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September 21, 2018

Mr. Stephen Hench  
Trial Attorney, Litigation & Enforcement  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE, Room W41-227  
Washington, DC 20590

Dear Mr. Hench:

**Subject: Ford Motor Company Notice of Anticipated Shortage and Request for Extension for Certain Priority Group 5 - 9 Vehicles - Supplement**

Pursuant to Paragraph 39 of the Agency's Third Amendment to the Coordinated Remedy Order (ACRO) dated December 9, 2016, Ford Motor Company (Ford) respectfully requests an extension to the Supply & Launch Deadline for the following Priority Groups 5 - 9 vehicles as specified in Amended Annex A:

Priority Group	Model Year(s)	Make	Model	Inflator	Zone
5	2007-2009	Ford	Edge	PAB	A
	2006-2009	Ford	Fusion	PAB	A
	2007-2009	Lincoln	MKX	PAB	A
	2006-2009	Mercury	Milan	PAB	A
6	2010	Ford	Edge	PAB	A
	2007-2008	Ford	Edge	PAB	Non-A
	2010-2011	Ford	Fusion	PAB	A
	2006-2008	Ford	Fusion	PAB	Non-A
	2010	Lincoln	MKX	PAB	A
	2007-2008	Lincoln	MKX	PAB	Non-A
	2010-2011	Lincoln	Zephyr/MKZ	PAB	A
	2010-2011	Mercury	Milan	PAB	A
2006-2008	Mercury	Milan	PAB	Non-A	

(1) – NHTSA has clarified the definition of "Non-Zone A" as being Zone B.

Priority Group	Model Year(s)	Make	Model	Inflator	Zone
7	2012	Ford	Fusion	PAB	A
8	2009	Ford	Edge	PAB	B
	2007-2008	Ford	Edge	PAB	C
	2009	Ford	Fusion	PAB	B
	2006-2008	Ford	Fusion	PAB	C
	2009	Lincoln	MKX	PAB	B
	2007-2008	Lincoln	MKX	PAB	C
	2009	Mercury	Milan	PAB	B
	2006-2008	Mercury	Milan	PAB	C
9	2010 - 2010	Ford	Edge	PAB	B
	2009 - 2009	Ford	Edge	PAB	C
	2009 - 2009	Ford	Fusion	PAB	C
	2010 - 2010	Lincoln	MKX	PAB	B
	2009 - 2009	Lincoln	MKX	PAB	C
	2010 - 2010	Lincoln	Zephyr/MKZ	PAB	B
	2009 - 2009	Mercury	Milan	PAB	C

## (i) Explanation

On June 8, 2018, Ford submitted an extension request for certain Priority Groups 5-9 vehicles. Ford is submitting an amended extension request to propose a phased owner notification approach in order to match customer demand with service part availability and avoid a parts backorder situation. Ford intends to begin mailing notification letters to certain owners by Priority Group and vehicle models beginning on the previously submitted dates, but will initiate subsequent mailings as sufficient service part quantities become available.

- In its June 8, 2018 extension request, Ford requested deadlines to launch with sufficient supply based on the vehicle repair rates seen on prior Takata airbag recalls. The requested deadlines were based on the assumption that the quantity of service parts would be sufficient to repair the initial demand for service parts, while continued service part production would cover the remaining service part demand. As it launched owner letter mailings for certain Priority Group 5 vehicles, customer repair rates exceeded Ford's estimated service part demands, which created backorders. Based on this new data, Ford re-evaluated its owner notification timing to include a phased mailing approach to better match parts supply with recall completion rates to notify owners as quickly as possible while avoiding a service part backorder situation.
- Joyson Safety Systems is the manufacturer of the passenger airbag modules used for recall remedy repairs. As recall remedy parts have passed validation and production capability testing and volume production began there have been issues reaching expected production line volume capability. Ford and Joyson have worked closely to expedite ramp-up of the production lines to full production capability, including deploying manufacturing engineering resources

