

Ford Motor Company

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

July 20, 2004

Mr. George Person, Chief
Recall Management Division (NVS-215)
Office of Defects Investigation
National Highway Traffic Safety Administration
400 Seventh Street, S.W.
Washington, DC 20590

Dear Mr. Person:

**Subject: Safety Recall 04V-328
(Ford Number 04S16)**

Pursuant to the requirements set forth in Part 573 of Title 49 of the Code of Federal Regulations – Defect and Noncompliance Reports, Ford Motor Company is submitting a true or representative copy of information that relates directly to the subject campaign.

Attached are dealer and owner letters issued by Ford Customer Service Division regarding a recall of certain 2003 model year Crown Victoria and Lincoln Town Car vehicles. Specific details were submitted to you in a letter dated July 6, 2004. Owner notification letters were mailed on July 15, 2004.

Sincerely,



J. P. Vondale

Attachment(s)
04S16 Dealer-Owner Bulletin





Frank M. Ligon
Director
Service Engineering Operations
Ford Customer Service Division

Ford Motor Company
P. O. Box 1804
Dearborn, Michigan 48121

July 2004

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

SUBJECT: Safety Recall 04S16:
Certain 2003 Model Year Ford Crown Victoria Police/Commercial and Lincoln Town Car
Vehicles Sold to Fleets
Rear Axle Shaft Fracture

AFFECTED VEHICLES

- Certain 2003 model year Ford Crown Victoria Police/Commercial (Body codes P70, P71 and P72) vehicles built at the St. Thomas Assembly Plant from October 10, 2001 through December 4, 2002.
- Certain 2003 model year Lincoln Town Car vehicles sold to fleets (Body codes M84 and M81 ordered with FIN code) built at the Wixom Assembly Plant from November 14, 2001 through December 3, 2002.

Affected vehicles are identified in OASIS. In addition, for a list of vehicles assigned to your dealership, visit <https://web.fsavinlists.dealerconnection.com>. This information will be available on July 8, 2004.

REASON FOR THIS SAFETY RECALL

Due to significant differences in vehicle design and customer usage, the affected vehicles typically input higher loads into the vehicle chassis during fleet usage, overloading the wheel bearings and axles. This may lead to early bearing failure and ultimately, axle shaft fracture. In the event of axle shaft fracture, the vehicle would lose drive function and would coast to a stop. Loss of drive function could lead to a vehicle crash.

SERVICE ACTION

At no charge to the vehicle owner, dealers are to install an axle repair kit consisting of new rear axle shafts, rear wheel bearings, and rear axle seals. This must be performed on all of the affected vehicles in your inventory as well as vehicles that have been delivered to customers.

Based on our records, vehicles that were previously repaired with axle repair kit 3W1Z-4A109-AA (introduced with Technical Service Bulletin #03-05-05) do not require any further repair and are not included in this program.

PLEASE NOTE:

Correct all vehicles in stock before delivery. Federal law requires dealers to complete any outstanding safety recall service before a new vehicle is delivered to the buyer or lessee. Violation of this requirement by a dealer could result in a civil penalty of up to \$5,000 per vehicle.

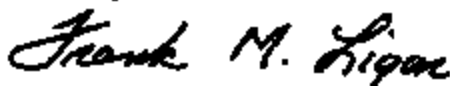
ATTACHMENTS

Attachment I: Administrative Information
Attachment II: Labor Allowances and Parts Ordering Information
Attachment III: Technical Information
Customer Notification Letter

QUESTIONS?

Claims Information: 1-800-423-8851
Special Service Support Center (Dealer Only) Questions: 1-800-325-5821

Sincerely,



Frank M. Ligon

Safety Recall 04816
Certain 2003 Model Year Ford Crown Victoria Police/Commercial and Lincoln Town Car Vehicles
Sold to Fleets
Rear Wheel Bearings, Seals and Axle Shafts

OASIS ACTIVATED? Yes. OASIS will be activated by July 8, 2004.

FSA VIN LIST ACTIVATED? Yes

Available through FMCDealer.com or at <https://web.fsavinlists.dealerconnection.com> by July 8, 2004. Owner names and addresses will be available by July 20, 2004.

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

STOCK VEHICLES

Correct all affected stock vehicles before delivery.

SOLD VEHICLES

- Owners of affected vehicles will be directed to dealers for repairs.
- Immediately contact any of your affected owners whose vehicles are not on your VIN lists but are identified in OASIS. Give the owner a copy of the Customer Notification Letter (when available) and schedule a service date.
- Correct other affected vehicles identified in OASIS which are brought to your dealership.

TITLE BRANDED / SALVAGED VEHICLES

Affected title branded and salvaged vehicles are eligible for this Field Service Action.

