October 3, 1962

Mr. L. A. Iacocca:

Attached is a copy of Special Falcon Status Report #1. These will be issued weekly following the regular Monday Status Review Meetings.

H. K. Sperlich

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

October 3, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass

Subject: SPECIAL FALCON PROGRAM -- PROGRAM STATUS REPORT #1

In order to provide adequate visibility to action taken and open problems, a weekly status report on the Special Falcon Program will be issued. This report summarizes recent actions and the major open problems. Subsequent reports will be issued following a weekly status review meeting.

Product Problems -- Resolved

- Heater Location
  - In order to provide adequate foot clearance and sight line concealment, the 1964 Falcon heater to be used in this car (modified Fairlane heater) has been positioned forward about 3".
- Cowl Top Panel
  - Reflecting the revision in heater position, the joint line between the hood and the cowl has been moved forward and will be about 10" ahead of the windshield.
- Door Length
  - To minimize door length for both functional and cost reasons, the door rear cut line was moved forward about 2". The door will be slightly longer than Falcon but shorter than Thunderbird. Front door clearance is better than Falcon and rear seat entry, while somewhat compromised, has been agreed to be satisfactory.
- Door Lock Locations
  - Use of a carryover Fairlane lock requires an intrusion into the planned interior package. This intrusion would be unsatisfactory if projected along the full length of the door. However, Interior Styling has agreed to thin the door from rear to front. This treatment, along with the recessed trim panel preferred by Styling, will produce an acceptable solution.

. Door Seals

- The use of a door seal design that will obviate the need for the seal to cross the door facing (thereby improving seal conditions) has been approved.

. Seat Tracks

- A revision in floor configuration has been made to permit the use of carryover seat tracks. The revision encroaches slightly on rear foot room but removes four seat track stools previously required.

. Rocker Panel

- A double rabbit on the outer upper corner of the rocker panel has been approved to permit the use of a thin scuff plate as on Monza. The lower edge of the rocker panel was dropped about $\frac{1}{2}$" to provide adequate structural section.

. Rear Sightline

- A revision to the rear end lower skirt to provide acceptable concealment of chassis components has been made. The revision was required by a rearward movement of the fuel tank to provide an acceptable amount of fuel filler hose intrusion into the luggage compartment.

. Radio-A/C Package

- To provide for an acceptable air conditioning installation, it was agreed that the radio and speaker could not be located below the instrument panel as shown on styling proposals. The radio speaker is to be mounted in the instrument panel and the radio chassis may be mounted either in or below the panel, the latter condition being acceptable only if an acceptable alternative location can be found for air conditioned cars.

. Convertible Style

- Approval has been given the appearance of the convertible top. Surface will now be transmitted to Engineering for detailed analysis and top stack development.

. Quarter Panel Fin

- Manufacturing Staff and Budd Company have agreed that the finial condition shown on the hardtop plaster model can be made and will be as shown in production.

Product Problems -- Unresolved

. Windshield Wiper Motor Location

- A Falcon motor is to be used but has not yet been located in the package.

. Skin Panel Overcrown

- Manufacturing Staff has requested additional panel overcrown for a number of skin panels. They have been requested to submit their requirements to Styling for incorporation on the model and review by Management.

. Vent Window

- The vent window developed to date is considered to be too small. Styling has been requested to revise the upper "A" pillar area to provide more vent window area. They have also been requested to show the hardtop "C" pillar drip line moved forward to the same belt intersection as the convertible which will further improve the vent window problem.

. Headlamp Door

- MSD and AAD have requested an additional headlamp door to provide easier access to the headlamp adjusting screws. Product Planning and Styling have objected on the basis that this will involve added cost and will have an undesirable effect on the appearance of the car. MSD has been requested to provide information to Styling so that the model may be modified to demonstrate the problem.

. Wheel Cut Lines

- Proposed wheel cut revisions have been shown on the styling model but have not yet been approved.

. Taillamps

- Several taillamp construction proposals are being evaluated. Definite direction will be given when cost information is available.

. Bumper Mounting

- Bumper mounting is unresolved. Body Engineering development of proposals is required.

. Protection Standards

- The Styling Office has requested deviation to standard in a number of areas including bumpers and wheel covers. Engineering concurrence has not yet been received.

. Front End Sheetmetal Construction

- This area, perhaps the most important body risk area from the standpoint of cost, is unresolved.

. Windshield and Backlight Reveal Mouldings

- The Styling model includes reveal moulding sections possible only with flo-in weatherstrips or GM practice using mounting clips. The flo-in weatherstrip alternative has been eliminated as a possibility due to high cost. Costs are not yet available on the GM system using mounting clips.

. Body Gauge

- Preliminary information has been provided on the gauge of body panels to be used. This is considered unresolved until a detailed comparison with Falcon can be made.

SPECIAL FALCON PROGRAM -- PROGRAM STATUS REPORT #1 CONFIDENTIAL

. Convertible Top Stack

- While preliminary drawings indicate an acceptable stack can be developed, this problem remains unresolved.

. Engine Mounts

- Two rear engine mount proposals are being costed and firm direction has not yet been given.

Program Costing

. None of the activities involved have indicated they will be unable to meet the program costing timetable.

. Engineering's Greenbook was issued on September 24, 1962 as planned.

. Budd Company personnel have been shown the clay model and have concurred in the feasibility of the model as approved. Budd Company has been given program assumptions and drawing information and is expected to submit a preliminary program estimate to Purchasing on October 15, 1962.

. A number of revisions to the product assumptions issued September 14, 1962 have been issued.

. The Controller's Office has begun a major effort to be certain that variable and fixed cost factors, not directly associated with the model, are accurately portrayed. This includes a detailed analysis of the financial pitfalls which developed on the Cardinal program.

Program Timing

. Feasibility Problems

- The most important feasibility problem in terms of program timing is the unresolved vent window/"A" pillar problem.

. Financial Timing Problems

- The Controller's Office and the Purchasing Office have been requested to develop estimates of cost that will be incurred during the time period after the Product Strategy Meeting on October 23, and before the Operating Policy Committee Meeting planned for November. This will include all costs required in the areas of Engineering, Styling, AAD, and Tooling.

. Miscellaneous

- The Sales Office has been requested to develop vehicle introduction requirements to permit more accurate evaluation of the planned Job #1 program timing.

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Mr. L. D. Ash
Mr. B. T. Andren
Mr. J. K. Armstrong
Mr. C. W. Bugbee
Mr. W. E. Davis
Mr. E. Ehrenberg
Mr. E. R. Hanson
Mr. D. C. Woods
Mr. J. L. Hooven
Mr. E. R. Karrer
Mr. M. Manning
Mr. A. P. Piziali
Mr. J. J. Prendergast
Mr. R. A. Salvette
Mr. M. W. Stucky

L. A. Iacocca

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

CONFIDENTIAL — October 9, 1962

To:
Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- PROGRAM STATUS REPORT #2

The following is a summary of the action taken at the October 8, 1962 Status Review Meeting.

Status Review Meeting

Program Timing

. Program Costing Timetable

The meeting was opened with a discussion of the program costing timetable with indications from all groups that financial data would be submitted on schedule. The following is a summary of significant comments:

- Purchasing Office Mr. Salvette indicated that all parties involved in the preparation of raw financial data (Ford Division Purchasing, the Manufacturing Divisions and Budd Company) would submit their data on time. Mr. Salvette also pointed out that, while Budd was quoting on the entire sheetmetal set, it was probable that many sheet metal items would be competitively bid in the interests of obtaining the lowest possible cost levels.

  Product Planning requested Purchasing to insure that all elements of cost reported by the Manufacturing Divisions be detailed by design element so that adjustments could be made at a later date as assumption changes are made. Purchasing expressed concern that the assumptions included a great number of Falcon carryover parts, and that even minor changes to these parts could cause major cost penalties. Product Engineering indicated they were aware of this situation and would advise Product Planning if and when any changes were made to the assumptions.

- Controller's Office The Controller's Office indicated they were undertaking a major analysis of all cost factors aside from design cost and direct program fixed expenditures. They were asked to indicate the date by which this study would be completed.

177 The Controller's Office was also asked to take particular care to insure that the development of Manufacturing Division profits was consistent with the sourcing pattern assumed by Purchasing.

- Automotive Assembly Division Mr. Howerth indicated that AAD's study of this program would be completed on time, and is based on two-shift operation at the Louisville Plant. He indicated that it was not yet established whether or not Galaxie, displaced from Louisville, would be placed on standby in Atlanta.

  Mr. Frey asked Automotive Assembly Division whether or not they had considered assembling the Special Falcon in the Lorain Plant since, as the primary source of the Falcon hardtop and convertible models, this plant would be the one most affected by Special Falcon sales. Mr. Howerth indicated that AAD was reluctant to consider Lorain because the addition of the Special Falcon would involve a three car line build, a situation considered undesirable by the Automotive Assembly Division. Mr. Frey requested that AAD continue with Louisville as the assumption for purposes of developing the financial data needed for program approval, but requested an analysis using Lorain plant for the build of Special Falcon models.

  Both Product Planning and the Controller's Office expressed concern that the development of accurate direct labor assembly costs was a high risk area. Mr. Salvette offered the services of his Department including the availability of the detailed design cost variances between the Special Falcon and the Falcon hardtop which might be used as an indicator of labor cost difference between the two cars.

- Engineering Product Planning indicated that the Metal Stamping Division had taken exception to a number of assumptions made by Ford Division, and that MSD planned to assume a number of parts would be new until it could be proved that existing parts could be carried over. The concern was expressed that, with MSD assuming new parts would be used in these areas, proper emphasis might not be given the importance of using the maximum number of carryover Falcon parts. Mr. MacArthur indicated that MSD would do everything possible to use carryover parts, and would keep Product Planning aware of their progress. Product Engineering was asked to revise their greenbook to reflect the fact that questions exist on a number of carryover assumptions rather than to reclassify all the questioned parts as new. The Controller's Office was requested to insure that program engineering costs were quoted in such a manner that adjustments could be made as these detailed questions are resolved.

  Product Planning indicated that they had been advised by Purchasing, Engineering, and Automotive Assembly Division that no additional funds would be required prior to November 1, 1962 to support continuation of the program.

Review of Open Product Problems

. Windshield Wiper Motor Location

  Product Engineering and Metal Stamping Division Engineering were requested to resolve this item as quickly as possible since it could have an important bearing on both the cost studies in progress and the instrument panel styling program under way.

SPECIAL FALCON PROGRAM -- PROGRAM STATUS REPORT #2

- Exterior Sheetmetal Overcrown

  Product Planning indicated that Manufacturing Staff has indicated verbally that a number of the exterior surface panels do not have enough overcrown. Ford Division Product Engineering was asked to insure that Manufacturing Staff's requirements are transmitted to Styling and Product Planning in writing so that the necessary corrections can be made on a timely basis. MSD Engineering was asked to review the clay model in total and to advise Product Planning of any styled conditions which do not represent what should be expected in production.

- Vent Window

  The hardtop drip line in the "C" pillar area has been moved forward about 2" to reduce the amount of side glass, which in turn should permit a larger vent window. MSD Engineering was advised that Product Planning and Styling would assume this problem was resolved unless otherwise notified.

- Headlamp Door

  This problem, perhaps the most important open problem, is not resolvable short of modeling the alternative solutions. Mr. MacArthur indicated that the necessary information would be transmitted to Styling shortly.

- Wheel Opening Lines

  Product Planning indicated that this problem was resolved, and that it had been agreed to accept the wheel opening lines consistent with a maximum tire size of 6.50 x 14 including tire chains.

- Taillamp Design

  This problem remains unresolved pending the availability of costs for a variety of design alternatives.

- Floor Shift

  Mr. Blume indicated that difficulty was being experienced with the proposed floor mounted shift tower in that engine movement was causing the transmission to jump out of gear. Product Engineering was asked to continue to attempt to resolve the problem without change to the transmission or transmission extensions, presently assumed to be carryover Falcon parts.