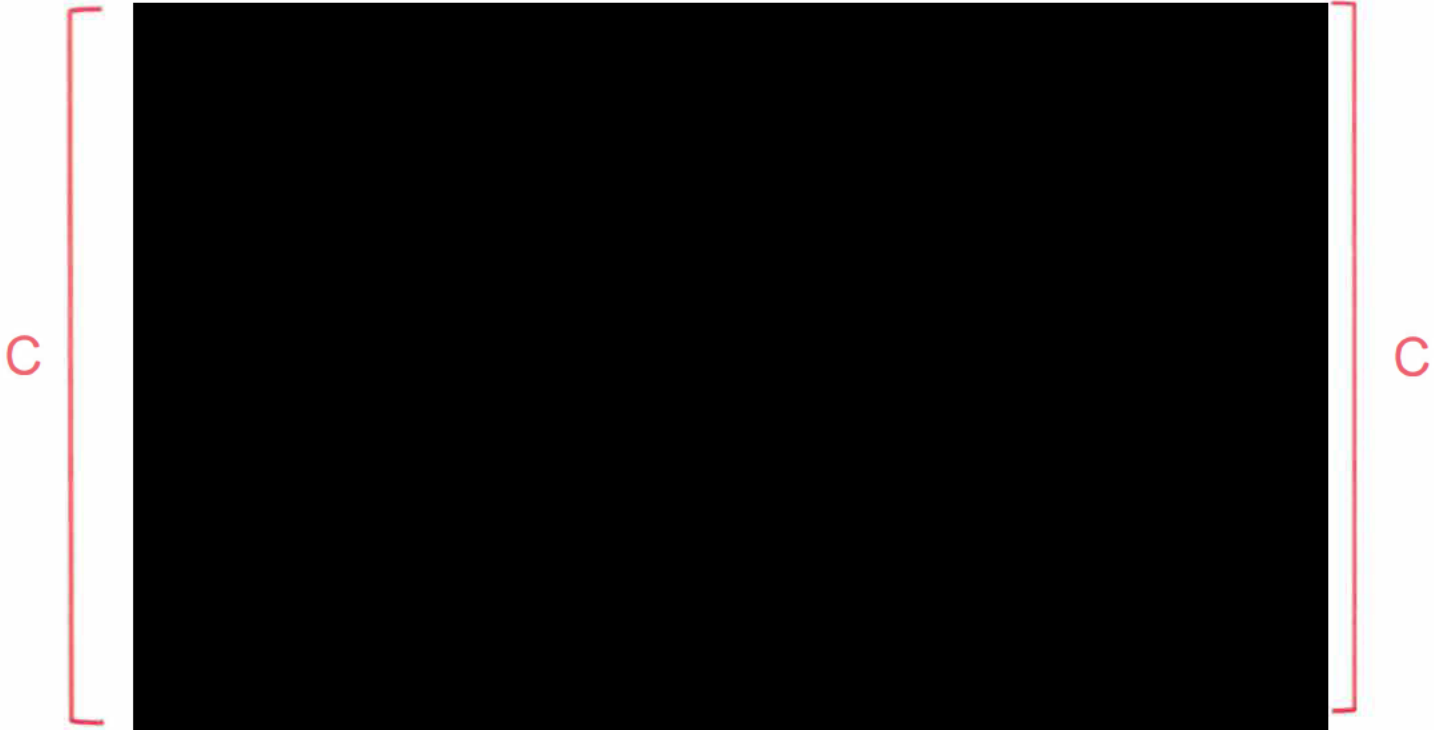
from Ford as well as a third party. During that time expected production volumes of parts have not been consistently met effecting the volume of parts available. Production at Joyson is now reaching expected output.

As a result of the recent Takata recall repair rates experienced by Ford, updated repair rate models, and repair part production constraints described above, Ford recognizes that notifying all owners of certain vehicles in certain priority groups by the dates requested in its June 8, 2018 submission would result in a parts backorder condition. As a result, Ford requests additional notification flexibility and end-dates to notify owners in phases that final remedy parts are available. The initial phase of notifications would begin consistent with the dates previously requested and the remaining letters would be phase-mailed over a number of weeks to avoid service parts backorder situations. Ford will closely monitor service parts demand and supply to notify owners as quickly as possible.