RELATED DAMAGE

If a related damage condition exists that you believe to be caused by the covered condition, call the Special Service Support Center to request approval prior to the repair of any related damage. Requests for approval after completion of the repair will not be granted.

ADDITIONAL LABOR TIME

If a condition exists that requires additional labor to complete the repair, call the Special Service Support Center to request approval prior to performing any additional labor. Requests for approval after completion of the repair will not be granted.

Safety Recall 04S16

**Certain 2003 Model Year Ford Crown Victoria Police/Commercial and Lincoln Town Car Vehicles
Sold to Fleets
Rear Wheel Bearings, Seals and Axle Shafts**

OWNER REFUNDS

- Ford Motor Company is offering a refund for owner-paid repairs covered by this recall if the repair was performed prior to the date indicated in the reimbursement plan, which is posted with this bulletin. This plan is also available to owners through the Customer Relationship Center (CRC). The CRC will direct owners to seek reimbursement through authorized dealers or, at their option, directly through Ford Motor Company at P.O. Box 1904, Dearborn, MI 48121.
- Dealers are also authorized to refund owner-paid emergency repairs that were performed away from an authorized servicing dealer after the end date specified in the reimbursement plan. Refund claims that include other non-covered repairs, or those judged by Ford to be excessive, will not be accepted for reimbursement.
- **This safety recall must still be performed, even if the customer has paid for a previous repair. Claiming a refund will not close out the VIN for this recall.**
- Refund Claiming Information (Submit on separate repair line.)
 - Program Code: 04S16
 - Misc. Expense: REFUND
 - Misc. Expense: ADMIN
 - Misc. Expense: 0.2 Hrs.

RENTAL VEHICLES

The use of rental vehicles is not authorized for this program.

CLAIMS PREPARATION AND SUBMISSION

- Enter claims using Direct Warranty Entry (DWE).
- Refund or related damage must be claimed on a repair line that is separate from the repair line on which the FSA is claimed.
- "MT" labor should be submitted on a separate repair line with the related damage flag checked.
- Refer to ACESII manual for claims preparation and submission information.

Safety Recall 04S16

Certain 2003 Model Year Ford Crown Victoria Police/Commercial and Lincoln Town Car Vehicles
Sold to Fleets
Rear Wheel Bearings, Seats and Axle Shafts

LABOR ALLOWANCES

Description	Labor Operation	Labor Time
Replace Rear Axle Shafts and Bearings (Crown Victoria and Town Car)	04S16B	1.5 Hours

PARTS REQUIREMENTS / ORDERING INFORMATION

Parts will not be direct shipped for this recall. Order your parts requirements through normal order processing channels.

Part Number	Description	Quantity
3W1Z-4A109-AA	Shaft Repair Kit	1
XL-3	Friction Modifier (only required on vehicles with traction lock axles) Sold in a package of 12 – 4 fl oz (118. ml) bottles. Approximately 1 in 3 units will require additive.	1 bottle

Shaft Repair Kit Information:

Package Weight 49.80 lbs (22.6 kg)
Pallet Quantity 10
Pallet Weight In excess of 500 lbs (227kg)

Due to the extreme space requirements for the kit, ordering more frequent orders of smaller quantities is recommended.

The DOR/COR for this program is 50324. This number identifies parts ordered for this recall through the Special Service Support Center (1-800-325-5821).

DEALER PRICE

For latest prices, refer to DOES II.

PARTS RETENTION AND RETURN

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

EXCESS STOCK RETURN

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

**CERTAIN 2003 CROWN VICTORIA AND TOWN CAR VEHICLES
USED IN COMMERCIAL SERVICE —
REAR WHEEL BEARINGS, SEALS AND AXLE SHAFT REPLACEMENT**

OVERVIEW

This program involves replacing the rear wheel bearings, seals, axle shafts and fluid in the affected vehicles. Rear Axle Shaft And Bearing Service Kit – 3W1Z-4A109-AA has been developed and includes all parts necessary to complete the repair except for XL-3 Friction Modifier (necessary for Traction-Lok® axles only).

