehicle warranty.

"M"-Type ONP

- Repair only if condition exists ("fix only if broken"). Repair/replacement can take place after a Dealer inspection has confirmed existence of concern applicable to the ONP.
- Repeat repair possible. VINs are not removed from OASIS until program expires.
- Repair can be performed as long as program exists, providing vehicle is within program time and mileage limitations.
- After the repair is performed, the customer receives a service part warranty, remainder of factory vehicle warranty or remainder of ONP coverage.

Refunds

- If stated in Dealer bulletin and if a vehicle is eligible for an applicable program and if the customer paid for prior related repairs, the customer must provide an original paid receipt. The Dealer should refer to the Warranty and Policy Manual, Sections 4 and 6.
- Customer does not need to currently own the vehicle to be eligible for a refund.
- Customers are eligible for both a refund of a prior repair and the program repair.

Low-Volume Recall or Owner Notification Program

- To ensure that parts are available when a low-volume recall or program is conducted, customers are instructed to call a toll-free number to have parts sent to the Dealer of choice.
- Dealer is notified through a MORS contact that a part is being shipped and service should be scheduled. (Owner and VIN are identified in the Dealer notification.)
- Recalls and programs having approximately 5,000 vehicles or less are generally included in this procedure.

Lincoln Commitment to Special Customer Handling

For certain recalls and ONPs that affect Lincoln-brand vehicles, additional compensation is provided to allow Dealers to provide personalized customer service (such as pick-up/delivery, wash/vacuum, etc.):

- Recall/ONP Dealer bulletins will indicate if Special Customer Handling is authorized.
- Special Customer Handling is not announced in the customer letter.
- When authorized, Special Customer Handling applies only to vehicles that have been delivered to customers.
- If Special Customer Handling is authorized, claiming instructions will be attached to the Recall/ONP Dealer bulletin.

What Are Warranty Concerns?

The following warranty concerns may require the involvement of your dealership's Parts and Service Department:

- Warranty cancellation
- Branded title concerns
- Title corrections
- Warranty start date concerns
- Delayed warranty start dates

Familiarize your Service Department with these issues to ensure a smooth and speedy resolution.

WARRANTY CANCELLATION

- The Company will cancel the new vehicle warranty in part or in total (but not the emissions control systems warranties, Emission/Safety Recalls or "R" Programs) on damaged new vehicles that cannot be repaired and sold as new units.
- The Company will also cancel the new vehicle warranty in part or in total on vehicles damaged because of an accident or a natural disaster.
- OASIS will indicate that part or all of the warranty coverage which has been cancelled (e.g., "All Warranties Canceled EXCEPT Emissions, Region Request").
- Contact your Dealer Operations Manager or FCSD Customer Service Manager for more information.

BRANDED TITLE CONCERNS

- The Company will cancel the warranty on any vehicle that has been reported as totaled, scrapped or salvaged (TSS) or if odometer not showing actual mileage.

What Are Warranty Concerns?
(Continued)

- Vehicles that have been severely damaged, cars and light trucks that have odometers with more than 100,000 miles or odometers that have been altered are ineligible for Ford warranty coverage (except Emission/Safety Recalls, "R" Programs and certain Owner Notification Programs).
- The Company WILL NOT PAY WARRANTY CLAIMS on these vehicles for basic, powertrain, major components or sheet metal (corrosion) repairs.
- These vehicles also are ineligible for ESP contract sales and some Owner Notification Programs. Vehicles that are branded T3 (exceeds mechanical limits) or T4 (no actual mileage) may be eligible for an Owner Notification if the program does not have a mileage limitation. Review applicable Owner Notification Program Dealer bulletin for specific rules.
- Because of state and federal emissions laws and in the interest of promoting safety, Ford Motor Company will pay claims for appropriate emissions warranty repairs as well as Emission/Safety Recalls and "R" Programs.

TITLE CORRECTIONS

- Titles are branded by the State Department of Motor Vehicles and reported to Ford by R. L. Polk.
- The corrections must be made through the state. The corrected title should then be forwarded to Ford using the Vehicle Warranty Status Change Request Form at the end of this section. (See the Warranty and Policy Manual, Section 9 — Forms.)
- A copy of the corrected title and an explanation of the error should be included in the correction request.

What Are Warranty Concerns?
(Continued)

WARRANTY START DATE CONCERNS

- Vehicle sales reporting is the responsibility of the selling Dealer through the Vehicle Sales Division.
- If OASIS shows no warranty start date, contact the Regional Sales Office to report original sale date of the vehicle.
- The Dealer should follow one of the procedures listed below when the original sale of an older vehicle (beyond three model years) cannot be reported through the selling Dealer or the Vehicle Sales Division.
- Submit a copy of the Retail Delivery Form to:

  Action Data Inc.
  23077 Greenfield Road
  Suite 525
  Southfield, MI 48075

- Complete and submit a Ford FCS-900 with all supporting documentation. (See Warranty and Policy Manual, Section 9 — Forms.)

DELAYED WARRANTY START DATES

When there is a delay due to special equipment installation, the warranty start date can be considered the date on which the vehicle is actually placed into service.

To report this date, complete the FCS-900 Form.

Making It Happen

See the Warranty and Policy Manual, Sections 4 and 6.

Commonly Asked Questions

Q. What are the eligibility requirements for repair under a recall?

A. The eligibility requirements are as follows:

- VIN-specific program
- No expiration dates
- Verified through OASIS. If any questions, call 800-325-5621
- Customer letter not required for recall to be performed

Q. What are the eligibility requirements for repair under an ONP?

A. The eligibility requirements are as follows:

- Customer letter contains specific program limitations (can be time, mileage or both).
- Available on OASIS if stated on the Dealer letter and also by contacting 800-325-5621.

Q. Does a customer have to own the vehicle under Recall/ONP to receive a refund for related repairs?

A. No. However, refer to the Recall/ONP Dealer bulletin for specific refund details.

What Are Extended Service Plans (ESP)?

Ford, Mercury and Lincoln customers can help protect their investment and add peace of mind beyond the warranty period by purchasing a Ford Extended Service Plan (ESP) product.

Ford ESP is the only extended service plan backed by Ford Motor Company through more than 5,200 dealers in the U.S. and Canada.

SIX FORD EXTENDED SERVICE PLANS FOR NEW VEHICLES

ESP PowertrainCARE

Ford ESP PowertrainCARE is the first level of protection, covering 29 power-train components in the engine, transmission/transaxle, and front and rear axle. This coverage includes a standard $50-per-repair-visit customer deductible. (Other deductible options are also available.) Five-day rental car reimbursement (except Hawaii) for up to $28/day ($35 for Lincoln) and towing (up to $50) applies when in connection with a covered repair. Complimentary Roadside Assistance and Emergency Travel Expense Reimbursement is also included. Coverage is transferable.

ESP BaseCARE

Ford ESP BaseCARE is the next step up in coverage from ESP PowertrainCARE, offering a broader range of component protection. Covering 84 components, it's ideal for high-mileage, budget-conscious customers who want basic yet thorough warranty coverage. This coverage includes a standard $50-per-repair-visit customer deductible. (Other deductible options are also available.) Five-day rental car reimbursement (except Hawaii) for up to $28/day for Ford and Mercury ($35 for Lincoln) and towing (up to $50) applies when in connection with covered repairs. Complimentary Roadside Assistance and Emergency Travel Expense Reimbursement is also included. Coverage is transferable.

ESP ExtraCARE

Ford ESP ExtraCARE offers major component coverage for up to 113 components. This coverage includes a standard $50-per-repair-visit customer deductible. (Other deductible options are also available.) Five-day rental car reimbursement (except Hawaii) for up to $28/day ($35 for Lincoln) and towing (up to $50) are also included when in connection with a covered repair. Complimentary Roadside Assistance and Emergency Travel Expense Reimbursement is also included. Coverage is transferable.

ESP PremiumCARE

Ford ESP PremiumCARE, the highest level of protection, covers over 500 vehicle components with just a few exceptions (see the ESP Operating Guide). Other benefits — such as towing (up to $50) and rental car reimbursement (except Hawaii) for $28/day ($35 for Lincoln) for up to five days — are included when in connection with a covered repair. Complimentary Roadside Assistance and Emergency Travel Expense Reimbursement is also included. Coverage is transferable.

ESP Quality Care Maintenance Protection Plan

Ford ESP Quality Care Maintenance Protection Plan covers scheduled maintenance as outlined in the vehicle Owner Guide and six selected wear items. There is no deductible and a two-day/$28 first-day ($35 for Lincoln) rental option is available. Coverage is transferable. Severe-duty service is covered by the Optional Scheduled Maintenance plan.

ESP RentalCARE

Ford ESP RentalCARE (not available in Hawaii) is a stand-alone plan for Ford and Mercury customers. The plan provides three days of rental reimbursement for up to $28/day. Rental coverage is available for covered warranty repairs when the covered vehicle is dropped off and must be held overnight. There is no deductible and remaining coverage is transferable.

USED VEHICLE PLANS

Several Ford ESP coverages are available for used vehicles; for example, Ford ESP PowertrainCARE, Ford ESP BaseCARE, Ford ESP ExtraCARE and Royal Shield Pre-Owned Vehicle Protection Plan are available. These plans must be obtained at the time the used vehicle is purchased.

INELIGIBLE VEHICLES

The following vehicles are not eligible for New or Used Ford Extended Service Plans:

- Taxis
- Livery/shuttle/commuter
- Emergency vehicles
- Tow trucks
- Mustang Cobra® or Saleen Modified
- Salvaged, totaled or branded vehicles
- Electric vehicles
- Used RCL vehicles
- Vehicles equipped with snowplows (used plans and selected new plans)

LIMITED ELIGIBILITY

The following vehicles are eligible for PowertrainCARE and/or BaseCARE with a $50 deductible only:

- Incomplete vehicles with the first three VIN positions of: 1FC, 1FD, 2FC, 2FD, 3FC, 3FD and 3FE
- E-/F-450, F-550, F-650 and F-750 vehicles

Complete eligibility requirements are noted in the ESP Operating Guide, Program Manual and Price List Manual.

Questions: ESP Hotline 800-521-4144

What is Used Vehicle Certification?

Today's customers are demanding a "new car" purchase and ownership experience even when they purchase a used vehicle. Customers can purchase used Ford, Lincoln and Mercury vehicles that are certified to provide the kind of quality customers are looking for.

PROGRAM NAMES

The names of the programs for the three Divisions are:

- Ford Quality Certified Pre-Owned Vehicle Program
- Lincoln Assured Used Vehicle Program
- Mercury Quality Certified Used Vehicle Program

ELIGIBLE VEHICLES

- Ford, Lincoln or Mercury cars and light trucks
- Most recent four model years
- Less than 50,000 miles
- Good condition:
  - No frame damage
  - No unknown mileage
  - No branded titles
  - No body modification
- Must pass Quality Certified 100-point vehicle inspection

INELIGIBLE VEHICLES

Ineligible vehicles include those used by police, taxis, livery/shuttle/commuter, ambulances, tow trucks, Mustang Cobra R, branded vehicles, vehicles including body codes E27, E29, E30, E33, E37, E39, E40, E47, F37, F38, F47, F53, F59, vehicles over 11,000-lb. GVW and Reacquired Vehicles (RAVs). Alternative fuel vehicles dedicated to compressed natural gas are excluded from the Red Carpet Lease (RCL) Program.

What is Used Vehicle Certification?
(Continued)

CERTIFICATION PROCESS

There are eight steps to certification:

1. Vehicle is Evaluated
2. 100-Point Certification Inspection
3. Decision to Certify
4. Vehicle is Reconditioned
5. Final Vehicle Inspection/Prep
6. Vehicle Sale
7. Vehicle Delivery
8. Reporting the Sale

Benefits

CUSTOMER BENEFITS

Customers get peace of mind and security provided by the following features:

- A minimum 12-month/12,000-mile limited warranty coverage from Ford
- Roadside Assistance
- Three-day/300-mile money-back guarantee from Dealer
- Ford-trained dealership service support

DEALER BENEFITS

The Used Vehicle Certification programs offer Dealers an opportunity to build customer relationships for life, not just increase sales figures. Customers will be more comfortable with the idea of buying a used car or light truck if it's certified. By being a Certified Dealership, you can offer customers a higher level of quality and reliability as well as confidence in their buying decision.

Why Training?

Training is most effective when it meets a recognized need, such as helping a manager improve leadership skills or preparing an employee for a management position. A training plan, focused on specific individual needs, ensures that the investment of time and money will pay off. On the other hand, enrolling people in courses without a plan may produce little or no change if the training is inappropriate, premature or the individual is unreceptive.

Benefits of a Dealership-wide Training Plan

- Research shows that dealerships with an effective training plan in place for their employees have a higher level of employee retention.
- Research also indicates a clear link between employee retention and employee satisfaction and high levels of customer satisfaction.
- An effective needs-based training program is a good investment. As employees continue to improve job performance through needs-based training, they become better able to satisfy the customer, creating greater sales/service loyalty.
- By developing a centralized, yearly plan that encompasses training for all employees, dealerships can:
    - Plan employee time away from the job
    - Budget for training
    - Access the specific training they need at the time they need it
    - Send a "continuous improvement" message to employees—demonstrating that training is a part of the way they do business
    - Eliminate redundant or unnecessary training events
    - Become proactive rather than reactive in their training efforts

Make Training a Commitment in Your Dealership

Making a training commitment means ensuring that training is an integral part of your dealership's business strategy. An effective, well-thought-out training plan will help you improve customer handling in all areas of your dealership.

To identify training needs, think in terms of the knowledge and skills required to perform each job successfully. Knowledge is "what" you know, while skills are "how-tos." Skills are either "hard" (based on specific subject matter) or "soft" (often referred to as "people skills"). Most jobs require a combination of all three.

Following are some typical dealership examples in each category:

- Knowledge:
  - Product knowledge
  - Policy and procedure
  - Warranty
- Hard skills:
  - Technician skills
  - Computer use
  - F&I selling
  - Parts inventory management
  - Leasing

Make Training a Commitment in Your Dealership
(Continued)

- Prospecting
- Budgeting
- Warranty administration
- Forecasting
- Time management

- Soft skills:
  - Customer handling
  - Dealing with angry customers
  - Conflict resolution
  - Teamwork
  - Management skills
  - Leadership skills

The 3-Step Process

This 3-Step Process provides a systematic approach to dealership training.

