

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

February 20, 2017

TO: All U.S. Ford and Lincoln Dealers

SUBJECT: NEW VEHICLE DEMONSTRATION / DELIVERY HOLD - Safety Recall 16S40

Certain 2015-2017 Model Year Mustang GT350 and GT350R Vehicles

Engine Oil Cooler Tube Assembly Replacement

REF: NEW VEHICLE DEMONSTRATION / DELIVERY HOLD - Advance Notice - Safety

Recall 16S40

Dated October 25, 2016

AFFECTED VEHICLES

Vehicle	Model Year	Assembly Plant	Build Dates
Mustang	2015-2017	Flat Rock	February 24, 2015 through August 30, 2016

Affected vehicles are identified in OASIS and FSA VIN Lists.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, the engine oil cooler tube assembly may have insufficient crimps on the hose that could lead to a hose separation and an oil leak. Sudden loss of engine oil may result in engine failure and, in the presence of an ignition source, can lead to a fire.

SERVICE ACTION

Before demonstrating or delivering any new in-stock vehicles involved in this recall, dealers are to replace the engine oil cooler tube assembly. This service must be performed on all affected vehicles at no charge to the vehicle owner.

NOTE: It is anticipated that parts will be available in sufficient quantities to repair all vehicles by mid-March, 2017. Until then, dealers are only to repair vehicles that arrive at your dealership or dealer stock vehicles with a customer sales contract.

OWNER NOTIFICATION MAILING SCHEDULE

Owner letters are expected to be mailed the week of March 13, 2017. 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 \$21,000 per vehicle. Correct all vehicles in your new vehicle inventory before delivery.

ATTACHMENTS

Attachment I: Administrative Information

Attachment II: Labor Allowances and Parts Ordering Information

Attachment III: Technical Information

Owner Notification Letter Recall Reimbursement Plan

QUESTIONS & ASSISTANCE

For questions and assistance, contact the Special Service Support Center (SSSC) via the SSSC Web Contact Site. The SSSC Web Contact Site can be accessed through the Professional Technician Society (PTS) website using the SSSC link listed at the bottom of the OASIS VIN report screen or listed under the SSSC tab.

Sincerely,

Michael A. Berardi

NEW VEHICLE DEMONSTRATION / DELIVERY HOLD - Safety Recall 16S40

Certain 2015-2017 Model Year Mustang GT350 and GT350R Vehicles Engine Oil Cooler Tube Assembly Replacement

OASIS ACTIVATION

OASIS was activated on October 25, 2016.

FSA VIN LISTS ACTIVATION

FSA VIN Lists have been available through https://web.fsavinlists.dealerconnection.com since October 25, 2016. Owner names and addresses will be available by March 24, 2017.

NOTE: Your FSA VIN Lists 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.

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.
- Dealers are to prioritize repairs of customer vehicles over repairs of new and used vehicle inventory.

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.

NOTE: It is anticipated that parts will be available in sufficient quantities to repair all vehicles by mid-March, 2017. Until then, dealers are only to repair vehicles that arrive at your dealership or dealer stock vehicles with a customer sales contract.

DEALER-OPERATED RENTAL VEHICLES

A new law prohibits a Rental Company from selling, renting or leasing vehicles subject to a safety or compliance recall. This could impact dealer-operated rental fleets of 35 vehicles or more, including FRAC, LRAC, and DDR vehicles. Please see EFC04833 for details and consult your legal counsel for legal advice.

TITLE BRANDED / SALVAGED VEHICLES

Affected title branded and salvaged vehicles are eligible for this recall.

ADDITIONAL REPAIR (LABOR TIME AND/OR PARTS)

Additional repairs identified as necessary to complete the FSA should be managed as follows:

- For vehicles within new vehicle bumper-to-bumper warranty coverage, follow existing warranty and policy guidelines for related damage claims. No SSSC approval is required for these vehicles:
 - o Ford vehicles 3 years or 36,000 miles
- For vehicles outside new vehicle bumper-to-bumper warranty coverage, submit an Approval Request to the SSSC Web Contact Site prior to completing the repair.

