

On Target

WINTER 2006 - 2007



**GENUINE
PARTS**

For Ford, Lincoln and Mercury Wholesalers and the Collision Repair Industry

FORD'S ROE PILOT PROGRAM EXPANDS

Ford Motor Company recently expanded its Recovered Original Equipment (ROE) Collision Parts pilot program participants to include a group of nationally located Ford, Lincoln and Mercury wholesaling dealers.

The ROE program captures and redistributes slightly blemished Ford collision parts as a cost-effective alternative to non-OEM collision parts. Primary categories of ROE parts include bumper fascias, hoods, fenders and doors.

"We used the initial, smaller-scoped pilot program to determine the value of ROE parts to the collision repair industry," said Betsy McKelvey, ROE program co-manager for Ford Customer Service Division (FCSD). "Now we are preparing for the ROE program's full roll-out by expanding the pilot nationally and building our ROE parts inventory."

The ROE Collision Parts program was created to identify and manage the growing problem of excess, surplus and rejected Ford collision parts filtering into the aftermarket in an uncontrolled manner, while assisting insurers in reducing cycle time and overall severity by providing high-quality replacement collision parts at reduced list prices.

program. The ROE program's strict quality control measures will assure that:

- Parts meet genuine Ford replacement collision parts standards for structural and dimensional integrity, and functionality.
- Cosmetic damage/blemish will be minor, such as paint or primer runs, dirt in paint or primer, razor cuts in paint or primer, or minor repairable damage in material. In most instances, standard part preparation processes will correct the damage/blemish.

same part number with a unique "BP" suffix and will be classified in non-OEM categories on all major electronic collision repair estimating systems.

"We hope significant repair cycle time and overall severity reductions are possible with ROE parts on the market," McKelvey explained. "Repairers can process their entire parts orders through one source – their Ford, Lincoln or Mercury wholesaling dealer – with the result being lower overall cost to the insurer, less hassle for the collision repairer and greater satisfaction from vehicle owners."

Participating dealers better positioned than ever to fill complete collision repair orders

Additional benefits of the ROE program are a more efficient process to identify and recycle certain materials and a measurable reduction in the amount of scrapped material disposed of at landfills.

For more information about the ROE Collision Parts program, collision repairers can email the FCSD Collision Hotline at cphelp@ford.com.

Repair cycle time and overall repair cost reductions anticipated

FCSD now captures rejected or excess assembly plant and supplier-produced service parts, as well as dealer inventory returns. It then passes all captured parts through a stringent quality control process and identifies those eligible for the ROE

All ROE parts carry competitive list prices, will be clearly identified and branded as "Recovered" and carry the same service part warranty (excluding cosmetic damage) as genuine Ford replacement collision parts. The parts will be identified by the

On The Inside

Fastener Kits Available to all Ford, Lincoln and Mercury Dealers

New Technical Service Bulletins

OEConnection's CollisionLink



INSIDE THE INDUSTRY

Ford Wins Patent-Infringement Case Against Keystone

An administrative law judge with the U.S. International Trade Commission (ITC) has ruled in favor of Ford Global Technologies, LLC, in a patent infringement suit filed last January against Keystone Automotive Industries and four Taiwanese manufacturers. The case focused on design patents relating to parts for the F-150, with the defendants arguing that the patents were invalid due to prior public use.

In the decision, the judge declared seven of the design patents are enforceable, which would prohibit Keystone from importing those parts based on the F-150 design into the U.S. Keystone and the other respondents are planning to contest the ruling that now goes to the full commission for review, with a deadline of March 5, 2007. If upheld, it goes to the president for final approval.

Other Keystone News

More record earnings for the aftermarket parts company. Fiscal-2007, second-quarter net income rose 18.8 percent to \$3.4 million, while net sales for the period climbed 15.5 percent to \$160.8 million, up \$21.6 million from last year. For the first half of the year, net income is up 25.3 percent, while net sales hit \$328.5 million, an increase of 15.7 percent.

Farmers Insurance Settles Non-OEM Parts Lawsuit

Farmers Insurance Group agreed in mid-December 2006, to a multi-million dollar preliminary settlement in a long-standing, non-OEM class-action lawsuit. The plaintiffs alleged that Farmers had failed to meet the quality standards of its auto policies through the use of certain non-OEM crash parts, and that the company had unjustly based insurance claims on the use of those parts.

