

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

April 3, 2014

TO:

All U.S. Ford and Lincoln Dealers

SUBJECT:

Safety Recall 14S02

Certain 2001-2004 Model Year Escape Vehicles Operated in Corrosion States

Front Subframe Crossbrace Installation

AFFECTED VEHICLES

Certain 2001 through 2004 model year Escape vehicles built at the Kansas City Assembly plant from Job #1 2001 through Job Last 2004, and certain 2004 model year Escape vehicles built at the Ohio Assembly Plant from Job #1 2004 through Job Last 2004, and originally sold in, or currently registered in the following states:

Connecticut	Iowa	Minnesota	Ohio	Wisconsin
Delaware	Maine	Missouri	Pennsylvania	(A)
District of Columbia	Maryland	New Hampshire	Rhode Island	
Illinois	Massachusetts	New Jersey	Vermont	
Indiana	Michigan	New York	West Virginia	

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 April 3, 2014.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, a corrosion-related separation of the forward attachment of the lower control arm from the subframe may occur when vehicles are operated for an extended period in high-corrosion environments. Separation of the lower control arm from the subframe may result in diminished vehicle directional control, increasing the risk of a crash.

SERVICE ACTION

Dealers are to install a reinforcement crossbrace on the subframe so that steering control can be maintained in the event of a separation of the forward attachment of the lower control arm.

NOTE: Parts are currently not available to support Safety Recall 14S02. At this time, dealers are to inspect the front subframe for perforations (holes). Based on the inspection criteria in Attachment III: Technical Information, dealers will perform one of the following service actions:

- If the subframe passed the inspection, return the vehicle to the owner along with the Passed Front Subframe Inspection Customer Information Sheet. It is anticipated that crossbrace parts will be available in sufficient quantities to repair all affected vehicles in June 2014.
- If the subframe did not pass the inspection, offer the owner rental transportation and provide them with a copy of the Did Not Pass Front Subframe Inspection Customer Information Sheet.
 It is anticipated that crossbrace parts will be available in limited supply to repair these vehicles by mid-April, 2014.
- If the forward attachment of the lower control arm has already separated, provide the required information as indicated in Attachment III: Technical Information, to request approval to replace the subframe. We have a limited supply of subframes available currently, and are working with our suppliers to obtain additional quantities.

These services must be performed on all affected vehicles at no charge to the vehicle owner.

OWNER NOTIFICATION MAILING SCHEDULE

Owner Letters are expected to be mailed the week of May 19, 2014. Dealers should repair any affected vehicles that arrive at their dealerships, whether or not the customer has received a letter.

ATTACHMENTS

Attachment I: Administrative Information

Attachment II: Labor Allowances and Parts Ordering Information

Attachment III: Technical Information

Attachment IV: Dealer Q & A

Customer Information Sheet: Passed Front Subframe Inspection
Customer Information Sheet: Did Not Pass Front Subframe Inspection

Recall Reimbursement Plan

QUESTIONS & ASSISTANCE

Special Service Support Center (Dealer Assistance Only) ______1-800-325-5621

Sincerely,

Michael A. Berardi

Certain 2001-2004 Model Year Escape Vehicles Operated in Corrosion States
Front Subframe Crossbrace Installation

OASIS ACTIVATED?

Yes, OASIS will be activated on April 3, 2014.

FSA VIN LIST ACTIVATED?

Yes, FSA VIN list will be available through https://web.fsavinlists.dealerconnection.com on April 3, 2014. Owner names and addresses will be available by June 13, 2014.

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.

STOCK VEHICLES

Use OASIS to identify any affected vehicles in your used vehicle inventory.

SOLD VEHICLES

- Owners of affected vehicles will be directed to dealers for repairs.
- 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 recall.

RELATED DAMAGE

Crossbrace Repairs:

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 related damage parts are subject to random selection for return to the Ford Warranty Parts Analysis Center (WPAC).

Subframe Replacements:

Dealers are authorized to:

- Claim up to an additional 2.0 hours in related damage labor <u>without</u> contacting the Special Service Support Center for authorization.
- Claim up to an additional \$225 in related damage parts <u>without</u> contacting the Special Service Support Center for authorization.