SERVICE PROCEDURE

1. Determine if the vehicle being worked on is equipped with a Traction-Lok® axle. Check the axle identification tag on the rear axle cover. If the vehicle is equipped with Traction-Lok®, obtain one (1) bottle of Friction Modifier (part number XL-3) along with the Rear Axle Shaft And Bearing Service Kit (part number 3W1Z-4A109-AA).
2. Follow the instructions included in the service kit to replace the rear wheel bearings, seals and axle shafts.
 - Seal protectors are provided in the kit to be used during axle shaft installation. Be sure to remove the protectors after the shafts are installed.
 - Remove and clean the magnetic fill plug of any metal shavings. Reinstall the plug and tighten to 30 Nm (22 lb-ft).
 - Install the provided lubricant identification tag onto one of the rear axle cover bolts during cover installation. **BE SURE TO REINSTALL THE ORIGINAL AXLE IDENTIFICATION TAG AS WELL.**



**Ford Motor Company
Recall Reimbursement Plan for 04S16**

Ford Motor Company has historically reimbursed customers for expenses to remedy a safety recall defect or noncompliance that were incurred before the customer was notified of the recall. These reimbursements have been processed through our dealer network, because our dealers are in the best position to quickly and efficiently satisfy these requests. We will continue to provide this service to our customers. However, new federal legislation now requires all motor vehicle manufacturers to establish processes through which customers may alternatively seek recall reimbursement directly from the manufacturer as well as from the dealers.

Regarding the specific reimbursement plan for Recall # 04S16, owners who have paid for service to remedy the defect or noncompliance must have had that service performed prior to 8/9/04 (the "ending date" referred to in the letter below). After this date, if repairs related to this recall are performed by a non-Ford repair facility in an emergency situation, customers must submit any refund requests through their dealership. As required by this federal regulation, Ford Motor Company submitted the details of its General Recall Reimbursement Plan in a letter to the National Highway Traffic Safety Administration (NHTSA) in February 2003. The following is the text of that letter and the Plan:

**General Recall Reimbursement Plan
(As submitted to the NHTSA)**

Pursuant to the requirements set forth in 49 CFR Part 573 and Part 577 of the Code of Federal Regulations, Ford Motor Company (Ford) is submitting required information pertaining to our general reimbursement plan for the cost of remedies paid for by vehicle owners before they are notified of a safety recall.

As the agency is aware, prior to this rule Ford has routinely reimbursed owners for the cost of such pre-notification remedies. Our practice will continue under the new rule with a few minor modifications. Set forth below is Ford's general reimbursement plan to reimburse owners and purchasers for costs incurred for remedies in advance of notification of potential safety-related defects or noncompliance pursuant to Part 573.6(c)(8)(i).

Reimbursement Notification

Ford's notice to a vehicle owner in accordance with 49 CFR Part 577 will indicate that Ford is offering a refund if the owner paid to have service to remedy the defect or noncompliance prior to an ending date. In accordance with Part 573.13 (c)(2), this ending date will be defined as 10 calendar days after the date on which Ford mailed the last of its Part 577 notifications to owners, and will be indicated in the specific reimbursement plan available to owners for an individual recall. This notice will direct owners to seek eligible reimbursement through authorized dealers or, at their option, directly through Ford at the following address:

Ford Motor Company
P.O. Box 1904
Dearborn, MI 48121

Ford notes that this rule allows for the identification of a beginning date for reimbursement eligibility. Under the rule, an owner who paid to remedy the defect or noncompliance prior to the identified beginning date would not be eligible for reimbursement. Ford generally has not established such a beginning date for reimbursement eligibility and does not presently anticipate changing this general policy; however, in any case where Ford determines a beginning date is appropriate, Ford will indicate that date in the owner notice.

Costs to be Reimbursed

For vehicles, reimbursement will not be less than the lesser of:

- The amount paid by the owner for the remedy, or
- The cost of parts for the remedy (to be no more than the manufacturer's list retail price for authorized parts), plus associated labor at local labor rates, miscellaneous fees (such as disposal of waste) and taxes

For replacement equipment, reimbursement will be the amount paid by the owner for the replacement item (limited by the amount of the retail list price of the defective or noncompliant item that was replaced, plus taxes, where the brand or model purchased by the owner was different than the brand or model that was the subject of the recall). If the item of motor vehicle equipment was repaired, the reimbursement provisions identified above for vehicles will apply.

Ford notes that costs incurred by the owner within the period during which Ford's original or extended warranty would have provided for a free repair of the problem will not be eligible for reimbursement, as provided by Part 573.13 (d)(1).

Entities Authorized to Provide Reimbursement

Ford will continue to use authorized dealers to reimburse owners under the specific reimbursement plans for a particular recall, and will encourage owners to pursue requests for reimbursement directly through dealers to expedite reimbursement. Ford will also provide a mailing address to which customers can, at their option, send requests for reimbursement directly to Ford, as previously noted. Requests for reimbursement sent directly to Ford may take up to 60 days to process. Whether the owner chooses to pursue reimbursement requests through a dealer or directly through Ford, the owner will be directed to submit the required documentation, upon which reimbursement eligibility will be determined.