The settlement covers anyone who filed a repair claim with Farmers and its subsidiaries between June 1996, and November 2006, and will pay eligible members of the class \$20 to \$40 per part installed. Class members will also receive a full warranty on any non-OEM crash part for as long as they own the car. In addition, the insurer must instruct its claims personnel to specify only OEM, salvage or CAPA parts that have not been decertified, and pay \$17 million in various legal fees. Final approval of the deal is expected in May 2007.

MQVP Files Suit Against Keystone, Loses Nationwide Insurance

In a complaint filed with a Michigan court in December 2006, MQVP claimed violations of its registered trademark by Keystone Automotive Industries through the distribution of parts outside the MQVP program. Keystone left the MQVP program in November 2006, around the same time as another long-time MQVP partner, Nationwide Insurance. MQVP filed for Chapter 11 Bankruptcy protection in August 2006, while the company undergoes reorganization.

CAPA Additions

CAPA added another 434 newly certified parts to its roster during the second half of 2006, while decertifying just 174 over the same period. Of the new parts, 221 were sheet metal, 144 lights and 69 molded plastic.

FASCIA FASTENER KITS NOW AVAILABLE TO ALL FORD, LINCOLN AND MERCURY DEALERS

Ford Motor Company has recently made thirty-nine fastener kits available to all Ford, Lincoln and Mercury dealers via their normal parts distribution channel. The kits include ten new fascia applications and are used in conjunction with many of Ford, Lincoln and Mercury's high-volume car bumper fascias.

The kits include all nuts, bolts, washers, clips, rivets and push pins necessary to properly install the fascias. Each kit is assigned a unique part number and must be ordered separately when purchasing the compatible fascia from a Ford, Lincoln or Mercury collision parts wholesaling dealer.



"Fascia replacement is among the most common collision repairs, yet repairers keep describing how they have to search, scrounge and salvage proper fasteners to complete repairs," said George Gilbert, manager of Ford Customer Service Division's (FCSD) Collision Parts Truckload Program. "This slows repair cycle time and can jeopardize the quality of the finished repair. With the kits, repairers can be assured of having all the fasteners they need before the repair begins."

For more information about the fascia fastener kits, collision repairers can contact their local Ford, Lincoln or Mercury wholesaling dealer, or email the FCSD Collision Hotline at cphelp@ford.com.