If a related damage condition exists that you believe to be caused by the covered condition exceeds these amounts, 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.

Certain 2001-2004 Model Year Escape Vehicles Operated in Corrosion States
Front Subframe Crossbrace Installation

ADDITIONAL LABOR TIME

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

- This safety recall must still be performed, even if the owner has paid for a previous repair. Claiming a refund will not close the recall on the vehicle.
- 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. Owners are directed to seek reimbursement through authorized dealers or,
 at their option, directly through Ford Motor Company at P.O. Box 6251, Dearborn, MI 481216251.
- 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. Non-covered repairs, or those judged by Ford to be excessive, will not be reimbursed.
- Refunds will only be provided for the cost associated with the repair or replacement of a perforated front subframe.

RENTAL VEHICLES

Based on the unique circumstances of Safety Recall 14S02, the rental guidelines have been enhanced.

- Ford will pay for up to 30 days of vehicle rental, except for fuel, which will be at the owner's expense.
- ALL RENTAL EXPENSES, TAXES, LOCAL SURCHARGES, AND INSURANCE (IF REQUIRED), MUST BE CLAIMED ON A SEPARATE REPAIR LINE FROM 14S02 UNDER PROGRAM CODE 14Y01. A maximum base daily rental rate of \$30 per day with a total cost of up to \$50 per day (including tax, surcharges, and insurance) can be claimed without prior approval. For questions and unique transportation issues, please contact the Special Service Support Center.
- The rental vehicle claim (under 14Y01) submission time limit is 60 days.
- 14S02 claims are still subject to normal submission time limits and should be submitted as soon as possible.
- Once repair parts have been provided to your dealership, up to three additional rental days will be authorized to perform the final repair. Rental assistance for additional days requires prior approval from the Special Service Support Center.

Certain 2001-2004 Model Year Escape Vehicles Operated in Corrosion States
Front Subframe Crossbrace Installation

CLAIMS PREPARATION AND SUBMISSION

- Once crossbraces become available, Ford will automatically begin shipping parts to dealers (to repair grounded vehicles) based on a "first in first out" basis according to the claim repair date for labor operation 14S02K. For this reason, submit claims for 14S02K as soon as possible. Rental claims may not be accepted for vehicles where 14S02K claims were not submitted in a timely manner.
- Enter claims using Direct Warranty Entry (DWE).
- Refer to ACESII manual for claims preparation and submission information.
- Related damage must be claimed on a repair line that is separate from the repair line on which the FSA is claimed, with the related damage flag checked. Related damage for <u>crossbrace installation</u> requires prior approval from the Special Service Support Center.
- Related damage for <u>subframe replacement</u> must be claimed as "MT14S02" on a repair line
 that is separate from the repair line on which the FSA is claimed, with the related damage flag
 checked. Prior approval is not required unless related damage exceeds 2.0 hours labor or
 \$225 in parts. Related damage in excess of these limits requires prior approval from the
 Special Service Support Center.

CLAIMS PREPARATION AND SUBMISSION (Continued)

- "MT" labor should be submitted on a separate repair line with the related damage flag checked.
- Submit refunds on a separate repair line.

Program Code: 14S02
 Misc. Expense: ADMIN
 Misc. Expense: 0.2 Hrs.

- Multiple refunds should be submitted on one repair line and the invoice details for each repair should be detailed in the comments section of the claim.
- Rental Expenses for Vehicles Awaiting Subframe Crossbrace: Must be claimed on a separate repair line from 14S02 under program code 14Y01. The submission time limit for 14Y01 claims (not 14S02 claims) is 60 days.

Program Code: 14Y01

Misc. Expense Code: RENTAL

Misc. Expense Amount: Total amount

Handling Allowance for Arranging for a Rental Vehicle for an Extended Time Period:
 Must be claimed on a separate repair line from 14S02 under program code 14Y01. The submission time limit for 14Y01 claims (not 14S02 claims) is 60 days.

