



U.S. Department  
of Transportation  
**National Highway  
Traffic Safety  
Administration**

NOV 16 2010

1200 New Jersey Avenue SE.  
Washington, DC 20590

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. James Vondale, Director  
Automotive Safety Office  
Environmental and Safety Compliance  
Ford Motor Company  
330 Town Center Drive, Suite 400  
Dearborn, MI 48126

NVS-213 Swm  
EA09-016

Dear Mr. Vondale:

As you are aware, the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened an Engineering Analysis (EA09-016) to investigate allegations of loss of motive power in MY 2004 and 2005 Ford Freestar and Mercury Monterey vehicles manufactured by Ford Motor Company. This letter requests certain information in connection with this investigation.

At the opening of the Engineering Analysis, this office had received 340 reports of loss of motive power due to a failure of the transmission torque converter and/or output shaft in MY 2004 and 2005 Ford Freestar and Mercury Monterey vehicles. A copy of each of the reports is enclosed for your information. Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject vehicles:** all MY 2004 and 2005 Ford Freestar and Mercury Monterey vehicles manufactured for sale or lease in the United States and federalized territories.
- **Subject components:** all transmission torque converters and/or output shafts on the subject vehicles.
- **Ford:** Ford Motor Company, transmission and/or torque converter remanufacturers or rebuilders, all of their past and present officers and employees, whether assigned to their principal offices or any of their field or other locations, including all of their divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of Ford (including all business units and persons previously referred to), who are or, in or after January 1, 2002, were involved in any way with any of the following related to the alleged defect in the subject vehicles:

- a. Design, engineering, analysis, modification or production (e.g. quality control);
  - b. Testing, assessment or evaluation;
  - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits;
  - d. Repairs, rebuilds, remanufactures or other disposition (such as replacements) of subject components; and/or
  - e. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.
- **Alleged defect:** loss of motive power due to a failure of the transmission (i.e., there is no claim that the engine is not operative).
  - **Document:** "Document(s)" is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by Ford, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by Ford or not. If a document

is not in the English language, provide both the original document and an English translation of the document.

- **Other Terms:** To the extent that they are used in these information requests, the terms “claim,” “consumer complaint,” “dealer field report,” “field report,” “fire,” “fleet,” “good will,” “make,” “model,” “model year,” “notice,” “property damage,” “property damage claim,” “rollover,” “type,” “warranty,” “warranty adjustment,” and “warranty claim,” whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as Ford has previously provided a document to ODI, Ford may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above each response. After Ford’s response to each request, identify the source of the information and indicate the last date the information was gathered.

State the number of each of the following, received by Ford, or of which Ford is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:

- a. Consumer complaints, including those from fleet operators;
- b. Field reports, including dealer field reports;
- c. Technical reports or requests from dealers requiring assistance to diagnose or repair, or permission to repair or replace;
- d. Reports or information from builders or remanufacturers of the subject components;
- e. Reports involving a crash, injury, or fatality, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
- f. Property damage claims;
- g. Third-party arbitration proceedings where Ford is or was a party to the arbitration; and
- h. Lawsuits, both pending and closed, in which Ford is or was a defendant or codefendant.

For subparts “a” through “e” state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle are to be counted separately. Multiple reports of the same incident are also to be counted separately (i.e., a consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report and a consumer complaint).

In addition, for items "c" through "f," provide a summary description of the alleged problem and causal and contributing factors and Ford's assessment of the problem, with a summary of the significant underlying facts and evidence. For items "g" and "h," identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed.

2. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, state the following information:
  - a. Ford's file number or other identifier used;
  - b. The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.);
  - c. Vehicle owner or fleet name (and fleet contact person), address, and telephone number;
  - d. Vehicle's VIN;
  - e. Make;
  - f. Model;
  - g. Model year;
  - h. Vehicle's mileage at time of incident;
  - i. Incident date;
  - j. Report or claim date;
  - k. Whether a crash is alleged;
  - l. Whether property damage is alleged;
  - m. Number of alleged injuries, if any; and
  - n. Number of alleged fatalities, if any.
  - o. If there was a repair, rebuild, remanufacture, or replacement of a subject component, what was done, and the date and location of the action.