3-Step Process	Training Plan Development
Step 1: Understand	Identifying the Training Needs
	• Determine the dealership and departmental training needs and priorities.
	• Determine individual employee training needs.
Step 2: Plan	Building the Training Plan
	• Determine preliminary training schedules.
	• Develop action plans.
	• Research training options.
	• Confirm dealership training calendars.
Step 3: Act	Implementing and Monitoring the Training Plan
	• Implement dealership training calendars.
	• Monitor training calendars.

How to Develop a Training Plan Using the 3-Step Process

Creating an effective training plan may include the following:

IDENTIFYING THE TRAINING NEEDS

- Assignment of department manager responsible for developing a plan for all employees based on:
  - Each employee's previous training.
  - An assessment of each employee's present abilities, skills and improvement opportunities.
  - Discussion with each employee of improvement opportunities and buy-in on attending appropriate training courses.

BUILDING THE TRAINING PLAN

- Several tools are provided to assist department managers in developing training plans:
  - The Education and Training *Dealership Non-Technical Training Planner* provides a recommended curriculum path for each job position.
  - STARS provides an employee training history.
  - STARS *Training Schedule* simplifies the planning and scheduling of training for all dealership employees.

Provide enrollees with enrollment information and follow up on scheduled training to reduce the number of no-shows.

How to Develop a Training Plan Using the 3-Step Process
(Continued)

- Dealer/General Manager review of each department manager's training plan to ensure that training plans have been discussed with each employee.

IMPLEMENTING AND MONITORING THE TRAINING PLAN

- Checklist for Training Implementation:
  - Research training options.
  - Evaluate training options.
  - Select appropriate training options to meet training needs and priorities.
  - Work through dealership process to get training courses approved.
  - Schedule training courses.
  - Issue purchase order or payment for training courses.
  - Confirm training dates with management team and employees.
  - Enroll/register employees in training course.
  - Notify employees with Training Notification Memo.
  - Make travel and lodging arrangements if necessary.
  - Ensure that any materials for preparation or prework are distributed.
  - Make sure someone has been named to cover the job duties of the enrolled employees.
  - For self-study training programs, receive materials, catalog and make available to appropriate employees.

How to Develop a Training Plan Using the 3-Step Process
(Continued)

- Ensure that training is being carried out as planned, and post-training discussion and evaluation take place.
- Schedule post-training discussion with employees.
- Schedule post-training evaluation of employee performance.

Making It Happen

Please refer to your *Dealership Non-Technical Training Planner* for the following:

- Recommended training by position
- Annual Training Planner Worksheet for each employee
- How to enroll in courses
- Descriptions of all FORDSTAR, Seminar and Self-Study training courses
- Course fees (if applicable)

Commonly Asked Questions

Q. What kinds of resources are available for dealership training?

A. **Ford Training Sources**

Ford Education and Training (800-458-1993)

Local Sources

Many local educational institutions offer business-oriented training programs through community education or extension courses:

- Colleges
- Universities
- Business and technical schools
- Community colleges
- Continuing education division of public school districts

What Is Certification?

Certification is a training and testing program designed to improve knowledge of Ford Motor Company products, promote customer satisfaction and improve the overall productivity of dealership personnel as well as the profitability of all Ford and Lincoln Mercury dealerships.

The Certification process emphasizes four very important areas in building customer satisfaction:

1. Product knowledge
2. Customer handling skills
3. Operations knowledge
4. Technical knowledge

Certification is a prerequisite for many National and Regional Ford Motor Company Incentive and Recognition Programs, including dealership recognition President's Award.

What is Certification?
(Continued)

ELIGIBLE PERSONNEL

In 1999, the following personnel are eligible for Certification:

- Service Advisors
- Service Managers
- Assistant Service Managers
- Parts Counterpersons — Retail
- Parts Counterpersons — Shop
- Parts Counterpersons — Wholesale
- Parts Managers
- Assistant Parts Managers
- Customer Relations Managers
- Body Shop Managers

REQUIREMENTS FOR CERTIFICATION

To become certified for 1999, all participants must:

- Enroll no later than September 30, 1999.
- Take two Certification-eligible FORDSTAR courses relating to their primary position code.
- Achieve at least the minimum passing score on those couses' posttests. (Passing scores will vary by course.)
- Must complete and score at least 90 percent on one exam.
- Service Managers must ensure that 75 percent of all Service Advisors employed by the dealership prior to January 1, 1999, are certified in the 1999 Certification Process.
- Parts Managers must ensure that 75 percent of all Parts Counterpersons employed by the dealership prior to January 1, 1999, are certified in the 1999 Certification Process.

What is Certification?
(Continued)

THE CERTIFICATION PROCESS

- Participants are enrolled automatically under their primary position code as registered in STARS.
- Exams are sent out as scheduled; participants have 60 days to complete and fax their answer sheets to the Certification Center.
- Exam results are returned to participants in the form of a faxed report card within one business day from the time they are received at the Certification Center.
- A biweekly status report is sent to all dealerships via COMBAL.

ADDITIONAL INFORMATION

Additional information may be obtained from:

- The 1999 Certification Process Guide (dealerships receive several copies of this publication)
- The Certification Center Help Line: 800-548-3212

Questions and Answers

Q. Is there a per-participant charge for enrolling employees in Certification?

A. No. Certification enrollment costs are now part of your dealership's FORDSTAR Value Package. A dealership will have all eligible employees enrolled in the Certification Process, automatically, when they are registered in STARS.

Q. Could a participant ever become disqualified from the Certification Program?

A. Yes, by deliberately taking another participant's exam or if found guilty of an A Plan violation.

Q. Once I've enrolled in STARS, how long before my information appears in the Certification System?

A. It takes between 7 and 10 business days for your information to appear in the Certification System once it has been input into STARS.

Q. If a participant has a question on the 1999 Certification Process, whom should he/she consult?

A. Participants should first consult their 1999 Certification Process Guide. If unsuccessful in finding the answer there, participants should see their Manager in the dealership and he/she will contact the Certification Center Help Line to obtain the answer.

What is Customer Viewpoint?

Customer Viewpoint is a customer feedback system. Customer Viewpoint is designed to:

- Provide Dealers with a management tool to improve their customer satisfaction with key sales and service processes.
- Measure customer satisfaction, providing a focus on owner loyalty.
- Measure performance on Dealer-to-Customer Sales and Service Standards now called Customer Expectations.
- Provide easy-to-interpret surveys and reports.

CUSTOMER EXPECTATIONS

Customer Expectations define, for all dealerships, what their customers expect from them. They represent the elements in the sales and service process that are most important to customer satisfaction and loyalty:

- They are written from the customer's point of view.
- Metrics such as "Greeting within two minutes" have been removed, because they do not apply to all customers.
- They are flexible enough to apply to all customers all of the time.

Customer Expectations provide the basis for the sales and service process at all dealerships. The six Sales and seven Service Customer Expectations are measured by the survey and reporting process called Customer Viewpoint.

CUSTOMER EXPECTATIONS — Sales:

Treat me as a valued customer when I arrive at your dealership.

- Promptly welcome me to your dealership.
- Take me seriously.
- Give me the level of attention I deserve.

What Is Customer Viewpoint?
(Continued)

The salesperson should establish a relationship with me that is built on respect for me as a customer with individual needs.

- Be professional and courteous.
- Be knowledgeable about your dealership and products as they relate to my needs.
- Offer me a test-drive.
- Invite me to buy without making me feel pressured.
- Be honest and sincere with me.

Make it easy for me to finalize the finance or leasing arrangements.

- Show concern for my individual needs.
- Provide me with clear and thorough explanations of contract/lease details.
- Invite me to buy other products and services without making me feel pressured.
- Be honest and sincere with me.

Deliver my new vehicle at the promised time, in perfect condition.

- Deliver my vehicle at the promised time.
- Make sure the vehicle is clean inside and out.
- Make sure everything is in working order.
- Deliver it with a full tank of fuel.
- Thoroughly explain my vehicle's features and operating controls.
- Thoroughly explain my vehicle's warranty and maintenance schedule.
- Make sure I understand how to get my vehicle serviced at the dealership, and introduce me to the Service Department.

What is Customer Viewpoint?
(Continued)

Call me within a reasonable amount of time after I've taken delivery to ensure that I'm completely satisfied.

- Call me in a reasonable amount of time.
- Be helpful to me.

Be responsive to questions or concerns I bring to your attention.

- Answer my questions or resolve my concerns the first time I contact you about them.
- Provide me with clear and helpful advice.
- Follow through on promises you make to help me.

CUSTOMER EXPECTATIONS — Service:

Make it convenient to have my vehicle serviced at your dealership.

- Make it easy to schedule my service appointments.
- Allow me to get an appointment on a day and time that is convenient for me.

The Service Advisor should demonstrate a genuine concern for my service needs.

- Promptly acknowledge me when I arrive at the dealership and begin my service write-up within a reasonable amount of time.
- Demonstrate that you understand my service needs.
- Provide me an accurate estimate of when service will be completed.
- Be honest and sincere with me.

Fix it right the first time.

What Is Customer Viewpoint?
(Continued)

Complete servicing my vehicle in a timely and professional manner.

- Service my vehicle in a reasonable amount of time.
- Notify me of any changes in the service needs or additional maintenance requirements.
- Notify me of any changes in when my vehicle will be ready.
- Have my vehicle ready when promised.
- Allow me to pick up my vehicle at a time that is convenient to me.
- Keep my vehicle clean during service.

Provide me with a clear and thorough explanation of the service performed.

- Provide me with an explanation of all service performed and any charges.
- Advise me of future maintenance needs my vehicle may require.

Call me within a reasonable amount of time after my service visit to ensure that I'm completely satisfied.

- Call me in a reasonable amount of time.
- Be helpful to me.

Be responsive to questions or concerns I bring to your attention.

- Answer my questions or resolve my concerns the first time I contact you about them.
- Provide me with clear and helpful advice.
- Follow through on any promise you make to help me.

The Customer Expectations clearly point the way to where improvement is needed in dealership processes, without "nit-picking the metrics."

What Is Customer Viewpoint?
(Continued)

CUSTOMER VIEWPOINT – A Dealership Management Tool

Customer Viewpoint provides all Ford and Lincoln Mercury Dealers with an important and effective dealership management tool by improving the way we listen to the voice of the customers regarding their sales, service and ownership experience.

Customer Viewpoint, combined with the Customer Expectations, helps dealerships do a better job of understanding and satisfying their customers and will help them reach the ultimate objective: increased owner loyalty.

- Sales surveys are sent to new vehicle purchases, leases and small business customers.
- Service surveys are sent to all customers who have warranty work done. One service survey will be sent per vehicle within a 12-month period.
- Ownership Experience surveys are sent to all owners at 21 months. A second random survey will be sent during year 3, 4, 5 or 6 of the ownership cycle.

Objectives for Survey Design:

1. Provide a diagnostic tool for process improvement
2. Measure performance on Customer Expectations
3. Provide data on owner loyalty and customer defection
4. Focus on information that is actionable to the Dealers
5. Get customer feedback throughout the ownership cycle (up to six years)

What Is Customer Viewpoint?
(Continued)

Objectives for Reporting Design:

1. Provide diagnostic information on dealerships' process performance
2. Remove complicated indices
3. Keep reports simple
4. Make reports visually appealing
5. Display results graphically

Customer Viewpoint Includes:

- Three survey types: Sales, Service and Ownership Experience
- Dealerships' feedback on their performance against Customer Expectations (Standards) and Intended loyalty (willingness to recommend)
- Reports of individual dealership performance and provides comparative group information

Benefits of Customer Viewpoint

Customer Viewpoint provides many new benefits to support dealership process improvement. Here is a summary of these benefits.

1.	Dealer-Actionable Questions	All questions included on the surveys provide actionable feedback to Dealers.
2.	Customized Questions	Dealers can select additional questions to include on the surveys that go to their customers to get more detailed feedback on specific elements of Customer Expectations.
3.	Customer Defection Information	Information on if customers are going elsewhere for their sales and service business and why.
4.	Reasons for Shopping and Buying	Identifies customers' top reasons for shopping, and ultimately buying, at the dealership.
5.	Concern Resolution Information	Identifies customers who have an unresolved concern with the dealership.
6.	Feedback Throughout Ownership Cycle	Ownership Experience Surveys will be sent to customers for up to six years of ownership.
7.	In-Market Report	Identifies customers who intend to repurchase a vehicle within the next 12 months.
8.	Customer Response Report	Copies of all comments received from customers on returned surveys – *sorted by Individual Salesperson or Service Advisor.*
9.	Unresolved Concern Report	Lists all customers who indicate they have an unresolved concern with the dealership – *sorted by Individual Salesperson or Service Advisor.*
10.	Area of Opportunity	Identifies elements of sales and service expectations that are targets for process improvement.
11.	No Complicated Indices (e.g., QCP, CSI)	Numbers will not be combined and averaged to create an index on dealership reports.
12.	No Dealership Rankings	Dealers will not be ranked against other Dealers.

Commonly Asked Questions

Q. How does the custom question block work?

A. Dealers have the flexibility to customize the surveys that are sent to their customers. On both the sales and service surveys, there is space to insert a custom block of three questions.

Dealers are able to select from a menu of question blocks allowing them to get very specific diagnostic feedback on a variety of specific areas of the sales process and the service process, as well as other areas of general interest such as facility or marketing efforts.

Dealers can select their own custom question through blocks through the BAC at anytime and will be able to rotate in different blocks every six months.

Q. Do dealerships receive surveys back?

A. Although survey images aren't returned, Customer Viewpoint still provides dealerships with individual customer feedback:

- All verbatim comments are returned, identified by a Salesperson and Service Advisor.
- Also, the Unresolved Concerns Report provides the names of all customers who still indicate that they have a concern with the dealership.

Dealers have also used the returned surveys as a method for checking the accuracy of their reports. State-of-the-art data capture technology is used to ensure the highest levels of accuracy are achieved. Therefore, dealerships don't need to spend the resources to double-check their reports.