Ford Customer Service Division Fascia Fastener Kits			
MY	Vehicle	Use with Fascia:	Fastener Kit Part #
01-03	EXPLORER S/T	1L5Z-17D957-GAA	1L5Z-17C756-AA
98-99	TAURUS/SABLE	F8DZ-17D957-AA/BA	3F1Z-17C756-A
92-93	TAURUS/SABLE	F2DZ-17906-B	3F1Z-17C756-AA
92-95	TAURUS/SABLE	F2DZ/F24Y-17757-D/B	3F1Z-17C756-BA
97-99	TAURUS/SABLE	F8DZ-17D957-AA/BA	3F1Z-17C756-CA
96-99	TAURUS	F6DZ-17K835-A	3F1Z-17C756-DA
95-97	WINDSTAR	F58Z-17D957-A	3F2Z-17C756-AA
95-98	WINDSTAR	F68Z-17K835-CA	3F2Z-17C756-BA
98	WINDSTAR	F78Z-17D957-HF	3F2Z-17C756-CA
94-95	T-BIRD	F4SZ-17D957-A	3F6Z-17C756-AA
98-01	EXPLORER	F87Z-17757-BB	3L2Z-17C756-AA
98	EXPLORER	F87Z-17757-BB	3L2Z-17C756-B
99-04	MUSTANG	XR3Z-17K835-AA	3R3Z-17C756-AA
94-95	MUSTANG	F4ZZ-17K835-B	3R3Z-17C756-BA
99-04	MUSTANG	YR3Z-17D957-EA	3R3Z-17C756-CA
94-95	MUSTANG	F4ZZ-17D957-A	3R3Z-17C756-DA
98-02	TOWN CAR	F8VZ-17D957-BA	3W1Z-17C756-AB
95-97	TOWN CAR	F5VY-17D957-A	3W1Z-17C756-BB
92-94	GRAND MARQUIS	F2MY-17D957-A	3W3Z-17C756-AB
95	CROWN VIC	F5AZ-17D957-A	3W7Z-17C756-BA
95-97	CROWN VIC	F5AZ-17D957-A	3W7Z-17C756-AC
02-03	TAURUS	2F1Z-17K835-CA	4F1Z-17C756-AA
00-04	FOCUS	2M5Z-17D957-FAA	4M5Z-17C756-AA
04	FOCUS	3S4Z-17K835-EAA	4S4Z-17C756-AA
00-02	GRAND MARQUIS	XW3Z-17D957-BA	4W3Z-17C756-AA
03-05	CROWN VIC	3W7Z-17D957-CA	4W7Z-17C756-AA
00-05	CROWN VIC	YW7Z-17K835-CA	4W7Z-17C756-BA
99-03	WINDSTAR	XF2Z-17K835-AAD	XF2Z-17C756-AA
00-01	EXPLORER	YL2Z-17757-BAA	YL2Z-17C756-AA
02-03	TAURUS	2F1Z-17D957-BA	5F1Z-17C756-AC
97-98	TAURUS	F8DZ-17D957-BA	5F1Z-17C756-C
01-03	WINDSTAR	1F2Z-17D957-KAA	5F2Z-17C756-A
99-03	WINDSTAR	XF2Z-17K835-AAD	5F2Z-17C756-B
00	WINDSTAR	YF2Z-17D957-LB	5F2Z-17C756-C
99-04	MUSTANG	YR3Z-17D957-GA	5R3Z-17C756-A
99-04	MUSTANG	XR3Z-17K835-BA	5R3Z-17C756-B
98-03	ESCORT/TRACER	XS4Z-17906-AA	5S4Z-17C756-B
98-02	TOWN CAR	F8VZ-17K835-BA	5W1Z-17C756-B
00-03	GRAND MARQUIS	YW3Z-17K835-BA	5W3Z-17C756-B

NEW TECHNICAL SERVICE BULLETINS

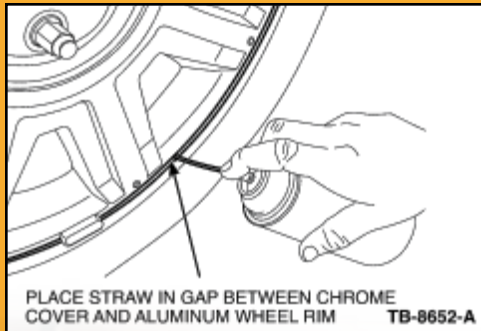
Ford Motor Company has released a number of new collision repair-related Technical Service Bulletins in recent months, including Expedition power folding mirror repair instructions and service procedures for Fusion, Milan and Zephyr vehicles to correct a headlamp functionality issue. Here's a brief rundown:

TSB 06-19-11 – Headlamps Stay On After Switch is Off

States that some 2007 Fusion / Milan / Zephyr models may experience headlamps remaining illuminated when the vehicle is not running and the headlamp switch is in the off position. The bulletin provides instructions to inspect the smart junction box (SJB) / generic electronic module (GEM).

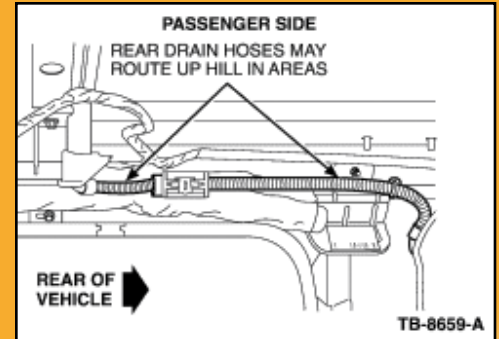
TSB 06-20-4 – Chrome Wheel Cover Noise

Provides repairers with service procedures to correct the condition affecting some 2007 Five Hundred models by lubricating the outer edge of the wheel cover with a high silicone lubricant (Motorcraft® XL-6). ↓



TSB 06-21-17 – Water Leak in Headliner / Dome Lamp Area →

Alerts repairers that some 2006-07 Explorer / Mountaineer models (four doors with build date prior to August 14, 2006) equipped with a factory installed roof opening panel and safety canopy air bag system may have water leaking in the headliner dome lamp area. The article outlines a service procedure to reroute roof opening panel drain hoses to provide downward slope for improved drainage.

