

David J. Johnson Director Service Engineering Operations Ford Customer Service Division Ford Motor Company P. O. Box 1904 Dearborn, Michigan 48121

March 13, 2018

TO: All U.S. Ford and Lincoln Dealers

SUBJECT: NEW VEHICLE DEMONSTRATION / DELIVERY HOLD - Safety Recall 18S07

Certain 2015-2016 Model Year Focus and 2013-2014 Fusion Vehicles

Equipped With A B6 6-Speed Manual Transmission

Clutch Pressure Plate Cracks

AFFECTED VEHICLES

| Vehicle | Model Year | Assembly Plant | Build Dates |
|---------|------------|----------------|-------------------------------------|
| Focus | 2015-2016 | Michigan | July 21, 2014 through June 30, 2016 |
| Fusion | 2013-2014 | Hermosillo | March 9, 2012 through June 28, 2014 |

Affected vehicles are identified in OASIS and FSA VIN Lists.

REASON FOR THIS SAFETY RECALL

In some of the affected vehicles, the clutch assembly may overheat as a result of excessive clutch slip, resulting in abnormal noise, odor, smoke, and/or engine speed flare accompanied by a loss of power. If not addressed, this condition could cause the clutch pressure plate to crack and eventually fracture, damaging the transmission assembly. Damage to the transmission assembly could allow transmission fluid to leak. Leaking of transmission fluid in the presence of an ignition source can lead to the risk of an engine compartment fire.

SERVICE ACTION

Software updates and parts are not yet available to repair vehicles. For affected vehicles with concerns of abnormal noise, odor, smoke, and/or engine speed flare accompanied by a loss of power, dealers are to perform a test for clutch slippage. If the clutch does not pass the test, dealers are to provide the customer a rental vehicle. 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 March 26, 2018 advising owners of an interim inspection if their vehicle exhibits symptoms of abnormal noise, odor, smoke, and/or engine speed flare accompanied by a loss of power. Owners will be notified again when a final repair is available for their vehicles.

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 Letters 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,

David J. Johnson

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Clutch Pressure Plate Cracks

OASIS ACTIVATION

OASIS will be activated on March 13, 2018.

FSA VIN LISTS ACTIVATION

FSA VIN Lists will be available through https://web.fsavinlists.dealerconnection.com on March 13, 2018. Owner names and addresses will be available by April 10, 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.

OWNER REFUNDS

- 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 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 clutch assembly and transmission assembly replacement resulting from a fractured clutch pressure plate.

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RENTAL VEHICLES

For affected vehicles that do not pass the clutch slippage test, dealers are to provide owners a rental vehicle.

Prior approval from the SSSC via the SSSC Web Contact Site is required for all rental vehicle requests.

- Ford Motor Company will provide reimbursement for rental vehicle costs following Extended Service Plan (ESP) guidelines. Prior approval from the SSSC is also required for special rental needs and costs above ESP guidelines.
- The customer should be offered a like Ford Motor Company brand vehicle.
 - o In the event that a Ford Motor Company vehicle is not available, the customer should be provided a like non-Ford vehicle within a comparable vehicle rental class. Every effort should be made to swap customers into a Ford vehicle as they become available.
 - If a vehicle is not available in the same vehicle rental class, the customer may be offered the next higher vehicle rental class.
- Traveling owners may incur additional rental fees for one-way rentals, which are also reimbursable under this FSA.
- Rental vehicle days for this FSA will NOT be removed from dealer's TAP allocation/budget.

ADDITIONAL REPAIR (LABOR TIME AND/OR PARTS)

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

- For related damage and access time requirements, refer to the Warranty and Policy Manual Section 6 Ford/Lincoln Program Policies Field Service Actions (FSA) Related Damage.
- For vehicles within new vehicle bumper-to-bumper warranty coverage, no SSSC approval is required.
 - 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.

CLAIMS PREPARATION AND SUBMISSION

- Enter claims using Dealer Management System (DMS) or One Warranty Solution (OWS) online.
 - When entering claims, select claim type 31: Field Service Action. The FSA number 18S07 is the sub code.
 - For additional claims preparation and submission information, refer to the Recall and Customer Satisfaction Program (CSP) Repairs in the OWS User Guide.
- 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.

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CLAIMS PREPARATION AND SUBMISSION (Cont.)

• Submit refunds on a separate repair line.

Program Code: 18S07
 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.

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LABOR ALLOWANCES

| Description | Labor Operation | Labor Time |
|--|-----------------|------------|
| Test Clutch For Slippage (Does Not Close Recall) | 18S07ZZ | 0.3 Hours |

PARTS REQUIREMENTS / ORDERING INFORMATION

Parts are not yet available to complete this repair.

ATTACHMENT III
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SAFETY RECALL 18S07

CERTAIN 2015 - 2016 MODEL YEAR FOCUS AND 2013 - 2014 FUSION VEHICLES EQUIPPED WITH A B6 6-SPEED MANUAL TRANSMISSION — CLUTCH PRESSURE PLATE CRACKS

OVERVIEW

In some of the affected vehicles, the clutch assembly may overheat as a result of excessive clutch slip, resulting in abnormal noise, odor, smoke, and/or engine speed flare accompanied by a loss of power. If not addressed, this condition could cause the clutch pressure plate to crack and eventually fracture, damaging the transmission assembly. Damage to the transmission assembly could allow transmission fluid to leak. Leaking of transmission fluid in the presence of an ignition source can lead to the risk of an engine compartment fire. Software updates and parts are not yet available to repair vehicles. For affected vehicles with concerns of abnormal noise, odor, smoke, and/or engine speed flare accompanied by a loss of power, dealers are to perform a test for clutch slippage. If the clutch does not pass the test, dealers are to provide the customer a rental vehicle. This service must be performed on all affected vehicles at no charge to the vehicle owner.

SERVICE PROCEDURE

Interim service procedure.

- 1. Test the clutch for slippage using pinpoint test A. Please follow the Workshop Manual (WSM) procedures in Section 308-01.
 - If the clutch passes the pinpoint test A then no repair is needed at this time.
 - If the clutch fails pinpoint test A dealers are to provide the customer with a rental vehicle following the directions in the 18S07 Dealer Bulletin.

Ford Motor Company Recall Reimbursement Plan for 18S07

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 # 18S07, owners who have paid for service to remedy the defect or noncompliance must have had that service performed prior to April 13, 2018. 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.