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August 17, 2016

TO: All U.S. Ford and Lincoln Dealers

SUBJECT: DEMONSTRATION / DELIVERY HOLD - Compliance Recall 16C10

Certain 2016 Model Year Transit Connect Vehicles

Hydraulic Control Unit Replacement

AFFECTED VEHICLES

Vehicle	Model Year	Assembly Plant	Build Dates
Transit Connect	2016	Valencia	February 22, 2016 through June 16, 2016

Affected vehicles are identified in OASIS and FSA VIN Lists.

REASON FOR THIS COMPLIANCE RECALL

Some of the affected vehicles may fail to conform to Federal Motor Vehicle Safety Standard (FMVSS) 126: Electronic Stability Control Systems. The hydraulic control unit (HCU) may contain debris from the manufacturing process, resulting in the potential for valve blockage. Valve blockage within the HCU can degrade the performance of electronic stability control and related systems without warning, potentially resulting in rear wheel lock up while braking. This could result in a loss of vehicle control, increasing the risk of crash. These systems include, but are not limited to, anti-lock brakes, rollover protection, automatic braking, and traction control.

SERVICE ACTION

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

NOTE: Parts to repair all vehicles are expected to be available the week of September 5, 2016.

OWNER NOTIFICATION MAILING SCHEDULE

Owner letters are expected to be mailed the week of August 22, 2016. Owners will be advised that they should schedule service for their vehicle beginning the week of September 5, 2016, when parts are expected to be available. 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

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

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OASIS ACTIVATION

OASIS was activated on July 20, 2016.

FSA VIN LISTS ACTIVATION

FSA VIN Lists were available through https://web.fsavinlists.dealerconnection.com on July 20, 2016. Owner names and addresses will be available by September 16, 2016.

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.

STOCK VEHICLES

• Correct all affected units in your new vehicle inventory before delivery.

SOLD VEHICLES

- Owners of affected vehicles will be directed to dealers for repairs beginning the week of September 5, 2016.
- Beginning the week of September 5, 2016, 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.

DEALER-OPERATED RENTAL VEHICLES

A new law prohibits a Rental Company from selling, renting or leasing vehicles subject to a safety 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.

OWNER REFUNDS

Refunds are not approved for this program.

RENTAL VEHICLES

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 the vehicle is at the dealership for part replacement. Prior approval for more than 1 rental day is required from the SSSC via the SSSC Web Contact Site.

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Certain 2016 Model Year Transit Connect Vehicles Hydraulic Control Unit Replacement

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 (16C10) is the sub code.
- Additional labor and/or parts must be claimed as related damage on a separate repair line from the FSA.
- 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.

DEMONSTRATION / DELIVERY HOLD - Compliance Recall 16C10

Certain 2016 Model Year Transit Connect Vehicles Hydraulic Control Unit Replacement

LABOR ALLOWANCES

Description	Labor Operation	Labor Time
Replace HCU (includes time to bleed brakes)	16C10B	2.0 Hours

PARTS REQUIREMENTS / ORDERING INFORMATION

Part Number	Description	Order Quantity
GV6Z-2C405-C	HCU	1
PM-20	DOT 4 brake fluid (1 pint)	3

The DOR/COR number for this recall is 51050.

Order your parts through normal order processing channels beginning the week of September 5, 2016. 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.

ATTACHMENT III
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COMPLIANCE RECALL 16C10

CERTAIN 2016 MODEL YEAR TRANSIT CONNECT VEHICLES — HYDRAULIC CONTROL UNIT REPLACEMENT

OVERVIEW

Some of the affected vehicles may fail to conform to Federal Motor Vehicle Safety Standard (FMVSS) 126: Electronic Stability Control Systems. The hydraulic control unit (HCU) may contain debris from the manufacturing process, resulting in the potential for valve blockage. Valve blockage within the HCU can degrade the performance of electronic stability control and related systems without warning, potentially resulting in rear wheel lock up while braking. This could result in a loss of vehicle control, increasing the risk of crash. These systems include, but are not limited to, anti-lock brakes, rollover protection, automatic braking, and traction control.

SERVICE PROCEDURE

1. Replace the HCU. Please follow the Workshop Manual (WSM) procedures in Section 206-09.