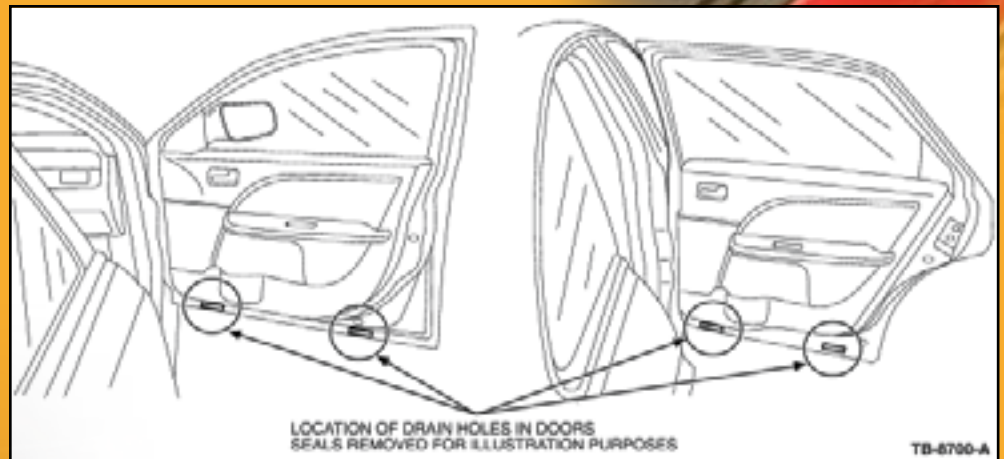


TSB 06-22-16 – Convertible Top Wear (Supersedes TSB 06-19-5) →

Includes service procedures to replace – with slight modifications – the convertible top cover on any 2005-07 Mustang built before October 11, 2006, that present a convertible top with wear or a hole near the fourth bow and/or number one bow area.

TSB 06-24-15 – Power Folding Mirrors Fold and Unfold Un-Commanded

Informs repairers that some 2007 Expedition Limited and Navigator models may exhibit un-commanded power folding mirrors that fold in or out repeatedly. The driver's seat module (DSM) requires inspection and possible replacement.



TSB 06-25-4 – Water Trapped in Doors ↑

Outlines the procedures for the inspection of the drain holes in the “wet doors” on some 2005-06 Five Hundred / Montego sedans that experience water trapped in the doors resulting in a sloshing sound. The drain holes need to be cleared of any debris blocking the passage of water.

INSIDE THE INDUSTRY

Progressive Grows Concierge

Progressive continues to aggressively expand its Concierge Service Center Program, with the number of participating shops now at 53 in 28 states and the District of Columbia. These one-stop, do-all service centers, which Progressive says can reduce the time customers spend on managing their collision repair from four days to 15 minutes, allow the customer to simply drop off the damaged vehicle and pick it up when it's repaired. Progressive opened its first center in Columbus, Ohio in 2003.

Katrina Cars

The aftermath of Hurricane Katrina is still being felt in the automotive realm. According to the automobile history reporting company, Experian Automotive, one-third of the estimated 600,000 cars damaged in the 2005 storm received titles branded as storm or flood-damaged. However, Experian also estimates that, of those branded cars that were shipped out of the Gulf Coast area, nearly one-half ultimately lost this branding after being re-titled in other states.

New York City Comptroller Upset Over Insurance Profits

NYC Comptroller's office has issued a report highly critical of auto insurers for what it calls "unjustifiably high" rates over the last several years. The report, titled "Highway Robbery: The High Cost of Automobile Insurance in New York", indicated that New York State saw insurer earned premiums increase nearly five times as fast as incurred losses — almost three times the national average. Insurers say the report misses the mark, and that the recommendations of the comptroller would add more bureaucracy to a system that needs less, thus leading to even higher premiums.