Provide this information in Microsoft Access 2003 or 2007, or a compatible format, entitled "REQUEST NUMBER TWO DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

3. Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Ford used for organizing the documents.
4. State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Ford to date that relate to, or may relate to, in the subject vehicles: (1) the alleged defect, (2) transmission replacements performed because of a fault/failure of one or more of the subject components, and (3) repairing transmissions because of fault or failure of one or more of the subject components:
  - a. Warranty claims;
  - b. Extended warranty claims;
  - c. Claims for good will services that were provided;
  - d. Field, zone, or similar adjustments and reimbursements; and
  - e. Warranty claims or repairs made in accordance with a procedure specified in a technical

service bulletin or customer satisfaction campaign.

5. Separately, for each such claim listed in items "a" through "e" in Question No. 4 above, state the following information:
  - a. Ford's claim number;
  - b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
  - c. Make;
  - d. Model;
  - e. Model year;
  - f. VIN;
  - g. Repair date;
  - h. Vehicle mileage at time of repair;
  - i. Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
  - j. Labor operation number;
  - k. Problem code;
  - l. Whether the repair involved installation of a remanufactured or rebuilt transmission;
  - m. Whether the repair involved repairing or replacing the torque converter;
  - n. Whether the repair involved repairing or replacing the output shaft;
  - o. Whether the repair involved a condition that resulted in a loss of motive power (use "yes," "no," or "unknown," for this field and include a description of the method Ford used to make the assessment);
  - p. When the loss of motive power occurred (e.g., while driving or upon start-up, etc.)
  - q. Concern stated by customer;
  - r. Cause as stated by the dealer/technician;
  - s. Correction as stated by the dealer/technician;
  - t. Additional comments, if any, by dealer/technician relating to claim and/or repair; and
  - u. Indicate the type of coverage under which Ford paid the claim (e.g., base warranty, goodwill, extended warranty, etc.).

Provide this information in Microsoft Access 2003 or 2007, or a compatible format, entitled "WARRANTY DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

6. Describe in detail the search criteria used by Ford to identify the claims identified in response to Request Nos. 4 and 5 above, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by Ford on the subject vehicles (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) that Ford offered for the subject vehicles.
7. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Ford has issued to any dealers, regional or zone

offices, field offices, fleet purchasers, or other entities, including transmission rebuilders, transmission remanufacturers and torque converter rebuilders and remanufacturers. This includes, but is not limited to, bulletins, advisories, informational documents, orders or authorizations for repair, rebuild, remanufacture, or other disposition (such as replacement) of the subject components, training documents, or other documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication that Ford is planning to issue within the next 120 days.

8. Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries and/or evaluations (collectively, "actions") that relate to, or may relate to, the alleged defect in the subject vehicles that have been conducted, are being conducted, are planned, or are being planned by, or for, Ford. This includes but is not limited to actions related to the torque converter, output shaft, and transmission in the subject vehicles. For each such action, provide the following information:
  - a. Action title or identifier;
  - b. The actual or planned start date;
  - c. The actual or expected end date;
  - d. Brief summary of the subject and objective of the action;
  - e. Engineering group(s)/supplier(s) responsible for designing and for conducting the action; and
  - f. A brief summary of the findings and/or conclusions resulting from the action.

For each action identified, provide copies of all documents related to the action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action.

