

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

July 1, 2014

TO: All U.S. Ford and Lincoln Dealers

SUBJECT: DEMONSTRATION / DELIVERY HOLD – Safety Recall 14S10 Certain 2012 through 2014 Model Year Taurus, Police Interceptor Sedan, MKS, Flex, MKT, Edge and MKX Vehicles Right-Hand Front Halfshaft Retention Inspection / Repair

AFFECTED VEHICLES

Certain 2012 through 2014 model year Taurus, Police Interceptor Sedan, MKS, Flex, MKT, Edge and MKX vehicles identified below:

Vehicle Lines	Model Years	Powertrain	Assembly Plant	Build Dates	
Taurus / MKS	2013-2014	3.5L GTDI AWD			
Police Interceptor Sedan	2013-2014	3.5L GTDI AWD, 3.5L/3.7L TiVCT FWD & AWD	Chicago	August 25, 2011 through November 30, 2013	
Flex / MKT	2013-2014	3.5L GTDI AWD	Oakville	September 12, 2011 through November 29, 2013	
Edge	2012-2014	2.0L GTDI FWD	Oakville	September 2, 2010 through November 29, 2013	
Edge / MKX	2014	3.5L/3.7L TiVCT AWD			

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 July 1, 2014.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, the circlip that retains the right-hand halfshaft to the intermediate shaft may not have been fully seated during assembly. A halfshaft that is not fully seated may move outward over time, which can result in NVH, damage to the shaft splines, and/or halfshaft disengagement from the intermediate shaft. If the two shafts fully disengage, the halfshaft will no longer transmit torque to the wheel, and the vehicle will experience loss of drive function. Additionally, if the two shafts are disengaged, unexpected vehicle movement may occur if the gearshift lever is placed in the "Park" position without the park brake being applied, increasing the risk of a crash.

SERVICE ACTION

Dealers are to inspect to verify the right-hand halfshaft is fully inserted and retained on the intermediate shaft. If the halfshaft is not fully inserted/retained, dealers are to replace the intermediate shaft and inspect/replace the halfshaft if it is damaged. This service 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 August 25, 2014. 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 \$7,000 per vehicle. Correct all vehicles in your new vehicle inventory before delivery.

ATTACHMENTS

Attachment I:Administrative InformationAttachment II:Labor Allowances and Parts Ordering InformationAttachment III:Technical InformationOwner Notification Letters

QUESTIONS & ASSISTANCE

Special Service Support Center (Dealer Assistance Only)1-800-325-5621Special Service Support Center (Parts Ordering)1-800-207-2444

Sincerely,

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Michael A. Berardi

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Certain 2012 through 2014 Model Year Taurus, Police Interceptor Sedan, MKS, Flex, MKT, Edge and MKX Vehicles Right-Hand Front Halfshaft Retention Inspection / Repair

OASIS ACTIVATED?

Yes, OASIS will be activated on July 1, 2014.

FSA VIN LIST ACTIVATED?

Yes, FSA VIN list will be available through <u>https://web.fsavinlists.dealerconnection.com</u> on July 1, 2014. Owner names and addresses will be available by September 5, 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

- Correct all affected units in your new vehicle inventory before delivery.
- 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.
- Immediately contact any of your affected customers whose vehicles are not on your VIN list but are identified in OASIS. Give the customer a copy of the Owner 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 recall.

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

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.

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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 48121-6251.
- Dealers are also authorized to refund owner-paid <u>emergency</u> 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 shaft replacement due to halfshaft/intermediate shaft disengagement.

RENTAL VEHICLES

If a customer's vehicle requires the replacement of the intermediate shaft and it is necessary to order parts, Ford Motor Company will pay for (up to) one day of vehicle rental. Follow Extended Service Plan (ESP) guidelines for dollar amounts. The daily rate can include applicable taxes but are not allowed to exceed the stated daily rate. Rentals will only be reimbursed for the day the vehicle is at the dealership for part replacement. Prior approval for more than one rental day is required from the Special Service Support Center (1-800-325-5621). The parts order must be an emergency order (unit down) if the order is placed between 3:00 PM and 7:00 PM (your local time zone) to guarantee the shortest delivery time. Prior approval for more than one rental day is required from the Special Service Support Center (1-800-325-5621).

LINCOLN OWNER SPECIAL HANDLING ALLOWANCE (Applies to sold vehicles only)

To "surprise & delight" Lincoln Owners; Lincoln Dealers are authorized to provide the following services up to a maximum combined value of \$100.