- Bumper Mounting

  The mounting of the bumpers and guards, including the clearances between these components and body sheetmetal remains unresolved. Resolution of the problem requires preliminary drawing proposals by MSD Engineering.

- Windshield and Backlight Reveal Moulding

  There are two primary alternatives in this area: proceeding with GM-type reveal mouldings as shown on the clay model, or reverting to a Fairlane-type reveal moulding. This problem will be settled within a few days with availability of complete cost data.

SPECIAL FALCON PROGRAM -- PROGRAM STATUS REPORT #2

. Convertible Top Stack

This problem remains unresolved with no new information from MSD Engineering.

. Engine Mounts

Product Planning indicated that the Falcon-type rear engine mount proposal has been costed, was on target, and was assumed to be the mount that will be used for both 6- and 8-cylinder engine applications.

. Heater

Product Planning advised that the Special Falcon should use a carryover 1963 Falcon heater consistent with a similar change made for the 1964 Falcon. Product Engineering was asked to revise their package to reflect this change.

. Fuel Tank Location

The Styling Office had asked that the fuel tank be moved forward from the package position to permit a better sight condition from the rear of the car. Product Engineering reviewed a drawing showing that the fuel fill pipe intrusion into the luggage compartment was already more than an inch worse than Falcon, and would be worse if the fuel tank were moved forward. It was agreed that no change from package would be made.

. Rear Axle

The proposed 1964 Falcon change to a wider rear tread was discussed. It was agreed that it would be desirable if Falcon, Fairlane and Special Falcon could have a common 56" rear tread. Product Engineering was asked to work toward this end and to advise Product Planning of their progress, since this change could have an important effect on Special Falcon costs.

Transmission and Chassis Division has reported that a rear axle capacity problem exists for the light weight family of V-8 engines. One possible solution to the capacity problem would be to reinstate the overhung pinion axle on 6-cylinder equipped Fairlanes.

Product Planning indicated that Transmission and Chassis had taken exception to the proposed use of the Fairlane rear axle on the 289-2V equipped Special Falcon. Product Engineering was asked to contact T&C Division, and to work out some other solution, since the Galaxie axle proposed by T&C could not be used on either the Falcon or the Fairlane car lines.

. Front Bucket Seats

Product Planning advised MSD Engineering that the preferred direction was for a low cost, light-weight bucket seat similar to the Lotus Elite seat. MSD was asked to take the appropriate steps to begin this investigation.

CONFIDENTIAL

SPECIAL FALCON PROGRAM -- PROGRAM STATUS REPORT #2

Product Engineering was requested to schedule a Chassis and Powertrain Review this week for Product Planning and Purchasing to provide a complete understanding of the designs in progress by all groups affected.

Other Business

- Merchandising Plans

  It has been tentatively agreed that the Special Falcon models would be merchandised as Falcon models. It has further been established that the car line would be merchandised in one series along with a performance related dress-up package.

  The Sales Office has been advised that the tooling time required for the grille ornament, which will probably be related to the vehicle name, requires that model nomenclature plans be firm by March 15, 1963.

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Present at the meeting

Mr. D. N. Frey
Mr. J. Najjar
Mr. J. Sutherland
Mr. M. W. Stuckey
Mr. L. M. Chicoine
Mr. R. A. Salvette
Mr. J. C. Cotting
Mr. R. A. Place
Mr. H. C. Howerth
Mr. F. A. MacArthur
Mr. R. J. Adamson
Mr. N. L. Blume
Mr. D. E. Gale
Mr. R. I. Butler
Mr. S. L. Freers

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Mr. M. H. Manning
Mr. A. P. Piziali
Mr. J. J. Prendergast

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

October 30, 1962

CONFIDENTIAL

To: Mr. L. A. Iacocca

Subject: Special Falcon Program

This is in answer to questions you raised on Special Falcon Status Report #3.

. Engine-Transmission Combinations

The 170-1V/4-speed manual combination has been reinstated.

. Vehicle Weight

Engineering now estimates the weight of the Special Falcon hardtop at 2,643#. This compares to other cars as follows:

	With Bucket Seats	Without Bucket Seats
Falcon Hardtop	2,599#	2,566#
Fairlane Hardtop	2,986#	2,966#
Monza	2,525#	

The 2,450# estimate you mentioned was used in the July 31, 1962 Product Strategy Meeting and referred to the 103" wheelbase Allegro. The increase in weight is due primarily to the larger package size, more elaborate style, and the addition of a full rear seat.

Every effort is being made to reduce the weight of the Special Falcon. We should have a more reliable estimate of weight in about three weeks when body structure designs are firm.

H. K. Sperlich

cc: Mr. D. N. Frey
Mr. H. A. Matthias

L. A. Iacocca

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

CONFIDENTIAL — October 22, 1962

To:
Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #3

The following is a summary of the action taken at the October 17, 1962 Status Review Meeting:

Program Timing

Program Costing Timetable

FREY (STARLICH) SEE MY NOTES ON PAGES 4 & 5. JLL.

Product Planning informed the group that the Product Strategy Meeting and the Operating Policy Committee Meeting had been deferred until November 1 and November 28, 1962 respectively. It was agreed that Purchasing would provide cost information by October 25, 1962 to be used in the November 1 Product Strategy Meeting.

- Purchasing Office -- Purchasing indicated that all of the basic Manufacturing Divisions had submitted their estimates of program costs except Engine and Foundry, and that their numbers were expected shortly. Purchasing reported that the Budd Company's preliminary program estimates had been received and, although incomplete, they appeared to support the numbers Purchasing was preparing for the sheet metal set. The Budd Company has been advised of the areas in which additional information will be required and will re-submit their estimate.

- Controller's Office -- The Controller's Office indicated that the Metal Stamping Division will require die model funds prior to November 1, and that a tooling project in the amount of $50,000 had been initiated to cover this request. The Controller's Office indicated that their analysis of cost elements, aside from design cost and program associated expenditures, would be completed by October 26, 1962. Product Planning once again expressed concern that all elements of the financial picture must be coordinated, and that Product Planning would look to the Controller's Office to be sure that Manufacturing Division profits, Automotive Assembly Division transfer prices, and design and fixed cost estimates are completely consistent.

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Program Timing (continued)

- Automotive Assembly Division - The Automotive Assembly Division indicated that their study was now complete and would be submitted to Ford Division shortly.

- Engineering - Receipt of Engineering program cost estimates is still anticipated by October 24, the originally scheduled date.

  Purchasing, the Controller's Office and the representatives of Automotive Assembly Division were requested to submit estimates of funds required during the period November 1 through November 28, 1962, so that appropriation of these funds could be requested at the November 1 meeting.

- Program Timing - The Ford Division Program Timing Office indicated that the most important timing problems were the unresolved headlamp door design, the hood surface change and the instrument panel if not approved October 26, 1962.

Review of Open Product Problems

- Windshield Wiper Motor Location

  This problem has been resolved.

- Exterior Sheetmetal Overcrown

  Manufacturing Staff had previously requested overcrown of a number of exterior panels. Metal Stamping Engineering indicated that this problem should be considered resolved, and that the model, as approved, was feasible consistent with past Ford practice on panel overcrown.

- Vent Window

  The problem of an unusually small vent window has been resolved, and the condition now represented on the clay model is feasible.

- Headlamp Door

  This problem is still unresolved. A number of alternatives are being costed and, as quickly as costs are available, a top level meeting will be called to resolve this problem.

- Wheel Opening Lines

  This problem is resolved.

- Taillamp Design

  This problem is resolved with agreement to proceed with a stamped galvanized steel can and a die cast taillamp bezel. Product Planning indicated that consideration is still being given a lower cost taillamp bezel using a vacuum metalized plastic bezel.

Review of Open Product Problems (continued)

- Floor Shift

  This problem is still unresolved. With the floor shift mounted on the floor, Product Engineering is concerned that the transmission can be caused to jump out of gear. Product Engineering indicated they felt confident this problem could be corrected without reverting to a transmission mounted floor shift which would involve substantial fixed expenditures.

- Bumper Mounting

  The mounting of the front bumpers and guards has been resolved and standard clearances have been provided between the bumper and the sheetmetal. The mounting on the bumper guards will involve sub-standard clearances to body sheetmetal but provide protection substantially in excess of that of competitive makes. The rear bumper mounting remains unresolved.

- Windshield and Backlite Reveal Mouldings

  This item is now resolved with agreement to proceed with the type reveal moulding shown on the clay model. Product Planning reported that this system, which uses mounting clips, is about a wash with the Fairlane system.

- Convertible Top Stack

  Metal Stamping Division Engineering reported that, pending further study, it appeared a $2\frac{1}{2}$" high convertible stack would be feasible.

- Engine Mounts

  This problem is now resolved with the use of carryover Falcon front mounts and a Falcon-type rear mount agreed to for design direction.

- Heater

  The package change from a Fairlane heater to a Falcon heater is about complete and the revised package has been transmitted to Metal Stamping Division.

- Fuel Tank Location

  Product Planning indicated that the fuel tank location shown on the package drawing was considered resolved, and that Styling has been advised that no forward movement of the tank from this position was possible. The only open item in this area is Product Engineering's concern with the fact that the fuel tank is the lowest point in the departure angle at the rear of the vehicle. Product Engineering will advise whether or not any change in package or styling will be required in this area.

Review of Open Product Problems (continued)

. Rear Axle

Product Engineering advised that a common 56" rear tread for Falcon, Fairlane and Special Falcon cars was feasible and that it was up to Product Planning to decide whether or not to proceed. Purchasing indicated that they have asked Transmission and Chassis Division to provide estimates of the costs associated with increasing the Falcon rear tread to 56".

Product Engineering agreed to arrange a meeting with Transmission and Chassis Division to review the status of the project to use an overhung pinion axle on 6-cylinder-equipped Fairlane cars. Acceptance of this cost reduction on Fairlane would solve a projected capacity shortage on axles for the light weight V-8 engine family.

Product Engineering indicated that the question of axle usage with the 289-2V engine was not yet resolved, and that they would meet with Transmission and Chassis Division to attempt to work out a solution short of using the Galaxie axle with this engine on the unitized cars.

. Front Bucket Seats

Metal Stamping Division Engineering indicated that they did not consider the Lotus-type bucket seat very desirable, but had an alternative to offer which they hoped might meet the cost, weight, and appearance objectives of the Lotus seat.

. Hood Clearance

Inadequate clearance exists between the hood and the air cleaner. Styling has agreed to revise the model, raising the hood 0.2".

Other Business

. Engine and Transmission Combinations

In order to simplify the number of engine and transmission combinations available on the Special Falcon , it was agreed that the following would be dropped:

170 4-speed manual; 260 4-speed manual; 289 3-speed manual.

The combinations which will be offered are as follows:

170 - 3-speed manual and 2-speed automatic
260 - 3-speed manual and 3-speed automatic (Single range)
289 - 4-speed manual and 3-speed automatic. (Dual range)

4-SPEED ZEPHYR BOX?
MUSTANG 4-SPEED BUYER WILL GET AUTOMATIC $100 SAVINGS.
HOW BIG A HOOD BULGE TO PROVIDE 170" 4-SPEED?

Other Business (continued)

. Car Weight

Product Engineering indicated that their current estimate of the weight of the Special Falcon hardtop was now 2,635#, or slightly in excess of Falcon hardtop weight.

(WITH 6 cyl, STD. TRANS. THIS WAS TO BE IN 2460 # RANGE.

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Present at the meeting:

Mr. B. T. Andren
Mr. D. T. Axon
Mr. L. M. Chicoine
Mr. J. C. Cotting
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Mr. H. K. Sperlich
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Mr. E. R. Karrer
Mr. R. T. Larsen
Mr. A. P. Piziali

Ford Motor Company

FORD DIVISION

Intra-Company Communication

GENERAL OFFICE

CONFIDENTIAL

October 22, 1962

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #3

The following is a summary of the action taken at the October 17, 1962 Status Review Meeting:

Program Timing

Program Costing Timetable

Product Planning informed the group that the Product Strategy Meeting and the Operating Policy Committee Meeting had been deferred until November 1 and November 28, 1962 respectively. It was agreed that Purchasing would provide cost information by October 25, 1962 to be used in the November 1 Product Strategy Meeting.