Commonly Asked Questions
(Continued)

Q. How will recall customers' survey feedback impact my dealership's performance?

A. The surveying of recall customers is of primary interest to Ford Motor Company to find out how a recall impacts customer satisfaction. However, Customer Viewpoint does not currently survey a customer who visited the dealership solely for recall work.

Q. How are comparative Dealer groupings established?

A. They include Dealers who are similar in brand, sales volume and geographic location.

Q. Do the surveys have questions concerning vehicle quality?

A. Yes. The questions include overall vehicle quality issues. However, since the purpose of the surveys is to provide a tool for dealership process improvement, they focus primarily on dealership issues. Ford Motor Company has other surveys that focus exclusively, and in depth, on specific vehicle features and quality issues.

Q. What is the timing on survey mailings and reporting?

A. On average, surveys are returned 45 to 60 days after they are mailed. This takes into account mail time and the amount of time that a customer holds onto the survey prior to returning it. The reporting time frame is based on the time it takes in order to get enough survey returns to make the data meaningful.

Commonly Asked Questions
(Continued)

Q. How does the Customer Viewpoint process tie in with other Ford Motor Company initiatives?

A. All initiatives that tie in with the Customer Viewpoint focus of process improvement and owner loyalty are aligned. This includes: Field Consulting Approach (FCA) and Excellence in Leadership (XLA).

Q. How does Customer Viewpoint tie in with Focal Point?

A. Appropriate customer data that are received through the survey process are fed into the Focal Point customer database.

Q. How will Customer Viewpoint's integrity be maintained?

A. A Customer Viewpoint governing body, made up of company and Dealer members, has been established to maintain the integrity of the program. They monitor Company, Divisional and Regional initiatives to ensure Customer Viewpoint's focus is on process improvement and owner loyalty.

Q. Where can I receive additional information?

A. Contact the BAC at 800-548-3212.

What Is Quality Care Maintenance?

Quality Care Maintenance (QCM) is a relationship marketing tool. It is designed to establish scheduled maintenance habits in your customers and keep them returning to your dealership for parts, service and vehicle sales. This is particularly important as increasing vehicle quality and improved repair processes lead to a decline in warranty profits for Ford and Lincoln Mercury dealerships.

QCM has four components:

1. Vehicle Delivery
2. Service Offering
3. Service Selling
4. Customer Reminder Program

QCM COMPONENT 1: VEHICLE DELIVERY

QCM starts with New and Used Vehicle Delivery. There are two things that must happen:

1. The importance of scheduled maintenance must be explained.
2. The 1st scheduled maintenance must be made.

Research shows that if the 1st appointment is not set at delivery, there is only a 5 percent chance of the customer returning for scheduled maintenance versus 50 percent if the appointment is set at delivery.

There are four tools that Sales Consultants should use in the Delivery Process to get the message to the customer and allow the process to be measured:

- **New and Used Vehicle Delivery Checklists:** These list the vital delivery steps that must be followed.
- **QCM Scheduled Maintenance Guide:** This is an easy-to-follow summary of maintenance requirements.

What Is Quality Care Maintenance?
(Continued)

- **Value Board:** This visually summarizes the four basic "service bundles" that are competitively priced by the Service Department.
- **1st Appointment Sticker:** Placed on the vehicle's windshield at time of delivery, this sticker has the dealership's name and phone number as well as the date and mileage of the 1st service appointment, and a place for the Salesperson's name.

QCM COMPONENT 2: SERVICE OFFERINGS

The essence of the service offering is two-fold:

1. Bundling maintenance services to fit Ford recommendations at certain mileage intervals
2. Pricing these bundles competitively

QCM Pricing Center will assist Dealers in creating a Pricing and Reference Guide for their service bundles.

QCM COMPONENT 3: SERVICE SELLING

The Service Advisor needs to incorporate two things into the existing write-up process:

1. Sell needed scheduled maintenance to all customers
2. Set the next appointment

Service Advisors need to view a training video titled "Using QCM Tools." (part of kit). Tools include:

- **Value Board**
- **Scheduled Maintenance Guide** (described on page QCM-1)
- **Next Appointment Sticker** (same as 1st Appointment Sticker except it is a different color)
- **Service Validation Stamp** — Service Advisors imprint factory-provided Schedule Maintenance and Record Booklet each time scheduled maintenance is performed

What is Quality Care Maintenance?
(Continued)

- **Inspection Mirror Dangler** — Technicians use this to identify additional recommended service
- **Pricing and Reference Guide** — For Service Advisor reference, covering service bundles and prices. It details maintenance procedures and reasons why each is important

QCM COMPONENT 4: CUSTOMER REMINDER SYSTEM

- Ford has approved several Customer Reminder System vendors that can provide customer reminders that meet QCM Standards (contact 800-433-7646 for a list).
- The Customer Reminder System does two things:
  1. It brings customers back to the dealership for the next appointment.
  2. It decreases the chance of a customer going somewhere else for service.

There are three customer reminder communications:

- **A thank-you letter** for new and used vehicle purchasers
- **Service reminder letters** — sent to arrive approximately 14 days prior to each scheduled maintenance due date
- **A missed-visit phone call** — contacts to customers that failed to come in for scheduled maintenance

Benefits of Quality Care Maintenance

There are many benefits resulting from QCM:

- Improved owner loyalty/customer retention; increased relationships
- Improved ability to compete with nondealership service providers
- Increased service volume and profits

In addition, service bundling and competitive pricing offer these specific advantages:

- It helps customers understand what they are getting, and at what price.
- Customers see at a glance the full value of what they are getting.
- It will combat the Dealer's "high price" image.
- Service Advisors will find it easier to sell scheduled maintenance.

Phone Numbers

800-282-5623 .... QCM Program Headquarters

800-811-4871 .... QCM Program Headquarters Fax

800-701-2111 .... Service Advisor Training Posttest

800-260-2696 .... Dealer Pricing Center

800-260-1105 .... Dealer Pricing Center Fax

800-825-2867 .... Helm, Inc. – QCM Materials Fulfillment

800-433-7646 .... Budco – Customer Reminder System

The following is a recommended list of books, from the Ford QL2000 Resource Center, on the subjects of customer satisfaction and managing change.

Title	Author
Addictive Organization	Schaef
Baldridge Quality System-HC	George
Becoming a Manager	Hill
Brutal Bosses	Hornstein
Built to Last	Collins
Business Process Improvement	Harrington
Change Your Mind, Change Your World	Gillett
Changing the Game	Wilson
Chicken Soup for the Soul	Canfield
Company Manners	Wyse
Continuous Process Improvement	Robson
Corporate Coach	Miller
Corporate Culture & Performance-HC	Kotter
Creating the High Performance Team	Buchholz
Crisis & Renewal-HC	Hurst
Customer Comes Second	Rosenbleuth
Customers for Life	Sewell
Delivering Knock Your Socks Off Service	Anderson

Title	Author
Emotional Intelligence-HC	Goleman
Empowered Manager	Block
Empowered Teams	Wellins
Empowerment Takes More Than a Minute	Blanchard
Everyone's a Coach	Schula
FAD Surfing the Boardroom	Shapiro
Fifth Discipline	Senge
First Things First	Covey
Flight of the Buffalo	Belasco
From Chaos to Confidence-HC	Campbell
Getting Past No	Ury
Getting Results!	Boeuf
Getting to Yes	Fisher
Goal (The)	Goldratt
Golf is Not a Game of Perfect-HC	Rotella
Hey, I'm the Customer!	Willingham
How To Win Friends & Influence People	Carnegie
If It Ain't Broke - Break It	Kriegel
Influence Without Authority	Cohen
In Search of Excellence	Peters
Integrity Selling	Willingham
It's Not My Department	Glen
Jumping the Curve	Imparato
Kinds of Power-HC	Hillman

[redacted]

Title	Author
Last Word on Power-HC	Goss
Leadership Challenge-HC	Kouzes
Leadership is an Art	Depree
Leadership Jazz	Depree
Leadership Secrets of Attila the Hun	Roberts
Leading Change	O'Toole
Learned Optimism	Seligman
Liberation Management	Peters
Loyalty Effect-HC	Reichheld
Making a Difference	Bethel
Managing for Excellence	Bradford
Managing to Have Fun	Weinstein
Managing Transitions	Bridges
Man Who Discovered Quality	Gabor
Mission Statement Book	Abrahams
New Passages	Sheehy
On Becoming a Leader	Bennis
On Great Service	Berry
Open Book Management	Case
Passion for Excellence	Peters
People Smarts (net no discount)	Alessandra
Principle Centered Leadership	Covey
Pursuit of Wow	Peters

Title	Author
Raving Fans-HC	Blanchard
Real Time Strategic Change-HC	Jacobs
Repacking Your Bags	Lieder
Sacred Cows Make the Best Burgers-HC	Kreiger
Seven Habits of Highly Effective People	Covey
Stop Selling, Start Partnering	Wilson
Straight A's Never Made Anybody Rich	Roberts
Sustaining Knock Your Socks Off Service	Connellan
Taking Charge of Change	Smith
Talking from 9 to 5	Tannen
That's Not What I Meant	Tannen
The Stuff Americans Are Made of-HC	Hammond
Think & Grow Rich	Hill
Thriving on Chaos	Peters
Transforming the Way We Work-HC	Marshall
True Success	Morris
Visionary Leader	Wall
Wisdom of Teams	Katzenbach
You Just Don't Understand	Tannen
You Will Be Satisfied	Tasca
Zapp!	Byham

Allocation — This amount represents the number of reimbursable days available to the dealership for each semiannual period. Depending on franchise, dealerships will receive a Ford/Mercury allocation and/or a Lincoln allocation.

AWA — After-Warranty Adjustment.

AWA-Eligible Repairs — Repairs not covered by the vehicle warranty, service parts warranty or any Ford ESP contract.

Branded Title Concerns — These vehicles have been severely damaged either through a collision or natural disaster, have odometers with more than 100,000 miles, or odometers that have been altered and are ineligible for Ford warranty coverage (except emissions and service recalls).

Concern Contact — A customer concern that requires action by the dealership for resolution whether or not the dealership is aware of the concern.

Concern Customer — Someone who is dissatisfied or at risk of being dissatisfied with the overall ownership experience.

Consumer Application — Consumers must complete and submit this form, which briefly describes their complaint, along with copies of repair orders supporting the complaint.

Consumer Claims — Cases in which customers claim breach of warranty, improper service or sales misrepresentation.

Course Enrollment Form — Used to enroll dealership employees in training courses and requires enrollment, course and dealership information.

Glossary

Customer Contact — Contact initiated when a customer calls or writes the Customer Assistance Center.

Customer Relations Manager — A dedicated position within the dealership whose responsibilities include:

- Establishing a robust frontline empowerment process
- Establishing dealership AWA guidelines
- Coordinating escalated in-dealership concerns
- Coordinating customer recontact within 48 hours after service (Service Follow-up)
- Contacting customer the same day upon receipt of CAC contact or Customer Viewpoint survey response
- Tracking root cause of concerns
- Reviewing customer handling metrics with Service Advisors and dealership management
- Establishing/coordinating customer handling recognition programs for service personnel

Customer Service Representative (CSR) — Owner Relations Operations employee responsible for determining the nature of a customer contact and entering it into the Master Owner Relations II (MORSII) database.

Dealership Concern Resolution Process — Identifies customers for whom the customer handling process has failed, or has a high probability of failing, and defines specific processes for resolving or addressing failures, and preventing them from happening again.

Glossary

Dealer Litigation Assistance Program (DLAP) — Provides a joint defense to the dealer in consumer warranty issues, thereby reducing legal costs and maintaining good Company/dealer relations.

Dealership Monitoring — The use of AWA measurement reports by the FCSD Customer Service Manager to ensure dealer compliance with AWA procedures.

Dealer Qualification Guidelines — The minimum criteria dealers must meet to retain AWA privileges.

Dealer Report — The report completed by a dealership for a Dispute Settlement Board review.

Delayed Warranty Start Dates — When there is a delay due to special equipment installation, the warranty start date can be considered the date on which the vehicle is actually placed into service.

Disclosure — The process of notifying a subsequent purchaser that a vehicle was repurchased by the Company. Ford Motor Company policy requires disclosure of ALL RAVs to subsequent purchasers.

Dispute Settlement Board — A voluntary, free, independent dispute settlement process available to owners or lessees of qualifying Ford Motor Company vehicles. Board reviews product or service performance complaints.

Effective Empowerment — Managed employee participation where employees have more say; managers delegate more; and, overall direction, priorities and ground rules have been clearly communicated.

Glossary

LMCRS — Lincoln Mercury Car Rental System.

Master Owner Relations System III (MORS III) — The computer system used by the Ford CAC to record customer contacts.

Media — Any representative from newspaper, radio, or television.

Media Event — Anything that *might* cause the media to report a story about Ford Motor Company that represents a potential liability to Ford Motor Company.

On-Line Automotive Service Information System (OASIS) — An efficient technological procedure for obtaining vehicle-specific and symptom-specific data.

Opening Criteria — Customer requests for assistance (service or financial) on a vehicle within 5 years/50,000 miles for mechanical concerns, or 6 years/60,000 miles for cosmetic concerns, or the vehicle is covered by any warranty, recall, ONP or Ford ESP contract.

Owner Appreciation Certificate — A certificate provided to a Ford or Lincoln Mercury customer as goodwill financial assistance to improve customer satisfaction and owner loyalty. Owner Appreciation Certificates are to be applied with the trade-in of the customer's present Ford or Lincoln Mercury product toward the purchase of a new Ford or Lincoln Mercury vehicle.

Owner Notification Programs — These programs are conducted to address a specific vehicle condition that could create customer dissatisfaction if not corrected. These programs are not mandated by law and are conducted at the option of Ford Motor Company. There are two general types of ONPs:

[redacted]

Glossary

- **"S" Programs** — In these programs, the owner is generally instructed to return to the dealership to have a specific repair (or in some cases, an inspection procedure) completed on the vehicle.
- **"M" Programs** — In these programs the owner is provided extended coverage of a certain component or system. The owner is instructed to return to the dealer if the condition occurs: in other words, "fix only if broken."

In addition, certain programs to correct service literature are designated as:

- **"L" Programs** — Label Programs are generally corrections to a vehicle label or owner guide information.