- Lincoln Service Loaner (Rental beyond standard one day ESP guideline)
- Fuel Fill
- Vehicle Pick-up and Delivery
- Vehicle Wash and Vacuum (this is expected as part of the Lincoln Commitment Program)

This program is exclusive to Lincoln Dealers. Ford stand-alone dealerships servicing Lincoln Owners are not authorized to claim the special handling allowance. Owners will not be notified of this service in owner mailings.

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CLAIMS PREPARATION AND SUBMISSION

- Enter claims using Direct Warranty Entry (DWE).
- Refer to ACESII manual for claims preparation and submission information.
- For Lincoln Special Handling (sold vehicles only), claim up to a maximum combined value of \$100. All Special Handling claims must be on the same repair line.
 - Rental: Enter the total amount of the Service Loaner (Rental) expense under Miscellaneous Expense Code "RENTAL". This is separate from Transportation Assistance Program (TAP) allocation.
 - Misc. Expense Code: RENTAL
 - Misc. Expense Amount: Total amount
 - Fuel Fill: Enter Miscellaneous Expense Code "FUEL".
 - Misc. Expense Code: FUEL
 - Misc. Expense Amount: Total amount
 - Vehicle Pick-up and Delivery: Enter Miscellaneous Expense Code "LCHP".
 - Misc. Expense Code: LCHP
 - Misc. Expense Amount: Total amount

NOTE: Maintain supporting documentation for all Miscellaneous Expenses according to procedure as identified in the Warranty and Policy Manual. Include receipts for miscellaneous expenses documented in service file.

- 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.
- Submit refunds on a separate repair line.
 - Program Code: 14S10 Misc. Expense: ADMIN
 - Misc. Expense: REFUND 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.
- For rental vehicle claiming, follow Extended Service Plan (ESP) guidelines for dollar amounts. Enter the total amount of the rental expense under Miscellaneous Expense code "Rental".

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Certain 2012 through 2014 Model Year Taurus, Police Interceptor Sedan, MKS, Flex, MKT, Edge and MKX Vehicles Right-Hand Front Halfshaft Retention Inspection / Repair

LABOR ALLOWANCES

Description	Vehicle Application(s)	Labor Operation	Labor Time
Inspection only – PASS. Inspect for halfshaft disengagement - Halfshaft is properly retained on intermediate shaft	All Vehicles	14S10A	0.2 Hours
	FWD Police Interceptor Sedan	14S10B	1.3 Hours
Replace intermediate shaft - Includes inspection	AWD Models as follows: • Taurus / MKS • Flex / MKT	14S10C	1.8 Hours
and replacement of halfshaft if necessary	AWD Police Interceptor Sedan	14S10D	1.6 Hours
	FWD Edge Models	14S10E	1.8 Hours
	AWD Edge and MKX Models	14S10F	1.5 Hours

PARTS REQUIREMENTS / ORDERING INFORMATION

NOTE: Parts are only required if the vehicle fails inspection as detailed in Attachment III, Technical Information.

	2013-2014	2013-2014	2012-2014	2014
	Front Wheel Drive (FWD) Police Interceptor Sedan	All Wheel Drive (AWD) • Taurus / MKS • Police Interceptor Sedan • Flex / MKT	Front Wheel Drive (FWD) • Edge - 2.0L GTDI	All Wheel Drive (AWD) • Edge / MKX
Intermediate Shaft	DG1Z-3A329-F	DG1Z-3A329-E	CT4Z-3A329-A	DT4Z-3A329-B
RH Halfshaft	DG1Z-3B436-A	DG1Z-3B436-A	CT4Z-3A428-A	DT4Z-3A428-A
Axle Hub Nut	W712435-S439	W712435-S439	W712772-S439	W712772-S439
Motorcraft CV Joint Grease	XG-5	XG-5	XG-5	XG-5
Ball Joint Bolt	NA	NA	W714681-S439	W714681-S439
Ball Joint Nut	W714890-S440	W714890-S440	W520213-S440	W520213-S440
Seal Kit	6 Speed: 7T4Z-1177-C 6FMID: BB5Z-1S177-C	DB5Z-7275-B	BB5Z-1S177-C	DB5Z-7275-B
Tie-Rod Nut	W520215-S440	W520215-S440	W711889-S441	W711889-S441
Upper Sway Bar End-Link Nut	W713968-S440	W713968-S440	NA	NA
Dynamic Susp. Sensor Brkt. Nut (if equipped)	W500220-S439	W500220-S439	NA	NA

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PARTS REQUIREMENTS / ORDERING INFORMATION (Continued)

The DOR/COR number for this recall is 50548.