- Purchasing Office -- Purchasing indicated that all of the basic Manufacturing Divisions had submitted their estimates of program costs except Engine and Foundry, and that their numbers were expected shortly. Purchasing reported that the Budd Company's preliminary program estimates had been received and, although incomplete, they appeared to support the numbers Purchasing was preparing for the sheet metal set. The Budd Company has been advised of the areas in which additional information will be required and will re-submit their estimate.

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177

Program Timing (continued)

- Automotive Assembly Division - The Automotive Assembly Division indicated that their study was now complete and would be submitted to Ford Division shortly.

- Engineering - Receipt of Engineering program cost estimates is still anticipated by October 24, the originally scheduled date.

Purchasing, the Controller's Office and the representatives of Automotive Assembly Division were requested to submit estimates of funds required during the period November 1 through November 28, 1962, so that appropriation of these funds could be requested at the November 1 meeting.

Program Timing - The Ford Division Program Timing Office indicated that the most important timing problems were the unresolved headlamp door design, the hood surface change and the instrument panel if not approved October 26, 1962.

Review of Open Product Problems

. Windshield Wiper Motor Location

This problem has been resolved.

. Exterior Sheetmetal Overcrown

Manufacturing Staff had previously requested overcrown of a number of exterior panels. Metal Stamping Engineering indicated that this problem should be considered resolved, and that the model, as approved, was feasible consistent with past Ford practice on panel overcrown.

. Vent Window

The problem of an unusually small vent window has been resolved, and the condition now represented on the clay model is feasible.

. Headlamp Door

This problem is still unresolved. A number of alternatives are being costed and, as quickly as costs are available, a top level meeting will be called to resolve this problem.

. Wheel Opening Lines

This problem is resolved.

. Taillamp Design

This problem is resolved with agreement to proceed with a stamped galvanized steel can and a die cast taillamp bezel. Product Planning indicated that consideration is still being given a lower cost taillamp bezel using a vacuum metalized plastic bezel.

Review of Open Product Problems (continued)

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. Windshield and Backlite Reveal Mouldings

This item is now resolved with agreement to proceed with the type reveal moulding shown on the clay model. Product Planning reported that this system, which uses mounting clips, is about a wash with the Fairlane system.

. Convertible Top Stack

Metal Stamping Division Engineering reported that, pending further study, it appeared a 2½" high convertible stack would be feasible.

. Engine Mounts

This problem is now resolved with the use of carryover Falcon front mounts and a Falcon-type rear mount agreed to for design direction.

. Heater

The package change from a Fairlane heater to a Falcon heater is about complete and the revised package has been transmitted to Metal Stamping Division.

. Fuel Tank Location

Product Planning indicated that the fuel tank location shown on the package drawing was considered resolved, and that Styling has been advised that no forward movement of the tank from this position was possible. The only open item in this area is Product Engineering's concern with the fact that the fuel tank is the lowest point in the departure angle at the rear of the vehicle. Product Engineering will advise whether or not any change in package or styling will be required in this area.

Review of Open Product Problems (continued)

. Rear Axle

Product Engineering advised that a common 56" rear tread for Falcon, Fairlane and Special Falcon cars was feasible and that it was up to Product Planning to decide whether or not to proceed. Purchasing indicated that they have asked Transmission and Chassis Division to provide estimates of the costs associated with increasing the Falcon rear tread to 56".

Product Engineering agreed to arrange a meeting with Transmission and Chassis Division to review the status of the project to use an overhung pinion axle on 6-cylinder-equipped Fairlane cars. Acceptance of this cost reduction on Fairlane would solve a projected capacity shortage on axles for the light weight V-8 engine family.

Product Engineering indicated that the question of axle usage with the 289-2V engine was not yet resolved, and that they would meet with Transmission and Chassis Division to attempt to work out a solution short of using the Galaxie axle with this engine on the unitized cars.

. Front Bucket Seats

Metal Stamping Division Engineering indicated that they did not consider the Lotus-type bucket seat very desirable, but had an alternative to offer which they hoped might meet the cost, weight, and appearance objectives of the Lotus seat.

. Hood Clearance

Inadequate clearance exists between the hood and the air cleaner. Styling has agreed to revise the model, raising the hood 0.2".

Other Business

. Engine and Transmission Combinations

In order to simplify the number of engine and transmission combinations available on the Special Falcon , it was agreed that the following would be dropped:

170 4-speed manual; 260 4-speed manual; 289 3-speed manual.

The combinations which will be offered are as follows:

170 - 3-speed manual and 2-speed automatic
260 - 3-speed manual and 3-speed automatic (Single range)
289 - 4-speed manual and 3-speed automatic. (Dual range)

4-speed Zephyr Box?
Manual 4-speed buyer will get automatic 4 speed shift.
How do we plan to provide 170" 4-speed?

Other Business (continued)

. Car Weight

Product Engineering indicated that their current estimate of the weight of the Special Falcon hardtop was now 2,635#, or slightly in excess of Falcon hardtop weight.

(WITH 6 CYL, STD. TRANS. THIS WAS TO BE IN 2450# RANGE. WHAT HAPPENED?

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Present at the meeting:

Mr. B. T. Andren
Mr. D. T. Axon
Mr. L. M. Chicoine
Mr. J. C. Cotting
Mr. E. Ehrenberg
Mr. S. L. Freers
Mr. D. N. Frey
Mr. E. R. Hanson
Mr. H. C. Howerth
Mr. F. A. MacArthur
Mr. M. H. Manning
Mr. E. S. Marvin
Mr. R. A. Place
Mr. J. J. Prendergast
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Mr. W. E. Davis
Mr. J. L. Hooven
Mr. E. R. Karrer
Mr. R. T. Larsen
Mr. A. P. Piziali

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

October 30, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #4

The following is a summary of the action taken at the October 24, 1962 Status Review Meeting:

Program Timing

. Program Costing Timetable

- Purchasing Office -- Purchasing advised that all Manufacturing Division estimates of program costs have been received except Engine and Foundry Division. Engine and Foundry Division estimates were expected later in the day. The Budd Company estimate based on the revised Bill of Material was expected by Friday, October 26, 1962.

  Purchasing advised that they were assigning no fixed cost to the Special Falcon on parts interchangeable with Falcon in compliance with Mr. C. J. Buersmeyer's letter which recommended that current Falcon CPV levels were satisfactory for the combined Falcon and Special Falcon programs.

- Controller's Office -- The Controller's Office indicated that Manufacturing Division profits had been received and were being analyzed.

- Automotive Assembly Division -- Automotive Assembly Division financial data have been received and appear satisfactory.

- Engineering -- The Controller's Office indicated that all the necessary information to establish program engineering expenditure levels is now available and is being analyzed.

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Program Timing

- Program Costing Timetable (continued)

  - Product Planning -- Product Planning asked all groups to submit their estimates of program expenditures required to continue the program from November 1 through November 28, 1962.

    Product Planning asked Purchasing and the Controller's Office if they could assure that key parts control would be applied to this program. Purchasing indicated they had submitted this requirement with their 1963 budget. The Controller's Office indicated that they expected this request would be approved.

- Program Timing

  Program Timing commented on a number of timing problems with the most critical area being a proposed front end resurfacing to accommodate the air cleaner clearance problem. Subsequent to the meeting a minor air cleaner revision was approved which precludes revising front end sheetmetal.

Review of Open Product Problems

- Exterior Sheetmetal Crown

  Metal Stamping Division Engineering indicated that the metal crown requested by Manufacturing Staff on a number of surface panels would, in fact, have to be added to the model. In a separate meeting it was agreed between Engineering, Styling, and Product Planning that the changes could be made without significant effect on the appearance of the car, and that by incorporating them directly on the body surface draft, a delay in the program could be avoided. These changes will be exhibited on the prove-out clay model.

- Headlamp Door

  Product Planning indicated that they had asked that all alternatives be modeled and shown to Management; and that subsequent to a review in Styling, Engineering and Product Planning would work out their differences to resolve this problem.

- Wheel Opening Lines

  This problem was considered resolved; however, in the Styling Meeting the following Friday, it was agreed that some improvement was necessary in the appearance of the wheel cut lines, particularly the large eccentric gap between the front tire and fender.

- Floor Shift

  Product Engineering indicated that the floor shift problem (jumping out of gear) was not yet resolved, but that pending ride review of a cobbled car the following week, they thought a solution could be produced.

Review of Open Product Problems (continued)

- Bumper Mounting

  While the method of bumper mounting is resolved, Body Engineering's preliminary analysis indicates that the Special Falcon bumper impact strength will not meet the objective (equal to 1964 Falcon). Mr. Frey asked Product Engineering to produce information showing how the Special Falcon bumpers compared to the 1962 Falcon and how they would compare on dent resistance with present and prior model Falcon programs.

- Convertible Top Stack

  The convertible top stack is now settled with a $2\frac{1}{2}$" stack height. Product Engineering was asked to advise Product Planning what tire or chain restriction would be imposed by the wheelhouse rework assumed by Metal Stamping Division in developing the convertible top stack.

- Heater

  Packaging of the Falcon heater in this car is now complete although there is some question whether or not distribution of heat will be adequate. It was agreed to proceed on the assumption that it would be, with no changes to be made in the Falcon heater unless they were proved necessary at a later date.

- "A" to Heel

  Product Planning indicated they were supporting a reduction in "A" to heel from 3.5" to 3.0" This change, considered satisfactory from a comfort standpoint, would produce significant cost savings (about $1). Mr. Frey agreed to evaluate the seating buck and pass judgment on this question.

- Fuel Tank Location

  Product Engineering indicated that they had not had sufficient time to analyze the fuel tank departure angle problem, but that preliminary indications were that there was no problem. Product Engineering once again raised the point that a sixteen gallon fuel tank would be very desirable for both the Falcon and the Special Falcon because of the limited range resulting from the lower fuel economy of the V-8 engine. Product Engineering asked Product Planning to study the cost considerations of such a move and agreed to provide drawings for study.

- Rear Axle

  Product Engineering indicated that all three axle questions (common rear tread for Falcon, Special Falcon, and Fairlane; use of an overhung pinion axle for 6-cylinder Fairlanes; axle selection for 289-2V unitized cars), were unresolved and had been referred to the Chief Engineer level for solution. Subsequent to the meeting the anticipated capacity problem on lightweight V-8 engine axles was realized with receipt of Transmission and Chassis Division's quote including $1.2 million required for added axle capacity. Reinstatement of an overhung pinion axle on Fairlane cars would release sufficient V-8 engine axle capacity to solve the problem.

Review of Open Product Problems (continued)

- Front Bucket Seats

  Metal Stamping Division Engineering requested that Product Planning be sure that Styling transmits front seat contours as quickly as possible to facilitate Engineering design. Product Engineering requested that the new seat design be accomplished in such a manner so as to preclude seat to front arm rest interference.

- Front Suspension Tower

  Product Planning asked Product Engineering if they had transmitted their requirements on a lower cost front suspension spring tower. Subsequent to the meeting, Engineering and Product Planning agreed on a design for a lower cost spring tower.

- Engine-Transmission Combinations

  In the preceeding meeting, three of the nine engine-transmission combinations were deleted. Subsequent to this meeting, the 170/4-speed manual transmission combination was reinstated.

- Vehicle Weight

  Product Engineering indicated that current weight projections were 2,643# -- up slightly over the prior week estimate.