Priority Contact — Any contact that requires a closing report to Company officials or to federal, state or local agencies (closing approved by special liaison).

Priority Contact Closing Report — A written report sent to the designated agency or executive based on the closing comments submitted by the FCSD Customer Service Manager.

Product Liability — Cases based on customers claiming that vehicle damage was caused by a component defect.

Glossary

Program/Transaction Codes — Used to designate type of alternate transportation provided when claiming monthly reimbursement. Acceptable codes are as follows:

	In-Dealer Fleet	Outside Fleet
Lincoln	SLT	SRC
Shuttle	SLX*	SRV*
Ford/Mercury	SLP	SRD

*Lincoln dealers must submit separate claims for Ford, Mercury and Lincoln shuttle vehicles.

RAV Headquarters — The administrative branch of the RAV process. Questions regarding specific RAV transactions should be directed to 1-800-367-3050. Questions regarding the inventory status such as transportation requirements or disclosure should be directed to 1-800-323-6353.

Reacquired Vehicle (RAV) — A vehicle repurchased by the Company from the customer. A vehicle may be reacquired voluntarily, or the transaction may be mandated by state law or third-party arbitration (e.g., lemon law, Dispute Settlement Board).

Recall — This program is similar to the Owner Notification Program but involves safety or emissions concerns which must be corrected immediately.

Glossary

Region Contact — A contact opened requiring Regional involvement such as: requests for assistance received from the Better Business Bureau, Consumer Protection Agency, news media, governmental agency, or a demand letter from a customer. Also sales contacts and specific service-related contacts are opened as Regions. All region contacts require closing comments by the Regional Customer Service Manager.

Regional Dealer Contact Team — Responsible for working with dealerships to implement and improve the customer handling process. Includes Dealer Operations Manager (DOM), Field Service Engineer (FSE), Market Area Specialist (MAS) and Customer Service Manager (CSM).

Regional Dispute Resolution Specialist (DRS) — Works with dealerships to resolve Dispute Settlement Board cases prior to Board hearings and when Ford Motor Company involvement is required to perform awards to consumers.

Repair Visit — A Repair Visit is defined as each time a vehicle is dropped off at the repairing dealership for repair(s) and returned to the customer.

Resolved — Information has been provided to customers which may or may not meet their expectations but responds to their concern.

Roadside Assistance — Designed to help customers when they need towing, fuel delivery and other Roadside Assistance-related services. It provides Ford Motor Company customers convenient access to emergency services.

Safety Recall — A program conducted to correct a product defect that affects motor vehicle safety or to correct a condition that is a violation of certain safety standards established by law.

Glossary

Service Bay Diagnostic System (SBDS) — A state-of-the-art, computerized information and diagnostic system that helps technicians solve difficult, intermittent and hard-to-find driveability concerns.

Service Loaner Documentation Requirement — Used by the dealership to track use of its service fleet or outside rental agency in submitting a service loaner claim form.

SLP — Service loaner vehicles on the service loaner claim form.

SLT — Lincoln loaner vehicles on the service loaner claim form.

SLX — Shuttle service vehicles on the service loaner claim form.

Standardized Training and Resource System (STARS) — The on-line application used to track dealership employee training history whether for service technicians, sales consultants or parts personnel.

Transportation Assistance Program (TAP) Vehicle Utilization Log — Required documentation which must be maintained by the dealership to record the use of its vehicle fleet and outside rental agency usage. This document is the basis for monthly DWE claim submission.

Technical Service Hotline — Available to all Ford, Lincoln Mercury and Ford Commercial Truck dealers as a source of technical assistance and diagnostic guidance on difficult-to-resolve vehicle concerns.

Towing Company Nomination Process — Dealerships can nominate towing companies. Usually, dealerships nominate companies they have used and want to continue to use based on prior good service.

Training Planner and Schedule — Used by the dealership to create a comprehensive training plan. Includes recommended courses for each job position.

Glossary

Training Schedule — Sent to all dealerships and provides current course offerings by Ford Education and Training. Published each quarter.

Used-Car Lemon Laws — Unlike *new-car* lemon laws which are targeted mainly at manufacturers, used-car lemon laws bear directly and importantly upon the interests and activities of dealers. Some states have used-car lemon laws.

Visiting Owners — Vehicle owners who are traveling, have moved a long distance from their selling dealer or need emergency repairs when they cannot return to their selling dealer.

Warranty Cancellation — The company will cancel the new vehicle warranty in part or in total (but not the emissions control systems warranties or service recalls) on damaged new vehicles which cannot be repaired and sold as new units.

Warranty Start Date Discrepancy Returns — Warranty claims will be rejected when a vehicle has an incorrect warranty start date (normally because of a delayed delivery) and the vehicle is beyond warranty coverage.

KEY CONTACTS

FOR KEY TELEPHONE CONTACTS, PLEASE REFER TO THE

"BUSINESS ASSISTANCE CENTER TELESERVICING DIRECTORY"

6 EXHIBITS

EA82-625 2786

Warranty and Policy Manual

EDITION: October 1996 Form No. FPS-7755

INTRODUCTION

The purpose of the **Warranty and Policy Manual** is to assist dealers in providing owners of Ford Motor Company vehicles the warranty service to which they are entitled. This Manual serves as a supplement to and an extension of the **Sales and Service Agreement** and the warranty statements.

The Manual is essential to a dealership because it contains the information all employees need to provide warranty and policy services fairly and uniformly. It provides detailed information about the responsibilities of the Company, the dealers, and vehicle owners in regard to all warranty and policy coverages. This introductory section explains how to use the Manual and presents the terminology needed to understand it.

This Manual generally addresses warranty and policy requirements/repairs; however, the conditions and requirements outlined apply to all types of repair claims submitted to the Company for reimbursement, including ESP/ESC claims, and in-transit loss and damage claims. Unless ESP/ESC is specifically noted, this Manual applies to warranty coverages. The Company has been designated as the administrator for the American Road Insurance Company for new Extended Service Contracts (ESC).

Ford Motor Company or Ford Motor Vehicle Assurance Company (a subsidiary of Ford Motor Company) provides the New Vehicle Limited Warranty. Ford Motor Company's warranty is a written statement of the Company's responsibility for the repair or replacement of defective parts. This warranty is a legal obligation that must be fulfilled.

Policy programs are developed to pay for certain repairs not covered by the warranties. While these are not legal obligations, dealers are responsible for performing these repairs. Policy programs include: Owner Notification, After-Warranty Adjustments, and Service Recalls.

Applying the provisions of this Manual will help us to satisfy new vehicle owners and protect the good name of Ford Motor Company and your dealership by providing quality warranty and policy service. These practices will help all of us as partners to accomplish our goal of having the best satisfied vehicle owners in the world.

How to Use This Manual

This Manual is divided into nine sections, some of which are further divided into sub-sections. These sections and sub-sections are listed and described in the Table of Contents. The detailed Index appearing in the back of the Manual is cross-referenced and will direct you to the information in the Manual.

WARRANTY & POLICY MANUAL

Warranty & Policy Manual

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SECTION 1

DEALERSHIP ADMINISTRATION

RESPONSIBILITY OVERVIEW

AUTHORIZATION REQUIREMENTS - REPAIRS REQUIRING PRIOR APPROVAL

Certain repairs and claims require approval. The dealer is responsible for obtaining and documenting authorization when required. Authorization does not, however, exempt the dealer from complying with the warranty and policy provisions outlined in this Manual, including price and time verification.

All dealers must have Company approval before making certain repairs or submitting certain claims or inquiries. The following situations require authorization:

- Accident or fire Claims — any condition which could have contributed to personal injury or property damage
- Company approved After-Warranty Adjustment Claims
- Assembly Repairs — when the cost of repairs exceeds the cost cap established for an FQR (Ford Quality Renewal) Exchange Assembly
- Battery replacements for vehicles in dealership storage
- ESP/ESC — Selected Repairs — prior approval is required for all ESC/ESP repairs that are over the assigned dealer approval level (dealers will be notified by Ford what their level is)
- Misbuilt Vehicles (Vehicles Not Built as Ordered) — authorization required from misbuilt vehicle claims (via the dealer's Repair Register)
- Repeat Repair Program — Customer Service Manager approval required for reject codes P010 and P011. Dealer Self Approval of repeat repairs applies to all other reject codes for all dealers.
- Super Seal Corrosion Repairs — ESP Headquarters approval required before repairing the vehicle
- Repairs to Ford Power Products (see Ford Power Products - Section 3)
- Disclosable damage exceeding $500 on a new unit or vehicle is critically damaged (See In-Transit Damage - Section 2)
- Items specified to the dealer by the Company (i.e., if dealer is on a dealer panel)

NOTE: Although Company prior approval is no longer required for actual time operations, Ford claims processing may require you to obtain Customer Service Manager approval for actual time on a post repair basis.

Claims with Company Involvement/Approval - Disallowable and Non disallowable Situations

The following policy provides guidelines for warranty review/audit of claims in which some level of prior approval has occurred.

Conditions Subject To Disallowance:

Phone approval, on-site inspector approval, video imaging approval or technical hotline involvement with a repair does not negate dealership responsibility to adhere to the provisions of the Warranty and Policy Manual and does not exempt the repair from ACES II edits or review/audit examination.

The following list provides **examples** of areas subject to review/audit disallowance. This list is **not** all inclusive:

- Repeat/Ineffective Repairs
- Used Vehicle Reconditioned Under ESP
- Continuation Claim Bypasses Deductible
- Service Part Not Supported
- Mileage/Date Alteration
- VIN or Owner Name misrepresented
- Non-Ford Part Claimed as Genuine
- Part Damaged, Not Defective
- Add-on Repair Not Approved
- Over-Repair (excluding conditions listed below for on-site inspection, Technical Hotline and phone prior approval).
- Supporting Documentation Not Available (example: SBDS log sheets, sublet invoices, alignment printouts).

Conditions NOT Subject To Disallowance:

On-Site Inspector Approval/Video Imaging Approval

- Coverage eligibility - provided all relevant information (i.e. complete service history) was accurately provided at the time of inspection.
- Extent/Cost of Repair (for example, replacing an engine vs. repairing an engine) provided that diagnostic and repair direction from inspector was followed. This condition only applies to the aspects of the repair in which the on-site inspector/video imaging activity was involved.

Technical Hotline Involvement

- Extent/Cost of Repair - provided that accurate and complete information was provided to the hotline and hotline direction was followed. This condition only applies to the aspects of the repair in which the hotline was involved.

NOTE: The Technical Service Hotline only provides guidance with diagnosis and repair. The Technical Service Hotline does not provide repair approval or make financial commitments.

Conditions NOT Subject To Disallowance (cont'd)

Phone Prior Approval

- Coverage eligibility - provided all relevant information (i.e. complete service history) was accurately provided during the phone call.
- Extent/Cost of Repair - (for example, replacing an engine vs. repairing an engine) provided that accurate and complete information was provided during the phone call and dependent upon confirmation that diagnostic and repair direction was followed. This condition only applies to the aspects of the repair in which the prior approval activity was involved.

IMPORTANT: The above exceptions to disallowance eligibility do not apply to computer generated ESP/ESC prior approval. These approvals begin with the code "EKS_ _" and are not eligible for the disallowance exceptions listed above.

Authorization to Submit Claim

Some claims must have Regional Management authorization before they can be submitted. (Refer to "Authorization Requirements" on page 1-1.) When authorization is required, Form 1863/6125-2 must show the approval in one of the following ways:

- Obtain a five-digit computer-generated code from FCSD Customer Service Manager. Enter the code in the Approval Number box.
- Enter the five-digit code for Concern Definition Panel repairs which are authorized by a Company Plant or Engineering Activity in the Approval Number box. The approval form number must be entered in the Description of Concern area of the claim.

Repair Authorization for Dealership Vehicles

- For any vehicle in dealership inventory, all safety and emission recalls should be performed and do not require Dealer Principal or General Manager approval.
- Any warrantable repair work, adjustment, or Owner Notification Program (M, B, L) to be performed on the following vehicles that will result in a claim being submitted to the Company for reimbursement, must be authorized by the Dealer Principal, General Manager, or Service Manager on the appropriate repair order.
  - New vehicles in dealer inventory
  - Dealer demonstrator vehicles
  - Used vehicles in dealer inventory
  - Dealership rental units (e.g., FRACS or L/M DDR units)
  - Parts Department delivery truck
  - Service Department courtesy shuttle

Warranty Solicitation

Under the terms of the New Vehicle Limited Warranty, Ford Motor Company will cover the cost of repairs for a defect in materials or workmanship when the customer presents the vehicle for repair during the warranty period. Dealer solicitation of customers for the correction of warranty conditions is prohibited. Dealers may not solicit (advertise, contact by phone or mail, etc.) customers for warranty service. In those instances where it is determined that a dealer has solicited a customer for warranty service, repairs may be subject to chargeback.

> NOTE: Dealers may make follow-up contacts to customers in those instances where the Company has notified a customer about a safety or emissions recall.

Parts Inventory

Dealers must stock an adequate inventory of new Ford parts. Company reimbursement for parts is based on dealer compliance on parts management as outlined in the Sales and Service Agreement which includes:

- Use of new Ford parts.
- Use of remanufactured parts included in the Company Remanufacturing Program.
- Use of Ford Authorized Remanufactured parts approved for warranty or ESP repairs.
- Use of parts included in the Supplier Direct Ship Program.

NOTE: The Company will reimburse dealers for the use of non-Ford Parts used in emergency repairs where new Ford parts are not available (See guidelines on Emergency Repairs in Section 3).

Warranty Responsibility

In accordance with provisions of the Sales and Service Agreement and this Manual, dealers are required to provide warranty and policy service (e.g., warranty, ESP/ESC, and service recalls) for all vehicles they are franchised to sell. Owners of Ford vehicles are recommended but not required to return to their selling dealer for warranty service.

Visiting Owner — Emergency Repair

Warranty Repairs — Ford recommends that an owner take the vehicle to the selling dealer for warranty repairs; however, an owner may take the vehicle to any Ford or Lincoln-Mercury dealer for Warranty work. See Emergency Repairs Section 3.

