

The New Cost Cap Tool, recent powertrain additions and an important reminder

June 2010

Recent Powertrain Additions:

The following new powertrains have been added to the Cost Cap Tool

- 2011 F-Super Duty, 6.7L Diesel, 6.2L Gas and the 6R140 Automatic Transmission
- 2011 Mustang, 3.7L & 5.0L Gas Engines & the MT-62 Manual Transmission
- 2011 Fiesta, 1.6L Gas Engine & DPS6 Automatic Transmission (The iB5 manual transmission was already included in the Cost Cap Tool)

Please Note: the new DPS6 transmission used in the Fiesta is considered an "automatic transmission". For those dealers with Automatic Transmission Prior Approval requirements, prior approval is required before the replacement of a DPS6 transmission.

Important Reminder:

As stated in communication "Launch of the New Web Based Powertrain Cost Cap Tool" dated March 1, 2010, the use of the new Cost Cap Tool is **MANDATORY** on all applicable Warranty and Extended Service Plan covered repairs as outlined below. This requirement complies with the repair vs. replacement policy as stated on pages 121 and 267 of the Warranty & Policy Manual. The use of a "paper" cost cap repair estimate and the Cost Cap Reference Charts is no longer valid (except on 1999 and prior model year vehicles). Additionally, this requirement is in effect regardless of your dealership's prior approval requirements.

WARNING - An engine or transmission assembly that is replaced without first completing a cost cap estimate using the new Cost Cap Tool is subject to chargeback.

The Cost Cap Tool must be used on:

Warranty Covered Repairs, whenever the total cost of the repair to a gas engine, diesel engine, automatic or manual transmission is expected to exceed the dollar threshold listed below and/or when it is likely that the replacement of the powertrain assembly may be the least expensive repair alternative:

Diesel Engines:	\$7000
Gas Engines:	\$2500
Automatic Transmissions:	\$1500
Manual Transmissions:	\$1000

Extended Service Plan Repairs, whenever the total costs of the repair or replacement of a gas engine, diesel engine, automatic or manual transmission is expected to exceed your dealership's established ESP Prior Approval Level.

Note: The new Cost Cap Tool must be used on all repairs when the parameters listed above are met. Additionally,

- The thresholds for warranty covered repairs listed above are NOT the actual "Cost Caps" for these powertrains, but are simply meant to provide guidance on when the Cost Cap Tool is to be used. The actual Cost Cap for an individual engine or transmission assembly is contained within the Tool and is based on your dealership's own unique labor rate and parts mark-up.
- Your dealership's prior approval requirements does not affect when the Cost Cap Tool is to be used. The Tool is to be used on all gas and diesel engines, automatic and manual transmissions repairs, when the thresholds listed above are met.
- For 1999 and prior model year vehicles, (which are not supported by the Cost Cap Tool), the current paper process and Cost Cap Reference Charts (dated May 1, 2009) should continued to be used.

Prior Approval Requirements; In accordance with the Warranty & Policy Manual, certain repairs and claims require prior approval. The Dealer is responsible for obtaining and documenting authorization when required. Additionally, Dealers are responsible to be aware of and follow the prior approval programs that pertain to them. This information is available in FMCDdealer under the Parts & Service tab / Warranty tab.