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Present at the Meeting:

Mr. L. M. Chicoine
Mr. J. C. Cotting
Mr. S. L. Freers
Mr. D. N. Frey
Mr. H. C. Howerth
Mr. F. A. MacArthur
Mr. M. H. Manning
Mr. E. S. Marvin
Mr. R. A. Place
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Mr. R. T. Larsen
Mr. A. P. Piziali

Mr. B. T. Andren
Mr. D. T. Axon
Mr. E. Ehrenberg
Mr. E. R. Hanson
Mr. M. W. Stuckey
Mr. J. Najjar

L. A. Iacocca

Ford Motor Company

FORD DIVISION

Intra-Company Communication

GENERAL OFFICE

November 5, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #5

The following is a summary of the action taken at the October 31, 1962 Status Review Meeting:

Program Timing

. Program Costing Timetable

- Purchasing Office -- Purchasing inquired as to the date on which they will be required to submit cost estimates to the Controller's Office and Product Planning for the November 28 Operating Policy Committee meeting. It was agreed that this date should be November 7, which will necessitate engineering level cut-off by Purchase Analysis within a few days.

. Program Timing

Program Timing indicated that several front end structural changes recently made for cost reduction purposes will probably delay the first mechanical prototype an undetermined amount.

Program Timing stated that a potential package problem with the width of the front seat had been reported to them by Trim and Seating, Body Engineering. Engineering and Product Planning said they would investigate this report.

Timing also indicated that Styling's instrument panel transmittal is being held up due to lack of "A" pillar information. Body Engineering stated that the precise "A" pillar configuration will have to be modeled by Styling before final feasibility on the instrument panel is given.

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SPECIAL FALCON PROGRAM -- STATUS REPORT #5

Review of Open Product Problems

. Headlamp Door

Engineering reported that they are proceeding with the two-piece design as the only feasibile design. Product Planning is having the one-piece proposal costed versus the two-piece design.

. Wheel Opening Cut Lines

This problem remains unresolved pending development of a Styling proposal to improve the cut line appearance.

. Floor Shift

Product Engineering reported that all attempts to solve the problem (jumping out of gear) had been unsuccessful, and that an insurance program to mount the shift controls on the transmission extension instead of on the floor pan had been initiated. Considerable discussion followed about the possible fixed cost effect of this problem on the program, and Engineering agreed to have a representative discuss their design plans with Purchase Analysis the following morning so that a determination of the effect could be made.

. Bumper Mounting

Product Planning stated that agreement had been reached by Product Engineering, Body Engineering, and Product Planning that the bumper impact objectives for the car (equal to 1962 Falcon) will have to be downgraded to those acheivable with the present design, due to the high cost of meeting the initial objective.

. Convertible Top Stack

This problem remains unresolved pending Engineering's determination of how much chain clearance restriction would be imposed by the wheelhouse rework currently assumed by Body Engineering for top stacking.

. "A" to Heel

Subsequent to the meeting, a decision was made leaving the "A" to heel dimension unchanged.

. Fuel Tank Location

Product Engineering indicated that the fuel tank departure angle problem has been resolved but that the question of tank capacity is still being studied.

. Rear Axle

Product Engineering stated that no further information was available on the questions of common rear tread for Falcon, Fairlane, and Special Falcon; overhung pinion axle for 6-cylinder Fairlanes; and ring gear size for 289-2V equipped cars.

CONFIDENTIAL

SPECIAL FALCON PROGRAM -- STATUS REPORT #5

Review of Open Product Problems (continued)

- Vehicle Weight

Subsequent to the meeting, Product Engineering reported a decrease in projected weight to 2,615#, nearly the same as that of the Falcon hardtop.

R. A. Place
Special Studies Department
Product Planning Office

cc: Present at the Meeting

Mr. L. M. Chicoine
Mr. D. E. Gale
Mr. H. J. Howerth
Mr. F. A. MacArthur
Mr. E. S. Marvin
Mr. R. A. Place
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Mr. E. R. Hanson
Mr. J. L. Hooven
Mr. E. R. Karrer
Mr. R. T. Larsen
Mr. J. Najjar
Mr. A. P. Piziali
Mr. M. W. Stucky

L. A. Iacocca

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

November 16, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #7

The following is a summary of the action taken at the November 14, 1962 Status Review Meeting.

OPERATING POLICY COMMITTEE MEETING PREPARATION

Meeting Date

Product Planning advised the group that a request for deferral of the Operating Policy Committee meeting had been submitted along with Appropriation Requests necessary to continue the program until December 11, 1962. Product Planning requested that the groups involved in the preparation of the blue letter assume the meeting would be held December 11. Program Timing asked if any office involved in the program would be delayed because of the deferral of program approval. Each of the groups present reported that, subject to approval of the appropriation requests submitted to date, no timing problems would be incurred.

Meeting Timetable

The Controller's Office distributed a new timetable in support of the December 11 date. Product Planning indicated that the date planned for receipt of complete financial information by Product Planning would have to be improved at least one day and suggested that Purchasing see what could be done to improve their delivery of financial data to the Controller's Office, even if it meant overtime throughout the weekend by both Purchasing and the Metal Stamping Division. The Purchasing Office indicated they would investigate this possibility.

The Controller's Office requested that financial data be delivered from Purchasing as available and that they would work out a timetable with Purchasing to permit a flow of information between the two offices leading up to the Purchasing end date.

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SPECIAL FALCON PROGRAM -- STATUS REVIEW #7

Financial Status

The Controller's Office reported that there had been no significant changes in the financial status of the program since the November 1 presentation. They further reported that correlation between the transfer price/ Company variable cost relationship and Manufacturing Division profits would be made, and that Manufacturing Division profits should be available from Finance Staff concurrent with the receipt of information from Purchasing.

Sheetmetal Integration

Receipt of financial data from Metal Stamping Division in support of the sheetmetal integration was expected on November 16 as scheduled. Subsequent to the meeting, Metal Stamping Division advised that they also planned to integrate doors and cowl top assemblies, heretofore considered outside sourced.

Purchasing indicated that the stamping sourcing pattern would be available by November 15. This information will then be delivered to Automotive Assembly Division via the Controller's Office for computation of inbound freight costs.

Program Timing

Program Timing advised that Metal Stamping Division was projecting a serious delay in both mechanical and semi-engineering prototypes. It was agreed that Product Engineering should meet with MSD as quickly as possible to determine whether or not they could absorb the delay in their testing program. It was agreed that if the delay could not be contained, Product Planning would meet with the groups involved and determine whether or not the problem should be solved by a program delay or the investment of added funds.

Engineering reported that, although the wheel opening lines approved last week appeared to be satisfactory at that time, it had since been established that additional changes would be required. Ford Product Engineering asked Product Planning to have the styling changes made and agreed that, concurrently, they would determine whether any relief could be granted from the standard to improve the wheel opening appearance.

Surface layout on the instrument panel has been delayed by lack of information on the "A" pillar. Engineering reported that this information is now available and completion of the instrument panel is expected shortly.

Major Open Product Problems

. Transmission Shift Controls

Product Engineering indicated that they were still evaluating cobbled cars in order to determine whether the shift controls should be mounted on the floor pan or on the transmission extensions. The original problem with the floor pan-mounted approach, that of the transmission jumping out of gear, now appears solvable by the use of different engine mounts. The choice between the two approaches now boils down to the question of inherent noise and vibration and cost levels between the two designs. The Transmission and Chassis Division and the Ford Purchasing office are costing the latest Engineering proposals and a decision is hoped for next week.

SPECIAL FALCON PROGRAM -- STATUS REPORT #7

Major Open Product Problems (continued)

- Common Rear Axle Tread

  Transmission and Chassis Division has not yet quoted on the costs associated with increasing Falcon tread to 56" to permit interchangeable axles for Falcon, Special Falcon and Fairlane. It was pointed out that if this could be accomplished, a 0.2" adjustment in Special Falcon rear side rail position would permit complete interchangeability between Falcon and Special Falcon axles including spring pad locations. Metal Stamping Division Engineering agreed to make this change to the Special Falcon assuming it would involve no added cost and create no timing problems.

- 289-2V Axles

  Product Engineering read a letter from Transmission and Chassis Division in which T&C agreed with Ford Division that a Fairlane axle with 8" ring gear could be used with the 289-2V Special Falcon, provided axle ratios of 3.50 or below were specified. Mr. D. N. Frey asked Product Engineering to verify whether or not the higher axle ratios offered by Fairlane could be made available on a special order basis in the Special Falcon.

- Scuff Plates

  Automotive Assembly Division has directed Metal Stamping Division to enlarge the wiring assembly trough in the Special Falcon (over Falcon levels) to permit more favorable welding conditions. This change will necessitate rocker panel reinforcements for a penalty of $.35 per car. Product Planning has repeatedly asked Automotive Assembly Division if we could not maintain Falcon conditions in this area to avoid the cost penalty, and had finally made a formal request of Automotive Assembly Division management. The Automotive Assembly Division representative indicated that no action had been taken as yet on this letter.

  Automotive Assembly Division objected to the thin scuff plate section being designed for this car, in that it left a greater area of rocker panel exposed to possible paint chipping. Product Planning indicated that this approach had been selected since it was more attractive from a Styling standpoint, was less expensive than present Ford practice, and should equal the quality of the Corvair and Chevy II after which it was patterned.

- Rear Bumper

  The rear bumper impact resistance computed by Metal Stamping Division Engineering is substantially below objective (Falcon), primarily due to the decreased distance between bumper and sheetmetal on the Special Falcon. Product Planning requested that Metal Stamping Division Engineering develop the impact values that would result with 1" and 1¼" clearance between the bumper and sheetmetal (vs. 3/4" approved), as well as to make design proposals that would improve the level of impact resistance. After review of the product, styling, and cost factors involved with these alternatives, the preferred approval would be selected.

SPECIAL FALCON PROGRAM -- STATUS REPORT #7

Major Open Product Problems (continued)

. Roof Rail Design

Metal Stamping Division Engineering is developing an alternative to the present roof rail design which is a substantial cost penalty over budget. The new design may involve some compromise in rear seat headroom or head swing clearance. Product Engineering agreed to simulate this condition in the package buck so that a decision could be reached as soon as costs were available.

. Convertible Tire Size

Product Engineering indicated that there would be no tire size restrictions for the convertible model, and that the optional 6.50 x 14 tire with chains could therefore be used on all models.

Cost Reduction Proposals

Product Planning asked when Metal Stamping Division and Ford Division Product Engineering would comment on the list of the proposed Special Falcon cost reductions distributed by Product Planning at the previous meeting. Metal Stamping Division indicated that they were responding with a letter and that some of the proposals were promising. Ford Division Engineering indicated they had not yet had an opportunity to evaluate the list.

Product Engineering Cost Review

Product Planning distributed copies of the "Redbook" to Product Engineering and asked that they review it and concur by the next meeting.

Assembly Plant Build Pattern

Automotive Assembly Division indicated that they were studying the possibility of assembling the Special Falcon at Lorain instead of Louisville. This proposal would probably reduce fixed expenditures, would possibly provide more flexibility in the assembly system and would maintain greater Galaxie assembly capacity. They also indicated that, contingent on the 1964 Meteor decision, they planned to study the assembly of Special Falcon at Dearborn along with the Fairlane. A firm assembly plant plan should be selected within one month.

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Present at the Meeting

Mr. C. W. Bugbee
Mr. N. L. Blume
Mr. G. Dean
Mr. G. Falshaw
Mr. D. N. Frey
Mr. W. L. Heller
Mr. H. J. Howerth
Mr. W. Jean
Mr. B. Lukert
Mr. F. A. MacArthur
Mr. M. H. Manning
Mr. E. S. Marvin
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Mr. J. L. Hooven
Mr. E. R. Karrer
Mr. J. Najjar
Mr. A. P. Piziali
Mr. J. J. Prendergast
Mr. R. T. Larsen
Mr. R. A. Salvette

11/29

Mr. L. A. Iacocca

Lee,

Please see page 3.

Don Frey

D. N. Frey

Ford Motor Company

FORD DIVISION

Intra-Company Communication

GENERAL OFFICE

ASS'T ... MGR

November 28, 1962

CONFIDENTIAL

Nov 29 4 30 PM '62

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

see page (3)

DW

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #8

The following is a summary of the action taken at the November 21, 1962 Status Review Meeting.

