

Michael A. Berardi Director Service Engineering Operations Ford Customer Service Division Ford Motor Company P. O. Box 1904 Dearborn, Michigan 48121

April 9, 2008

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

SUBJECT: DEMONSTRATION / DELIVERY HOLD Safety Recall 08S04: Certain 2008 Model Year Econoline E350 Vehicles - Driveshaft Inspection/Replacement

AFFECTED VEHICLES

Certain 2008 model year Econoline E350 vehicles built at the Ohio Assembly Plant from September 1, 2007 through December 14, 2007. Affected vehicles are identified in OASIS. In addition, for a list of vehicles assigned to your dealership, visit <u>https://web.fsavinlists.dealerconnection.com</u>. This information will be available on April 9, 2008.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, the driveshaft slip yoke may have casting porosity. A driveshaft slip yoke with a porous casting has decreased strength and may fatigue and eventually break. If the slip yoke breaks, the front of the driveshaft will become disconnected from the transmission without warning and may result in a loss of vehicle control and increase the risk of a vehicle crash.

SERVICE ACTION

Dealers are to check the driveshaft slip yoke date code. If the date code is 7181 through 7379, the driveshaft must be replaced. This service must be performed on affected vehicles at no charge to the vehicle owner. Do not demonstrate or deliver affected vehicles that remain in your new vehicle inventory until this safety recall has been completed.

OWNER NOTIFICATION MAILING SCHEDULE

Owners of affected vehicles will be notified in mid-April 2008. Dealers should repair any affected vehicles that arrive at their dealerships, whether or not the customer has received a letter.

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.

LOW VOLUME PROGRAM

This recall is being processed as a Low Volume Program. The Customer Notification Letter directs owners to contact the Program Assistance Center to arrange for this service. We will advise you via CuDL (Customer Data Link) of the owners that choose your dealership to perform the service provided by this recall. The parts will be ordered for your dealership by the Program Assistance Center.

If notified via CuDL, you are requested to contact the owner and arrange for a service appointment. The Program Assistance Center will advise owners that you will contact them within the next two business days.

ATTACHMENTS

Attachment I:Administrative InformationAttachment II:Labor Allowances and Parts Ordering InformationAttachment III:Technical InformationCustomer Notification Letter

QUESTIONS & ASSISTANCE

Special Service Support Center (Dealer Only)	.1-800-325-5621
Program Assistance Center (to order parts)	.1-800-248-0186

Sincerely,

Lad Mm le fensi

Michael A. Berardi

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OASIS ACTIVATED?

Yes, OASIS will be activated by April 9, 2008.

FSA VIN LIST ACTIVATED?

Yes, FSA VIN list will be available through <u>https://web.fsavinlists.dealerconnection.com</u> by April 9, 2008. Owner names and addresses will be available by May 2, 2008.

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 units in your new vehicle inventory 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. 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.

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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.

OWNER REFUNDS

Refunds are not authorized for this program.

RENTAL VEHICLES

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

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 the 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 the Special Service Support Center.
- Refer to ACESII manual for claims preparation and submission information.

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LABOR ALLOWANCES

Description	Labor Operation	Labor Time
Inspect Only – No Repair required (This will close the program. No other labor operations can be claimed)	08S04A	0.2 Hr
Inspect Slip Yoke and Replace the Driveshaft (This will close the program, and cannot be claimed with any other labor operation)	08S04B	0.5 Hr

For vehicles where the part must be ordered by the dealer upon inspection only:

Description	Labor Operation	Labor Time
Inspect and Order a Driveshaft (Must be claimed on a separate repair order from 08S04F. The program will remain open until 08S04F is claimed)	08S04E	0.2 Hr
Replace the Driveshaft (Must be claimed after 08S04E was claimed on a previous repair order. This will close the program)	08S04F	0.4 Hr

PARTS REQUIREMENTS / ORDERING INFORMATION

CUSTOMER VEHICLES:

Parts will be shipped to your dealership according to the procedures established for "Low Volume Programs". DO NOT order parts, except for dealer stock units (Refer to "Low Volume Programs").