Program Code: 14Y01

Misc. Expense Code: ADMIN
 Misc. Expense Amount: 0.2 Hrs.

Certain 2001-2004 Model Year Escape Vehicles Operated in Corrosion States
Front Subframe Crossbrace Installation

LABOR ALLOWANCES

Description	Labor Operation	Labor Time
Inspected front subframe, <u>passed</u> inspection, and returned vehicle to owner.	14S02J	0.3 Hours
Inspected front subframe, <u>did not pass</u> inspection, and held vehicle for future repair.	14S02K	0.3 Hours
Remove and replace front subframe. Note: *Up to 4.0 hours - Labor time to be provided in future supplement.	MTCLOSE	Actual Time*

Note: 14S02J and 14S02K are interim repairs only and will NOT close Safety Recall 14S02.

PARTS REQUIREMENTS / ORDERING INFORMATION

Parts are not required to complete the inspection. It is anticipated that crossbrace parts will be available:

- Mid-April in limited supply to repair vehicles that did not pass the inspection.
- Early June 2014 to repair all affected vehicles.

Note: Once crossbraces become available, Ford will automatically begin shipping parts to dealers (to repair grounded vehicles) based on a "first in first out" basis according to the claim repair date for labor operation 14S02K. For this reason, submit claims for 14S02K as soon as possible. Rental claims may not be accepted for vehicles where 14S02K claims were not submitted in a timely manner.

CERTAIN 2001-2004 MODEL YEAR ESCAPE VEHICLES OPERATED IN CORROSION STATES — FRONT SUBFRAME CROSSBRACE INSTALLATION

OVERVIEW

In some of the affected vehicles, a corrosion-related separation of the forward attachment of the lower control arm from the subframe may occur when vehicles are operated for an extended period in high-corrosion environments. See Figure 1.

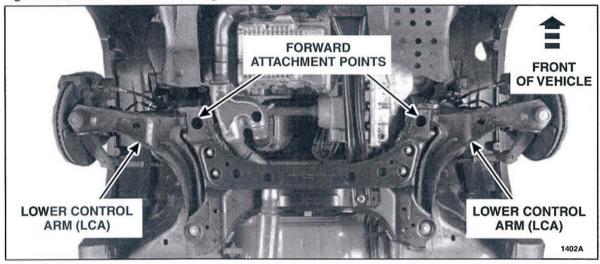


FIGURE 1

Dealers are to install a reinforcement crossbrace on the subframe. Parts are currently not available to support this repair. Until parts become available, dealers are to inspect the front subframe for perforations (holes).

- If the front subframe **passed** the inspection, return the vehicle to the owner and provide a copy of the <u>Passed Front Subframe Inspection Customer Information Sheet.</u> The owner will be notified when parts are available to complete the final repair.
- If the front subframe **did not pass** the inspection, offer the owner rental transportation and provide them with a copy of the <u>Did Not Pass Front Subframe Inspection Customer Information</u> Sheet. Hold the vehicle until the final repair can be performed.
- If the forward attachment of the lower control arm has already separated, complete the required steps to request approval to replace the subframe.

FRONT SUBFRAME INSPECTION PROCEDURE

NOTE: The purpose of this inspection is to determine if there is a near term corrosion concern in the area of the front lower control arm attachment point.

NOTE: If the lower control arm has already separated from the front subframe, proceed to "Inspection Results" on Page 6.

- 1. With the vehicle in NEUTRAL, position it on a hoist. For additional information, refer to Workshop Manual (WSM) Section 100-02.
- 2. Inspect the front subframe in the areas indicated. See Figure 2.