OPERATING POLICY COMMITTEE MEETING

Meeting Timetable

The Controller's Office indicated that all activities were expected to report financial data as scheduled and that all the necessary material would be given Product Planning on time.

Volume Data

It was reported that all volume issues had been resolved between Ford Division and Central Staff including the range of incremental volumes to be used in the presentation as well as revised Ford Division financial planning volumes.

Remaining Financial Problems

The following is a list of the major financial questions discussed in the meeting, still unresolved at this time.

. Stamping Storage Capacity

The Financial data supplied to the Ford Division for the integration of Special Falcon sheetmetal included $3.8 million for added stamping storage capacity. Subsequent to the meeting a letter was written by Mr. D. N. Frey to Mr. A. J. Hole indicating that the Ford Division suggested that this expenditure be reconsidered in light of the 1964 Comet-Meteor plans, and that if the storage space addition were necessary, the cost of this facilities expansion be allocated to all car lines as in prior instances.

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SPECIAL FALCON PROGRAM -- STATUS REPORT #8

. Transmission Tooling

A decision has been made to mount the manual transmission shift controls on the transmission extensions. This will require changes to transmissions not anticipated. A provision of $200,000 was included in the program blue letter as a contingency for fixed cost elements of this change.

. Tooling Levels

There was some discussion of the apparent inconsistency between MSD tooling and engineering cost estimates and MSD timing estimates. The status of this problem is discussed below.

. Rear Floor Pan

There is still an apparent understatement of Company profits in the amount of about $4 in the rear floor pan area. Purchasing is continuing their efforts to resolve this open question.

. 289-2V

Subsequent to the meeting an investigation was begun to determine what additional expenditures, if any, would be incurred by the Special Falcon due to the deletion of the 289-2V V-8 engine from the Falcon program. On a preliminary basis, the answer appears to be none.

. Sheetmetal Sourcing

Automotive Assembly Division reported that the sheetmetal sourcing pattern established by Metal Stamping Division resulted in a $.65 per car inbound freight penalty over the levels previously assumed on outside sourcing of sheetmetal.

Program Timing

Prototype Timing Problems

At the meeting Program Timing reported a major prototype timing problem has arisen with slippages up to eight weeks from planned levels. Subsequent to the meeting Product Planning met with the activities affected and the following action was taken:

. The program sample date was delayed about one month to December 16, 1963. The relationship of sample date and Job #1 after this change is consistent with prior program experience and has been agreed to by AAD.

. The two-week mechancial prototype slippage is overcome by the delay in sample date since the Engineering sign-off date can be delayed the same one month.

. The Engineering prototype slippage was overcome by the sample date change and agreement to provide hammerform tooling for prototypes and some drafting time acceleration (total additional cost $200,000), both consistent with past model practice. These costs are included in the program approval blue letter.

. The first semi-engineering prototype will now be completed on May 31, 1963.

SPECIAL FALCON PROGRAM -- STATUS REPORT #8

Other Timing Problems

- The Metal Stamping Division has agreed to a December 22, 1963 sample date not yet up to our objective of December 16, 1963. It is not known whether the financial data given the Ford Division by MSD is consistent with these tooling timing plans. The Purchasing Office was requested to resolve this question.

- Program Timing reported several other timing problems as follows:

  - Front fender wheel openings were late but were expected to be resolved on Friday, November 23, 1962. This date was not met; however, resolution is expected on November 28, 1962.

  - The front bucket seat remains a matter of timing concern; however, preliminary engineering evaluation of the first cobbled seat and styling developments with this seat appear favorable.

  - It was considered essential that door inner panel surfaces and door trim panel shape be approved November 23, 1962.

  - Program Timing indicated that the instrument panel timing problem was now resolved and MSD was able to begin surface development in this area.

Resolved on Nov 28 DW Appearance is excellent!

Major Open Product Problems

Transmission Shift Controls

Engineering advised that they were proceeding with the transmission extension mounted controls for all manual transmissions. It was agreed that this direction was preferred both in terms of cost and product character.

Common Rear Axle Tread

Purchasing indicated that after weeks of delay still no answer was available from Transmission and Chassis Division on the costs to make Falcon, Fairlane, and Special Falcon rear treads common. Product Planning requested that Engineering make a minor adjustment in Special Falcon rear side rail position, which, if Falcon elects to adopt a 56" rear tread, would permit complete interchangeability of Falcon and Special Falcon axles.

Seat Track Pedestals

Product Engineering agreed to revise the direction given MSD Engineering removing the requirement for seat track pedestals, thereby avoiding a substantial cost penalty.

Backlight Header Change

A cost reduction proposal in the backlight header area has been developed which required that the depth of the backlight header be increased. Product Engineering indicated that they would have the package buck ready for Product Planning's review on Friday, November 23.

Subsequent to the meeting, it was decided by Product Planning that the compromise was not acceptable in that rear seat headroom would be reduced substantially below Monza levels and was uncomfortable.

SPECIAL FALCON PROGRAM -- STATUS REPORT #8

Cost Reduction Proposals

Metal Stamping Division Engineering submitted a letter to Product Planning indicating their position on a number of cost reduction proposals. Ford Product Engineering still had no answers on the areas of their responsibility. Many of the MSD items are conditional on Product Engineering acceptance of a specific design approach. The subject was left in Product Engineering's hands with the request that they communicate to Product Planning which of the cost reduction actions could be taken.

Bumper Impact Acceptability

Product Engineering indicated that rear bumper impact values would be acceptable if the clearance between sheetmetal and bumper were increased by $\frac{1}{2}$". Also it was reported that Engineering had decided that the front and rear bumper guards be ornamental only to avoid an anticipated assembly problem.

Product Planning requested that Engineering develop alternatives to the greater bumper to sheetmetal clearance discussed above and emphasized that it was imperative that the bumper guards be functional on this car. It was agreed that the principals should meet outside the meeting to resolve these open questions.

Rocker Panel Design

The Automotive Assembly Division reported that the improved rocker panel welding conditions requested by them were absolutely essential as demonstrated by structural and assembly problems currently being experienced on the Falcon convertible. Metal Stamping Division has indicated that the increased welding clearance would necessitate rocker panel reinforcement or a heavier gauge scuff plate. Product Planning requested Metal Stamping Division Engineering to work with Styling to develop a scuff plate with sufficient strength in ribbing to permit the use of the lighter Falcon gauge.

Automotive Assembly Division again voiced their objections to the narrow scuff plate being designed for the Special Falcon. Product Planning advised the group that consideration of all factors, cost and product, indicated it was still desirable to proceed with the narrow scuff plate design.

Assembly Plant Studies

The Automotive Assembly Division indicated that their primary attention was now directed at a study of assembling the Special Falcon in the Dearborn Assembly Plant in conjunction with the Fairlane car line. They indicated this study would be completed by the latter part of December but that progress reports would be made as available.

Automotive Assembly Division was requested to report the date by which a firm assembly plant decision must be made for this car.

Styling Approvals on November 23, 1962

- Door inner panel shape including an upper garnish area with no adjustment plug buttons

CONFIDENTIAL

SPECIAL FALCON PROGRAM -- STATUS REPORT #8

Styling Approvals on November 23, 1962

- Seat style - tentative
- Package buck review -- rejection of lowered backlight header.

H. K. Sperlich
Special Studies Manager
Product Planning Office

cc: Present at the Meeting

Mr. C. W. Bugbee
Mr. N. L. Blume
Mr. D. E. Gale
Mr. W. L. Heller
Mr. H. J. Howerth
Mr. B. R. Lukert
Mr. F. A. MacArthur
Mr. E. S. Marvin
Mr. T. Osada
Mr. D. E. Petersen
Mr. R. A. Place
Mr. A. E. Samson
Mr. H. K. Sperlich
Mr. M. W. Stucky
Mr. J. M. Sutherland
Mr. W. Dinnan

Other Copies to:

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Mr. J. K. Armstrong
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Mr. G. Falshaw
Mr. E. R. Hanson
Mr. J. L. Hooven
Mr. W. Jean
Mr. E. R. Karrer
Mr. M. J. Manning
Mr. J. Najjar
Mr. A. P. Piziali
Mr. J. J. Prendergast
Mr. R. T. Larsen
Mr. R. A. Salvette

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

November 29, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #9

The following is a summary of the action taken at the November 28, 1962 Status Review Meeting.

OPERATING POLICY COMMITTEE MEETING

Product Planning informed the group that the blue letter draft had been distributed for staff review and that all matters relating to the Operating Policy Committee meeting appear to be resolved with the exception of the following open financial questions:

- Concurrence in the Redbook costs and assumptions being used in the presentation has not yet been received from Ford Product Engineering. Product Engineering indicated that they had completed their analysis and would meet with Product Planning within the next day or two to resolve this item.

- The question, whether any of the expenditures saved by dropping the 289 engine from the Falcon line would have to be added to the Special Falcon Program, was resolved with agreement by Purchasing, Ford Product Engineering, and the Controller's Office that no additional Special Falcon expenditures would be incurred.

- The question, whether or not the Metal Stamping Division storage space addition was required and if so, how these costs would be allocated, was still unresolved. The Controller's Office was asked to take the responsibility of settling this question by Friday, November 30, 1962.

  The consistency of Metal Stamping Division estimates of program timing, tooling and engineering costs has been questioned. Purchasing indicated that it appeared that Metal Stamping Division compression costs would be incurred but would be minor. They expected to have a firm answer by Monday, December 3, 1962.

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SPECIAL FALCON PROGRAM -- STATUS REPORT #9

- Product Planning has been concerned that a substantial profit improvement (about $4 per car) due to automation on the rear floor pan assembly was not reflected in the Company profits to be presented in the program approval blue letter. Purchasing indicated that they could not resolve this matter until Metal Stamping Division re-evaluation in January of 1963, but that the fixed expenditures provided adequate funds for rear floor automation.

  Product Planning requested that Purchasing go on record with the Metal Stampting Division that the Ford Division wanted the Special Falcon rear floor automated.

  Further it was requested that the Metal Stamping Division be asked to consider re-sourcing the rear floor to a stamping plant other than Buffalo. This appears to be the only undesirable Metal Stamping Division sourcing decision in light of the plans for a single plant, mid-western assembly plant location.

PROGRAM TIMING

The broad program timing picture appears to be under control with preliminary agreement by all concerned on the new sample and sign-off dates. Product Planning requested that Automotive Assembly Division and Engineering commit in writing to the new timing schedule prior to December 3, 1962, so that the timing program outlined in the blue letter may be considered firm.

The question was raised, now that the engineering and tooling activities appear to be on an acceptable timing schedule consistent with the program financial objectives, what steps should be taken to insure that no deviations occur in this plan? The Ford Division Program Timing Office indicated that it would be difficult for them to control the program on a part-by-part basis until engineering drafting room schedules were developed some weeks from now. After some discussion it was agreed that Mr. Heller would set up a meeting to be held weekly including timing representatives from Ford Division and each of the Manufacturing Divisions along with Product Planning to review the timing progress of the program on a detailed basis.

MAJOR OPEN PRODUCT PROBLEMS

- Rear Engine Mount

  Product Planning asked for and received Ford Product Engineering assurance that the Special Falcon rear engine mount would be patterned after the Falcon engine mount.

- Wheel Opening Lines

  Product Planning indicated that the front fender wheel opening lines had been re-modeled and approved by the Ford Division. This change will require re-surfacing a portion of the front fender and the lower gravel deflector. Agreement has been reached that the change could be made from a timing standpoint. The Ford Division considers it satisfactory if the change cannot be included on Engineering prototypes.

SPECIAL FALCON PROGRAM -- STATUS REPORT #9

. Front Bumpers

The front bumper and guard assembly problem has stopped Metal Stamping Division work in this area. It was agreed that a manager level meeting was necessary as quickly as possible to resolve this problem.