Note: When the customer calls the Program Assistance Center, the correct parts will be automatically sent to the dealer of their choice. This will avoid having the customer return to the dealer if the vehicle fails the inspection. It is estimated that approximately 90% of the affected vehicles will require driveshaft replacement. Unused parts may be returned for credit. (See "Excess Stock Return" below).

STOCK VEHICLES:

Do not demonstrate or deliver affected vehicles that remain in your new vehicle inventory until this safety recall has been completed. First, inspect all affected new vehicles to determine parts requirements. Then, contact the Program Assistance Center at 1-800-248-0186 to order parts. When calling this number, identify Safety Recall 08S04 and have the VIN of the dealer(s) stock vehicle to be serviced.

Part Number	Description	Quantity
5C2Z-4602-DA	Driveshaft Assembly (6.8L Equipped Vehicles)	1
4C2Z-4602-HA	Driveshaft Assembly (6.0L Diesel Equipped Vehicles)	1
5C2Z-4602-BA	Driveshaft Assembly (5.4L Equipped Vehicles)	1
N811880-S100	Companion Flange Bolt (4 bolts per package)	1

The DOR/COR number for this safety recall is 50395.

Questions regarding parts should be directed to the Program Assistance Center (800-248-0186) or E-mailed to: Ford@Renkim.com.

DEALER PRICE

For latest prices, refer to DOES II.

ATTACHMENT II

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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 2008 MODEL YEAR ECONOLINE E350 VEHICLES — DRIVESHAFT INSPECTION/REPLACEMENT

OVERVIEW

This program involves identifying the driveshaft slip yoke by inspecting the Julian date and, if necessary, replacing the driveshaft assembly.

INSPECTION

1. Locate and identify the Julian date on the driveshaft yoke. See Figure 1.





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- 2. NOTE: The 4-digit Julian date will appear as 2 sets of 2 numbers on the slip yoke U-joint saddle.
 - If the Julian date is 7181 through 7379, proceed to the Service Procedure for driveshaft replacement. See Figure 2.
 - If the Julian date is not 7181 through 7379, the inspection is complete and driveshaft replacement is not necessary.

NOTE: The Julian date shown in Figure 2 represents "7362" which is between 7181 through 7379. In this example, the driveshaft would need to be replaced.

NOTE: New replacement drives hafts may have a slip yoke with a date code that appears to be within the affected dates. These slip yokes have passed an inspection and have a pink paint mark, indicating they do not have the issue associated with this recall.



SERVICE PROCEDURE

1. If OASIS and the inspection has confirmed that the driveshaft must be replaced, refer to the appropriate WSM for Driveshaft-Rear, One-Piece Removal and Installation.



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All Dealer Letter Part Procurement Process for Low Volume Programs



• With existing procedures, there is a cost to the Company and the Dealers (handling, returning, scrapping, etc.).

What's "Small Volume"?

• Generally, recalls, or CSP's involving 5,000 or fewer vehicles.

What We Propose

- Procedures to better manage "Parts-To-Affected-Vehicle" process.
- Vehicle owner (retail customer/fleet/dealer) requested to contact a "process facilitator" via a special 1-800 toll-free line or with a special postcard provided with the owner letter.
- Process facilitator verifies VIN/Owner information and works with owner (or dealer) to identify repairing dealer.
- Process facilitator inputs part order and send a MORS III message with Customer/VIN/part shipping information to the identified repairing dealer.
- Dealer would be charged for the part at the lowest acquisition cost.

What's Different:

- Owner asked to call special toll-free line or send back special postcard.
- Parts would not be available through the normal parts ordering system.
- Owners would need to have an appointment.

Dealer Benefits:

- Eliminates back-orders—guarantees part availability.
- Increases customer satisfaction with your "Service Experience"
- New process will enable dealers to initiate pro-active service scheduling—with the
 information we will provide on the MORS III message, you call the customers to arrange a
 service appointment knowing that the part will be there and the customer's vehicle needs
 service.

Additional details will be provided as specific Field Service Actions suitable for this process are launched.

We ask that you share this procedure with your parts and service personnel to insure they are aware of this process.

A. R. O'Neill Director Vehicle Service and Programs R. E. Turecki Director Global Parts Supply and Logistics