

Ford Motor Company

James P. Vondra, Director
Automotive Safety Office
Environmental & Safety Engineering

Mr. Kenneth N. Weinstein
Associate Administrator for Safety Assurance
National Highway Traffic Safety Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

Dear Mr. Weinstein:

Subject: 1999-2002 Mercury Cougar Fuel Delivery Module (FDM)
Replacement Program 04N02

As the agency is aware, Ford Motor Company (Ford) initiated an FDM replacement program on certain 1999 through 2002 model year Mercury Cougar vehicles on April 8, 2004. The program is essentially identical to the FDM replacement program Ford initiated for 2000 and certain 2001 model year Focus vehicles in November 2003. The Cougar FDM replacement program includes approximately 88,600 vehicles sold in the U.S. and Federalized Territories that were manufactured between May 25, 1999 and November 30, 2001 at Auto Alliance International's Flat Rock Assembly Plant. Because the condition leading to the program is related to fuel quality, it is unknown how many of the vehicles may ultimately be affected.

Consistent with Ford's findings during our prior investigation of Focus driveability complaints, some Cougar vehicles may experience engine hesitation, loss of power, surging, and other similar driveability symptoms as a result of contamination of the FDM filters. Because the contamination of the filters is progressive, they may, over time, become sufficiently blocked to cause the engine to stall. Through customer interviews, vehicle evaluations and laboratory analysis, Ford has confirmed the progressive nature of the condition, which begins with the above noted driveability symptoms. As with the Focus, because of these overt symptoms, drivers are aware of the condition and recognize that keeping the fuel tank at a higher level of fuel or reducing the throttle opening will minimize the driveability symptoms.

Ford's analysis of the effect of the condition on Cougar vehicles is consistent with our earlier analysis of similar complaints involving the affected Focus vehicles, i.e., Cougar drivers are not at greater risk for stalling related accidents. Ford's investigation and testing found that drivers are readily able to maintain vehicle control, even in a stall condition, and that power steering and power braking assist are generally maintained.

Because of the similarity of the Cougar FDM to that on the Focus, and Cougar driveability complaints identified by the agency, Ford did not conduct a complete search for customer and field reports. However, at the time the decision was made to conduct the program on these vehicles, Ford did search for accidents and injuries and found eight alleged minor accidents (six from Ford's review of field reports and two within 54 related vehicle owner questionnaires) with



August 26, 2004

no alleged injuries. Additionally, Ford found 36 lawsuit/claims (all consumer complaints) and approximately 3,700 warranty claims that appear to relate to driveability concerns.

Ford initiated the FDM replacement program on the affected Cougar vehicles as a result of our findings during the course of the agency's investigation of the Focus, customer complaints involving the Cougar vehicles, and the similarity of the FDM used in the Focus to that used in Cougar vehicles. As the agency will recall, Ford undertook an extensive investigation related to Focus driveability issues, including detailed reviews of reported driveability and stalling complaints, interviews with customers, and vehicle and laboratory analysis. Similar to our Focus solution, Ford undertook development of an improved design FDM that could be used in repair of Cougar vehicles. The newly designed FDM is being used in this replacement program.

Ford is offering to replace the FDM in the affected Cougar vehicles at no cost if the vehicle exhibits any of the above noted driveability conditions. This offer is valid for a period of ten years from the original warranty start date of the vehicle, with no limit on the number of miles that the vehicle has been driven.

Ford began mailing owner letters on approximately April 16, 2004. To date, approximately 15,500 FDMs (representing approximately 18% of notified customers) have been replaced. Ford does not plan to make a public statement concerning this program.

Sincerely,



James P. Vondale