. Rear Bumpers

Product Planning made the following proposal regarding rear bumper clearance to sheetmetal. It is proposed to provide 1¼" clearance (Company standard) between the bumper and sheetmetal throughout the width of the bumper bar except in the upturned area near the outside of the bumper where 3/4" is recommended. This approach will produce bumper protection superior to the 1962 Falcon (the established image for this car) but not equal to 1964 Falcon levels (see attached). Product Planning considers minimum clearance between bumper and sheetmetal in the outboard area of the bumper essential to avoid an unsightly condition. Product Engineering agreed to evaluate this proposal.

Also of interest, it should be noted that Special Falcon bumper resistance to small dents will be superior to the 1964 Falcon due to the shape of the bumper bars.

. Seat Design

Engineering agreed to make the cobbled front seat available in the seating buck for Ford Division review on Friday, November 30, 1962.

. Rear Floor Pan

It was reported by Metal Stamping Division that the rear floor pan design change necessary to provide complete axle interchangeability between Falcon and Special Falcon would cause a seven week delay. Product Engineering agreed to work with Metal Stamping Division to establish whether or not some way could be discovered to permit making the change without a major time delay.

. Vehicle Jacking

Product Engineering indicated that it was probable that the vehicle would have to be jacked from the side, and has delivered jack prints to Purchasing for costing.

. Instrument Cluster

The Hardware and Accessories Division has indicated to Product Planning that the simulated wood applique which differentiates the 1964 Falcon and Special Falcon clusters was not feasible. Product Planning produced a sample part, made by one of our vendors, which appeared to overcome the feasibility objectives of Hardware and Accessories. Product Engineering agreed to pursue the question with H & A.

SPECIAL FALCON PROGRAM -- STATUS REPORT #9

NEW ITEMS OF BUSINESS

- Redbook Weights

  Product Engineering indicated that they could not detail the objective weights on an end item basis. A special meeting will be held Monday, December 3, 1962, at which time Ford Product Engineering will outline their proposal for detailing and controlling vehicle weight.

- Weight Reduction Prototypes

  Product Planning requested Product Engineering to consider the possibility of incorporating weight reduction proposals in the prototypes so that these proposals could be evaluated and serve as an insurance program against potential weight increases.

- Ride Height Control

  Product Planning voiced its opinion that ride height control was critical on the Special Falcon, more so perhaps than on the average Ford Division vehicle. Product Engineering was asked what steps could be taken to insure acceptable ride height control. They indicated that this would be studied.

- Convertible Top Prove-Out

  As yet, the approved convertible top styling has had only preliminary concurrence by Metal Stamping Division. MSD Engineering was asked to indicate the date by which final concurrence could be expected.

- Cost Reduction Status

  Attached is a copy of a number of cost reductions proposed by Product Planning. Engineering was asked to comment on these items at the next Status Review Meeting. Product Engineering agreed in the meeting that the need for galvanizing .090" stock could be eliminated and that these savings ($1.20) could be achieved. Ford Product Engineering agreed to transmit this position to Metal Stamping Division.

- Muffler Requirements

  Product Planning questioned the muffler size being developed for the Special Falcon including the need for a resonator on the V-8 engine equipped car. The size of the muffler is substantially larger on the Special Falcon than Falcon. Product Engineering agreed to investigate this problem.

SPECIAL FALCON PROGRAM -- STATUS REPORT #9

ASSEMBLY PLANT PLANS

Automotive Assembly Division indicated that they were confining their studies to the Dearborn alternative. They were discontinuing consideration of the Lorain plant due to problems anticipated with a three-vehicle build system at Lorain (Falcon, Comet, and Special Falcon), because of fixed expenditure problems if Comet were forced out of Lorain, and because of more serious downtime problems involved at Lorain if Special Falcon were added to that plant in mid-1964.

Automotive Assembly Division confirmed that the Dearborn study would be complete by the end of December, and that a firm decision on assembly plant plans would not be required until March, 1963. Every indication continues that the replacement of the Louisville plan with a Dearborn plan will improve the profitability of the Special Falcon car line.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting

Mr. C. W. Bugbee
Mr. N. L. Blume
Mr. G. C. Dean
Mr. D. E. Gale
Mr. E. R. Hanson
Mr. W. L. Heller
Mr. H. J. Howerth
Mr. B. R. Lukert
Mr. E. S. Marvin
Mr. R. A. Place
Mr. J. J. Prendergast
Mr. H. K. Sperlich
Mr. M. W. Stucky
Mr. J. M. Sutherland

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Mr. W. Jean
Mr. E. R. Karrer
Mr. M. H. Manning
Mr. J. Najjar
Mr. D. E. Petersen
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. R. A. Salvette

SPECIAL FALCON PROGRAM

OPEN COST REDUCTION ITEMS

	Item	Approx. Amt. (Not Avg. Car)	Remarks
BODY			
1	#1 Crossmember	$ .23	Presently .060" Revise to .041" like Falcon
2	Reinf. - Dash	.18	Delete galvanized requirement since parts are .090" gauge
3	Ext.-Frt Side Mbr to Floor Side Member	.18	
4	Mbr - Frt. Side Inner	.56	
5	Mbr - Frt. Side Outer	.28	
6	Reinf-Spg. Tower to Dash	N.A.	Adopt Fairlane Tubular Design
7	Reinf-Strg Gear at Rail	.25	Simplify five piece design
8	Arm - Frt. Bumper Inner	.10	Reduce gauge to Falcon Level
9	Scuff Plate	.20	Reduce gauge from .042" to .035"
10	Qtr. Panel Glass Drop Guide	1.20	Eliminate
11	Bumpers	.50	Delete NAX requirement
12	Reinf.-Dash	1.74	Eliminate
13	Member-Frt. Side Outer	.22	Reduce gauge to .075"
14	Windshield Reveal Mldgs.	.20	Delete upper center overlap
15	Rear Roof Rails	1.23	Delete upper rear "ears"
POWERTRAIN AND CHASSIS			
16	#2 Crossmember	.43	Delete as on Falcon
17	Rear Springs	2.00	Eliminate 6-leaf design for V-8
18	Muffler	1.00	Reduce cost in general
19	Resonator	3.50	Eliminate

SPECIAL FALCON PROGRAM

FOOT-POUNDS OF ENERGY ABSORBED

FRONT BUMPER

	1962 Falcon [a] (Standard Clearance)	1964 Falcon [a] (Standard Clearance)	1965 Special Falcon [b] (0.8" Clearance)
Center	62	97	95
Rail	150	117	110
Long @ Corner	57	67	103
45° @ Corner	57	93	74

REAR BUMPER

Center	22	45	25 [c]
Rail	46	150	75 [c]
Long @ Corner	25	48	29
45° @ Corner	25	59	29

a/ Source: Mr. E. G. Humpal's letter to Mr. H. K. Sperlich dated November 16, 1962.

b/ Source: Computation Sheet of Mr. C. Noll of Body Structures Stress Analysis dated November 15, 1962.

c/ Increases to 39 and 100 with 1¼" clearance.

November 28, 1962

Ford Motor Company

FORD DIVISION

Intra-Company Communication

GENERAL OFFICE

December 10, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #10

The following is a summary of the action taken at the December 5, 1962 Status Review Meeting.

OPERATING POLICY COMMITTEE MEETING

Product Planning informed the group that all staff comments on the program approval blue letter had been received and that the final letter had been submitted for signature. The major items involving the blue letter still open last week were resolved as follows:

. FPEO Concurrence in the Redbook

The Ford Product Engineering Office has concurred in the Redbook and accepted the financial data in the blue letter as the objective.

. MSD Storage Facilities

The Metal Stamping Division has indicated that the storage increase is, in fact, required. The Special Falcon will carry the fixed expenditures involved with this facilities increase ($3.8 million) and the cost will be allocated to all car lines.

. Compression Costs

Minor engineering and tooling compression costs have been incurred and have been incorporated in the program. The program financial plans and timing plans are now completely consistent except for a six-day disagreement on sample date which is not considered serious.

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SPECIAL FALCON PROGRAM -- STATUS REPORT #10

- Purchasing is preparing a letter to the Metal Stamping Division to confirm a number of important matters with MSD including the following:

  - The levels of MSD variable cost and fixed cost being carried in the program involve a high degree of automation. The letter will commit Metal Stamping Division to both objectives.

  - The letter will confirm the Ford Division's desire that the rear floor pan be automated and re-sourced from Buffalo if feasible.

  - The letter will confirm that, with the compression costs added, the Metal Stamping Division timing commitment is consistent with the financial objectives.

PROGRAM TIMING

The following timing problems were cited by Ford Division Program Timing.

- In prior meetings a problem with die model timing and release dates on a number of major stampings was discussed. These have all been resolved favorably now with the exception of instrument panel timing which still requires some improvement.

- Product Engineering reports their development program is essentially satisfactory from a timing standpoint with only a sixteen car week deficiency (which probably can be contained).

- The Automotive Assembly Division prove-out program is not presently supported by Metal Stamping Division delivery dates. Program Timing is working on this with AAD and expects resolution within a few days.

- Three timing problems associated with product problems were considered important, all of which are the result of feasibility objections on the part of AAD. These involve the approved headlamp door configuration, the tutone paint effect required on several front end components and the narrow scuff plate. Product Planning has stated its position in writing on these items to AAD and, unless resolution is made within the week, a top level meeting will be called to handle these problems.

- On the question, how to keep the program on time, Mr. Heller and Mr. Barnes outlined their plans to do this using bi-weekly evaluation of engineering workload changes and drawing room schedules.

OPEN PRODUCT PROBLEMS

- Bumper Guards

The front bumper problem is resolved, however, the front bumper guard mounting problem remains open. In a series of separate meetings, a number of alternatives have been developed which will produce varying degrees of front and rear end protection. Costs are being developed and Styling has been asked to model the various proposals so that resolution can be made quickly.

SPECIAL FALCON PROGRAM -- STATUS REPORT #10

- Front Seat

  As a result of a recent meeting involving all interested parties, firm direction has been taken on the Special Falcon front bucket seat with one unresolved question, whether to use bright side "hockey sticks" or a snap-on hard board seat back panel. To resolve this problem, Metal Stamping Division Engineering has agreed to portray the best possible conditions using the latter technique on the cobbled front seat. A decision will be made after this seat has been reviewed.

- Scuff Plates

  Metal Stamping Division Engineering has transmitted new information to Styling on the transverse ribbing required in the scuff plate to eliminate a cost problem resulting from a heavier gauge scuff plate.

- Axle Interchangeability

  A number of changes will be made to the Special Falcon rear rails to facilitate complete axle interchangeability between Special Falcon and Falcon in the event that Falcon adopts a 56" rear tread. MSD Engineering indicated that these changes could be made without delay by incorporating them directly on the body plates.

- Vehicle Jacking

  Product Engineering has delivered body side jack prints to Product Planning for costing. A decision on this will be made when costs are available.

- Convertible Top Appearance

  Metal Stamping Division Engineering indicated that they were now able to sign-off on the Special Falcon convertible top appearance as modeled.

- Instrument Cluster

  The Hardware and Accessories Division has not yet given feasibility on ~~the simulated wood grain a~~pplique for the Special Falcon instrument cluster. A meeting is to be held December 6 with other vendors in an attempt to establish feasibility.

- Muffler Requirements

  The questions of required muffler size and the need for a resonator on the V-8 engine equipped car remain unresolved. Product Engineering will report on this item next week.

OTHER BUSINESS

- Cost Reduction Status

  Ford Product Engineering and MSD Engineering did not report on the cost reduction proposals at the meeting, but indicated they would no later than the next status review.

SPECIAL FALCON PROGRAM -- STATUS REPORT #10

. Weight Control

Product Engineering indicated that the weight control procedure to be applied to this car would be patterned after the Cardinal system with bi-weekly weight meetings to be held. The results of these meetings will be brought into the Status Review Meeting. Product Engineering had no new information to report on the prototype weight reduction program suggested in the prior meeting.