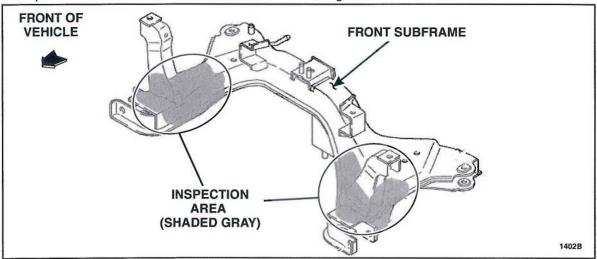


FIGURE 2

3. It may be necessary to remove heavy rust scale in order to identify a rust hole. See Figure 3.

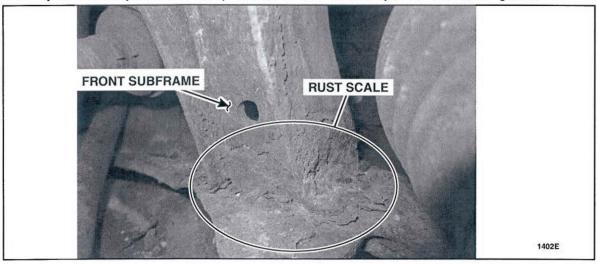


FIGURE 3

4. Inspect the bottom and inboard side of the subrame. Look for holes that are rusted completely through the metal. See Figure 4.

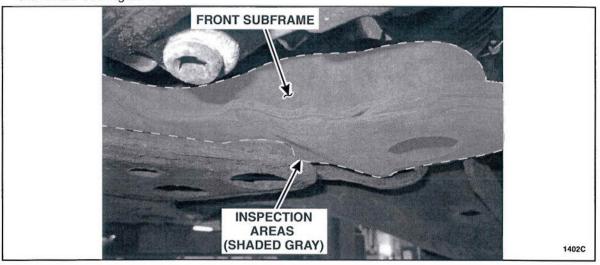


FIGURE 4

5. Inspect the upper and outboard side of the front subframe. Again, look for holes that are rusted completely through the metal. See Figure 5.

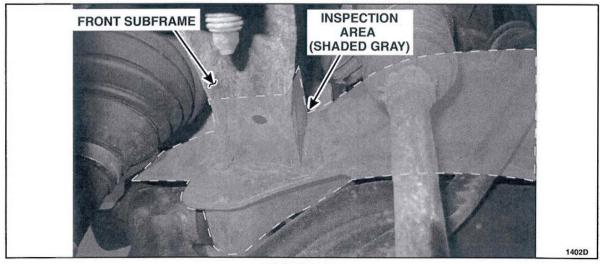


FIGURE 5

6. INSPECTION CRITERIA AND ILLUSTRATED EXAMPLES

Front Subframe that is Safe for the Customer to Drive.

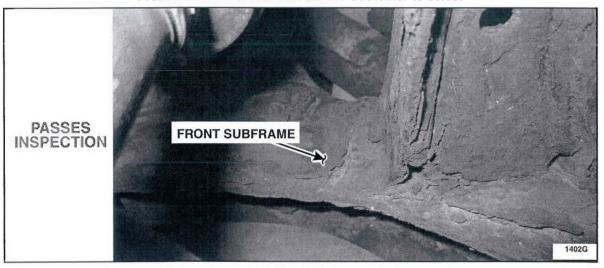


FIGURE 6

Front Subframe with Round Rust Hole.

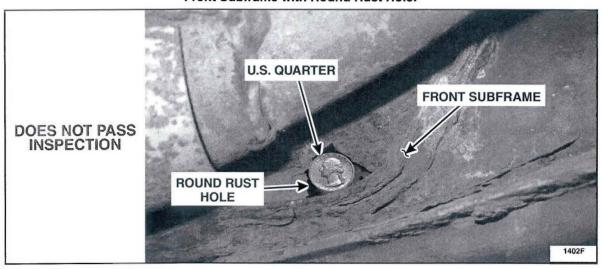


FIGURE 7

- If any hole is the size of a U.S. quarter or larger (25 mm (0.98 in) in diameter), the vehicle does not pass inspection.