Magnuson-Moss Act

It is important for all Ford and Lincoln-Mercury dealers to become familiar with the Magnuson-Moss Act because it applies to consumer products which include cars and light trucks as well as parts and accessories for them. It does not cover 600 and higher series trucks or parts unique to them.

The Act regulates warranties and service contracts for consumer products; however, it does not require that a supplier give a warranty, or that any particular coverage be provided.

Ford's new vehicle warranty is a Limited Warranty which complies with the Act. Under a Limited Warranty, Ford can and does limit implied warranties to the same time and mileage as the written warranty. The Limited Warranty also enables Ford to require customers to share the expense of certain repairs.

Under the Act, all warrantors of consumer goods costing $15 or more are required to make their written warranties available to customers prior to sale of the goods. In order for dealers to fulfill their obligation, they must:

- Display the wall poster which lists car and light truck warranty statements in a prominent place in the dealership's new vehicle showroom.

NOTE: The posters are made available to dealers by Ford.

- Show the warranty to the customer before the customer signs the buyer's order by:
  - Pointing out the warranty on the poster, or
  - Showing the buyer the coverage in the Warranty Guide.
- Give the customer the Warranty Guide at the time the new vehicle is delivered. This booklet is supplied with each vehicle.

NOTE: Customers purchasing Ford vehicles modified, altered, or final stage manufactured by an entity other than Ford must be informed that the modified parts, as well as Ford parts that fail because of the modification, are not covered by either the Ford New Vehicle Limited Warranty or ESP/ESC. Not all modifications, though, will void the New Vehicle Limited Warranty or ESP/ESC Coverage.

The Act also applies to parts and accessories for cars and light trucks. Ford provides a warranty to dealers for parts and accessories sold to them, but does not warrant them directly to retail customers. Dealers are not required under the Act, or by their Sales and Service Agreement, to convey the Ford warranty or any warranty to the purchaser. Dealers must, however, make free repairs for customers when such repairs are reimbursable to dealers under the Company warranty to dealers. Any written warranty which a dealer gives to purchasers of parts and accessories would be covered by the Act.

The Act authorizes the FTC to issue trade regulation rules (which have the effect of law) imposing further requirements including warranty disclosure terms and warranty limitations.

Because the Act is particularly complex, including its interaction with State warranty laws, Ford Motor Company recommends that all dealers consult their legal counsel, especially in regard to implied warranties. Violations of the Act and the FTC rules can carry severe penalties.

DEALER AND SERVICE SUPERVISION RESPONSIBILITIES

Dealer Responsibilities

- The dealer is required to administer warranty and policy repair service in accordance with the provisions of the Sales and Service Agreement, the Company's Warranty Statements, and this Manual.
- The dealer is responsible for carrying out the inspections and adjustments outlined in the Predelivery Service Record (checksheet). These include inspection, storage, and high quality predelivery of new vehicles.
- The dealer is responsible for reporting vehicle sales (including demonstrators). Warranty start dates must be reported accurately. If deliveries are delayed and the warranty start date is affected, the Company must be notified. See Delivery Guidelines, Section 2.

IMPORTANT: The warranty on a vehicle starts on the day a vehicle is delivered to the first retail purchaser or first put into service. Examples of first use is a demonstrator or a Ford Company service vehicle.

- The dealer is responsible for explaining the warranty to the owner at the time of sale so that the owner understands what services must be paid for and what services are covered by warranty.
  - Use the Warranty Guide and the Owner Guide.
  - Have the new owner sign and date the Delivery Checklist. Retain this document in the Customer Service File.
- The dealer must provide warranty service to owners as a provision of the new vehicle warranty.
  - The warranty is in effect for the specified period unless it is invalidated.
  - Any defect in factory workmanship or material will be corrected on either a no-charge, deductible, or pro rata basis, as appropriate.
  - High quality repairs with courteous, prompt, and efficient service is the process for developing and maintaining excellent customer satisfaction. The key to satisfying customers is effective listening to their concerns and clearly writing the repair description on the repair order to assure that the vehicle is fixed right on the first repair visit.

NOTE: Under the new vehicle warranty, the owner may not be charged for items such as diagnosis, shop material or supplies, road testing, etc. These items may, however, be reimbursable from Ford under warranty, if stipulated as reimbursable in other Company publications, such as TSBs, Dealer letters, etc.

- The dealer is responsible for providing service training and equipment; this includes:
  - Holding regular in-dealership training sessions.
  - Sending designated personnel to Company-sponsored training programs.
  - Maintaining files of Company service publications.
  - Obtaining and using recommended special service tools and equipment.

- The dealer is responsible for submitting claims immediately after completion of repairs and for maintaining documents which support these claims.
- The dealer must not have pay plans that pay service management (e.g., Service Advisor, Service Manager, Dispatcher, etc..) or warranty claims administrators, an incentive based directly on warranty sales. Pay plans that include incentives on a total basis, such as adjusted selling-gross or total shop sales, are acceptable if adequate safeguards are used to prevent improper warranty practices.

Service Supervision Responsibilities

Service management, including body shop management, is responsible for:

- Normal diagnosis of the vehicle problem.
- Supervising all Company paid repairs.
- Approving additional (ADD-ON) repairs that are required but discovered after the initial write-up. These additional repairs must be approved and initialed by service management before being performed. Service management's approving initials must appear on the service (hard) copy of the claim, even if the repairs are written by service management, and must appear on the same line as the additional repairs on the shop copy of the claim.

NOTE: The ADD-ON repair must be identified by entering ADD in the labor operation column as detailed in the ACES II User Manual.

- Approving usage of the No Problem Found (NPF) repair process. If normal diagnosis of a hard to find customer-identified complaint does not reveal a problem, NPF actual time is available to ensure that every possible attempt has been made to diagnose and repair the customer's vehicle.

NOTE:

- NPF is not for driveability related customer concerns.
- NPF labor time cannot exceed 2.5 hours.
- NPF claiming preparation procedures are detailed in the ACES II User Manual.

- Implementing controls to eliminate improper or unnecessary repairs.
- Ensuring complete and accurate claim preparation. This includes:
  - Entering on the repair order accurate, complete, and clear description of the vehicle problem, the Condition Code and the Customer Concern Code.
  - Issuing clear repair instructions.
  - Identifying the employee(s) assigned to the repair by the last four digits of their Social Security Number (SSN).
  - Verifying that the technician enters an accurate, complete description of the repair on the shop copy which:
    - Identifies causal part
    - Identifies cause of failure
    - Clarifies the repair
    - Supports labor operations
    - Identifies diagnostic equipment results
    - Identifies all diagnostic test codes

- Verifying that SBDS printout is attached to claim shop copy if SBDS is used. If any other equipment is used that provides a printout, it's recommended that the printout also be attached to the shop copy (e.g., computer alignment rack).
- Identifying labor operation(s) from service labor time standards manuals, and entering required time recording.

• Maintaining a "LOG" when an owner complains of oil usage (consumption). The "LOG" must identify: the VIN, the amount of oil, the date, and the mileage on the vehicle when the oil is added. (The "LOG" must support the need for a major engine repair according to the fluid usage guideline and the "LOG" outlined in Section 3.0.)

Technician Team Service Operation

A technician team usually includes four to six line technicians plus a team leader. The leader is considered a member of service management because of his supervisory responsibility. Teams are usually identified by color code ("Red", "Blue", etc.).

The requirements outlined in this Manual that apply to technicians working individually also apply to members of a team. For instance, the team leader (as a member of service management) may be assigned the responsibility for:

• Identifying on the Dealer Service Copy (hard copy) each technician (including the team leader) who worked on the vehicle by the last four digits of the Social Security Number (SSN).
  - When only one technician is assigned to a repair, that technician's SSN must also be entered on the Ford Claim Copy and must be entered in DWE/ACES II when prompted for this information.
  - When more than one technician is assigned to a repair, <u>each</u> technician's SSN must be entered on the Ford Claim Copy and must be entered in DWE/ACES II when prompted for this information.
• Entering <u>each</u> technician's time separately on the shop copy of the claim form, or daily time ticket.
• Approving any additional required repairs (Add-Ons) found after the initial repair write-up.

IMPORTANT: Team-only identification and team-only time recording are not adequate to support claim payment.

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WARRANTY RECORD RESPONSIBILITIES

Warranty Record Keeping

CUSTOMER SERVICE FILE REQUIREMENTS

The dealer is required to maintain complete individual service history files for all vehicles sold and serviced by the dealership. These files are to be maintained by the vehicle identification number of the serviced vehicle. The records and documents should be retained as long as the vehicles are within warranty but must be kept for one year following Company notification of payment. Notification is by a Company check or through information on the ACES II Daily Repair Register.

The supporting documents must be available for Company examination (in the Dealership or upon request sent to a company location) during the one-year time period. Dealers are encouraged to maintain service records, including warranty records, beyond one year to support customer service, but warranty records beyond one year from notification of payment are not subject to audit.

Customer Service File Types

Dealers must maintain a Customer Service File. The records may be computerized or in a manually-maintained filing system. In either case, the records must be available for review by Company personnel.

Dealers may utilize computer systems, or imaging to maintain service records, including warranty records, in computer files provided that:

- The use of the computer system for warranty application has been approved by the Regional Office
- The computerized information and the claim-supporting records, including required authorization signatures and clocking, are accessible to Company personnel.

NOTE: If a dealership has electronic service files it is recommended that the dealership retain the base OASIS report for a minimum of 12 months from the date of claim payment for each repair visit. Information must be stored in a format that cannot be changed, and must contain VIN, warranty information, recall information, ESP information if any, etc.. It is also recommended that if a dealership performs a repair based on a broadcast message that the OASIS message be retained.

Computer Service Systems

When a dealer is considering the purchase of a computer system, approval must be obtained from Regional Management prior to committing to the purchase. The Regional Office must determine that the computer system being considered for purchase meets the warranty administration requirements outlined in the Warranty and Policy Manual (e.g., time recording).

Failure to notify the Regional Office in advance of any commitment to purchase a computer system could have a detrimental effect on the dealer's claims payment.

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Record Retention

The following records are needed to support claims and other payments reimbursed by the Company:

- Accounting copy of all claims submitted
- Automatic Transmission Diagnosis Information Sheet (FCS 8601) required when FQR transmissions are used in Ford paid repairs.
- Bill of Lading / Delivery Document
- Body shop estimate (copy)
- Copies of computer-generated claims (Alternative Forms)
- ACES II Repair Register
- Dealer Core Receipt (top yellow copy of the Core Identification Form #FCS 8602) required when applicable for all FQR engines and transmissions
- Engine Diagnostic Results Sheets (FCS 8604) required when FQR engines are used in Ford paid repairs.
- Engine performance chart (Form FPS 8485)
- Ford Auto Club towing claim forms (dealer copy), and requests for tow reimbursement
- Form FCS-900 and support documents (Notification of delayed delivery date or in-transit mileage accumulation)
- Form 1863/6125-2 copies (standard or alternative) (Warranty claim form)
- Form 3715 copies (Loss and damage claim form)
- Form 8240 (ESP Application and ESP Inspection Check sheet)
- Form 8376 (Authorization to Submit Claim) when issued for a repair under a Concern Definition Program
- Invoices (original) of OSP, OSL, and transportation charge receipts, plus record of payment
- Internal dealership repair orders
- Maintenance service repair orders (copy)
- Motorcraft Battery warranty tear off tag is required for all batteries shipped before October 1, 1995. Attach to file copy of Form 1863/6125-2.
- New vehicle factory invoices
- OASIS printout for each repair visit
- Owner refund repair invoice and Customer-paid repair orders
- Owner invoices for new and used vehicle sales
- Payroll records (Detailed records used to prepare payrolls – e.g., daily time and job tickets)
- Quality Delivery Assurance (Checklists)
- Repair tag 1678, no. 1 copy (radio, tape player, clock, electronic speedometer)

- Service Bay Diagnostic System (SBDS) Log File Printout (when applicable)
- Service copy (hard copy) of claim
- Service-installed/over-the-counter parts and accessories claim including supporting documentation. This includes:
  - Repair order for accessory or previous warranty claim
  - Owner-paid repair order or over-the-counter parts sale invoice
- Towing "log" for dealer-owned tow truck or sublet towing invoice
- Transportation-charge receipts for parts returned to the Company
- Transportation Assistance Program Logs
- ANY OTHER RECORDS WHICH SUPPORT CLAIMS REIMBURSED BY THE COMPANY

Claims Pending File

Claims which have been submitted but not paid by the Company should be kept in a pending file. This Claims Pending File can be either a computer file or a manually-maintained file. When response appears on the ACES II Daily Repair Register for these claims, the pending file should be purged.

Warranty and Policy Register Journal (FMC-19)

A register journal should be maintained in dealerships that do not have computerized claim tracking and accounting capability. The Journal is maintained on Form FMC-19 to provide a record of claims submitted to the Company and to record and distribute the sales and cost of all labor and material. It can also provide follow-through information to the dealer about:

- Company payment of claims
- Differences between amounts claimed and amounts paid
- Any delays in payment on resubmitted claims

Form FMC-19 may be ordered from outside suppliers.

In order to account for Warranty and Policy Claims accurately, when claims are adjusted, charge the difference to either the Parts, Service, or New Policy Adjustment accounts based on the dealership's accounting practices.

TIME RECORDING

Time recording requirements apply to all labor for which reimbursement is claimed. All dealerships must follow Warranty and Policy Manual procedures according to their time recording requirements.

The Company strongly recommends that time clocks be used to time record instead of handwritten time recording.

Time recording means entering the following information on the claim shop copy or daily time ticket:

- The time and date when a repair is performed.
- The repairing technician's identification.

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A technician's time that is electronically recorded is an acceptable method of time recording provided that the computer system administrative controls are in place and operational, and the system has been approved by the Regional office in writing.

Time Recording Requirements

The following requirements apply to all claims submitted to Ford Motor Company for Payment.

- Time recording requirements apply to all employees involved in performing a repair.
- Accurate time recording is the responsibility of service management.
- All dealerships must time record **actual time repair** operations (A, B, M1, M2, NPF).
  - Record the start and finish times of each actual time repair. This must include stopping and starting times if the repair is interrupted.
- Some dealerships are notified by the Regional Office via certified mail that they must also time record **standard** repair operations.
- Technicians may not have time recorded on more than one repair order at a time. Only one repair order may be assigned at a time.