. Assembly Plant Plans

Automotive Assembly Division indicated that they were continuing with the Dearborn study with completion still targeted for the end of December. The assembly plant sourcing decision should be made by the end of February, 1963 in order to meet the planned Job #1 date of March 9, 1964. Product Planning and the Controller's Office expressed concern that only one alternative was being studied, and that if it should prove unacceptable, only limited time would be available before the decision date. Product Planning advised Automotive Assembly Division that the effect of a 2-plant build system should be evaluated and reported as soon as possible.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. W. E. Barnes
Mr. J. K. Brown
Mr. N. L. Blume
Mr. G. C. Dean
Mr. E. A. Dunn
Mr. H. W. Foss
Mr. D. E. Gale
Mr. W. L. Heller
Mr. H. J. Howerth
Mr. B. R. Lukert
Mr. F. A. MacArthur
Mr. M. H. Manning
Mr. E. S. Marvin
Mr. R. A. Place
Mr. H. K. Sperlich
Mr. M. W. Stucky
Mr. J. M. Sutherland
Mr. J. H. Williamson

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Mr. W. Jean
Mr. E. R. Karrer
Mr. J. Najjar
Mr. D. E. Petersen
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. R. A. Salvette

L. A. Iacocca

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

December 17, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #11

The following is a summary of the action taken at the December 12, 1962 Status Review Meeting.

OPERATING POLICY COMMITTEE MEETING

Product Planning reported that the Operating Policy Committee had concurred in the Special Falcon Program at the December 11, 1962 meeting. It was pointed out that we were now committed to a number of objectives (profit, variable cost, fixed cost, product image, and program timing). It was stressed that none of the objectives was arbitrarily more important than the others, and that all parties involved were expected to perform as committed with any proposed deviations from these objectives to be referred to Product Planning for resolution.

Purchasing advised that the final Ford Division/Metal Stamping Division agreement had not yet been signed, and that they were considering a Metal Stamping Division counterproposal differing only slightly from the Ford Division proposal prepared last week.

PROGRAM TIMING

The Program Timing Office reported the following items of timing significance:

- Die model timing is still not firm, but resolution within a week is expected.
- A major improvement has been made in Automotive Assembly Division prove-out timing, and it was expected that the remaining three-week problem relating to Metal Stamping Division sheetmetal shipping dates would be settled shortly.

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SPECIAL FALCON STATUS REPORT #11

- Three product timing problems were cited by Program Timing.

  An open problem relating to the instrument panel/"A" pillar joint might delay instrument panel timing. Body Engineering is placing maximum emphasis on this problem and expects quick resolution.

  The revised door inner panel and door trim panel configuration will be shown for approval on Friday, December 14, 1962. Product Planning advised Program Timing that they could consider this approved now and begin surfacing immediately.

  Final workout on the convertible rear seat and top stack basket is not proceeding. It was agreed that Program Timing would work with Styling to accelerate Styling's development of proposals in this area.

MAJOR OPEN PRODUCT PROBLEMS

- Bumper Guards

  Four alternative solutions to the bumper guard problem will be modeled for a decision on Friday, December 14, 1962.

- Front Seat

  Body Engineering indicated that work was proceeding with the cobbled front seat and that a review of the proposed seat could be made shortly.

- Vehicle Jacking

  The first proposal for a body side jack proved to be too expensive with a $.60 per car penalty. Product Planning asked Product Engineering to consider the Corvair-type body jack which was expected to be less costly.

- Muffler Requirements

  Product Planning had requested Product Engineering to explain why a more extensive exhaust system (than Falcon) was being planned for the Special Falcon. Product Engineering indicated that in their judgment the system as designed was required for the car and that the need for this large a capacity system would be re-evaluated on Engineering prototypes.

SPECIAL FALCON STATUS REPORT #11

- Seat Track Position

  An underbody and seat track design arrangement was selected to improve rear seat foot room clearance. It now appears, however, that this design may produce some danger of shoe-scuffing due to the exposed rear edge of the seat tracks. Product Planning indicated that if this were a problem requiring further solution and further cost penalties, they would prefer to revert to their original design with a poorer foot room condition. Product Engineering agreed to include this item in the seating buck which is being prepared for a major review of detailed package questions on December 21, 1962.

- Three open product problems (scuff plates, headlamp doors, and tutone painting of front end components) will be reviewed in a special meeting in Mr. R. L. Logue's office on December 18, 1962.

OTHER BUSINESS

- Cost Reduction Proposal

  Product Engineering was unable to report further on the cost reduction proposals presented by Product Planning in the November 28 Status Review Meeting.

- Weight Control

  Product Engineering indicated that the first weight control meeting would be held December 19, 1962 and that the results of these meetings would be reported in the Status Review Meetings.

- Assembly Plant Plans

  Mr. D. T. Axon, of the Automotive Assembly Division, outlined the alternative assembly plant plans for the Special Falcon Program including the reasons behind the current emphasis on the Dearborn plant.

  Lorain Plant -- Rejected because of heavy expenditures required to re-locate Comet.

  Kansas City -- Eliminated due to major freight cost problems associated with Special Falcon in that location.

  Wayne Plant -- Eliminated due to inherently limited capacity.

  Louisville -- Eliminated due to Ford car capacity problems that would be created.

  Two plans remain in contention, the Dearborn Plant for which financial data will be available the first week in January, 1963, and Louisville in conjunction with a proposal to build both Ford car and Fairlane in Dearborn. The latter alternative probably will involve heavy fixed expenditures but, by providing a high volume "swing plant" for frame/unitized assembly, would provide maximum system flexibility.

CONFIDENTIAL

SPECIAL FALCON STATUS REPORT #11

- Assembly Plant Plans (continued)

The Automotive Assembly Division does not plan to study a two-plant build for Special Falcon. Such a plan would of necessity involve a west coast plant. Assembly of the Special Falcon on the west coast would require replacing one of Ford, Falcon, Fairlane, or Comet on the west coast, all of which have higher planning volumes than Special Falcon. Further, while the addition of a second plant for Special Falcon would produce some variable cost improvements, it would involve substantially greater fixed expenditures than provided in the approved program.

The Automotive Assembly Division indicated that they had been asked for a major review of forward assembly plant plans including extensive treatment of the capacity/flexibility question. They indicated that their projected completion date for this study (end of January) was being held up by the unavailability of firm planning volumes from the Ford Division and Finance Staff. (Subsequent to the meeting, the Ford Division Controller's Office agreed to attempt to accelerate the availability of revised planning volumes, and hoped that these would be available by December 21, 1962.) During the interim period, Automotive Assembly Division will be provided with planning volumes (by the Controller's Office) which are expected to meet with concurrence by both Ford Division management and the Finance Staff.

Product Planning and the Controller's Office requested that they continue to be informed on the progress of these studies.

- Styling Approvals -- December 7, 1962

Steering Wheel Appearance -- The Falcon Sprint wheel in body color (however, some changes in rim and spoke section will be required for fabrication in rubber).

It was re-confirmed that the small deluxe arm rests (not Futura) would be used.

Backlight Reveal Mouldings were approved as shown on the prove-out clay.

A slightly forward (vs. original) position of the grille was reviewed and and approved. This change is required due to hood lock interference with the grille.

H. K. Sperlich

Present at the Meeting:

Mr. D. T. Axon
Mr. C. W. Bugbee
Mr. L. M. Chicoine
Mr. D. E. Gale
Mr. H. C. Howerth
Mr. B. R. Lukert
Mr. E. S. Marvin
Mr. R. A. Place
Mr. J. J. Prendergast
Mr. H. K. Sperlich
Mr. J. M. Sutherland

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Mr. G. Falshaw
Mr. L. A. Habrle
Mr. J. L. Hooven
Mr. W. Jean
Mr. E. R. Karrer
Mr. W. J. Korth
Mr. J. Najjar
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. R. A. Salvette
Mr. Will Scott

177A

MR IACOCCA

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

January 11, 1963

CONFIDENTIAL

To: Mr. J. O. Wright

Subject: Fuel Tanks

The Ford Division is interested in a somewhat larger fuel tank than the present 14 gallon tank for the Falcon and Special Falcon. Preliminary investigation of a proposed 16 gallon tank indicated that such a tank would be feasible and would involve a piece cost penalty of about $.08 per car and tooling costs of about $95,000.

We had hoped that Lincoln-Mercury Division would join us in a larger tank to be used interchangeably by Falcon, Special Falcon, Comet, and Meteor. It now appears that the 1964 Comet/Meteor 20 gallon tank has proceeded beyond the point that turn-around could be made for Job #1, 1964.

We plan to pursue the 16 gallon tank for Falcon and Special Falcon and will make such a change early in the 1964 model year if, at the time our study is complete, the financial data is unchanged from the preliminary figures mentioned above.

ORIGINAL SIGNED BY
DONALD N FREY
D. N. Frey

FORD DIVISION
JAN 14 1 20 PM 1963
GENERAL OFFICE

177A

Ford Motor Company

FORD DIVISION

Intra-Company Communication

GENERAL OFFICE

January 11, 1963

CONFIDENTIAL

To: Mr. Chase Morsey, Jr.

Subject: Light Vehicle Fuel Tanks

We understand that Lincoln-Mercury Division is planning a 20 gallon fuel tank for the 1964 Comet-Meteor. With the introduction of the V-8 engines in the Falcon and Special Falcon, we are interested in a larger tank for these cars, one of at least 16 gallon capacity, equal to the Fairlane fuel tank. A larger tank cannot be packaged in the Special Falcon.

Engineering has developed a 16 gallon tank that would fit in both Falcon and Special Falcon with no underbody changes, and a slightly larger tank than that may be possible. In the interests of interchangeability, we would like to know if you would consider a fuel tank of 16-17 gallon capacity that could be used by Comet, Meteor, Falcon, and Special Falcon instead of the larger tank you are proceeding with for the Comet-Meteor. We plan to proceed regardless, probably running change 1964, but wanted to give you the opportunity to join us if you so desire.

ORIGINAL SIGNED BY
DONALD N. FREY

D. N. Frey

cc: Mr. H. A. Matthias

Prepared by: H. K. Sperlich

Approved by: D. E. Petersen

Ford Motor Company — FORD DIVISION

Intra-Company Communication

GENERAL OFFICE

December 20, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #12

The following is a summary of the action taken at the December 19, 1962 Status Review Meeting.

PROGRAM TIMING

- Die Model Timing

  Program Timing advised that, while there are still some remaining die model timing problems, the situation is now normal and under control.

- Automotive Assembly Division Prove-Out Timing

  There is still no settlement on this problem with Metal Stamping Division sheetmetal shipping dates failing to support Automotive Assembly Division prove-out timing by three weeks. Metal Stamping Division has promised to attempt to improve their scheduled shipping dates.

- Product Timing Problems

  The two primary product timing problems are revisions to the front lower gravel deflector and the fender peak line change, both of which should be settled on Friday, December 21, 1962.

- New Business

  Product Planning asked Program Timing to obtain Metal Stamping Division agreement on a specific time for an over-all die model cube review.

177

OPEN PRODUCT PROBLEMS

- Rear Bumper

  A flange running across the width of the rear bumper bar was thought to be required to avoid a major cost penalty. It has since been determined to be unnecessary.

- Bumper Guards

  After several delays, Styling has promised to have the alternatives modeled and ready for a decision on December 21, 1962.

- Front Seat

  Metal Stamping Division Engineering was unable to provide a firm date by which a sample front seat showing the best appearance possible using a snap-on front seat back panel could be shown. Product Planning indicated that a meeting will be held January 11, 1963 to finalize all interior trim and ornamentation items, and that it was imperative that the seat be available prior to that date.

- Scuff Plates

  In a meeting held December 18, 1962 involving the Metal Stamping Division, the Automotive Assembly Division, and the Ford Division, it was agreed to continue with the narrow scuff plate planned for Special Falcon. Concern had been expressed by the Automotive Assembly Division that the amount of rocker panel exposure outboard of the scuff plate was excessive, and that a higher frequency of rocker panel paint chipping should be anticipated. The Ford Division's position was that, in spite of the paint chipping risk, the lower cost of this design and Product Planning's belief that the sill area will be more attractive in service than the rocker panel/scuff plate design used by Falcon, were overriding considerations.