More Information for Total-Loss Vehicles

Two bills aimed at better identifying total-loss vehicles in the wake of hurricane Katrina are waiting to be reintroduced in the new Congress. The Passenger Vehicle Loss Disclosure Act was introduced by Sen. Trent Lott last July and requires insurance companies to disclose a variety of specific information regarding the total loss of a vehicle, including the vehicle identification number (VIN), the date of the loss, the mileage at the time of the incident, whether or not airbags were deployed, and a statement explaining why the vehicle was declared a loss. The Damaged Vehicle Information Act was introduced by Rep. Cliff Stearns in September, and is nearly identical to the Senate bill with the exception that disclosure requirements include everyone, not just insurance companies.

Texas Insurer-Owned Shop Legislation Goes Federal

A new appeal from Allstate is being heard in a federal appeals court after a lower level court upheld the ruling that Texas HB 1131 does not violate the constitution. Allstate, which operates 15 Sterling collision repair centers in the state, alleges the law violates the Commerce Clause of the U.S. Constitution and restricts the company's business endeavors. Proponents of the 2003 Texas legislation contend that an inherent conflict of interest exists in an insurance company owning a body shop.


OEConnection's CollisionLink Aids Dealers

OEConnection's CollisionLink—dealerships getting collision shop online parts orders more efficiently, accurately and processing those orders faster than ever before! Three hundred Ford dealers across the U.S. are now able to service their customers better because of this Internet technology. "CollisionLink orders are accurate and the ordering process is more efficient than phone or fax orders. I would highly recommend CollisionLink as the most efficient and effective way to order parts today and in the future," said Howard Meeks, Parts Manager at Ditschman/Flemington Ford Lincoln-Mercury in New Jersey.

CollisionLink has benefits for both dealers and shops:

- Orders are processed faster so collision shops are serviced better and faster to help get satisfied customers' vehicles back on the road quickly.
- Shops enjoy convenient, easy online ordering and dealers can process part orders more efficiently since they receive all parts orders electronically, on one screen. Reduced fax and phone call orders can save time and frustration!
- Shops view VIN-decoded information to order the right parts the first time. Dealers receive orders with part numbers automatically verified against the VIN—for faster order processing and correctness.
- Improved order accuracy means shipping the right parts the first time and reduced parts returns improves shops' cycle-time.
- Shops can attach photos or notes to orders for hard-to-find parts, such as decals and hood ornaments, eliminating time-consuming phone descriptions and confusion for dealers.
- Dealers see all the parts so they can offer shops OE at competitive pricing as an alternative to aftermarket and salvage.

OEConnection and Ford have worked together during 2006 to encourage Ford dealers to begin using the power of the Internet, to improve their business. Ford endorses CollisionLink as a recommended best practice to its network of




**More complete parts orders.
Less returns. More OE part sales.**

CollisionLink online, ecommerce parts orders get you a more accurate, more complete parts order. All the information you need to ship the right parts the first time. Less returns. Fewer headaches. More parts sales.

Benefits:

- Service your wholesale customers better and faster
- More productive way to process parts orders — receive all parts orders electronically, on one screen
- VIN-scrubbed parts orders verify part numbers for faster order processing and correctness*
- More correct orders means shipping the right parts the first time and reduced parts returns
- See all the parts so you can sell OE against aftermarket and salvage.*

* Premium subscription required


www.OEConnection.com
 888.776.5792, x3

Right part. Right place. Right time.

wholesale dealers. This endorsement is based on CollisionLink's proven ability to streamline the wholesale parts procurement process, offer increased opportunities for add-on and conquest sales, and provide tools that enable dealership parts departments to better service collision wholesale customers. For a dealer or shop WebEx demonstration of CollisionLink, contact an OEConnection representative at 888-776-5792, x3.

Thousands of shops across the country are now sending online orders to their dealers using CollisionLink. As Karen Roy, General Manager at Don Roy's Auto Body & Appearance Center, Inc. in Massachusetts stated, "CollisionLink is such an easy program to use and it makes order-processing so fast and efficient! It helps our shop get the right parts and that puts our satisfied customers back on the road quickly."

Dealership enrollments are still being taken, by calling OEConnection at 888-776-5792, x3. Collision repair facilities use CollisionLink as a service provided by auto dealerships nationwide, and can download the software at no charge by visiting www.OEConnection.com/CL, or calling 888-776-5792, ext. 3.

Ford's Super Chief Concept Lights Up NACE In Vegas



The Ford booth featured the Super Chief as a NACE display vehicle.