Front Subframe with an Oblong or Irregular Rust Hole

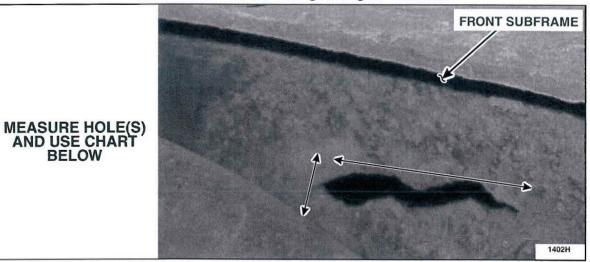


FIGURE 8

Measure the height and width of the hole(s) and use the chart below to inspect the vehicle.
 If any hole is equal or larger than the guidance chart dimensions, the vehicle does not pass inspection.

Guidance for Determining when a Vehicle Does Not Pass Inspection				
Height	by	Width		
25 mm or longer	by	20 mm		
22 mm	by	23 mm		
19 mm	by	26 mm		
15 mm	by	34 mm		
12 mm	by	42 mm		
9 mm	by	56 mm		
6 mm	by	85 mm		
3 mm	by	169 mm		

Guidance for Determining when a Vehicle Does Not Pass Inspection				
Height	by	Width		
1" or longer	by	3/4" or wider		
7/8"	by	7/8" or wider		
3/4"	by	1" or wider		
5/8"	by	1 1/4" or wider		
1/2"	by	1 1/2" or wider		
3/8"	by	2" or wider		
1/4"	by	3" or wider		
1/8"	by	6" or wider		

7. INSPECTION RESULTS:

- PASS INSPECTION:

- a. Return the vehicle to the owner and provide them with a copy of the <u>Passed Front</u> Subframe Inspection Customer Information Sheet.
- b. Claim Labor Operation 14S02J. (This labor operation will not close the recall.)

- DID NOT PASS INSPECTION:

- a. Offer the owner rental transportation and provide them with a copy of the <u>Did Not Pass Front Subframe Inspection Customer Information Sheet</u>.
- b. Hold the vehicle until the final repair can be performed.
- c. Claim Labor Operation 14S02K. (This labor operation will not close the recall).

- LOWER CONTROL ARM IS SEPARATED FROM FRONT SUBFRAME:

- a. Submit Pictures to Ford:
 - 1. Using the VIN for the affected vehicle, run an OASIS report.
 - 2. At the bottom of the main OASIS page, select the "Prior Approval" link (located in the purple menu bar).
 - 3. Select the appropriate form, by clicking on the button labeled "14S02 Subframe".
 - 4. Fill out the form, attach the required images, and submit for review.
- b. Retrieve Subframe Review Status:
 - 1. Log onto the PTS website.
 - 2. Click on the "Tech Hotline" tab near the top of the page.
 - 3. Click on "Prior Approval Status".
 - 4. Search by Repair Order Number or VIN to locate your response.

Certain 2001-2004 Model Year Escape Vehicles Operated in Corrosion States
Front Subframe Crossbrace Installation

DEALER Q & A

Q1. What is the problem?

- A. Ford is voluntarily recalling certain 2001-2004 model year Escape vehicles to address concerns relating to front subframe corrosion. In some of the affected vehicles, a corrosion-related separation of the forward attachment of the lower control arm from the subframe may occur when vehicles are operated for an extended period in high-corrosion environments. Separation of the lower control arm from the subframe may result in diminished vehicle directional control.
- Q2. Why are you only recalling vehicles in corrosion states?
- A. The overwhelming majority of reports of front subframe corrosion are from high-corrosion states. We will continue to monitor the performance of vehicles in all states as we always do.
- Q3. What should I do if an owner believes their vehicle has been operated in a high corrosion environment and requests their vehicle be inspected?
- A. If a vehicle is not included in OASIS, and an owner believes it should be included in the recall (due to evidence of subframe corrosion at a LCA mounting area, or having been operated in a corrosion environment), contact the Special Service Support Center at 1-800-325-5621 to request approval to be covered by Safety Recall 14S02.
- Q4. Are the vehicles safe to drive? Can people continue to drive the vehicle if the dealer cannot provide a final repair soon?
- A. Dealers should inspect any affected vehicles that arrive at their dealerships, whether or not the customer has received a letter.
 - If the vehicle passes inspection, provide a copy of the Passed Front Subframe Inspection Customer Information Sheet and return the vehicle to the owner.
 - If the vehicle does not pass inspection, provide a copy of the Did Not Pass Front Subframe Inspection Customer Information Sheet and offer the owner rental transportation until the final repair can be performed.
- Q5. Do I need prior approval to initiate a rental vehicle for a customer whose vehicle is grounded waiting for front subframe repair parts?
- No, prior approval for rental transportation for vehicles awaiting repair parts is not required.
- Q6. How will customers with unique transportation issues (handicap or other extenuating circumstances) be handled?
- A. Dealers should contact the Special Service Support Center at 1-800-325-5621 for assistance.
- Q7. Do you have an estimate of when the front subframe repair parts will be available?
- A. Ford expects limited quantities of parts to be available in mid-April 2014 to service vehicles that did not pass inspection. We expect sufficient quantities of parts to service all affected vehicles in June 2014. Ford will publish a supplement with parts ordering information and updated service procedures when parts become available.



