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Director
Service Engineering Operations
Ford Customer Service Division

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

July 2, 2007

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

SUBJECT: DEMONSTRATION / DELIVERY HOLD: Safety Recall 07S54 - Supplement #2:
Certain 2007 Town Car and 2008 Crown Victoria and Grand Marquis Vehicles
Front Wheel Bearing and Hub Assembly Inspection

REF: Safety Recall 07S54-S1 dated June 12, 2007

REF: Dealer Announcement dated October 26, 2001, Special Handling Procedure (posted
with this program)

New!

REASON FOR THIS SUPPLEMENT

This dealer bulletin is being supplemented for the following reasons:

- *Update the Front Wheel Bearing and Hub Assembly affected build date code.*
- *Notify dealers that vehicles that were previously inspected and/or repaired under the terms of this program will require an additional inspection and/or repair. This supplement contains updated technical instructions (Attachment III) with the new component build date code information.*
- *Provide dealers with new labor operation codes for "inspect and release" for those vehicles not affected, and "inspect and hold" for those vehicles that do not pass the new inspection.*
- *Add additional affected vehicles.*
- *Notify dealers to stop replacing Wheel Bearing and Hub Assemblies on vehicles that do not pass inspection until new parts are available.*
- *Notify dealers of a "Stop Sale" of 7W1Z-1104-A Wheel Bearing and Hub Assembly due to a manufacturing defect.*
- *Request that dealers return all stock of 7W1Z-1104-A Wheel Bearing and Hub Assemblies.*

New!

AFFECTED VEHICLES

Certain 2007 model year Town Car vehicles built at the Wixom Assembly Plant from May 15, 2007 through June 5, 2007, and certain 2008 Crown Victoria and Grand Marquis vehicles built at the St. Thomas Assembly Plant from May 16, 2007 through June 25, 2007. 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 has been updated and is available on July 2, 2007.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, a Front Wheel Bearing and Hub Assembly may fracture due to improper heat treatment. If a hub fractures, it may potentially detach from the wheel knuckle, resulting in the wheel being retained only by the brake caliper assembly. As a result, the wheel may separate from the vehicle, potentially resulting in a crash.

New!

SERVICE ACTION

Before demonstrating or delivering any of the affected vehicles involved in this safety recall, dealers are to IMMEDIATELY INSPECT both Front Wheel Bearing and Hub Assemblies for specific build date codes or the absence of a build date code. **Do not demonstrate or deliver affected vehicles that remain in your new vehicle inventory unless the vehicle has passed the attached inspection.** Those vehicles that do not pass the inspection must have the affected Wheel Bearing and Hub Assembly replaced. This service must be performed on affected vehicles at no charge to the vehicle owner.

A supplemented Dealer Bulletin will be provided to dealers mid July 2007, when it is anticipated that new parts and parts ordering information will be available.

NOTE: Vehicles that have been inspected and/or repaired prior to the date of this supplement must be re-inspected and/or repaired. If you have already inspected and/or repaired an affected vehicle before the date of this supplement, please open a new repair order and re-inspect both Front Wheel Bearing and Hub Assemblies build date codes. Refer to Attachment III for updated build date code information.

PLEASE NOTE:

Federal law requires dealers to complete this 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 \$6,000 per vehicle. Correct all vehicles in your new vehicle inventory before delivery.

New!

CUSTOMER NOTIFICATION

Owners of record that had this safety recall performed prior to the date of this supplement will be notified to return to their dealership to have their vehicle re-inspected and/or repaired.

SPECIAL HANDLING PROCEDURE

The Special Handling Procedure has been activated for all Lincoln owners affected by this program. Please see dealer announcement dated 10/26/01, Special Handling Procedure. This special handling procedure provides additional allowance to enable dealers to improve customer satisfaction.

Lincoln is asking for your support and the cooperation of your sales and service teams to make this a positive experience for our Lincoln Town Car customers.

New!

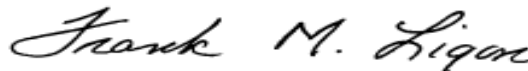
ATTACHMENTS

Attachment I: Administrative Information
Attachment II: Labor Allowances and Parts Ordering Information
Attachment III: Technical Information
Customer Notification Letter
Customer Hand-out
Special Handling Procedure

QUESTIONS & ASSISTANCE

Special Service Support Center (Dealer Only)1-800-325-5621

Sincerely,



Frank M. Ligon

DEMONSTRATION / DELIVERY HOLD: Safety Recall 07S54-Supplement #2:
Certain 2007 Town Car and 2008 Crown Victoria and Grand Marquis Vehicles
Front Wheel Bearing and Hub Assembly Inspection

New!