Time Recording Procedure

Whenever time recording is required, dealerships must follow these procedures:

- Record time on the claim shop copy or on a daily time ticket affixed to the claim shop copy (This also includes body and paint repairs).
- Enter the identification number (SSN) of all employees assigned to the repair, including the team leader if the dealership is using the team system.
- Service management must record separately the time spent by each employee involved in performing repairs on a vehicle. Team-only time recording does not fulfill time recording requirements.
- If a repair is interrupted for any reason, record the time that the repair is stopped and when it is resumed.
- Retain any document which shows time recording.

Dealerships not required by the Company to time record standard labor operations

When actual time repair operations are mixed with standard repair operations, dealerships not required to time record standard labor operations must:

- Record starting and finishing time for each actual time repair if not done in sequence. This must include stopping and starting times if the repair is interrupted.
- If two or more actual time repairs are done in sequence, record starting time of the first actual time repair and completion time of the last actual time repair.

Dealerships required by the Company to time record standard labor operations

Standard Labor Operations Only

When all labor operations on a claim are standard, dealerships required to time record standard operations must:

- Record the starting time of the first repair and completion time of the last repair.

Standard and Actual Time Labor Operations

When actual time repair operations are mixed with standard operation repairs, dealerships must time record the claims using one of the following methods.

Separate time recording:

- Record the starting time of the first repair.
- Record the starting time and completion time for each actual time repair if not done in sequence.
- For two or more actual time repairs performed in sequence, record starting time of the first actual time repair and completion time of the last actual time repair.
- Record the time when all repairs are completed.

Combined time recording:

- Record the starting time of the first repair and completion time of the last repair.
- When time recording is combined, only the difference between the standard labor operation allowance and the time recorded on the claim shop copy is allowed for an actual time labor operation.

Filing Copies of the Repair Set

Copies of Form 1863/6125-2 must be filed as follows:

- Dealer Repair Copy — Retain in dealership for electronic entry to the Company. If dealership does not have electronic entry capability, then an alternate claim input service must be arranged by the dealership.
- Dealer Accounting Copy — office
- Customer Copy — to be given to the customer
- Dealer Service Copy — customer service file

Delay in Submitting Repair (Parts Not Available)

Supporting Documentation

Follow these instructions when a repair is delayed because parts are not available and/or are back ordered.

Retain all documents showing:

- The date and mileage when the vehicle was originally presented for diagnosis/repair.
- The date parts were ordered.
- The parts status at the time originally ordered (e.g., back ordered).
- The date the parts were received.
- The date and mileage when repairs were completed.

Claim Submission Procedures

Repairs are eligible for submission when completed. Submit repairs involving special order parts as one repair at the time the part is installed and the repair is completed. Diagnostic labor is not eligible for submission until the part has been installed and the repair completed.

Claiming diagnostic labor as a seperate repair at the time a special order part is ordered will inflate the Repair per 1000 measure on the 382-126 Warranty Trend Analysis Report.

The above represent claiming procedures only. Under no circumstances should a driveable vehicle be held by the dealership while waiting for a special order part. Driveable vehicles are to be returned to the customer and, where available, the "date/mileage in" and "date/mileage out" field accurately completed on the warranty repair order form.

Some dealerships may choose to keep a log for delayed repairs. Warranty claims are prepared later when repairs are completed. Log information, claim preparation, and document support must follow all guidelines.

When submitting the repair:

- Use the same repair date and mileage as the original repair visit where the parts were ordered, and
- Enter the following statement in the Description of concern area of the claim:

  "Repair submission delay due to (use one) part not available (or) part back ordered. Repair completed on (date) at (mileage)."

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WARRANTY PARTS RETENTION/RETURN PROCEDURES and RESPONSIBILITIES

Dealer Group: Contact Dealers

General Instructions - Parts Handling

Dealers in this group are required to hold ALL warranty/ESP parts (including parts from Owner Notification Program and vehicle recall claims) until parts disposition instructions are received from the Company.

Parts disposition instructions for the replaced parts will appear on the dealership overnight Parts Entry And Return System (PEARS) register. The Warranty Parts Return Center (WPRC) electronically sends the daily PEARS register to the dealers by the next business day after warranty claims have been accepted for payment by the Company.

The daily PEARS register should be routed to the Parts Manager. This register advises dealerships which warranty parts may be scrapped and which parts are required by Ford, including the method by which the parts will be recalled (FCS-700 tag, Direct Ship Return Document printed at the dealership, or pickup by an authorized remanufacturer/distributor).

Parts Retention

Hold ALL replaced warranty parts until disposition instructions are received on the PEARS Register (including Original Equipment Manufacturer (OEM) warranty parts replaced by Ford Quality Renewal (FQR) parts).

Warranty parts not recalled by the Company or picked up by an authorized remanufacturer/ distributor, must be scrapped on a weekly basis.

LEGAL PARTS - Parts from vehicles involved in accident or fire, personal injury, and/or property damage MUST NOT be scrapped until authorized by the dealer's FCSD Regional Office (For additional information, see ACCIDENT CLAIM in Section 3).

SPECIAL HANDLING PARTS - Refer to the write up under Parts Retention for All Dealers.

ESP REPAIRS - For ESP repairs, parts must be held until prior approval is obtained, when applicable.

ENGINE AND TRANSMISSION EXCHANGE ASSEMBLIES - Return per the instructions provided with the new engine/transmission. Failure to return the old assembly will result in a core non-return assessment to the dealership.

"ALL PARTS" RECALLS - All parts on the repair are to be returned in a carton with the tag wired to the causal part. A copy of the claim must be included in the carton. Use special shipping/identification labels provided.

Dealer Group: FCSD Select Dealer Region Dealerships

General Instructions - Parts Handling

Parts disposition instructions for the replaced parts will appear on the dealership overnight Parts Entry And Return System (PEARS) register. The daily PEARS register is supplied by the Warranty Parts Return Center (WPRC) the next business day after warranty claims have been accepted for payment by the Company.

The daily PEARS register should be routed to the Parts Manager. The register advises dealerships which warranty parts may be scrapped and which parts are required by Ford, including the method by which the parts will be recalled (FCS-700 tag, Direct Ship Return Document printed at the dealership, or pickup by an authorized distributor).

Parts Retention

Select Dealer Region dealerships may scrap (at the time of repair) all warranty/ESP parts (including parts from Owner Notification Program and vehicle recall claims) with the exception of parts in the following categories which must be held until parts disposition instructions are received on the dealership's daily PEARS register.

- Legal Parts
- Mandatory - General and Remanufacturable
- Special Handling - Refer to the write up under Parts Retention for All Dealers

Parts not recalled by the Company or picked up by an authorized distributor, must be scrapped on a weekly basis.

LEGAL PARTS - Parts from vehicles involved in accident or fire, personal injury, and/or property damage MUST NOT be scrapped until authorized by the dealer's FCSD Regional Office (For additional information, see ACCIDENT CLAIM in Section 3).

Mandatory Parts - General

Select Dealer Region Dealerships must hold ALL mandatory parts for possible recall by the Company.

Part Description

All bumpers

All mirrors

All power antennas

All flexible fuel parts

All air bags

All air bag sensors

All wheels

All catalytic converters

All seat belt components

Parts may be added to or deleted from the mandatory list during the year. Dealers will be notified of any changes by separate communication.

Mandatory Parts - Remanufacturable

Select Dealer Region Dealerships must retain ALL warranty parts with a FCSD core price charge as well as ALL remanufacturable warranty parts listed below until parts disposition is received on the dealership daily PEARS register.

For warranty cores related to FQR assemblies, the warranty core will be picked up by the dealership's approved remanufacturer/distributor. For FCSD Select Dealer Region dealers ONLY, the WPRC will not recall FQR cores from Select Dealer Region dealerships, these parts may be exchanged with the dealership's approved remanufacturer/distributor at time of the repair.

Engine and transmission exchange assemblies must be returned per the instructions provided with the new engine/transmission. Failure to return the old assembly will result in a core non-return assessment to the dealership.

Additional Mandatory Parts - (Remanufacturable Parts List):

BASE NUMBERS	PART DESCRIPTION
2B120/21	FRONT DISC BRAKE CALIPERS
2552/53	REAR DISC BRAKE CALIPER
3504	RACK AND PINION STEERING GEAR
3L547	RACK & PINION STEERING GEAR (short assembly)
3A674	POWER STEERING PUMP
6007	ENGINE ASSEMBLY
6009	CYLINDER BLOCK (short)
6010	CYLINDER BLOCK (bare)
6049	CYLINDER HEAD
6250	CAMSHAFT
6303	CRANKSHAFT
6600	OIL PUMP
7000, 7002/3	TRANSMISSION ASSEMBLY
8501	WATER PUMP
9350	FUEL PUMP
9H307,9A407,9C407	ELECTRIC FUEL PUMPS
9E527	FUEL INJECTOR NOZZLE (diesel)
9A543	FUEL INJECTOR PUMP ASSEMBLY (diesel)
10346	ALTERNATOR
11002	STARTER
12127	DISTRIBUTOR
12A650	POWERTRAIN CONTROL MODULE (PCM)
12B565	TRANSMISSION MODULE (7.3L diesel)
19703	A/C COMPRESSOR
*23394/95	POWER WINDOW MOTORS (right & left)

* These part numbers are preceded by body style identification numbers (e.g., 5423394)

Parts may be added to or deleted from the mandatory list during the year. Dealers will be notified of any changes by separate communication.

Dealer Group: All Dealers

Parts Retention for ALL Dealerships

Special Handling Parts

- Batteries - Certain dealers are to hold selected batteries for pickup by a carrier designated by the Company. For the remaining warranty batteries, the proper disposition (e.g. recycling) of defective batteries that cannot be recharged is the responsibility of the Dealer. Each Dealer should be aware of laws applicable to the disposition of batteries and should consult legal counsel for clarification of those laws.
- Exchange Clutch Discs and Pressure Plates - Exchange with the dealership's approved remanufacturer/distributor (except Dana Spicer parts).
- Torque Converters - Exchange with the dealership's approved remanufacturer/ distributor.
- Exchange Engines, Transmissions, and Axles - Follow return instructions in the Exchange Program Guide or other Company communications to the dealer.
- 7.3L Diesel Engine Parts - A completed Diesel Engine Performance chart and copy of the repair order must be enclosed in the container with the following 7.3L Diesel Engine Parts:

BASE NUMBER	PART DESCRIPTION
6K682	TURBO CHARGER ASSEMBLY/PEDESTAL
9350	FUEL PUMP
9E527	FUEL INJECTORS
9A543	PUMP ASSEMBLY
9C968	REGULATOR - INJECTION CONTROL PRESSURE
12B599	INJECTOR DRIVE MODULE
12A650	POWERTRAIN CONTROL MODULE (PCM)

Warranty Parts Return Procedures (All Dealers)

Parts Awaiting Disposition Instructions

- Clean all retained parts and drain all fluids.
- Tag the parts with identification tag (FPS-716), write the RO# (Repair Order Number), date of repair, and the part number on the tag.
- Pack the defective parts in the same containers which held the replacement part.
- Write the RO# and the RO date on the end of the box that contains the part number

IMPORTANT: Cores returned to the Company may not exceed the quantity of the same new or remanufactured part purchased from the Company. The WPRC will not reimburse dealers for cores removed from salvage vehicles.

Parts Return Documents

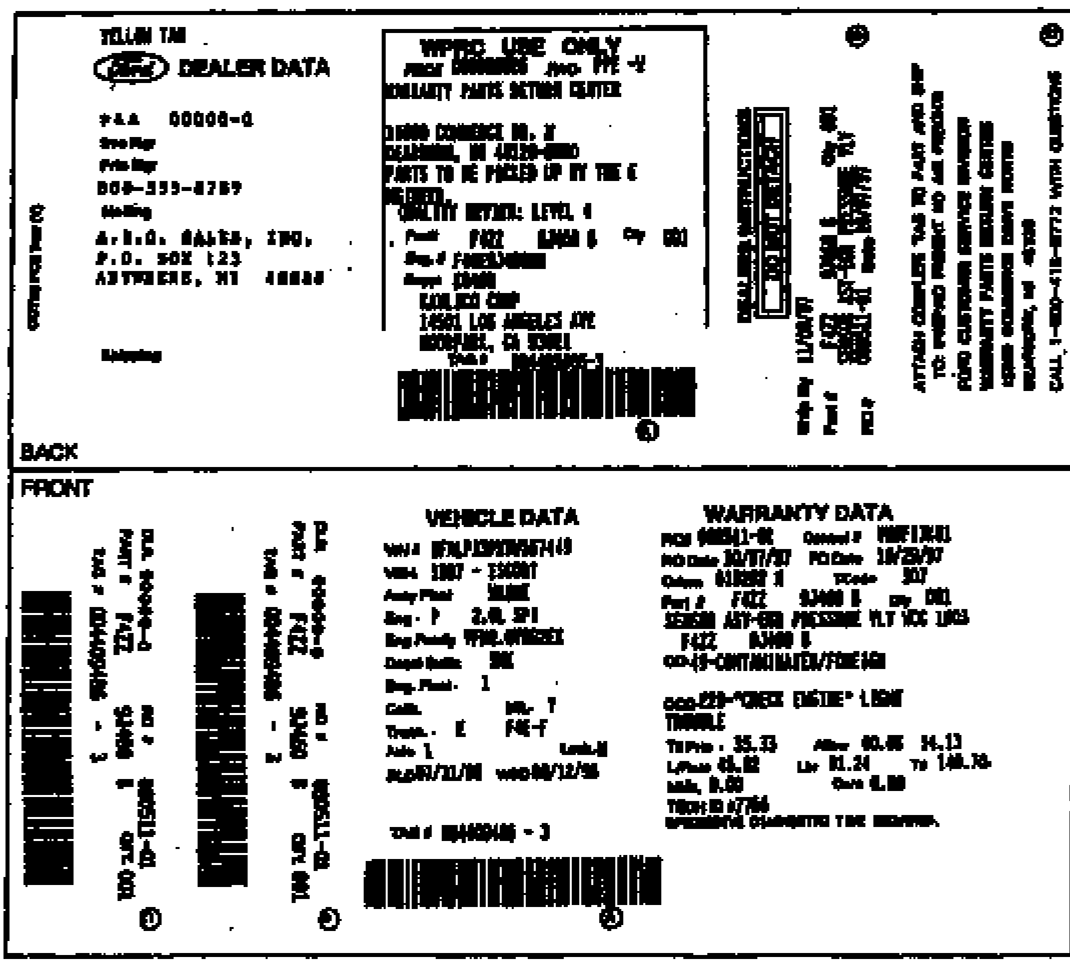
There are two primary return documents provided by the Company to be returned with recalled warranty parts:

1. FCS-700 Tags mailed to dealerships
2. Direct Ship Return Document printed at the dealership printer as the last page(s) of the dealership daily PEARS Register.

