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July 19, 2007

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

SUBJECT: DEMONSTRATION / DELIVERY HOLD: Safety Recall 07S54 - Supplement #3:
Certain 2007 Town Car and 2008 Crown Victoria and Grand Marquis Vehicles
Front Wheel Bearing and Hub Assembly Inspection

REF: Safety Recall 07S54-S2 dated July 2, 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 to announce that parts will be available the week of July 30, 2007 to repair vehicles. This supplement contains the following additional information:

- Provide new Labor Operations for installing new Wheel Bearing and Hub Assemblies when parts become available.*
- Notify dealers that Labor Operations 07S54T and 07S54U will be eliminated when parts become available.*
- Parts ordering information (Attachment II).*
- Technical instructions (Attachment III) for inspecting and, if necessary, replacing the Wheel Bearing and Hub Assembly.*

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 was made 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.

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.

NOTE: Vehicles that have been inspected and/or repaired prior to July 2, 2007 must be re-inspected and/or repaired. If you have already inspected and/or repaired an affected vehicle before July 2, 2007, 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.

CUSTOMER NOTIFICATION

- Owners of record that had this safety recall preformed prior to July 2, 2007 will be notified via first-class mail to return to their dealership to have their vehicle re-inspected and/or repaired.
- The additional affected owners of record will be notified via first-class mail to schedule a service appointment with their dealership to have their vehicle inspected.

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 Letters*
- 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 #3:
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Front Wheel Bearing and Hub Assembly Inspection

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 July 2, 2007, and the new population of affected vehicles, were activated in OASIS on July 2, 2007.

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.

STOCK VEHICLES

- Affected stock vehicles that had this safety recall completed prior to July 2, 2007 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.

SOLD VEHICLES

- Owners of affected vehicles that had this safety recall completed prior to July 2, 2007 will be notified to return to their dealership for re-inspection and/or repair.
- 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 safety 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 prior 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 prior 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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LABOR ALLOWANCES (Vehicles without Fire Suppression)

Description	Labor Operation	Labor Time
Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes (includes Brake Caliper Anchor Plate Bolts) (Vehicle not affected)	07S54L	0.6 Hour
Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes* (Vehicle affected - HOLD VEHICLE)	07S54T This Labor Op <u>will</u> <u>not close</u> the recall*	0.7 Hour
New! <i>Inspect and Replace 1 (one) Wheel Bearing and Hub Assembly (includes Brake Caliper Anchor Plate and Hub Bolts)</i>	<i>07S54M</i>	<i>0.8 Hour</i>
New! <i>Inspect and Replace 2 (two) Wheel Bearing and Hub Assemblies (includes Brake Caliper Anchor Plate and Hub Bolts)</i>	<i>07S54N</i>	<i>1.0 Hour</i>
Special Handling (Lincoln Vehicles Only)	Misc. Expense Code "SCHP"	See Special Handling Procedure

LABOR ALLOWANCES (Vehicles with Fire Suppression)

Description	Labor Operation	Labor Time
Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes (includes Brake Caliper Anchor Plate Bolts) (Vehicle not affected)	07S54P	0.8 Hour
Inspect Both Front Wheel Bearing and Hub Assembly Build Date Codes* (Vehicle affected - HOLD VEHICLE)	07S54U This Labor Op <u>will</u> <u>not close</u> the recall*	0.7 Hour
New! <i>Inspect and Replace 1 (one) Wheel Bearing and Hub Assembly (includes Brake Caliper Anchor Plate and Hub Bolts)</i>	<i>07S54R</i>	<i>1.1 Hour</i>
New! <i>Inspect and Replace 2 (two) Wheel Bearing and Hub Assemblies (includes Brake Caliper Anchor Plate and Hub Bolts)</i>	<i>07S54S</i>	<i>1.2 Hour</i>

New!

*NOTE: Labor Operations 07S54T and 07S54U will be eliminated when parts become available the week of July 30, 2007. ACES will not accept labor operations T or U with a repair date of August 3, 2007 or later.

DEMONSTRATION / DELIVERY HOLD: Safety Recall 07S54-Supplement #3:
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 Front Wheel Bearing and Hub Assembly Inspection

New!**PARTS REQUIREMENTS / ORDERING INFORMATION**

Parts will not be direct shipped for this program. Order your parts requirements through normal order processing channel for the Brake Caliper Anchor Plate Bolts.

Order your Wheel Bearing and Hub Assembly and Hub bolt requirements through normal order processing channels beginning the week of July 30, 2007.