OASIS ACTIVATED?

Yes, OASIS was activated on June 7, 2007 for the original population of vehicles.

NOTE: The vehicles that had this safety recall completed prior to the date of this supplement, and the new population of affected vehicles, will be activated in OASIS July 2, 2007.

New!

FSA VIN LIST ACTIVATED?

Yes, available through FMCDDealer.com or at <https://web.fsavinlists.dealerconnection.com> on July 2, 2007.

Owner names and addresses will be available by July 23, 2007 for all affected vehicles.

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.

New!

STOCK VEHICLES

- *Affected stock vehicles that had this safety recall completed prior to the date of this supplement will require re-inspection and/or repair.*
- Do not demonstrate or deliver affected vehicles that remain in your new vehicle inventory until this safety recall has been completed.
- Those vehicles that do not pass the inspection must have the affected Wheel Bearing and Hub Assembly replaced prior to demonstrating or delivery.

New!

SOLD VEHICLES

- *Owners of affected vehicles that had this safety recall completed prior to the date of this supplement will be notified to return to their dealership for re-inspection and/or repair once parts are available.*
- Owners of affected vehicles will be directed to dealers for inspection/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 and schedule a service date. Note: Lincoln owners should receive the "Special Handling Procedure." To familiarize yourself, please review Special Handling Procedure before calling owners.
- Correct other affected vehicles identified in OASIS which are brought to your dealership.
- Those vehicles that do not pass the inspection must have the affected Wheel Bearing and Hub Assembly replaced. This service must be performed on all affected vehicles at no charge to the vehicle owner.

TITLE BRANDED / SALVAGED VEHICLES

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

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RELATED DAMAGE

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

ADDITIONAL LABOR TIME

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

RENTAL VEHICLES

If Wheel Bearing and Hub Assembly replacement is necessary, Ford will pay for a rental vehicle, except for fuel and insurance, which will be at the owner's expense. Follow Extended Service Plan (ESP) guidelines for rental dollar amounts. Enter the word "RENTAL" plus the number of days the vehicle was used in the Miscellaneous Expense area of the recall claim form.

CLAIMS PREPARATION AND SUBMISSION

- Enter claims using Direct Warranty Entry (DWE).
- Related damage must be claimed on a repair line that is separate from the repair line on which the FSA is claimed. Related damage requires approval from Special Service Support Center.
- "MT" labor should be submitted on a separate repair line with the related damage flag checked. "MT" labor requires approval from Special Service Support Center.
- Refer to ACESII manual for claims preparation and submission information.
- To claim for "Special Handling," follow the instructions on page two of dealer announcement dated 10/26/01.

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 Front Wheel Bearing and Hub Assembly Inspection

LABOR ALLOWANCES (Vehicles without Fire Suppression)

Description	Labor Operation	Labor Time
<i>Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes (Vehicle not affected)</i>	<i>07S54L This Labor Op <u>will</u> <u>close</u> the recall</i>	<i>0.6 Hour</i>
<i>Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes (Vehicle affected - HOLD VEHICLE)*</i>	<i>07S54T This Labor Op <u>will</u> <u>not close</u> the recall</i>	<i>0.7 Hour</i>
Special Handling Applies to Lincoln Vehicles Only	Misc. Expense Code "SCHP"	See Special Handling

LABOR ALLOWANCES (Vehicles with Fire Suppression)

Description	Labor Operation	Labor Time
<i>Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes (Vehicle not affected)</i>	<i>07S54P This Labor Op <u>will</u> <u>close</u> the recall</i>	<i>0.8 Hour</i>
<i>Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes (Vehicle affected - HOLD VEHICLE)*</i>	<i>07S54U This Labor Op <u>will</u> <u>not close</u> the recall</i>	<i>0.7 Hour</i>

**A supplemented Dealer Bulletin will be provided to dealers mid July, 2007, when it is anticipated that new parts and parts ordering information will be available.*

NOTE: Labor Operations 07S54E, 07S54F, 07S54G, 07S54H, 07S54J, and 07S54K have been eliminated. ACES will not accept any of these labor operations with a repair date of July 4, 2007 or later. New labor operation codes will be provided when new parts become available.

New!

PARTS REQUIREMENTS / ORDERING INFORMATION

Front Wheel Bearing and Hub Assemblies are expected to be available mid July 2007.