NEW VEHICLE DEMONSTRATION / DELIVERY HOLD - Safety Recall 16S40

Certain 2015-2017 Model Year Mustang GT350 and GT350R Vehicles Engine Oil Cooler Tube Assembly Replacement

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 pre-approved 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 engine oil cooler tube assembly replacement.

RENTAL VEHICLES

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

CLAIMS PREPARATION AND SUBMISSION

- Enter claims using Direct Warranty Entry (DWE) or One Warranty Solution (OWS).
 - o DWE: refer to ACESII manual for claims preparation and submission information.
 - OWS: when entering claims in DMS software, select claim type 31: Field Service Action.
 The FSA number (16S40) is the sub code.
- Additional labor and/or parts must be claimed as related damage on a separate repair line from the FSA.
- Submit refunds on a separate repair line.
 - Program Code: 16S40
 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.

NEW VEHICLE DEMONSTRATION / DELIVERY HOLD - Safety Recall 16S40

Certain 2015-2017 Model Year Mustang GT350 and GT350R Vehicles Engine Oil Cooler Tube Assembly Replacement

LABOR ALLOWANCES

Description	Labor Operation	Labor Time	
Replace engine oil cooler tube assembly – GT350	16S40B	0.9 Hours	
Replace engine oil cooler tube assembly – GT350R	16S40C	1.1 Hours	

PARTS REQUIREMENTS / ORDERING INFORMATION

Parts to repair this condition are currently not available in sufficient quantities to service all of the affected vehicles. Therefore, to ensure an ample supply of parts is available, a VIN-specific part order restriction has been placed on the engine oil cooler tube assembly until mid-March, 2017.

SSSC Web Contact Site:

To place an order for the engine oil cooler tube assembly, submit a VIN-specific Part Order contact via the SSSC Web Contact Site.

Part Number	Description	Order Quantity	Claim Quantity
FR3Z-6B850-B	Engine oil cooler tube assembly	1	1

Dealers will be notified via a DOES II communication in mid-March, 2017 when circumstances warrant a change in part supply strategy and when open ordering resumes.

Order the parts below through normal order processing channels:

Part Number	Description	Order Quantity	Claim Quantity
W719180-S300	Push pin (4/package, 1 needed)	1	1
XO-5W50-QGT	Motorcraft SAE 5W-50 full synthetic motor oil	1 quart	1 quart
PM-4-A	Metal brake parts cleaner	1	1

The DOR/COR number for this recall is 51071.

To guarantee the shortest delivery time, an emergency order for parts must be placed.

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.

CERTAIN 2015-2017 MODEL YEAR MUSTANG GT350 AND GT350R VEHICLES — ENGINE OIL COOLER TUBE ASSEMBLY REPLACEMENT

OVERVIEW

In some of the affected vehicles, the engine oil cooler tube assembly may have insufficient crimps on the hose that could lead to a hose separation and an oil leak. Sudden loss of engine oil may result in engine failure and, in the presence of an ignition source, can lead to a fire. Dealers are to replace the engine oil cooler tube assembly.

NOTE: It is anticipated that parts will be available in sufficient quantities to repair all vehicles by mid-March, 2017. Until then, dealers are only to repair vehicles that arrive at your dealership or dealer stock vehicles with a customer sales contract.

SERVICE PROCEDURE

All Vehicles

- 1. Raise the vehicle on a hoist. Please follow the Workshop Manual (WSM) procedures in Section 100-02.
- 2. Remove the three lower fender splash shield to bumper cover push pins from the LH and RH wheel wells. See Figure 1.

NOTE: Wheel and tire removed for clarity.

NOTE: LH side shown, RH similar.