Ford Customer Service Division (FCSD) drew crowds of people into the booth with its modern look and exciting displays at the International Autobody Congress & Exposition in Las Vegas. The hot ticket item throughout the show was the new innovative F-250 Super Chief concept, which featured Tri-Flex fueling, brown leather-trimmed seating, a full glass roof, bold light-emitting diode (LED) headlamps and an automated under-bed storage tray to name a few of the truck's attributes.

Ford also announced the addition of its newest program – Recovered Original Equipment (ROE) Collision Parts – an alternative to non-OEM collision parts. Sample ROE parts were on display, and Ford representatives were on-hand to answer questions.

While in the booth, attendees could also view a F-250 cutaway, take a Ford-logo canvas bag that contained an informational CD detailing current Ford collision programs, or register for over 20 drawings to win an iPod® or a flash memory drive.

Be sure to join Ford in Las Vegas next year to learn more about its collision programs and talk with representatives from several divisions of FCSD.



Attendees examined internal details on the cutaway F-250 showcased in the Ford booth.

Industry Events Calendar 2007

- Jan. 17-19** Collision Industry Conference (CIC) Annual Planning Meeting
Scottsdale, AZ
www.ciclink.com
- Jan. 26-27** AASP-IL Annual Convention
Lisle, IL
www.aaspi.org
- Jan. 27** Canadian Collision Industry Conference (CCIF) Quarterly Meeting
Toronto, ON Canada
www.ccif.net
- Feb. 10** California Autobody Association 1st Quarter Membership Conference
Anaheim, CA
www.calautobody.com
- Mar. 2-4** ASA-MO/KS Vision Hi-Tech Training & Expo
Overland Park, KS
www.visionkc.com
- Mar. 16-17** AASP-PA Main Event Mechanical, Autobody & Towing Expo
Monroeville, PA
www.aasp-pa.org
- Mar. 23-25** AASP-NJ Annual Northeast Autobody/Automotive Trade Show
Suffern, NY
www.aaspnj.org
- Apr. 11-12** Collision Industry Conference (CIC) General Meeting
Atlanta, GA
www.ciclink.com
- Apr. 13-14** Nebraska Autobody Association 30th Anniversary Convention & Expo
Grand Island, NE
www.nebraskautobody.com
- Apr. 20-22** New England Collision and Auto Repair Industry Event
Boston, MA
www.carstradeshows.com
- Apr. 21** Canadian Collision Industry Conference (CCIF) Quarterly Meeting
Vancouver, BC Canada
www.ccif.net
- May 3-5** ASA Annual Convention & Business Meeting
Nashville, TN
www.asashop.org
- May 12-13** ASA-WA Northwest Automotive Industry Tradeshow (NAIT)
Puyallup, WA
www.asanait.com
- May 31-Jun. 1** International Bodyshop Industry Symposium (IBIS)
Cannes, France
www.ibisworldwide.com
- Jun. 23** Canadian Collision Industry Conference (CCIF) Quarterly Meeting
St. John's, NF Canada
www.ccif.net
- Jul. 25** Collision Industry Conference (CIC) General Meeting
Orlando, FL
www.ciclink.com

Get it right.



From the source.

Ford and Lincoln Mercury Dealers are the one-stop source for all of your collision repair needs.

Not only are they a great source for technical and repair information, their Ford Motor Company Genuine Parts can help your body shop reduce cycle time, improve relationships with insurance companies and satisfy customers. So call your local Ford or Lincoln Mercury Wholesaling Dealership today for all your Genuine Parts needs.



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SHARE YOUR THOUGHTS

The purpose of *On Target* is to provide Ford, Lincoln and Mercury dealership parts departments and independent collision repair shops with the general and technical information needed to deliver efficient, high-quality repairs to Ford, Lincoln and Mercury vehicle owners. In addition, information on parts wholesaling policies and procedures and collision repair industry activities will be featured. *On Target* is scheduled for publication three times a year.

Your comments and article ideas are welcome. Contact *On Target* via fax (313)271-3055, by e-mail at cphelp@Ford.com or by sending a note to Crash Parts Headquarters, P.O. Box 490, Dearborn, MI 48121.

Additional copies of **On Target** are available through Ad Creator or at FMCDealer.com. Independent collision repair shops should contact their Ford, Lincoln or Mercury wholesaling dealer. Independent body shops can also find **On Target** for free at Motorcraft.com under technical resources/ quick guides.

