



Desi Ujkashevic, Global Director
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May 14, 2018

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

Mr. John D. Buretta
Takata Independent Monitor
Cravath, Swaine & Moore LLP
Worldwide Plaza
825 8th Avenue
New York, NY 10019-7475

Dear Mr. Hench and Mr. Buretta:

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

Pursuant to Paragraph 39 of the Agency's Third Amendment to the Coordinated Remedy Order (ACRO3) dated December 9, 2016, Ford Motor Company (Ford) respectfully requests an extension to the Supply & Launch Deadline for the following Priority Group 9 vehicles as specified in Amended Annex A:

Model Years	Make	Model	Inflator	Zone
2010	Ford	Edge	PAB	B
2009	Ford	Edge	PAB	C
2010	Ford	Fusion	PAB	B
2009	Ford	Fusion	PAB	C
2010	Lincoln	MKX	PAB	B
2009	Lincoln	MKX	PAB	C
2010	Lincoln	MKZ	PAB	B
2009	Lincoln	MKZ	PAB	C
2010	Mercury	Milan	PAB	B
2009	Mercury	Milan	PAB	C

(i) Explanation

This request largely reflects a cascade effect of previous delays and production capacity forecasts, and is not due to a new supply or development issue. As production of remedy parts continues and part supplies rise, Ford will continue to notify owners at the earliest opportunity.

Ford continues to make steady progress with respect to have sufficient supplies of permanent replacement service parts for all its affected vehicle lines. Passenger

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airbag inflator kits for the 2005-2009 Ford Mustang and for the 2010-2014 Mustang are available in quantities and owners of vehicles through Priority Group 9 have been notified. In addition, inflator kits for the 2007-2011 Ford Ranger are in sufficient quantities and owner notification mailings were launched prior to the deadline for Priority Group 9.

Due to the development challenges and supplier production process concerns previously communicated to the Agency, Ford's production launch, rate and supply forecasting indicates that there will not be sufficient supplies of replacement parts by the June 30, 2018 ACRO3 deadline for certain vehicles assigned to Priority Group 9. Explanations of the previous development and production issues are provided below.

2010-2012 Ford Fusion and 2010-2011 Mercury Milan Passenger Modules

During static airbag deployment tests conducted at Joyson Safety Systems (JSS) in Mexico as part of design validation/production (DV/PV) validation testing, engineers identified unexpected deformation on the inflator stop plate for these passenger airbag modules. Ford and JSS are in the process of redesigning the inflator stop plate and will perform additional DV/PV test to validate the design.

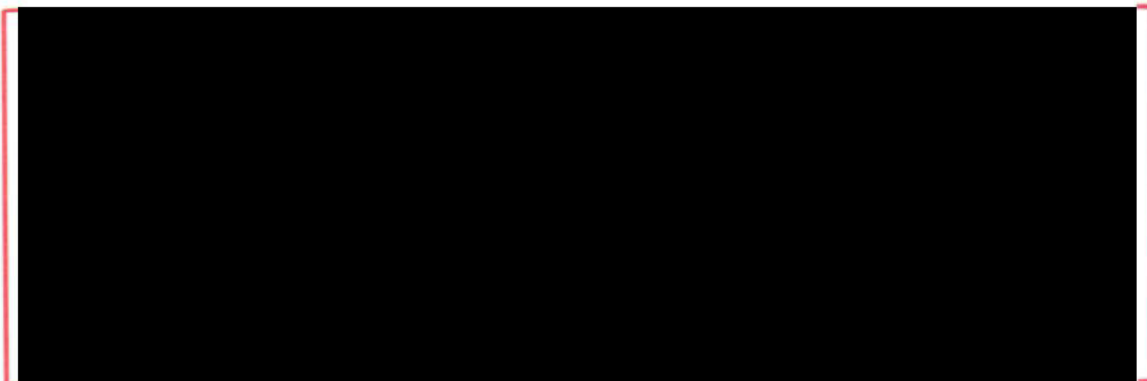
Manufacturing Issue at Autoliv

On March 26, 2018, an event occurred at Autoliv's Promontory, Utah inflator production facility that halted manufacturing operation. After working to determine root cause and instituting recommended preventative actions, Autoliv has resumed production of airbag inflators for recalls. Timing for this issue has been accounted for in this Priority Group 9 supply assessment.

Ford has worked and continues to work diligently to introduce recall remedy parts as expeditiously as possible with all potential sources of inflator supply globally.

(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:



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(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.

(iv) Replacement Part Quantities

Ford is providing the number of affected vehicles, as reported in the [month day, 2018] Monitor Dashboard, and the number of replacement parts it reasonable believes will be available by the "Supply & Launch Deadline" for the affected Priority Group 9 vehicles in Appendix A.

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- (v) Extension Request Date
Ford is providing its extension request dates in Appendix B.