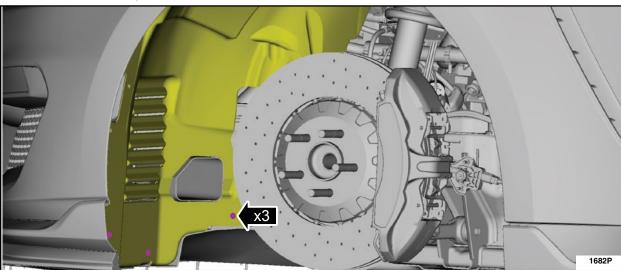


FIGURE 1

GT350 Vehicles

- 3. Remove the ten air splitter screws. See Figure 2.
 - To install, tighten to 17 lb.in (1.9 Nm).

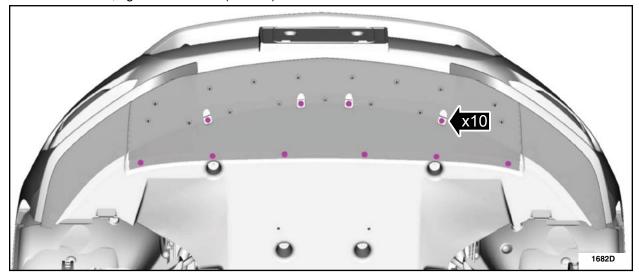


FIGURE 2

4. Remove the four center air splitter screws beginning with the outer screws first. Slide the center air splitter forward to remove. See Figure 3.

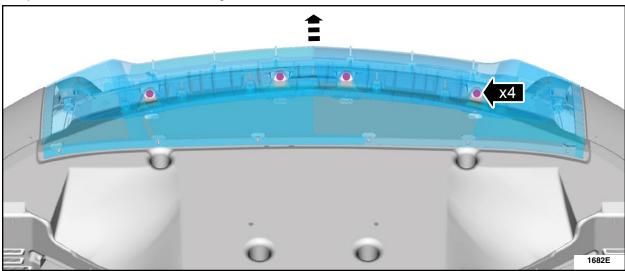


FIGURE 3

GT350R Vehicles

NOTE: Wheel and tire removed for clarity.

5. Remove the four upper fender splash shield to bumper cover push pins from the LH and RH wheel wells. See Figure 4.

NOTE: LH side shown, RH similar.

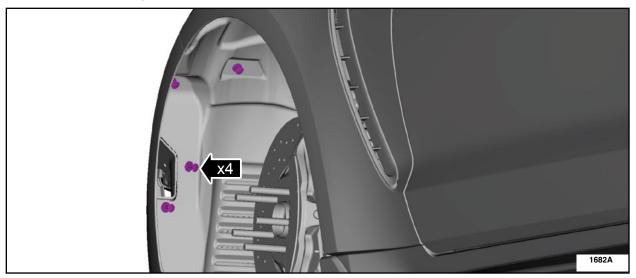


FIGURE 4

6. Remove the two push pins and position aside the LH and RH fender splash shields. See Figure 5.

NOTE: LH side shown, RH similar.

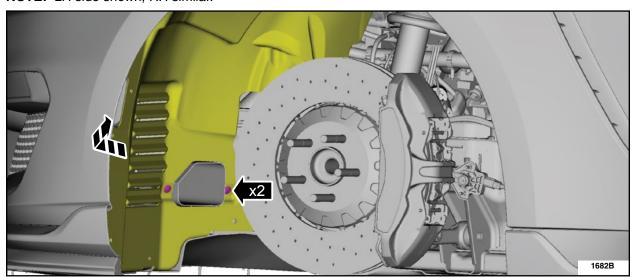


FIGURE 5

- 7. Remove the sixteen air splitter screws. See Figure 6.
 - 1. Remove the screws starting with the outer screws and working to the center screws.
 - To install, tighten to 17 lb.in (1.9 Nm).
 - 2. Remove the screws starting with the outer screws and working to the center screws.
 - To install, tighten to 17 lb.in (1.9 Nm).