On Target

Produced for Ford, Lincoln and Mercury wholesaling dealers and their collision repair customers.

Editor

Steve Lopez

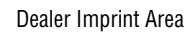
Contributors

Chris Caris Chris Smith

Jordan Orr Andrea Presnell



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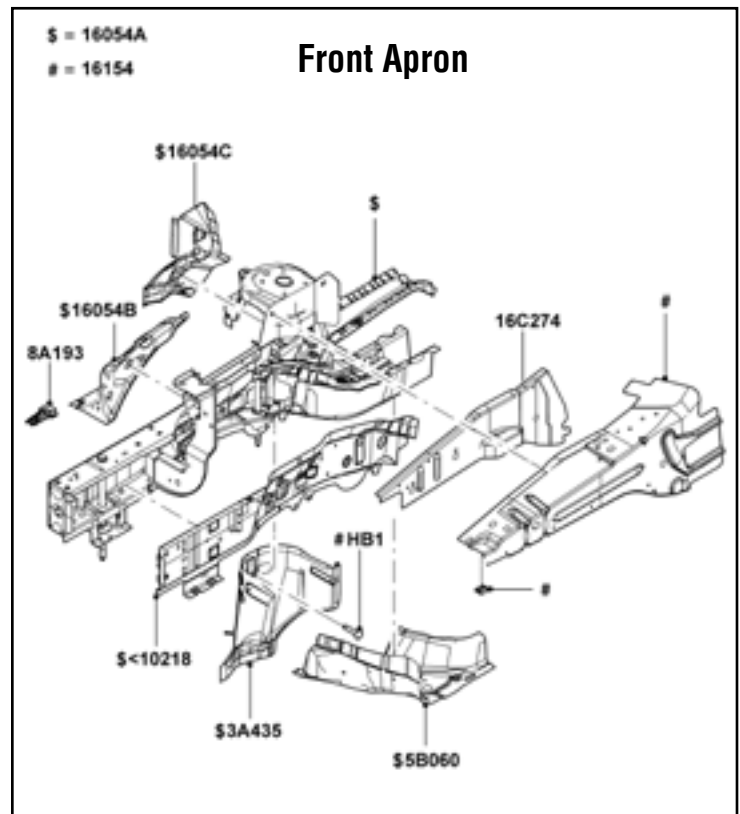


Use this form to provide us with the information necessary to make certain we deliver the right parts on time ... the first time!

VEHICLE ID#	(Need all 17 Digits)				
TRIM CODE		YEAR		DAMAGE AREA (Circle)	
MLDG. CODE		MAKE		FRONT	REAR
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CONTACT:			SHOP:	UNDERBODY	LEFT / RIGHT

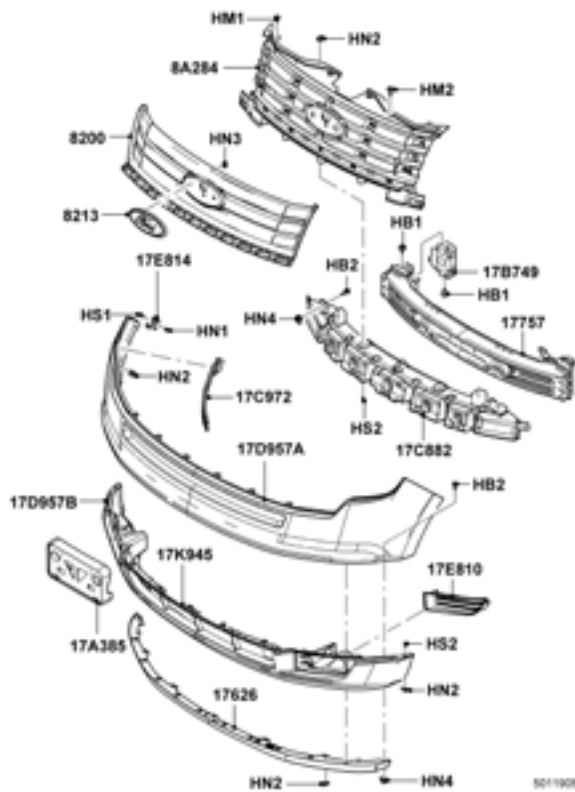
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Date Needed:

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NOTE: Refer to vehicle diagrams for part identification and numbers.