(ii) Remedy Part Selection, Validation, and Development Process

With the unprecedented urgency to provide service airbag inflators, Ford created a dedicated team of product development engineers, supported by service engineers, purchasing, and part supply and logistics staff to identify opportunities to reduce the time to bring inflator service parts to market. Under normal circumstances, manufacturers require several years to design, develop, and validate original equipment airbag modules. In contrast, to develop replacement Takata airbag inflator replacement parts, Ford developed innovative methods to reduce the time to provide service parts. A brief description of Ford's recall service part development and validation process is provided:





(iii) Sufficient Remedy Part Supply Sourcing

Ford has made a substantial effort to secure dual-stage passenger airbag inflator (APPS-7) production capacity from Autoliv, Inc. For Ford's service part needs, Autoliv is producing four different outputs of the APPS-7 inflator that are used in both inflator kits and airbag module assemblies.

In some instances, replacing the existing Takata airbag inflator with a new Autoliv inflator did not deliver acceptable performance, which required redesigning the airbag cushion and additional development and validation time. Ford secured module production capacity at Joyson Safety Systems that incorporates the redesigned airbag cushion.

Joyson currently is producing recall remedy parts on two assembly lines at their Torreon, Mexico facility. Ford has authorized four additional production lines that will be built at Joyson's Monclova, Mexico facility. The first of the four additional assembly lines is expected to begin production during the first two weeks of November 2018. The remaining three assembly lines are expected to begin production ramp-up in two-week intervals after the first line is launched. All six production lines are expected to be producing recall remedy parts by the end of 2018. Additionally, Ford has taken steps that inflator production capacity at Autoliv will match the total module production at Joyson.

(iv) Replacement Part Quantities

Because Ford is using a phased owner notification to closely match supply and demand to prevent parts on backorder, it is impossible to predict the quantity of service parts on hand on any particular date. Therefore, Ford is unable to provide an Appendix A for this request. If the Agency requires further clarification, please advise.

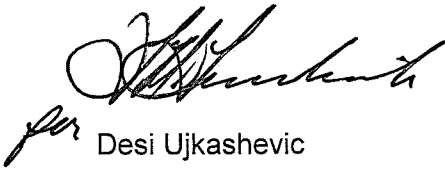
(v) Extension Request Date

Ford is providing its extension request dates in Appendix B.

Ford is committed to continuing to work very closely with NHTSA and the Coordinated Remedy Monitor team to provide transparent and timely service part supply information on an ongoing basis for the numerous vehicle programs covered.

If you have any questions, please feel free to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Desi Ujkashevic". The signature is written in a cursive style with a large initial "D".