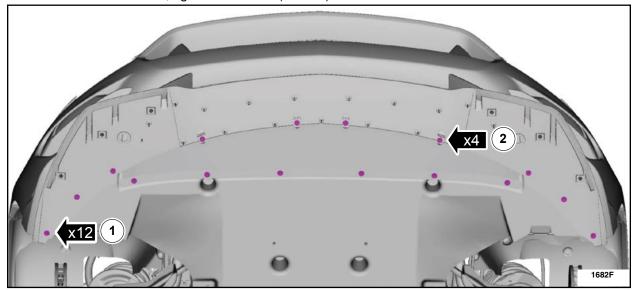


FIGURE 6

8. Remove the two screw covers. See Figure 7.

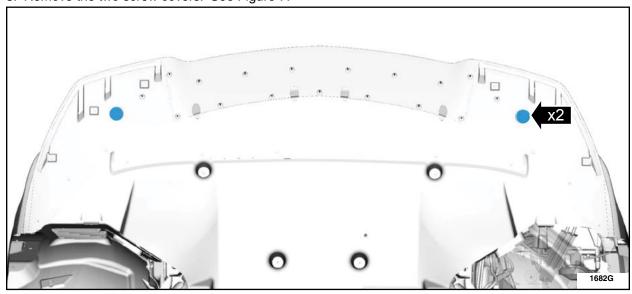


FIGURE 7

- 9. Remove the two air splitter screws. See Figure 8.
 - To install, tighten to 17 lb.in (1.9 Nm).

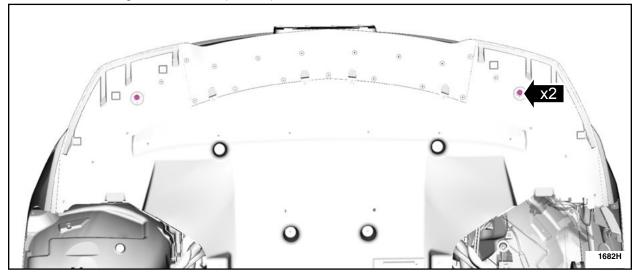


FIGURE 8

10. Remove the two LH and RH air splitter retaining clips. See Figure 9.

NOTE: LH side shown, RH similar.

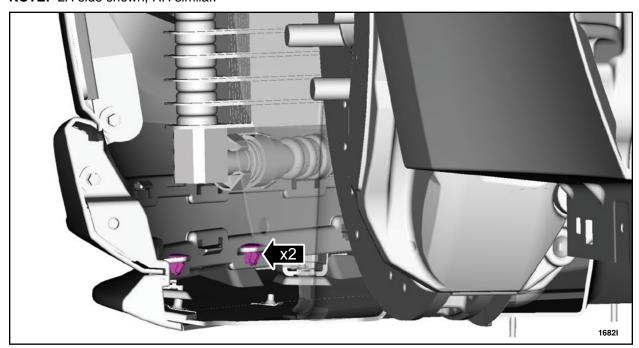


FIGURE 9

11. Remove the four center air splitter screws beginning with the outer screws first. Slide the center air splitter forward to remove. See Figure 10.

