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June 12, 2018

TO: All U.S. Ford and Lincoln Dealers

SUBJECT: NEW VEHICLE DEMONSTRATION / DELIVERY HOLD

Safety Recall 17S16 – Supplement #2

Certain 2017 Model Year MKZ and 2017-2018 Model Year Edge and Fusion Vehicles

Equipped with 2.0L Engine and 6F35 Transmission

Torque Converter Stud Welds

REF: Safety Recall 17S16

Dated: August 21, 2017

New! REASON FOR THIS SUPPLEMENT

- Affected Vehicles: An additional 31 vehicles have been identified that are affected by this
 concern.
- Required Parts Update: The required parts table has been updated to include the correct RH Intermediate Shaft Seal for AWD vehicles.

New! AFFECTED VEHICLES

Vehicle	Model Year	Assembly Plant	Build Dates
Edge	2017-2018	Oakville	April 25, 2017 through <i>March 8, 2018</i>
Fusion	2017-2016	I I a was a silla	May 4, 2017 through August 24, 2017
MKZ	2017	Hermosillo	May 4, 2017 through June 19, 2017

Affected vehicles are identified in OASIS and FSA VIN Lists.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, the studs that retain the torque converter to the engine flexplate may have been improperly welded. Improperly welded studs may detach from the torque converter leading to loss of motive power. Should the vehicle lose transmission function while driving, the power steering, power brakes, electrical systems and restraint systems will still operate, and the transmission park function is not affected.

SERVICE ACTION

Before demonstrating or delivering any new in-stock vehicles involved in this recall, dealers are to replace the torque converter following the technical instructions. This service must be performed on all affected vehicles at no charge to the vehicle owner.

New! OWNER NOTIFICATION MAILING SCHEDULE

Owner letters were mailed the week of August 21, 2017. Dealers should repair any affected vehicles that arrive at their dealerships, whether or not the customer has received a letter. Owner letters for recently added vehicles are expected to be mailed the week of June 25, 2018.

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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.

New! ATTACHMENTS

Attachment I: Administrative Information

Attachment II: Labor Allowances and Parts Ordering Information

Attachment III: Technical Information

Owner Notification Letter

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,

David J. Johnson

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New! OASIS ACTIVATION

OASIS was activated on July 10, 2017. OASIS will be activated for newly added vehicles on June 12, 2018.

New! FSA VIN LISTS ACTIVATION

FSA VIN Lists became available through https://web.fsavinlists.dealerconnection.com on July 10, 2017. Owner names and addresses will be available by September 1, 2017. FSA VIN Lists for newly added vehicles will be available on June 12, 2018.

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.

DEALER-OPERATED RENTAL VEHICLES

The Fixing America's Surface Transportation (FAST) Act law effective June 2016 prohibits a rental company from selling, renting or leasing vehicles subject to a safety or compliance recall. Please 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:
 - Ford vehicles 3 years or 36,000 miles
 - Lincoln vehicles 4 years or 50,000 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.

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OWNER REFUNDS

Refunds are not approved for this program.

LINCOLN PICKUP AND DELIVERY

Owners of 2017 Model Year and newer Lincoln vehicles have the option of requesting pickup and delivery service with a Lincoln loaner, from their dealership. For details, reference EFC04786 National Launch of Lincoln Pickup and Delivery New Owner Privileges.

RENTAL VEHICLES (When Lincoln pickup and delivery is not used)

Dealers are pre-approved for up to 1 day for a comparable rental vehicle. Follow Extended Service Plan (ESP) guidelines for dollar amounts. Rentals will only be reimbursed for the day(s) the vehicle is at the dealership for part replacement. Prior approval for more than 1 rental day(s) is required from the SSSC via the SSSC Web Contact Site.

LINCOLN CLIENT SPECIAL HANDLING

To ensure the best possible experience for Lincoln owners, Lincoln Dealers are encouraged to utilize the Lincoln Loyalty Program to provide clients with surprise and delight offerings, such as:

- Fuel fill
- Gift Card for the client's favorite restaurant

The Lincoln Loyalty Program is exclusive to Lincoln Dealers. Owners will not be notified of this service in owner mailings. Reference EFC05367, Lincoln Loyalty Program Announcement for additional details.

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 17S16 is the sub code.
- Additional labor and/or parts must be claimed as related damage on a separate repair line from the FSA. IMPORTANT: Click the radio button on the Related Damage Indicator.
- 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.
- For Lincoln Client Special Handling, reference EFC05367, Lincoln Loyalty Program
 Announcement for Requirements and Claiming Instructions. Claims for Lincoln Loyalty should
 be submitted as a separate line on the same Repair Order.