Part Number	Description	Quantity
7W1Z-1104-A	Wheel Bearing and Hub Assembly	1
W709529-S437	Wheel Bearing and Hub Assembly Bolts (4 bolts per hub)	1(pack of 4)
W707589-S439	Brake Caliper Anchor Plate Bolts (4 bolts per 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.

New!**PARTS RETURN REQUIREMENT**

Affected Wheel Bearing and Hub Assemblies (7W1Z-1104-A) are subject to random selection for return to the Ford Warranty Parts Analysis Center (WPAC). Refer to your daily PEARS (Parts Entry and Return System) register for part disposition and return instructions.

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

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

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 through 181, proceed to the Front Hub Service Procedure in this Attachment III to install new wheel bearing and hub assembly(s).**

NOTE: Inspect the Julian date on the **new** wheel bearing and hub assembly prior to installation. It must have a Julian built date of 128 and lower or 182 and higher.

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

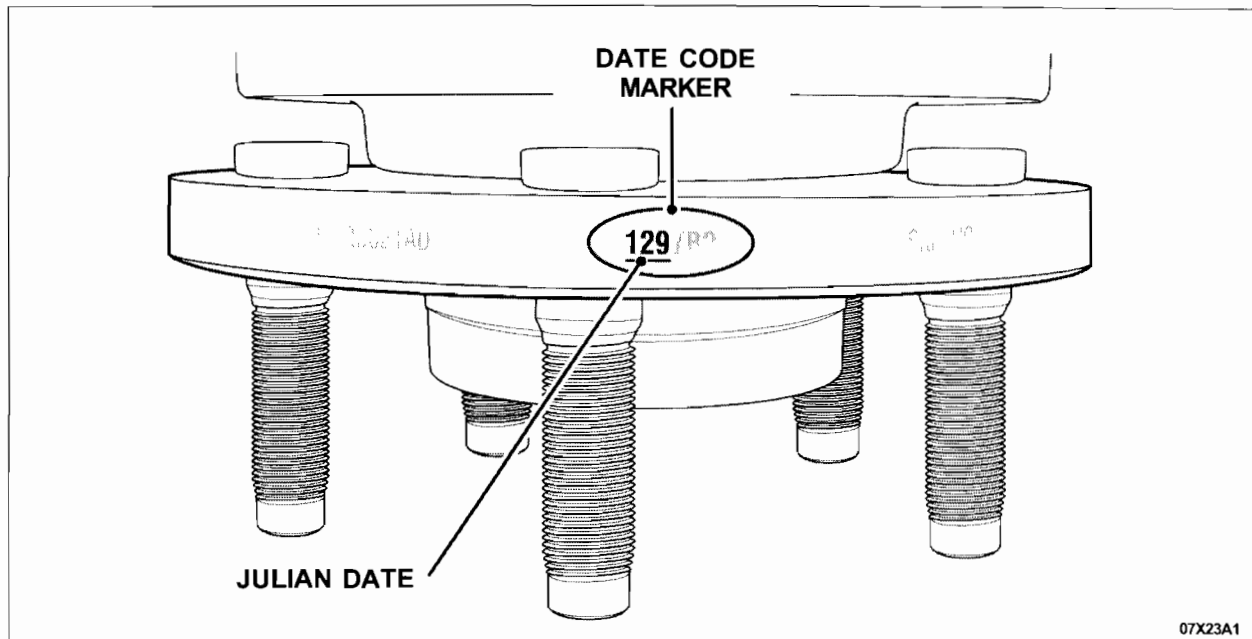


FIGURE 1

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. If equipped, turn the air suspension ON and/or repower the fire suppression system.
12. Release the vehicle to the customer if it passed the inspection.



FRONT WHEEL BEARING AND HUB ASSEMBLY SERVICE PROCEDURE

1. Peel back the rubber splash shield and disconnect the wheel speed sensor electrical connector.
2. Remove and discard the bolts and remove the wheel bearing and hub assembly.

NOTE: Inspect the Julian date on the **new** wheel bearing and hub assembly prior to installation. It must have a Julian built date of 128 and lower or 182 and higher.

3. Install the **new** wheel bearing and hub assembly and **new** bolts. Tighten the **new** bolts to 120 Nm (89 lb-ft).

CAUTION: To avoid sensor or wiring damage, be sure to correctly route the wheel sensor wiring in front of the stabilizer bar.

4. Connect the wheel speed sensor and reinstall the rubber splash shield.
5. Install the brake rotor.
6. Install the caliper and anchor plate assemblies and tighten **new** bolts to 160 Nm (118 lb-ft).
7. Install the front tire and wheel assemblies and tighten the nuts to 135 Nm (100 lb-ft).
8. If equipped, turn the air suspension ON and/or repower the fire suppression system.