Required Documentation

The reimbursement determination will depend upon the information provided by the customer. Consistent with Part 573.13(d)(4) the following information must be submitted:

- Claimant name and address
- Vehicle make, model and model year
- Vehicle Identification number (VIN) and, for replacement equipment, a description of such equipment or, for tires, the model, size and TIN (DOT code)
- Identification of the recall number (either the Ford recall number or the NHTSA recall number)
- Identification of the owner of the recalled vehicle at the time that the pre-notification remedy was obtained
- A receipt for the pre-notification remedy that includes a breakdown of the amount for parts, labor, other costs and taxes, including costs for the replacement item. Where the receipt covers work other than to address the recall or noncompliance, Ford may require the claimant to separately identify costs that are eligible for reimbursement.
- If the remedy was obtained during the warranty period, documentation indicating that the warranty was not honored or the warranty repair did not correct the problem related to the recall.

Failure to submit all of the above information may result in denial of the reimbursement request.

Additional information

The Part 577 required owner notice will provide a toll-free telephone number through which specific information about the reimbursement plan can be requested from Ford.

This general reimbursement plan will be incorporated into notifications pursuant to Part 573.6 by reference. Information specific to an individual recall also may be incorporated into the Part 573.6 notification.



Frank M. Ligon
Ford Motor Company
P. O. Box 1004
Dearborn, Michigan 48121

July 2004

Safety Recall 04S16
Mr. John Sample
123 Main Street
Anywhere, USA 12345

Your Vehicle Identification Number: 12345678901234567

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

Ford Motor Company has decided that a defect which relates to motor vehicle safety exists in certain 2003 Model Year Ford Crown Victoria Police/Commercial (Body codes P70, P71, P72), and Lincoln Town Car vehicles sold to fleets (Body codes MB4 and MB1 ordered with FIN code).

We apologize for this situation and want to assure you that, with your assistance, we will correct this condition. Our commitment, together with Ford and Lincoln Mercury dealers, is to provide you with the highest level of service and support possible.

What is the issue?

Due to significant differences in vehicle design and customer usage, the affected vehicles typically input higher loads into the vehicle chassis during fleet usage, overloading the wheel bearings and axles. This may lead to early bearing failure and ultimately, axle shaft fracture. In the event of axle shaft fracture, the vehicle would lose drive function and would coast to a stop. Loss of drive function could lead to a vehicle crash.

What will Ford and your dealer do?

Ford Motor Company and your dealer will install new rear axle shafts, rear wheel bearings, and rear axle seals free of charge (parts and labor). We urge you to return to your dealer for this service.

Any vehicles in your fleet that were previously repaired with axle repair kit 3W1Z-4A109-AA (introduced with Technical Service Bulletin #03-05-06) do not require any further repair. Based on our records, previously repaired vehicles have not been included in this program.

How long will it take?

The time needed for this repair is less than one-half day. However, due to service scheduling requirements, your dealer may need your vehicle for a longer period of time.

What are we asking you to do?

To locate a dealer, call 1-800-34FLEET. Representatives are available 8:30AM to 6:00PM Monday through Friday (Eastern Time Zone).

Please note: Federal law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

Have you previously paid for this repair?

If you paid to remedy the issue addressed in this notice, you may be eligible for a refund either through your dealer or directly from Ford Motor Company.

To verify eligibility and expedite reimbursement, give your paid original receipt to your dealer. Refund requests, including all required documentation, may also be mailed to Ford at P.O. Box 1904, Dearborn, Michigan 48121. Refund requests mailed to Ford may take up to 60 days to process.

Detailed information regarding eligibility for Ford's reimbursement program and documentation requirements may be obtained by contacting the Ford Customer Relationship Center at 1-866-436-7332. Owners who have previously paid for this repair are still eligible to have the recall described in this letter performed.

Have you changed your address or sold the vehicle?

If you have, please fill out the enclosed prepaid postcard and mail it to us so we can update our records. If you have sold the vehicle, the information you provide on the postcard will be used to notify the new owner about this recall.

Can we assist you further?

If you have difficulty getting your vehicle repaired promptly and without charge, please contact your dealership's Service Manager for assistance.

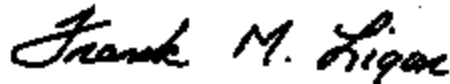
If you still have concerns, please contact the Fleet Customer Information Center at 1-800-34-FLEET and one of our representatives will be happy to assist you. Representatives are available 8:30AM to 6:00PM Monday through Friday (Eastern Time Zone).

Or you may contact us through the internet at www.fleet.ford.com.

If you are still having difficulty getting your vehicle repaired in a reasonable time or without charge, you may write the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street S.W., Washington, D. C. 20590 or call the toll free Auto Safety Hotline at 1-888-327-4236 or 1-800-424-9393.

Thank you for your attention to this important matter.

Sincerely,



Frank M. Ligon
Director
Service Engineering Operations