The part number for the caliper bolts is being provided for those vehicles that pass inspection. Parts will not be direct shipped for this program. Order your parts requirements through normal order processing channel.

Part Number	Description	Quantity
W707589-S439	Caliper Bolts (4 bolts/vehicle)	1(pack of 4)

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

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New!

PARTS RETURN REQUIREMENT

FCSD is announcing a "Stop Sale" of 7W1Z-1104-A Wheel Bearing and Hub Assembly due to a manufacturing defect. Please remove this part from your inventory and return to Ford by filing a "CD - manufacturing defect" claim through your PCS system. All claims must be filed by July 13, 2007.

DEALER PRICE

For latest prices, refer to DOES II.

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 2007 MODEL YEAR TOWN CAR AND 2008 MODEL YEAR CROWN VICTORIA, GRAND MARQUIS VEHICLES — WHEEL BEARING AND HUB ASSEMBLY BUILD DATE INSPECTION

OVERVIEW

ATTENTION!

- **These instructions have been updated with new affected date codes.**
- **Parts for this Safety Recall are anticipated to be available for dealers to order mid-July.**

This program involves inspecting both the right and left front wheel bearing and hub assembly build dates and replacing the wheel bearing and hub assembly(s), if necessary.

INSPECTION

WARNING: BEFORE SERVICING A VEHICLE EQUIPPED WITH A FIRE SUPPRESSION SYSTEM, DEPOWER THE SYSTEM BY FOLLOWING THE PROCEDURE IN SECTION 419-03 IN THE WORKSHOP MANUAL. FAILURE TO FOLLOW THE INSTRUCTIONS MAY RESULT IN SERIOUS PERSONAL INJURY.

WARNING: SHUT OFF THE ELECTRICAL POWER TO THE AIR SUSPENSION SYSTEM PRIOR TO HOISTING OR JACKING AN AIR SUSPENSION EQUIPPED VEHICLE. FAILURE TO DO SO MAY RESULT IN UNEXPECTED INFLATION OR DEFLATION OF THE AIR SPRINGS, WHICH MAY RESULT IN SHIFTING OF THE VEHICLE DURING THESE OPERATIONS. FAILURE TO FOLLOW THIS INSTRUCTION MAY RESULT IN SERIOUS PERSONAL INJURY.

1. If equipped, turn the air suspension service switch to the OFF position.
2. With the vehicle in NEUTRAL, position it on a hoist.
3. Remove the front tire and wheel assemblies.
4. Remove and discard the LH and RH anchor plate bolts and position aside the caliper and anchor plate assemblies. Support the caliper and anchor plate assemblies using mechanic's wire.
5. Remove the brake rotors.
6. If necessary, clean and/or remove rust to view the date code located on the wheel bearing and hub assembly flange end.



7. Inspect the wheel bearing hub assembly build date codes on the wheel bearing and hub assembly flange edge. See Figure 1.
 - *If the build date code is Julian date 128 or lower, the wheel bearing and hub assembly(s) do not need to be replaced. Proceed to the next step.*
 - *If the build date code is not present or has a Julian date of 129 or higher, hold the vehicle until parts become available.*