9. Describe all modifications or changes made by, or on behalf of, Ford in the design, material composition, manufacture, remanufacture, quality control, supply, or installation of a torque converter, output shaft, and transmission in the subject vehicles, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject vehicles. For each such modification or change, provide the following information:
  - a. The date or approximate date on which the modification or change was incorporated into vehicle production;
  - b. A detailed description of the modification or change;
  - c. The reason(s) for the modification or change;
  - d. The part number(s) (service and engineering) of the original component;
  - e. The part number(s) (service and engineering) of the modified component;
  - f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
  - g. When the modified component was made available as a service component; and
  - h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that Ford is aware of which may be incorporated into vehicle production within the next 120 days.

10. State the number of each of the following that Ford has sold that may be used in the subject vehicles by component name, part number (both service and engineering/production), model and model year of the vehicle in which it is used and month/year of sale (including the cut-off date for sales, if applicable):
  - a. Transmission output shafts;
  - b. Transmission torque converters; and
  - c. Any kits that have been released, or developed, by Ford for use in service repairs to and/or the replacement of the subject components.

For each component part number, provide the supplier's name, address, and appropriate point of contact (name, title, and telephone number). Also identify by make, model and model year, any other vehicles of which Ford is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.

11. Furnish Ford's assessment of the alleged defect in the subject vehicle, including:
  - a. The causal or contributory factor(s);
  - b. The failure mechanism(s);
  - c. The failure mode(s);
  - d. The risk to motor vehicle safety that it poses;
  - e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring; and
  - f. The reports included with this inquiry.
12. For subject components, and for all part number identified in response to Question No. 10 above, identify all persons (both employed by Ford at any time and persons who were not employees of Ford) involved in the following activities with respect to components in and after 2005:
  - a. Subject component and/or part evaluation;
  - b. Subject component and in part design and assessment;
  - c. Determining material performance requirements, specifications, and supplier sources;
  - d. Assessing and/or modifying manufacturing processes and actions pertaining to the assembly and construction of subject components;
  - e. Assessing and/or modifying the manufacturing quality control and quality assurance programs, procedures and measures pertaining to the construction and assembly of subject components;
  - f. Determining what testing to perform on subject components, assuring that the testing was performed, and reviewing the results of testing; and
  - g. Developing procedures for determining and performing repairs, rebuilds, remanufactures, and/or replacements of subject components.

13. For each Ford supplier of transmission torque converters and/or output shafts in the subject vehicles, provide copies of all written communications between Ford and that supplier in connection with that component part number, and all documentation associated with transmission torque converters and/or output shafts in the subject vehicles.
14. Has Ford performed a metallurgical analysis in connection with any of the subject components? If so, provide for each analysis the following information:
  - a. Action title or identifier;
  - b. The start date;
  - c. The actual or expected end date;
  - d. Brief summary of the subject and objective of the analysis;
  - e. Engineering group(s)/supplier(s) responsible for designing and for conducting the analysis; and
  - f. A brief summary of the findings and/or conclusions resulting from the analysis.

For each analysis identified, provide copies of all documents related to the action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action.

15. Provide the results of Ford's examination of failures of one or more of the subject components in the subject vehicles, including:
  - a. The date or approximate date on which the failure occurred;
  - b. The name, address and telephone number of the owner from whom the failed subject component was obtained;
  - c. A detailed description of Ford's examination and analysis;
  - d. The part number(s) (service and engineering) of the subject component;
  - e. Ford's assessment following its examination; and
  - f. The present location of the failed subject component.
  - g. Copies of all reports and documentation associated with Ford's examination.
16. What are the criteria by which Ford determines whether a subject component may be, or should be, "repaired?"
17. For subject vehicles under warranty at any time (from sale to first purchaser to the end of the warranty period), describe in detail how a Ford dealer commonly diagnoses possible torque converter and/or output shaft problems and repairs the transmission, if a repair is required, including:
  - a. Diagnostic procedures;
  - b. How the transmission torque converter, output shaft, and/or its subparts are identified for repair;
  - c. A detailed, step-by-step explanation of the repair procedures under warranty;