Desi Ujkashevic

Attachments

## Requested Launch Completion Dates

Priority Group	Model Year(s)	Make	Model	Inflator	Zone <sup>(2)</sup>	Owner Letter Mailing Start Date	Phase Mailing Complete <sup>(1)</sup>	
5	2007-2009	Ford	Edge	PAB	A	September 30, 2018	January 31, 2019	
	2006-2009	Ford	Fusion	PAB	A	September 30, 2018	December 31, 2018	
	2007-2009	Lincoln	MKX	PAB	A	October 31, 2018	January 31, 2019	
	2006-2009	Mercury	Milan	PAB	A	September 30, 2018	December 31, 2018	
	2010	Ford	Edge	PAB	A	September 30, 2018	January 31, 2019	
6	2007-2008	Ford	Edge	PAB	Non-A	September 30, 2018	January 31, 2019	
	2010-2011	Ford	Edge	PAB	A	September 30, 2018	January 31, 2019	
	2006-2008	Ford	Fusion	PAB	A	October 31, 2018	January 31, 2019	
	2006-2008	Ford	Fusion	PAB	Non-A	September 30, 2018	December 31, 2018	
	2010	Lincoln	MKX	PAB	A	October 31, 2018	January 31, 2019	
	2007-2008	Lincoln	MKX	PAB	Non-A	October 31, 2018	January 31, 2019	
	2010-2011	Lincoln	Zephyr/MKZ	PAB	A	September 30, 2018	December 31, 2018	
	2010-2011	Mercury	Milan	PAB	A	October 31, 2018	January 31, 2019	
	2006-2008	Mercury	Milan	PAB	Non-A	September 30, 2018	December 31, 2018	
	2012	Ford	Fusion	PAB	A	November 30, 2018	February 28, 2019	
7	2009	Ford	Edge	PAB	B	September 30, 2018	January 31, 2019	
	2007-2008	Ford	Edge	PAB	C	September 30, 2018	January 31, 2019	
	2009	Ford	Fusion	PAB	B	November 30, 2018	February 28, 2019	
	2006-2008	Ford	Fusion	PAB	C	November 30, 2018	February 28, 2019	
	2009	Lincoln	MKX	PAB	B	October 31, 2018	January 31, 2019	
	2007-2008	Lincoln	MKX	PAB	C	October 31, 2018	January 31, 2019	
	2009	Mercury	Milan	PAB	B	November 30, 2018	February 28, 2019	
	2006-2008	Mercury	Milan	PAB	C	November 30, 2018	February 28, 2019	
8	2010	Ford	Edge	PAB	B	October 31, 2018	March 31, 2019	
	2009	Ford	Edge	PAB	C	October 31, 2018	March 31, 2019	
	2009	Ford	Fusion	PAB	C	November 30, 2018	February 28, 2019	
	2010	Lincoln	MKX	PAB	B	October 31, 2018	January 31, 2019	
	2009	Lincoln	MKX	PAB	C	October 31, 2018	January 31, 2019	
	2010	Lincoln	Zephyr/MKZ	PAB	B	September 30, 2018	December 31, 2018	
	2009	Mercury	Milan	PAB	C	November 30, 2018	February 28, 2019	
	9	2007-2008	Lincoln	MKX	PAB	C	October 31, 2018	January 31, 2019
		2009	Mercury	Milan	PAB	B	November 30, 2018	February 28, 2019
		2006-2008	Mercury	Milan	PAB	C	November 30, 2018	February 28, 2019
2010		Ford	Edge	PAB	B	October 31, 2018	March 31, 2019	
2009		Ford	Edge	PAB	C	October 31, 2018	March 31, 2019	
2009		Ford	Fusion	PAB	C	November 30, 2018	February 28, 2019	
2010		Lincoln	MKX	PAB	B	October 31, 2018	January 31, 2019	
2009		Lincoln	MKX	PAB	C	October 31, 2018	January 31, 2019	
2010		Lincoln	Zephyr/MKZ	PAB	B	September 30, 2018	December 31, 2018	
2009		Mercury	Milan	PAB	C	November 30, 2018	February 28, 2019	

<sup>(1)</sup> Owner letter mailings will begin on or before the dates provided in Ford's June 8, 2018 submission.

<sup>(2)</sup> NHTSA has clarified the definition of "Non-Zone A" as being Zone B.

Declaration of Todd M. Fronckowiak

I, Todd M. Fronckowiak, declare as follows:

1. I am Assistant Director, Global Automotive Safety Compliance, Automotive Safety Office for Ford Motor Company.
2. I submit this Declaration in support of Ford's Notice of Anticipated Shortage and Request for Extension ("Extension Request") pursuant to Paragraph 39 of the Third Amendment to the Coordinated Remedy Order.
3. The contents of the Extension Request are accurate to the best of my knowledge, information, and belief.
4. I make no representation beyond these contained in this Declaration and, in particular, I make no representations as to whether this information may change in the future.

I state under penalty of perjury that the foregoing is true and correct.

Executed this twenty-first day of September, 2018.

  
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T. M. Fronckowiak