NOTE: Julian date is the day of the year. **EXAMPLE: 129 = May 9**

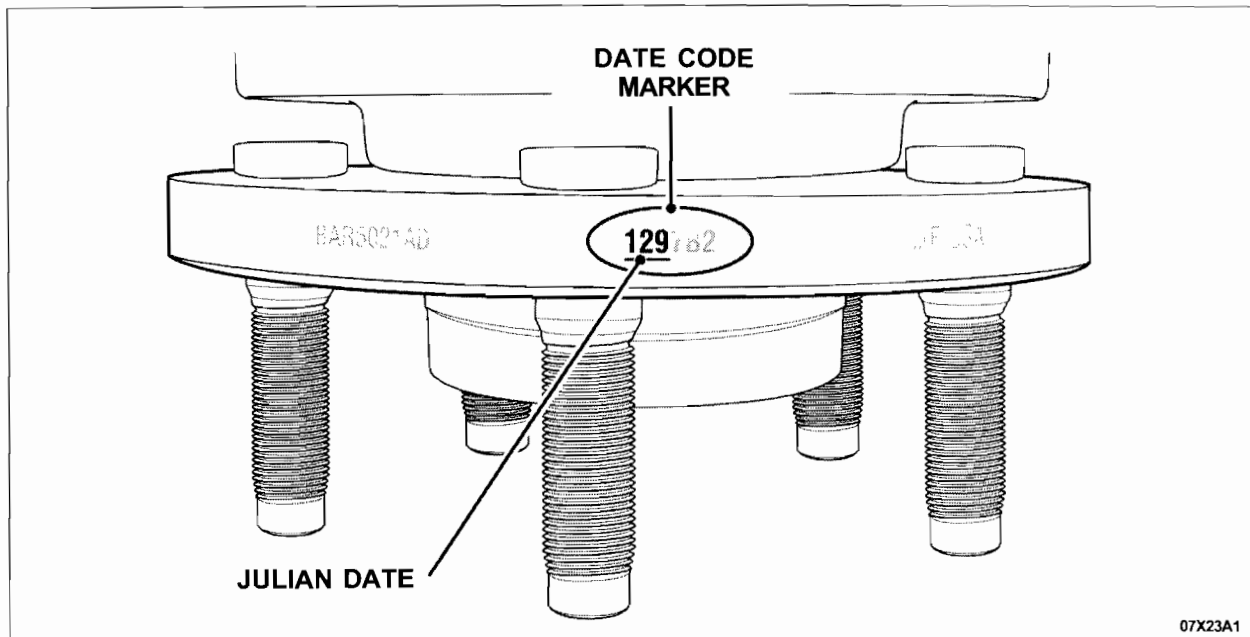


FIGURE 1

8. Install the brake rotors.
9. Install the LH and RH caliper and anchor plate assemblies and tighten the **new** bolts to 160 Nm (118 lb-ft).
10. Install the front tire and wheel assemblies and tighten the nuts to 135 Nm (100 lb-ft).
11. Release the vehicle to the customer if it passed the inspection.





Frank M. Ligon
Ford Motor Company
P. O. Box 1904
Dearborn, Michigan 48121

July 2007

Safety Recall 07S54

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 2007 Lincoln Town Car, and certain 2008 Crown Victoria and Grand Marquis Vehicles.

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.

What is the issue? On your vehicle, it may be possible that a Front Wheel Bearing and Hub Assembly may fracture due to improper heat treatment. If a hub fractures, it may potentially detach from the wheel knuckle, resulting in the wheel being retained only by the brake caliper assembly. As a result, the wheel may separate from the vehicle potentially resulting in a crash.

What will Ford and your dealer do? Ford Motor Company has authorized your dealer to inspect both Front Wheel Bearing and Hub Assemblies on your vehicle. If one or both Wheel Bearing and Hub Assemblies were built within the affected build dates, your dealer will replace them free of charge (parts and labor).

How long will it take? The time needed for this inspection/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. In addition, your vehicle will require inspection prior to determining if parts need to be ordered.

What are we asking you to do? Please call your dealer without delay and request a service date for Recall 07S54. Provide the dealer with the Vehicle Identification Number (VIN) of your vehicle. The VIN is printed near your name at the beginning of this letter.

The vehicle owner is responsible for having this service action performed. Ford Motor Company reserves the right to deny coverage for any vehicle damage that may result from failure to have this recall performed on a timely basis. Therefore, please have this recall performed as soon as possible.

RETAIL OWNERS: If you do not already have a servicing dealer, you can access <http://www.genuineservice.com> for dealer addresses, maps, and driving instructions.

FLEET OWNERS: If you do not already have a servicing dealer, you may access our Dealer Locator on <https://www.fleet.ford.com> for dealer addresses, maps, and driving instructions.

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.

What if you no longer own this vehicle?

If you no longer own this vehicle, and have an address for the current owner, please forward this letter to the new owner.

You received this notice because government regulations require that notification be sent to the last known owner of record. Our records are based primarily on state registration and title data, which indicate that you are the current owner.

Can we assist you further?

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

RETAIL OWNERS: If you still have concerns, please contact the Ford Motor Company Customer Relationship Center at 1-866-436-7332 and one of our representatives will be happy to assist you. For the hearing impaired call 1-800-232-5952 (TDD). Office Hours are Monday through Friday: 8:00AM - 5:00PM (Your Local Time).

If you wish to contact us through the Internet, our address is: www.ownerconnection.com.

FLEET OWNERS: If you still have concerns, please contact the Fleet Customer Information Center at 1-800-34-FLEET, Option #3 and one of our representatives will be happy to assist you. Representatives are available Monday through Friday: 8:30AM to 5:00PM (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, 1200 New Jersey Ave. SE. Washington, D. C. 20590 or call the toll free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153) or go to <http://www.safercar.gov>.

Thank you for your attention to this important matter.

Sincerely,



Frank M. Ligon
Director
Service Engineering Operations