Parts Return Tag FCS-700

The FCS-700 tag is the primary means used by the Company to retrieve warranty parts from dealerships.

- Attach the tag to the part that is being returned
- Do not detach any part of the tag or write on the tag
- Ship parts prior to or on the ship-by date printed on the FCS-700 tag
- Ship parts to the address on the back of the FCS-700 tag labeled Dealer Instructions.



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WARRANTY & POLICY MANUAL

Direct Ship Return Document

The Direct Ship Return Document prints at the dealership as the last page(s) of the daily PEARS register.

- Return the Direct Ship Return Document with the warranty part
- Do not write on the Direct Ship Return Document
- Ship parts prior to or on the "Ship by Date" printed on the Direct Ship Return Document
- Ship to the address in the top left portion of the document

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ATTN: PART MANAGER WARRANTY PARTS RETURN DOCUMENT RETURN W/PART 06/24/1998
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Preparation of Warranty Parts for Shipment

- Attach FCS-700 tag to the part or, if a direct ship return part, enclose the Direct Ship Return Document in the return box with the warranty part.
- Cap air conditioning compressors (use caps from new assemblies)
- Drain all parts of oil and fluids (e.g. drain fuel pumps and any parts containing fuel)
- Use the replacement part box to return the warranty part
- Ensure all parts are complete and assembled
- Pad any parts subject to damage in transit
- Do not ship large or heavy parts in the same carton with smaller, lighter parts (Except for replaced warranty parts recalled on an "ALL PARTS RETURN" where all parts on a repair are required to be returned.
- When shipping parts recalled on an "ALL PARTS RETURN", to avoid damage to smaller lighter parts, pack the heavier parts on the bottom of the box.

CAUTION: UNDER NO CIRCUMSTANCES SHOULD FUEL TANKS OR FLUIDS OF ANY KIND BE RETURNED.

Shipping Instructions

- Ship parts on or prior to the "Ship By" date printed on the return documents
- For parts returned with a FCS-700 tag, ship parts to the address on the back of the FCS-700 tag labeled "Dealer Instructions."
- For Direct Ship Return Parts, ship parts to the "ship-to" address printed on the direct ship return document ("Ship to" address is in the upper left portion of the document)
- Use small package delivery service (i.e. UPS, RPS) for cartons less than 70 lbs.
- For large/heavy returns (engines, transmissions, axles, etc.) use only approved common carriers and type the following words on the Bill of Lading: "Used auto parts having value for reconditioning or salvage purposes only".
- Write "Accident Claim" on the shipping Carton for parts considered "Legal Parts"
- Ship parts on or prior to the "Ship-By" date printed on the return documentation.
- Return parts via the LEAST EXPENSIVE GROUND TRANSPORTATION
- Ship FREIGHT PREPAID (DO NOT USE AIR FREIGHT, AIR SHIPMENTS WILL BE RETURNED AT DEALERSHIP'S EXPENSE).

NOTE: If a prepaid shipping label is provided with the replacement part, use the label and ship the part to the location on the prepaid shipping label.

NOTE: To obtain reimbursement from Ford for freight charges incurred from shipment of warranty parts, submit a separate warranty claim for transportation charges. Use the ACESII claims payment computer system (submit weekly or monthly). See ACESII User Manual for details.

Appeal of Debits (Chargeback)

Requests for appeals to chargebacks must be made in writing to the WPRC within 120 days from the date chargeback notification was received. The letter should include the reason for the appeal. Appeals greater than 120 days old require FCSD Regional Sales Office approval to submit to the WPRC.

Include a copy of the dealership daily PEARS register showing the notification of the debit. Attach a copy of the shipping receipt/invoice if the chargeback was for part not returned.

Mail appeals to:

FCSD Warranty Parts Return Center
15090 Commerce Drive North
Dearborn, Mich. 48120

WPRC Help Line

The WPRC operates a toll free dealer help line that is open 8:00 AM to 4:30 PM (EST).

The toll free phone number is 1-800-416-WPRC (9772) and is operational on Company workdays.

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SERVICE TECHNICIAN SPECIALTY TRAINING STANDARDS - ACES II EDITS

Dealership Service Technician Specialty Training (STST) Standards were developed in eight specialty repair categories to enhance dealership repair competency. This can help to improve dealership Fix-It-Right-The-First Time (FIRTFT) performance and can lead to increased customer satisfaction. Edits have been incorporated into the Automated Claims Editing System (ACESII) which place each labor operation into one or more of the eight specialty repair categories. When each edit is activated, ACESII will only pay repairs in those applicable specialty categories if the technician who performed the labor operation has successfully completed the applicable STST Training, or if the dealership is shop competent in the primary specialty repair category. The technician training edits are scheduled to be activated in four stages which are noted below.

Edit Timetable

Specialty Repair Category	Date Edits Will be Activated
Electrical (34)	July 1998
Engine Performance (31) (Gasoline Engines)	July 1998
Brakes (38)	July 1999
Climate Control (35)	July 1999
Steering/Suspension (33)	April 2000
Automatic Transmission (37)	April 2000
Engine Repair (32)	July 2000
Manual Transmission (36)	July 2000

Claims Subject to the Edits

The edits will apply to all U.S. Ford and Lincoln-Mercury dealers who perform warranty repairs, After-Warranty-Adjustments, or Service Part Warranty repairs on any Ford, Lincoln, or Mercury cars or light trucks.

The edits will not apply at this time to: Repairs to 600 & Higher Series Trucks, Extended Service Plan (ESP) Repairs, Recalls, Owner Notification Programs, Loss & Damage Claims, Misbuilt Vehicle Claims, or Sublet Repairs.

Marketing Communications Center

For questions about training requirements, about enrolling a technician in a training course, or for assistance with STARS or password resets contact the Marketing Communications Center at 1-800-548-3212.

In-Dealership Warranty Counseling Process

Claims that successfully pass the Technician Training Edit in the ACESII system are still eligible for review and are subject to possible chargeback during any/all stages of the In-Dealership Warranty Counseling Process by Company personnel.

Edit Status Levels

Dealerships will fall under one of four edit status levels within each of the eight specialty repair categories. The four levels are: shop competent, technician fully trained, edit deferred, or no fully trained technicians.

- **Shop Competent** - The dealership has achieved their "minimum number to be trained". Dealerships that have a sufficient number of fully trained technicians to attain their "minimum number to be trained" in a specialty repair category are shop competent, and all dealership technicians are eligible to perform repairs in that specialty repair category.
- **Technician Fully Trained** - The dealership is below their "minimum number to be trained." There is at least one technician within the dealership who is fully trained in the applicable specialty repair category who may perform repairs within that specialty repair category. The fully trained technicians are identified in the monthly reports that will be mailed to the dealers. If a dealership submits a claim with a labor operation(s) for repairs within a specialty repair category, and the dealership is not in an edit deferred period, the technician must be fully trained or ACESII will *not* pay the repair.
- **Edit Deferred** - The technician training edit for the applicable specialty repair category is turned off. The dealer reports will indicate what date the edit(s) will be activated. During the period that a dealer is on edit deferred status, claims submitted in the applicable repair category will not be returned if a technician who is not fully trained performed the repairs. Dealerships will be placed on edit deferred status in the following situations:
  - In instances where a dealership was previously shop competent for a specific specialty, and where the number of fully trained dealer technicians falls below the "minimum number to be trained" on the shop competency report, dealerships will be put on edit deferred status for three months for that specialty.
  - When a dealership goes from one or more fully trained technicians to no fully trained technicians in a specific specialty, dealerships will be put on edit deferred status for a period of six months for that specialty.
  - If there is a STST curriculum change that will require additional technician training, dealerships will be put on edit deferred status for a period of at least six months for the affected specialty.

NOTE: For buy/sell agreements - The new dealer will be put on Edit Deferred status for twelve months from the date the new dealership's P&A code is added to the Global On-Line Dealer Database (GOLDD).

For new dealer points - Dealership shop competency targets will be calculated using an average repairing technician count multiplied by the specialty repair mix in each specialty repair category over a six month period (From dealer appointment date in GOLDD). Once these training requirements have been established, the dealer will receive a letter advising them of their shop competency targets. The dealer will then be placed on edit deferred status for twelve months from the date of the shop competency target letter.

- **No Fully Trained Technicians** - The dealership does not have at least one fully trained technician in the applicable specialty repair category, and the dealership is not on edit deferred status. If a dealership submits a claim with a labor operation(s) for repairs within that specialty category, ACESII will not pay the repair.

Dealership Reports

Dealers will receive two reports on a monthly basis from the Ford Dealership Consolidated Communicator that will list each of the dealership technician's training status/history. The reports also contain the following information:

Report one, which is titled "Dealership Service Technician Specialty Training Requirements - Shop Competency Status," lists:

- Specialty Repair Category
- Number Trained (actual)
- Minimum Number to be Trained
- Service Personnel Name
- Technician Training Status code in each Class
- Classes/Delivery Methods/Course Code (Lists courses remaining to become fully trained)

The status codes (e.g., E=Enroll, Q=Request, etc..) are listed at the bottom of this report.

Report two, which is titled "Technical Training Planner," lists all courses available for each of the eight specialties, the names of all service personnel who have taken at least one course, and the service personnel's status for each course. Dealers should refer to this report for the most current curriculum requirements.

Dealer's shop competency status will be reported via a COMBAT broadcast message each Monday, beginning in July 1998. In instances where the dealership status changes to no fully trained technicians, dealers will also receive a letter advising them of the status change.

Multiple Repairing Technicians or Team System

If more than one technician works on the same repair, the technician training edit will not result in the claim being returned if any of the technicians that performed the repair is fully trained in the applicable specialty repair category. In these instances it is important for a dealer to enter more than one technician identification for the same repair (e.g., labor operation 6007A - Tech ID = 6682 and operation 6007A1 - Tech ID = 7522). In instances where a dealership is shop competent in a specialty repair category, any technician within the dealership is considered eligible to perform the repair.

Standardized Training and Resource System (STARS)

STARS is the single source for information and enrollment in Ford sponsored training and programs; and information about publications.

The system allows Dealerships to:

- Maintain employee information including training history.
- Plan training for employees.
- Wait-list for full classes and make course requests for courses not currently offered.
- Obtain information on an individual's or dealership's past or present participation in programs.
- Access on-line publications catalog.

Accessing STARS through your FORDSTAR Terminal

- On the FORDSTAR terminal, double-click on the Host Dealer Application Icon.
- From the Host Dealer Applications menu, select FCSD Applications by typing B, then press [ENTER].
- From the Ford Application Menu, select STARS by typing E, press [ENTER].
- At the prompt, enter your user ID and password.
- The Dealer Menu will appear.

Enrolling an Employee in a Class

1. Access STARS using the steps noted above.
2. Type 41 on the command line of the Dealer Menu screen, press [ENTER]. The training schedule for your region appears and can be segmented by one or more of the following: Region, Position Group, and Language.
3. If you know the Course Code, [TAB] to the course code field, type the course code, and press [ENTER].
4. If you do not know the course code, [TAB] to the first course title, type the first letter of the course title you wish to enroll in and a space, and press [ENTER]. Use [F8] to page forward and [F7] to page backward.
5. Type an X in the AC [Action Code] column next to the course title, and press [F6]. The employee training enrollment screen appears.
6. To select an employee(s), press [F6]. The employee list screen appears.
7. Type X in the AC column next to each employee name (you may select up to 5 employees), press [F9]. Note: Press [F9] before advancing to another screen.
8. Press [F12] to return to the employee training enrollment screen.
9. Press [ENTER]. The UPDATE SUCCESSFUL message appears.

Viewing an Employee's Training History

1. Type 1 on the command line of the dealer menu screen, press [ENTER]. The employee list screen appears.
2. Type X in the AC column next to the employee name, press [F6]. Note: If the employee is a Service Technician and has ASE certifications, [TAB] to the ASE field and type Y to view ASE history.

Adding an Employee in STARS

1. Type 1 on the command line of the dealer menu screen, press [ENTER]. The employee list screen appears.
2. Press [F10] for a blank employee information screen.
3. Type in the employee's ID number, press [ENTER]. One of the following message appears in the lower left corner of the screen: ID number not found; record found; employee exists at another dealer.

<u>ID NUMBER NOT FOUND</u>

a. Type A on the command line.
b. Type in all applicable fields, press [ENTER]. UPDATE SUCCESSFUL message appears.

<u>RECORD FOUND and status field reads INACTIVE</u>

a. Type A on the command line.
b. Type any missing information or make corrections, press [ENTER]. UPDATE SUCCESSFUL message appears.

<u>EMPLOYEE EXISTS AT ANOTHER DEALER</u>

a. Contact the STARS Marketing Communications Center at 1-800-548-3212

Viewing an Employee's Training Planner

1. Type 1 on the command line of the dealer menu screen, press [ENTER]. The employee list screen appears.
2. Type X in the AC column next to the employee name, press [F2].