- d. Time(s) to complete repairs; and
  - e. Costs for repair.
18. For subject vehicles not under warranty at any time (after the end of the warranty period), describe in detail how a Ford dealer commonly diagnoses possible torque converter and/or output shaft problems and repairs the transmission, if a repair is required, including:
- a. Diagnostic procedures;
  - b. How the transmission torque converter, output shaft, and/or its subparts are identified for repair;
  - c. A detailed, step-by-step explanation of the repair procedures under warranty;
  - d. Time(s) to complete repairs;
  - e. Costs for repair; and
  - f. Any discounts or refund(s) to customers.
19. For subject vehicles under warranty at any time (from sale to first purchaser to the end of the warranty period), describe in detail how a Ford dealer commonly diagnoses possible torque converter and/or output shaft problems and rebuilds or remanufactures the transmission, if such action is required, including:
- a. Diagnostic procedures;
  - b. How the transmission torque converter, output shaft, and/or its subparts are identified for the rebuild or remanufacture;
  - c. A detailed, step-by-step explanation of the action procedures under warranty;
  - d. Time(s) to complete repairs; and
  - e. Costs for repair.
20. For subject vehicles not under warranty at any time (after the end of the warranty period), describe in detail how a Ford dealer commonly diagnoses possible torque converter and/or output shaft problems and rebuilds or remanufactures, if such action is required, including:
- a. Diagnostic procedures;
  - b. How the transmission torque converter, output shaft, and/or its subparts are identified for repair;
  - c. A detailed, step-by-step explanation of the action procedures under warranty;
  - d. Time(s) to complete repairs;
  - e. Costs for repair; and
  - f. Any discounts or refund(s) to customers.
21. Provide copies of all written communications between Ford and any rebuilder or remanufacturer of transmissions, torque converters, or output shafts in the subject vehicles identified above in Question Nos. 15-20.
23. Provide Ford's post-warranty failure rates for both the transmission torque converter and output shaft in the subject vehicles.

This letter is being sent to Ford pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information. Ford's failure to respond promptly and fully to this letter could subject Ford to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) Section 5(a) of the TREAD Act, codified at 49 U.S.C. § 30165(b), provides for civil penalties of up to \$6,000 per day, with a maximum of \$16,375,000 for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. See 49 CFR 578.6. This includes failing to respond to ODI information requests.

If Ford cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, Ford does not submit one or more requested documents or items of information in response to this information request, Ford must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Ford's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by **January 17, 2011**. **All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office.** In addition, do not submit any business confidential information in the body of the letter submitted to this office. Please refer to EA09-016 in Ford's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel. If Ford finds that it is unable to provide all of the information requested within the time allotted, Ford must request an extension from me at (202) 366-4933 no later than five business days before the response due date. If Ford is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information Ford then has available, even if an extension has been granted.

If Ford claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, Ford must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended, to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Ford is required to **submit two copies of the documents containing allegedly confidential information (except only one copy of blueprints) and one copy of the documents from which information claimed to be confidential has been deleted.** Please remember that the word "CONFIDENTIAL BUSINESS INFORMATION" must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 5 U.S.C. § 512.6. If you submit a request for confidentiality for all or part of your response to this IR, that is in an electronic format (e.g., CD-ROM), your request and associated submission must conform to the new requirements in

NHTSA's Confidential Business Information Rule regarding submissions in electronic formats (49 CFR 512.6(c)). See Federal Register, volume 72, page 59434 (October 19, 2007).

Please send email notification to Stephen McHenry (stephen.mchenry@dot.gov) and to ODI\_IRresponse@dot.gov when Ford sends its response to this office and indicate whether there is confidential information as part of Ford response.

If you have any technical questions concerning this matter, please call Stephen McHenry of my staff at (202) 366-4883.

Sincerely,

A handwritten signature in cursive script that reads "Richard Boyd".

Richard Boyd, Acting Office Director  
Office of Defects Investigation  
Enforcement

Enclosure 1, one CD ROM titled Data Collection Disc containing three files