Ford is investigating several methods to improve the recall launch timing and will update the Agency on any improvements in its owner letter mailing date timing for Priority Group 9 vehicles as new information becomes available.

This Extension Request is supported by the accompanying declaration.

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

Sincerely,


Desi Ujkashevic

Attachments

Remedy Part Quantities

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Priority Group	Model Years	Make	Model	Inflator	Zone	Vehicles Affected	Sufficient Supply Date Per ACRO3	Parts Available Per ACRO3 Date
9	2010 - 2010	Ford	Edge	PAB	B	53,381	June 30, 2018	<10% ⁽²⁾
	2009 - 2009	Ford	Edge	PAB	C	10,086	June 30, 2018	<10% ⁽²⁾
	2010 - 2010	Ford	Fusion	PAB	B	132,207	June 30, 2018	<10% ⁽²⁾
	2009 - 2009	Ford	Fusion	PAB	C	25,230	June 30, 2018	<10% ⁽²⁾
	2013 - 2013	Ford	Mustang	PAB	A	43,338	June 30, 2018	N/A ⁽¹⁾
	2010 - 2010	Ford	Mustang	PAB	B	23,777	June 30, 2018	N/A ⁽¹⁾
	2009 - 2009	Ford	Mustang	PAB	C	4,340	June 30, 2018	N/A ⁽¹⁾
	2010 - 2010	Ford	Ranger	PAB	B	25,737	June 30, 2018	N/A ⁽¹⁾
	2009 - 2009	Ford	Ranger	PAB	C	9,211	June 30, 2018	N/A ⁽¹⁾
	2010 - 2010	Lincoln	MKX	PAB	B	9,471	June 30, 2018	<10% ⁽²⁾
	2009 - 2009	Lincoln	MKX	PAB	C	2,606	June 30, 2018	<10% ⁽²⁾
	2010 - 2010	Lincoln	Zephyr/MKZ	PAB	B	13,436	June 30, 2018	<10% ⁽²⁾
	2009 - 2009	Lincoln	Zephyr/MKZ	PAB	C	3,401	June 30, 2018	<10% ⁽²⁾
	2010 - 2010	Mercury	Milan	PAB	B	19,565	June 30, 2018	<10% ⁽²⁾
	2009 - 2009	Mercury	Milan	PAB	C	4,878	June 30, 2018	<10% ⁽²⁾

⁽¹⁾ No additional extension is requested.⁽²⁾ Part quantity affected by rate/flow of new parts and completion rates of previous priority groups.

Requested Supply and Launch Dates

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Priority Group	Model Years	Make	Model	Inflator	Zone	ACRO3 Sufficient Supply Dates	Owner Letter Mailing Start Date Extension Request
9	2010 - 2010	Ford	Edge	PAB	B	June 30, 2018	October 12, 2018 ⁽¹⁾
	2009 - 2009	Ford	Edge	PAB	C	June 30, 2018	October 12, 2018 ⁽¹⁾
	2010 - 2010	Ford	Fusion	PAB	B	June 30, 2018	January 11, 2019 ⁽¹⁾
	2009 - 2009	Ford	Fusion	PAB	C	June 30, 2018	November 2, 2018 ⁽¹⁾
	2013 - 2013	Ford	Mustang	PAB	A	June 30, 2018	Not Required ⁽²⁾
	2010 - 2010	Ford	Mustang	PAB	B	June 30, 2018	Not Required ⁽²⁾
	2009 - 2009	Ford	Mustang	PAB	C	June 30, 2018	Not Required ⁽²⁾
	2010 - 2010	Ford	Ranger	PAB	B	June 30, 2018	Not Required ⁽²⁾
	2009 - 2009	Ford	Ranger	PAB	C	June 30, 2018	Not Required ⁽²⁾
	2010 - 2010	Lincoln	MKX	PAB	B	June 30, 2018	September 28, 2018 ⁽¹⁾
	2009 - 2009	Lincoln	MKX	PAB	C	June 30, 2018	September 28, 2018 ⁽¹⁾
	2010 - 2010	Lincoln	Zephyr/MKZ	PAB	B	June 30, 2018	November 16, 2018 ⁽¹⁾
	2009 - 2009	Lincoln	Zephyr/MKZ	PAB	C	June 30, 2018	August 24, 2018 ⁽¹⁾
	2010 - 2010	Mercury	Milan	PAB	B	June 30, 2018	January 11, 2019 ⁽¹⁾
	2009 - 2009	Mercury	Milan	PAB	C	June 30, 2018	November 2, 2018 ⁽¹⁾

⁽¹⁾ These dates include some additional timing to avoid the need for another extension request in the event of minor unforeseen circumstances. Ford will work toward an internal deadline to launch as quickly as possible.

⁽²⁾ No additional extension requested.

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 Fourteenth day of May, 2018.



T. M. Fronckowiak