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LABOR ALLOWANCES

Description	Model Year	Vehicle	Labor Operation	Labor Time
		Edge AWD	17S16B	7.5 Hours
	2017 -2018	Edge FWD	17S16C	6.8 Hours
Poplace Torque Convertor	2017-2018	Fusion FWD	17S16D	6.8 Hours
Replace Torque Converter		Fusion AWD	17S16E	7.9 Hours
	2017	MKZ AWD	17S16F	7.9 Hours
		MKZ FWD	17S16G	6.8 Hours
Claim one of the below labor operations in combination with 17S16B, C, D, E, F, or G				
Check and Adjust Front Toe (without lane departure)			17S16H	0.5 Hours
Check and Adjust Front Toe (with lane departure)		17S16J	0.8 Hours	

New! PARTS REQUIREMENTS / ORDERING INFORMATION

Required Parts - ALL Vehicles

Part Number	Description	Order Quantity	Claim Quantity
DG9Z-7902-F	Torque Converter	1	1
XT-10-QLVC	Mercon LV (box of 12 quarts)	1	7
4S4Z-3N324-AA	RH Half Shaft Retainer Bracket	1	1
W520102-S442	RH Half Shaft Bracket Nut (4/pkg.)	1	2
BB5Z-4B422-C	LH Half Shaft Snap Ring Circlip	1	1
W715618-S437	Torque Converter Nut (4/pkg.)	1	4
9L8Z-1177-G	LH Shaft Seal (All)	1	1
9L8Z-7A248-F	Torque Converter Seal	1	1
W520215-S440	Tie Rod End Nut (4/pkg.)	1	2
W500545-S439	Ball Joint Pinch Bolt (4/pkg.)	1	2
W716457-S439	Subframe Bolts (4/pkg.)	1	4
BB5Z-1S177-C	(FWD only) RH Halfshaft Seal	1	1
W718250-S439	(AWD only) PTU/Trans Bolts (5/pkg.)	1	5
CV6Z-7086-A	(AWD only) PTU to Trans. Seal	1	1
CN1Z-7H424-B	(AWD only) RH Intermediate Shaft Seal	1	1
CCPZ-3B477-B	(AWD only) RH Hub/Halfshaft Nut	1	1
W716841-S900	Engine To Trans. Dowel Pins (4/pkg.)	(If Required)	
FB5Z-6840-A	Oil Filter Adapter Gasket	(If Required)	
FL-910S	Engine Oil Filter	1	1
XO-5W30-QSP	5W30 Engine Oil (box of 12 quarts)	1	1

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Unique Parts - Edge

Part Number	Description	Order Quantity	Claim Quantity
W712961-S442	Steering Shaft Coupler Bolt (4/pkg.)	1	1
W718507-S439	Trans. Supp. Insulator Bkt. Bolts (4/pkg.)	1	4
W520205-S440	Trans. Supp. Insulator Bkt. Nut (4/pkg.)	1	1
W705606-S440	Stabilizer Bar Link Lower Nut (2/pkg.)	1	2
W520214-S440	Lower Ball Joint Pinch Nut (2/pkg.)	1	2
F2GZ-4682-A	(AWD only) Driveshaft/PTU Bolts	3	3

Unique Parts - Fusion / MKZ

Part Number	Description	Order Quantity	Claim Quantity
W714878-S439	Steering Shaft Coupler Bolt (4/pkg.)	1	1
W712503-S440	Stabilizer Link Lower Nuts	2	2
W520214-S442	Ball Joint Pinch Nut	2	2
W712146-S437	Trans. Fluid Cooler Tube Bolts (4/pkg.)	1	2
5L7Z-7J324-A	Cooler Tube Seal Backing Ring (2/pkg.)	1	2
5L7Z-7D285-A	Cooler Tube Seal (2/pkg.)	1	2
DG9Z-7G273-B	(AWD only) Halfshaft Washer	1	1
CV6Z-9450-D	(AWD only) Exhaust Gasket Rear	1	1
W520103-S442	(AWD only) Exhaust Flange Nut (4/pkg.)	1	2
EJ7Z-6L612-A	(AWD only) Exhaust Gasket Front	1	1
W714265-S442	(AWD only) Converter Flange Nut (4/pkg.)	1	2
5F9Z-4682-AA	(AWD only) Driveshaft/PTU Bolts	3	3

The DOR/COR number for this recall is 51088.

Order your parts through normal order processing channels. 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.