Passed Front Subframe Inspection Customer Information Sheet

Ford Motor Company is voluntarily recalling certain 2001-2004 model year Escape vehicles. Your vehicle has passed the front subframe inspection; however, the final repair of your vehicle has not been done because parts for the repair are not currently available.

We apologize for any inconvenience this part shortage may cause you. We are closely working with our suppliers to accelerate part availability. You will be notified by Ford Motor Company via mail as soon as parts are available to complete the repair on your vehicle. When notified, you will need to contact your dealer and schedule a service appointment to have the final repair performed on your vehicle as soon as possible.

Again, we apologize for the inconvenience this situation causes and assure you that we are doing everything possible to expedite resolution.

Sincerely,

Ford Motor Company
Ford Customer Service Division



Did Not Pass Front Subframe Inspection Customer Information Sheet

Ford Motor Company is voluntarily recalling certain 2001-2004 model year Escape vehicles. Your dealer has completed an inspection of the front subframe and has found that your subframe requires immediate repair. Parts for the repair are not currently available.

We apologize for any inconvenience this part shortage may cause you. We are closely working with our suppliers to accelerate part availability. Your dealer is authorized to provide a rental vehicle for your personal transportation at no charge (except for fuel) while your vehicle is at the dealership. You will be notified of any changes or when the final repair of your vehicle has been completed. Once your vehicle is repaired and you are notified by the dealer, you will have three days to return the rental vehicle without charge.

Again, we apologize for the inconvenience this situation causes and assure you that we are doing everything possible to expedite resolution.

Sincerely,

Ford Motor Company Ford Customer Service Division

Ford Motor Company Recall Reimbursement Plan for 14S02

Ford and Lincoln Mercury dealers are in the best position to quickly and efficiently process reimbursement requests. However, federal legislation requires all motor vehicle manufacturers to establish processes through which customers may seek recall reimbursement directly from the manufacturer or from the dealers.

Regarding the specific reimbursement plan for Recall # 14S02, owners who have paid for service to remedy the defect or noncompliance must have had that service performed prior to June 6, 2014. 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 latest General Recall Reimbursement Plan in a letter to the National Highway Traffic Safety Administration (NHTSA) in February 2009. 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 related safety recall.

Set forth below is Ford's general plan to reimburse owners and purchasers for costs incurred for remedies in advance of notification of potential safely-related defects or noncompliances pursuant to Part 573.6 (c)(8)(i). This plan has not changed since our February 28, 2007 submission.

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 a specified ending date. In accordance with Part 573.13 (c)(2), this ending date will be defined as a minimum of ten 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 6251 Dearborn, MI 48121-6251

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. As permitted by 577.11(e), Ford may not include a reimbursement notification when all vehicles are well within the warranty period, subject to approval by the agency.

Costs to be Reimbursed

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

- The amount paid by the owner for the remedy that specifically addressed and was reasonably necessary to correct the defect or noncompliance that is the subject of the recall, or
- The cost of parts for the remedy (to be no more than the manufacturer's list retail price for authorized part(s), 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
- An original 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.