To manage part availability, dealers must contact the Special Service Support Center Parts Order Line at 1-800-207-2444.

When calling to place an order for an intermediate shaft and related parts, please be prepared to provide dealer P&A code, VIN, and RO#.

Dealers will be notified via a DOES II communication if circumstances warrant a change in part supply strategy and when open ordering resumes.

Questions regarding parts should be directed to the Special Service Support Center Parts Order Line (1-800-207-2444) or E-mailed to: <u>Ford@Renkim.com</u>.

DEALER PRICE

For latest prices, refer to DOES II.

PARTS RETENTION AND RETURN

Follow the provisions of the Warranty and Policy Manual, Section 1 "WARRANTY PARTS RETENTION AND RETURN POLICIES."

EXCESS STOCK RETURN

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

Ford Motor Company Recall Reimbursement Plan for 14S10

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 # 14S10, owners who have paid for service to remedy the defect or noncompliance must have had that service performed prior to September 12, 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.

CERTAIN 2012 THROUGH 2014 MODEL YEAR TAURUS, POLICE INTERCEPTOR SEDAN, MKS, FLEX, MKT, EDGE AND MKX VEHICLES RIGHT-HAND FRONT HALFSHAFT RETENTION INSPECTION / REPAIR

OVERVIEW

In some of the affected vehicles, the circlip that retains the right-hand halfshaft to the intermediate shaft may not have been fully seated during assembly. A halfshaft that is not fully seated may move outward over time, which can result in NVH, damage to the shaft splines, and/or halfshaft disengagement from the intermediate shaft. If the two shafts fully disengage, the halfshaft will no longer transmit torque to the wheel, and the vehicle will experience loss of drive function. Additionally, if the two shafts are disengaged, unexpected vehicle movement may occur if the gearshift lever is placed in the "Park" position without the park brake being applied, increasing the risk of a crash.

Dealers are to verify the right-hand halfshaft is fully inserted and retained on the intermediate shaft. If the halfshaft is not fully inserted/retained, dealers are to replace the intermediate shaft and inspect/replace the halfshaft if it is damaged. This service must be performed on all affected vehicles at no charge to the vehicle owner.



INSPECTION PROCEDURE

- 1. With the vehicle in NEUTRAL, position it on a hoist. For additional information, refer to Workshop Manual (WSM) Section 100-02.
- 2. If equipped, remove the retainers and the under-body engine air deflector shield.
- 3. Inspect the halfshaft to intermediate shaft connection. See Figures 1 and 2.
 - a. Visually inspect the halfshaft to intermediate shaft connection for separation. See Figure 1.
 - b. From under the vehicle, using your hands, apply outward pressure to the halfshaft at the intermediate shaft connection to check that the halfshaft is fully engaged onto the intermediate shaft. See Figure 2.



FIGURE 1



FIGURE 2



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Inspection Results

- **GOOD** If no separation is found and the halfshaft is properly retained on the intermediate shaft, no further action is required. If equipped, install the under-body engine air deflector shield. The vehicle may be released to the customer.
- **BAD** If the halfshaft is separated from the intermediate shaft, the intermediate shaft will need to be replaced and the halfshaft splines will need to be inspected to determine if the halfshaft must be replaced. Proceed to the "Intermediate Shaft Replacement and Halfshaft Inspection" procedure.

Intermediate Shaft Replacement and Halfshaft Inspection

- **NOTE**: When removing and installing components, refer to WSM Section 205-04 for additional information.
- 1. Remove and discard the intermediate shaft.
- 2. Clean and remove any grease and/or debris from the halfshaft splines.
- 3. Inspect the halfshaft splines for any damage. See Figure 2.
 - If the halfshaft splines are not damaged, the halfshaft can be reused. Proceed to Step 4.
 - If the halfshaft splines are damaged, replace the halfshaft and proceed to Step 5.



FIGURE 2

- 4. If halfshaft replacement is not required, apply 0.2 oz (5.6 g) Motorcraft® Constant Velocity Joint Grease (High Temp) XG-5 to the halfshaft splines prior to re-installing.
- 5. Install a new intermediate shaft.
 - Once the *new* intermediate shaft is installed, ensure that the halfshaft is fully seated to the *new* intermediate shaft by using your hands apply slight outward pressure to the halfshaft. See Figure 1.
- 6. If equipped, install the under-body engine air deflector shield.



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