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SECTION 2

CARRIER DROP-OFF THROUGH DELIVERY TO CUSTOMER

CARRIER DROP OFF INSPECTION

Receiving and Inspecting New Vehicles

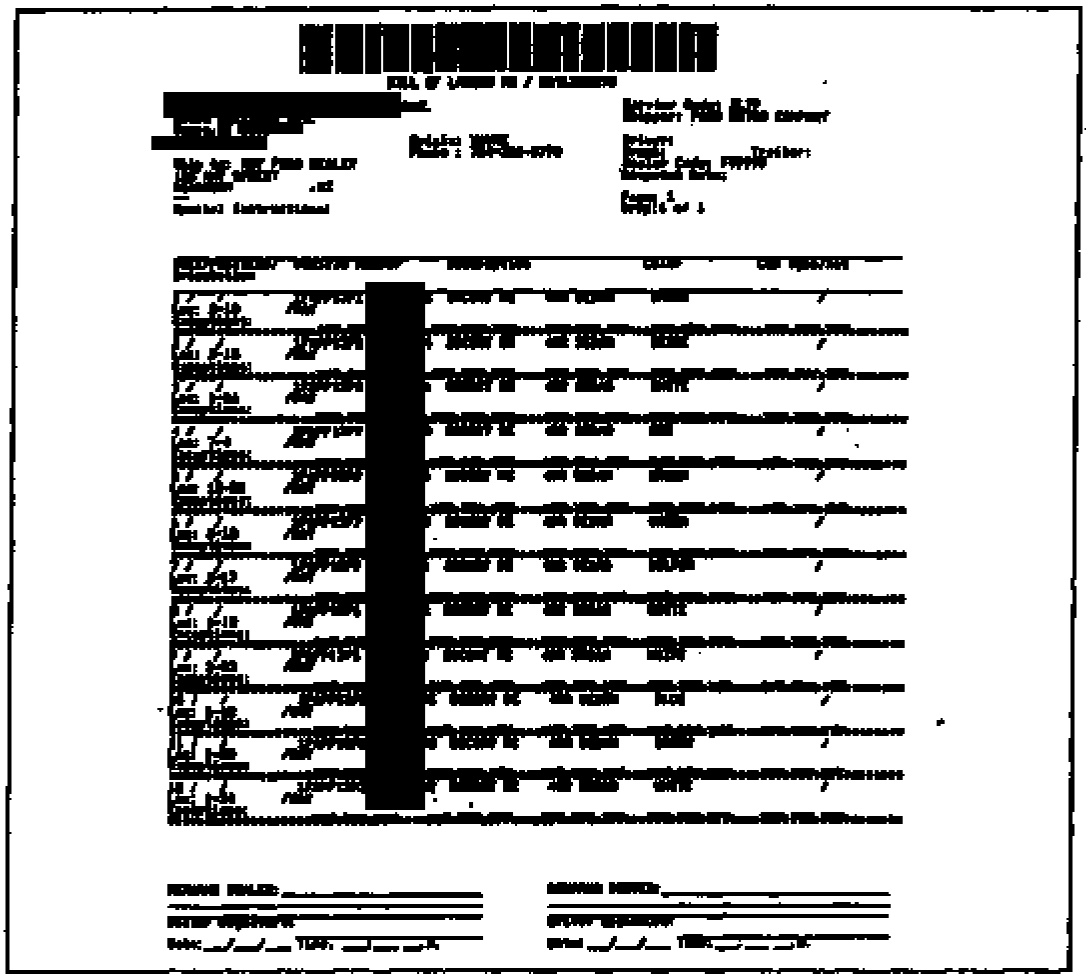
The receipt of vehicles and the regulations for submitting and settling loss and damage claims are governed by the Interstate Commerce Commission (ICC). These regulations protect both the dealer and the carrier.

According to the Ford Sales and Service Agreement, the ordering dealer becomes the owner of a new vehicle when it is turned over to the carrier at the assembly plant. Under this agreement, it is the dealer's responsibility to accept new vehicles unless they are damaged to the point of being worthless.

> **NOTE:** Vehicles sent out on consignment are an exception to this responsibility; they remain the property of Ford Motor Company.

Bill of Lading

The bill of lading is an inspection delivery document used by all carriers. The new document allows for more than one vehicle to be delivered on the same document. Space is provided on the form to allow you to annotate transportation damages, missing items, as well as a remarks section. A card, listing all of the damage codes, is provided to you by the delivering carrier. Other than the exception coding, the form provides the same information as the prior delivery document. An example of the new form and inspection code card are shown on page 2-2 and 2-3.



Coding System for Bill of Lading and Loss & Damage Claims

Use the following five-digit code system to document damage or loss on the Bill of Lading and on the 3715 claim form:

- The first two digits describe the area of damage and / or shortage.
- The next two digits indicate the type of damage.
- The last digit indicates the severity (size of damage area).

The codes and corresponding explanations are included in the New Vehicle Receiving and Inspection Procedures Manual.

> **NOTE:** The New Vehicle Receiving and Inspection Procedures Manual also includes procedures for receiving and inspecting vehicles and photographs of damaged areas with damage type code definitions. Dealership personnel responsible for receipt and inspection must be familiar with this manual.

Dealership Responsibilities When Receiving New Vehicles

DEALER/DRIVER INSTRUCTIONS

The following instructions are provided to allow for an easier understanding of the new one page "Delivery Receipt."

1. The New Delivery Receipt Document will be a three part form with the third part to be given to the dealer following completion.
2. Each Dealer is identified by a unique dealer code and each unique code will generate its own individual Delivery Receipt.
3. There will be a separate delivery receipt for each dealer that is on your load.
4. Five spaces below each V.I.N. is provided for exception information. Refer to your Exception Code Card for proper codings.
5. The far right column titled "Clean" must be completed with a yes or no to indicate the condition of the vehicle at time of delivery. If your answer is "NO" please complete the exception area under the V.I.N. that the exception applies to.
6. The Signature, Date, Time and Remarks section has remained the same and should be completed as normal.
7. There has been no change to the header information; i.e.; Carrier, Ship To, Shipper, etc.
8. Single Drop full loads could result in multiple pages. Be sure all pages are signed.

VEHICLE DAMAGE CODES

00	NO EXCEPTIONS	14	DENTED — PAINT/CHROME NOT DAMAGED
01	BENT	15	MOLDINGS/EMBLEMS/WEATHERSTRIP DAMAGE
02	BROKEN (EXCEPT GLASS)	16	MOLDINGS/EMBLEMS/WEATHERSTRIP LOOSE, MISSING
03	CUT	20	GLASS CRACKED
04	DENTED (PAINT BROKEN)	21	GLASS BROKEN
05	CHIPPED (EXCEPT GLASS, PANEL EDGE)	22	GLASS CHIPPED
06	CRACKED (EXCEPT GLASS)	23	GLASS SCRATCHED
07	GOUGED	24	MARKER LIGHT DAMAGED
08	MISSING (EXCEPT MOLDINGS/EMBLEMS)	25	DECAL/PAINT STRIPE/WOOD GRAIN TRANSFER DAMAGE
09	SCUFFED	30	FLUID SPILLAGE — EXTERIOR
10	STAINED or SOILED INTERIOR	36	CHIPPED PANEL EDGE
11	PUNCTURED	45	INCORRECT PARTITION — NOT AS INVOICED
12	SCRATCHED (EXCEPT GLASS)	37	HARDWARE, EXTERIOR — DAMAGED
13	TORN	38	HARDWARE, EXTERIOR — LOOSE, MISSING

SEVERITY CODES
CODE 0 NO EXCEPTION
CODE 1 UP TO AND INCLUDING 1" LENGTH/DIAMETER
CODE 2 OVER 1" UP TO AND INCLUDING 3" LENGTH/DIAMETER
CODE 3 OVER 3" UP TO AND INCLUDING 6" LENGTH/DIAMETER
CODE 4 OVER 6" UP TO AND INCLUDING 12" LENGTH/DIAMETER
CODE 5 OVER 12" LENGTH/DIAMETER
CODE 6 REPLACEMENT — SEVERE DAMAGE/MISSING

DAMAGE AREA	DMG CODE	DAMAGE AREA	DMG CODE	DAMAGE AREA	DMG CODE
NO EXCEPTIONS	00	RADIO/TAPE/CD	32	CARPET — FRONT	68
ANTENNA	01	REAR END PANEL	33	CENTER POST/PILLAR, RIGHT	69
BATTERY/RACK	02	ROCKER PANEL, LEFT SIDE	34	CENTER POST/PILLAR, LEFT	70
BUMPER/COVER/EXTENSION, FRONT	03	ROCKER PANEL, RIGHT SIDE	35	CORNER POST/PILLAR, RIGHT FRONT	71
BUMPER/COVER/EXT., REAR	04	ROOF	36	CORNER POST/PILLAR, LEFT FRONT	72
BUMPER GUARD/STRIP, FRONT	05	RUNNING BOARD/STEP, LEFT	37	CORNER POST/PILLAR, RIGHT REAR	73
BUMPER GUARD/STRIP, REAR	06	RUNNING BOARD/STEP, RIGHT	38	CORNER POST/PILLAR, LEFT REAR	74
DOOR — BACK CARGO, RIGHT	07	SPARE TIRE/WHEEL	40	CAB PANEL, LEFT SIDE	75
DOOR — BACK CARGO, LEFT	08	FILLER ABOVE BUMPER	41	CAB PANEL, RIGHT SIDE	76
DOOR — CARGO, RIGHT	09	SPLASH PANEL, FRONT	42	CAB PANEL, REAR	77
DOOR, LEFT FRONT	10	SPLASH PANEL, REAR	43	QUARTER PANEL EXTENSION, LEFT REAR	78
DOOR, LEFT REAR	11	GAS TANK	44	QUARTER PANEL EXTENSION, RIGHT REAR	79
DOOR, RIGHT FRONT	12	TAIL LIGHTS/LITES	45	COWL/VENT PANEL	80
DOOR, RIGHT REAR	13	TIRES OTHER THAN SPARE	47	ENDCAP COVER	81
FENDER, LEFT FRONT	14	TRIM PANEL — LEFT FRONT	48	FENDER, LEFT REAR	82
QUARTER PANEL/PU BOX, LEFT	15	TRIM PANEL — RIGHT FRONT	50	FENDER, RIGHT REAR	83
FENDER, RIGHT FRONT	16	DECK LID/TAIL GATE/HATCH BACK	51	TOOLBOX/TONNEAU/... LOCK	84
QUARTER PANEL/PU BOX, RIGHT	17	SUN ROOF/T-TOP	52	CB RADIO/MOBILE PHONE	85
FLOOR MATS — FRONT	18	UNDERCARRIAGE/OTHER	53	AIR CLEANER/...	86
FLOOR MATS — REAR	19	CARGO AREA — OTHER	54	COMPARTMENT FRONT PANEL	87
GLASS WINDSHIELD	20	VINYL/CONVERTIBLE TOP	55	SLEEPER BOX DOOR, LEFT	88
GLASS, REAR	21	WHEEL, COVERS/CAPS/RINGS	57	SLEEPER BOX DOOR, RIGHT	89
GRILL	22	RADIO SPEAKERS	58	FRAME	90
HEADER PANEL OR HOOD EXTENSION	23	WIPERS	59	EXHAUST SYSTEM	91
HEADLIGHTS/CORNER/TURN SIGNAL	24	BOX — INTERIOR — PICK-UP	61	LICENSE BRACKET	92
LAMPS — FOG/DRIVING/SPOT LIGHT	25	CATALYTIC CONVERTER	62	SUSPENSION SYSTEM	93
HEADLINER	26	RAILS — TRUCK SIDE/ROLL BARS	63	SEAT — LEFT FRONT	94
HOOD	27	DEFLECTOR/SPOILER, REAR	64	SEAT — RIGHT FRONT	95
KEYS	28	LUGGAGE RACK (STRIPS)	65	REAR SEAT	96
MIRROR — INSIDE	29	DASHBOARD/INSTRUMENT PANEL	66	CARPET — REAR	97
MIRROR, OUTSIDE LEFT	30	CIGARETTE LIGHTER/ASHTRAY	67	INTERIOR	98
MIRROR, OUTSIDE RIGHT	31			ENGINE COMPARTMENT — OTHER	99

It is the dealer's responsibility to inspect new vehicles received by the dealership and document any damage to the vehicles or any conditions which caused them to differ from the new vehicle order. This includes:

The dealer must:

- Establish a vehicle inspection procedure within the dealership and train adequate personnel to be responsible for receiving new vehicles according to established procedures.
- Inspect each vehicle in the carrier representative's presence.
- Describe all transportation loss and damage on all copies of the bill of lading accurately and in detail.

IMPORTANT: Damages or shortages added to the bill of lading after the carrier representative has received their signed copy and left are not reimbursable from the Company or carrier.

- Sign for delivery by clearly writing the name of the dealer's representative, the date, and the time of delivery.
- Notify the carrier in writing (certified mail with return receipt recommended) within 48 hours (two working days) of all concealed loss or damage discovered after delivery.
- Hold (for the carrier) any parts removed from the vehicle due to transportation damage. (These are called "salvage parts.")

IMPORTANT: Failure to do any of these things will, in most cases, relieve the carrier of liability, making it necessary for Ford to chargeback such claims to the dealer.

Inspection Process at Time of Carrier Drop-Off

- Begin inspection before vehicles are unloaded.
  - Check that vehicles are securely positioned on the carrier.
  - Inspect the undercarriage of upper level vehicles.
- After unloading, walk around the vehicle beginning with the first item on the bill of lading (left quarter panel or left fender) and inspect the exterior, including visible undercarriage areas.
- Verify that equipment and accessories listed on the Loose Contents Checklist are included on the vehicle. The carrier is responsible for only those items listed. An example of the Loose Contents Checklist is shown on the next page.
- Inspect trunk or cargo areas for all parts and/or options stored or transported in this area.
- Inspect the interior including trim panels, headliner, carpets, and upholstery.
- Do not note minor chips, scratches, and other paint blemishes which can be corrected by brush or polish. These minor chips and scratches are included in the predelivery allowance.
- Do not include factory defects which are covered by warranty.

Inspection Process at Time of Carrier Drop-Off (cont'd)

Loose Item Checklist

RA06

B&F Roberts Ford
855 American Road
Novi, MI

2FMDA51USTBA[redacted]

2FMDA51UST[redacted]

2FMDA51USTB[redacted]

LOOSE ITEM CHECKLIST

OAKVILLE
WRAP ACCEPTANCE

FIXED ANTENNA
FRNT FLOORMATS
JACK ASSY
REAR FLOORMATS
SPARE TIRE
WHEEL COVERS

RA06

TBA[redacted]

CAI ______________ WRAP ______________

B&F Roberts Ford
855 American Road
Novi, MI

2FMDA51UST[redacted]