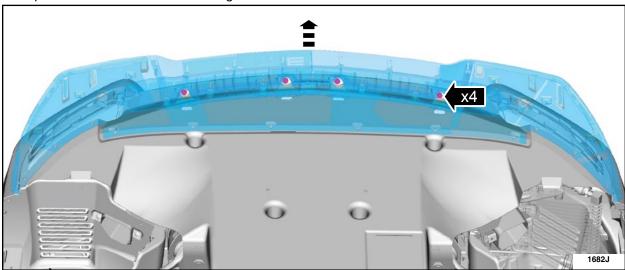


FIGURE 10

GT350 Vehicles

12. Remove the twenty two bolts and the underbody shield. See Figure 11.

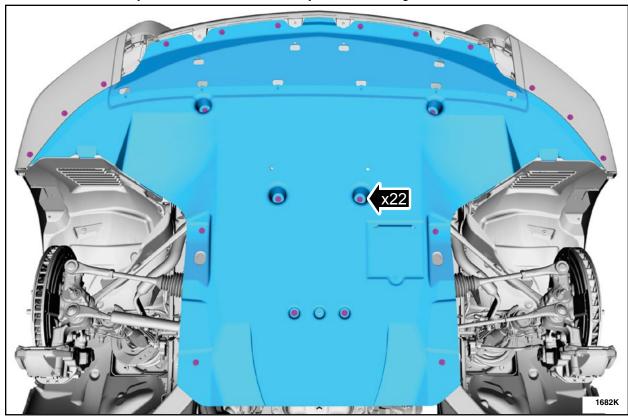


FIGURE 11

GT350R Vehicles

13. Remove the sixteen bolts and the underbody shield. See Figure 12.

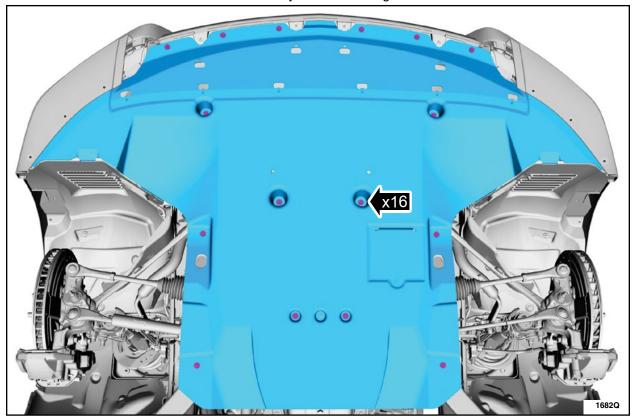
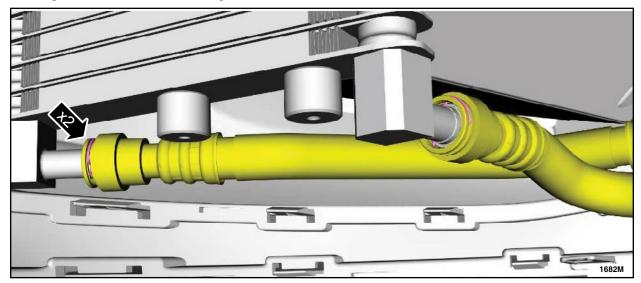


FIGURE 12

All Vehicles

14. Position a drain pan under the engine oil cooler tubes. Remove the retaining clips and disconnect the engine oil cooler tubes. See Figure 13.



NOTE: It is not required to remove the oil filter as shown in Figure 14.

- 15. Reposition the drain pan under the oil filter adapter. Remove the two bolts and disconnect the oil cooler tubes from the oil filter adapter. See Figure 14.
 - To install, tighten to 22 lb.ft (30 Nm).

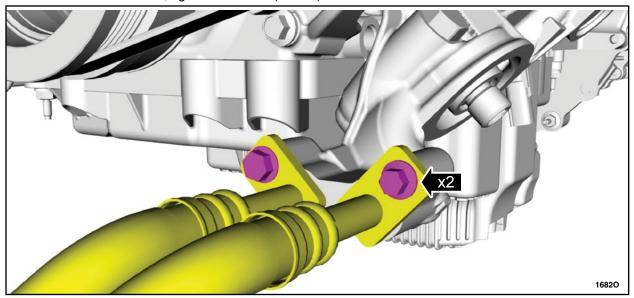


FIGURE 14

16. Remove and discard the engine oil cooler tube bracket push pin. Remove and discard the engine oil cooler tubes. See Figure 15.



FIGURE 15

ATTACHMENT III PAGE 9 OF 9 SAFETY RECALL 16S40

- 17. To install *new* engine oil cooler tubes, reverse the removal procedure.
 - Clean any residual oil from the vehicle underbody.
- 18. Prime the *new* engine oil cooler tubes.
 - a. Start the engine and allow it to run for 15 seconds.
 - b. Turn the engine OFF.
- 19. Check and top off the engine oil once repairs are complete.

Ford Motor Company Recall Reimbursement Plan for 16S40

Ford and Lincoln 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 # 16S40, owners who have paid for service to remedy the defect or noncompliance must have had that service performed prior to March 31, 2017. 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 2015. 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 20, 2015 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.