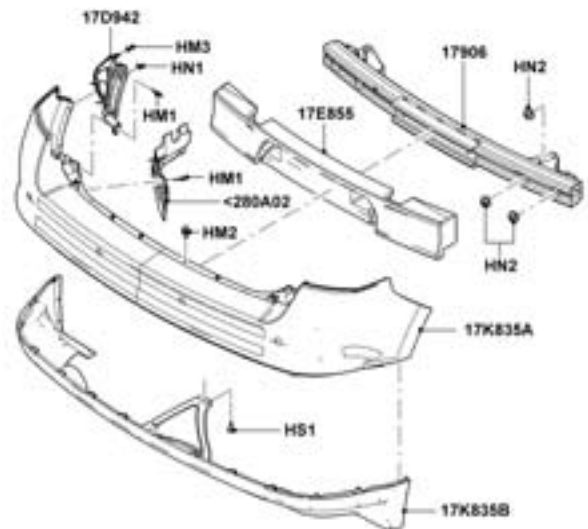
Front Bumper



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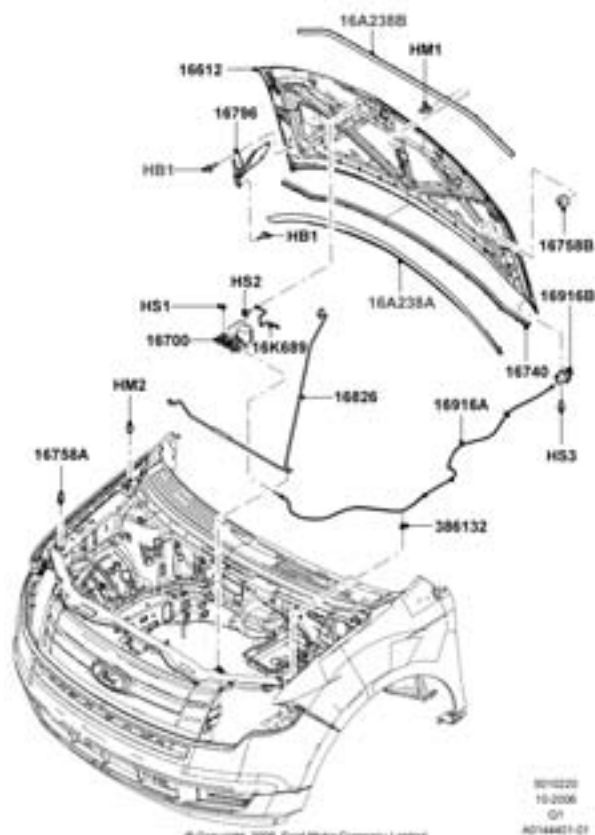
Rear Bumper



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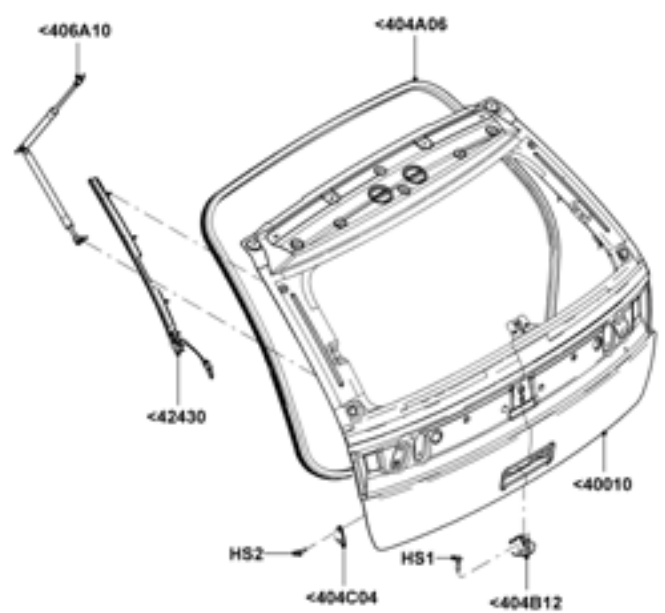
Hood



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Liftgate



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