- Headlamp Door Alignment

  On the original styling model, the front fender top peak line ran the length of the fender but terminated short of the headlamp door casting. When the width of the casting was increased due to Engineering requirements, the termination of the peak line was moved rearward from the front of the car. The appearance of this area, as reflected on the prove-out clay model, is not considered satisfactory by Product Planning or Styling. In the December 18 meeting referred to above, Product Planning asked Metal Stamping Division and Automotive Assembly Division to consider running the peak line further forward and into the headlamp door casting. Metal Stamping Division and Automotive Assembly Division expressed concern that extension of the peak line into the casting would aggravate already difficult headlamp door fitting problems. It was agreed that Styling would model the headlamp door showing the worst possible fit condition for review and decision by top management.

OPEN PRODUCT PROBLEMS (continued)

- Tutone Painted Parts

  The parts forming the sides and bottom of the front end "scoop" are planned to be tutone painted with the inside of the scoop being argent and the outside body color. Automotive Assembly Division had objected to this on the basis that they would be unable to produce an acceptable tutone appearance in production. It has been agreed that the Metal Stamping Division would fabricate samples of the parts in question and that AAD would paint them in the manner proposed with a final decision to be made based on a review of the finished parts. Approximately one to two weeks will be required to complete this investigation.

- Instrument Panel/"A" Pillar Joint

  Metal Stamping Division advised that a solution to this problem was in sight but that further work was required.

- Instrument Panel/Door Assembly Sequence

  The Automotive Assembly Division has indicated that they will be unable to install the Special Falcon doors from the inside of the car as in present Falcon practice due to limited accessibility of the upper door hinge in the Special Falcon. Two alternatives were proposed by Automotive Assembly Division: First, to adopt the General Motors system of mounting doors from the outside of the car (a major cost penalty), or second, reversing the sequence of assembly of instrument panel and door. Normally instrument panels are installed before doors. Were this procedure reversed, the instrument panel would not interfere with the inside attachment of the door hinges.

  Automotive Assembly Division indicated in the status meeting that they were now not sure the reversal of assembly sequence would eliminate the problem since the limited hinge accessibility would still be a problem for final line door adjustments and field service. It was agreed that the assembly sequence study would proceed regardless, and the Metal Stamping Division was asked to indicate the date by which the royalite model of this area would be available for a physical check on the severity of this problem.

- Carpeting

  The Special Falcon budget provides for cut and sew carpets, not moulded carpets. Metal Stamping Division had previously indicated that moulded carpets might be required. At the status meeting Metal Stamping Division indicated that they would develop both cut and sew carpets and moulded carpets in their trim buck for subsequent costing by the Ford Division.

- Fuel Tank

ask h-m Div. To consider this

Some time ago, concern was expressed that the carryover Falcon 14 gallon fuel tank would be inadequate for V-8 engine equipped Falcons and Special Falcons. A 16 gallon tank was developed by Engineering that could be used in Falcon, Special Falcon, and Comet without underbody changes, but was not adopted because of the fixed costs associated with a new fuel tank. Subsequently, the Lincoln Mercury Division adopted a new

OPEN PRODUCT PROBLEMS (continued)

- Fuel Tank

  20 gallon fuel tank for the Comet that would not fit in the Special Falcon and would not fit in the Falcon without underbody changes. While it had been hoped that a larger, interchangeable tank could be developed for all three cars, the Lincoln Mercury Division's desire to increase fuel capacity to 20 gallons will apparently preclude attainment of this interchangeability objective.

OTHER BUSINESS

- Weight Status

  Product Engineering indicated that the first of the bi-weekly weight control meetings had been held and that weight reports would be made on a regular basis hereafter.

- Assembly Plant Plans

  Automotive Assembly Division indicated that preliminary working volumes had been provided them, and that their studies were continuing on schedule. No new information was available on the progress of these studies.

- Cost Reduction Report

  Product Engineering had no comment on the cost reduction proposal outlined in the November 28, 1962 Status Meeting.

- Purchasing Matters

  The Purchasing office was not represented at the meeting, however, the following major purchasing tasks are under way.

  - The Ford Division and Metal Stamping Division are attempting to resolve sheetmetal transfer prices as well as MSD re-evaluation of this program by January 10, 1963. This work is proceeding.

  - The Purchasing Office has been asked to establish the list of key parts and to begin using the Ectavi system on this car by the first of the year.

- Ride Height

  While not discussed in the status meeting, it is significant to point out that variations in ride height for the Special Falcon, from design to curb position, will be less than that of either Falcon or Corvair Monza. For example, preliminary indications are that the amount the rear end of the car will rise from a loaded condition (design) to an unloaded condition (curb position) will be 1.5" compared to 2.2" for Falcon and 1.7" for Monza. Product Engineering is working on this matter and there may be some possibility for even further improvement.

H. K. Sperlich
Special Studies Manager
Product Planning Office

CONFIDENTIAL

SPECIAL FALCON PROGRAM -- STATUS REPORT #12

December 19, 1962

Present at the Meeting:

Mr. N. L. Blume
Mr. C. W. Bugbee
Mr. E. A. Dunn
Mr. H. C. Howerth
Mr. B. Lukert
Mr. E. S. Marvin
Mr. R. A. Place
Mr. H. K. Sperlich
Mr. J. M. Sutherland
Mr. C. Wittlesey
Mr. J. Williamson

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Mr. G. Falshaw
Mr. L. A. Habrle
Mr. J. L. Hooven
Mr. W. Jean
Mr. E. R. Karrer
Mr. W. J. Korth
Mr. J. Najjar
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. R. A. Salvette
Mr. Will Scott
Mr. C. Kurt Hoffman
Mr. J. F. Randall

WJD

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

December 20, 1962

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #12

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OPEN PRODUCT PROBLEMS (continued)

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CONFIDENTIAL

SPECIAL FALCON STATUS REPORT #12

December 19, 1962

OPEN PRODUCT PROBLEMS (continued)

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OTHER BUSINESS

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. Ride Height

While not discussed in the status meeting, it is significant to point out that variations in ride height for the Special Falcon, from design to curb position, will be less than that of either Falcon or Corvair Monza. For example, preliminary indications are that the amount the rear end of the car will rise from a loaded condition (design) to an unloaded condition (curb position) will be 1.5" compared to 2.2" for Falcon and 1.7" for Monza. Product Engineering is working on this matter and there may be some possibility for even further improvement.

H. K. Sperlich
Special Studies Manager
Product Planning Office

CONFIDENTIAL

SPECIAL FALCON PROGRAM -- STATUS REPORT #12

December 19, 1962

Present at the Meeting:

Mr. N. L. Blume
Mr. C. W. Bugbee
Mr. E. A. Dunn
Mr. H. C. Howerth
Mr. B. Lukert
Mr. E. S. Marvin
Mr. R. A. Place
Mr. H. K. Sperlich
Mr. J. M. Sutherland
Mr. C. Wittlesey
Mr. J. Williamson

Other Copies to:

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Mr. L. A. Habrle
Mr. J. L. Hooven
Mr. W. Jean
Mr. E. R. Karrer
Mr. W. J. Korth
Mr. J. Najjar
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. R. A. Salvette
Mr. Will Scott
Mr. C. Kurt Hoffman
Mr. J. F. Randall

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

January 7, 1963

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #13

The following is a summary of the action taken at the January 2, 1963 Status Review Meeting.

PROGRAM TIMING

. Automotive Assembly Division Prove-Out Timing

The Program Timing Office advised that the Metal Stamping Division was unable to improve their sheetmetal delivery dates (without the expenditure of added funds) to support the Automotive Assembly Division Prove-out Timing Schedule. Program Timing has asked Metal Stamping Division to evaluate what improvement in delivery dates could be made with added funds. Product Planning asked Program Timing to develop alternatives to the expenditure of added funds, and to evaluate the effect of this timing problem on our ability to develop an adequate build-up of cars in the dealers' hands at the time of planned introduction.

. Product Timing Problems

Program Timing advised that the change to the front fender to run the fender peak line into the headlamp door casting would involve a delay in Metal Stamping Division's sample date on this part of about one month. There will be no effect on prototypes.

. Cube Dates

Sheetmetal cube review dates have been established as April 3, 1963 for the hardtop and April 10, 1963 for the convertible.

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MAJOR OPEN PRODUCT PROBLEMS

. Bumper Guards

It has been decided to delete the bumper guards from the standard car and to offer them only as an option or accessory. This decision was based on the excessive cost penalty (about $3.00 per car) involved in designing bumper guards to meet Ford Motor Company standards. Product Planning will ask Engineering to develop the optional bumper guards to be equivalent to those used on the B-O-P compact cars.

. Front Seat

Body Engineering advised that the cobbled front seat showing the best appearance condition possible without a bright hockey stick cover would be available by January 11, 1963, at which time the interior of the standard car will be settled.

. Jacking

The cost penalty of the two proposed body side jacks is about the same ($.60 per car). Product Engineering indicated that samples of the two jack proposals would be available in about two weeks, and that, with no cost difference between the proposals, the decision would be made on the basis of the product merits.

. Two-Tone Painted Parts

Based on the Automotive Assembly Division's rejection of the plan to use argent paint on the components forming the inside of the front end scoop, it will be necessary to add mouldings in this area to produce the desired styling effect. This will involve a penalty of nearly $2 per car. The Styling Office is developing alternative methods of handling the scoop with the added aluminum mouldings.

. Headlamp Door Alignment

In order to resolve this open problem, Styling had been asked to model the worst condition of mismatch that might occur between the front fender peak line and the headlamp door casting. After review of the model by Product Planning, Styling, Metal Stamping Division, and Automotive Assembly Division, it was agreed that this condition would be acceptable, and the change was approved.

. Seating Buck

Based on a review of the Engineering seating buck, Product Planning has requested a number of revisions to the buck by Product Engineering (copy attached). These changes will be incorporated in the buck by the end of January, at which time a formal buck sign-off will be possible.

. Instrument Panel/"A" Pillar Joint

This problem involves a gap occurring between the instrument panel and the "A" pillar. The best solution by Body Engineering will produce a gap between the panel and the "A" pillar of approximately 3/16" or roughly equal to that on the Cardinal. This subject was reviewed in the Styling meeting and it was agreed that Styling should develop alternative moulding covers to conceal the gap before a final decision is made.

. Door Hinges

Based on Automotive Assembly Division's insistence that it will be impossible to install Special Falcon doors from the inside of the car as is current Falcon practice, Body Engineering is now proceeding with the General Motors' type hinge which permits installation of the door from the outside of the car. This will involve a major piece cost penalty.

Because of this penalty, Product Planning has asked Body Engineering to continue the Falcon hinge alternative until a full-scale review of the royalite model of this area can be made. The model will be available about the third week of January.

. Tunnel Size and Shift Tower Location

Product Engineering is reviewing the possibility of making the front tunnel somewhat smaller and moving the shift tower rearward for better driver accessibility and improved appearance. The first review of this matter was held subsequent to the status meeting and it appears some improvement will be possible.

. Fuel Tank

Product Engineering was advised of Product Planning's desire for a somewhat larger fuel tank to be used interchangeably on Falcon, Special Falcon, and Comet. Product Engineering indicated that they would reactivate their study of the 16 gallon fuel tank previously indicated to be feasible by Engine and Foundry Division. Product Planning will request Lincoln-Mercury Division to reconsider their fuel tank plans in the interests of interchangeability.

. Reveal Mouldings

The design of the Special Falcon reveal mouldings is settled with the exception of the question whether the reveal moulding attaching clip holes in the sheetmetal panels should be pierced in the panels by Metal Stamping Division or drilled at assembly. Automotive Assembly Division indicated that their portion of this study would be completed by next week.

. Rear Seat

In order to provide adequate top stack storage space, the rear seat back on the convertible model would have to be slightly thinner at the top than that planned for the hardtop. Product Planning indicated that, in the interests of interchangeability, it had been decided to proceed with the slightly thinner seat back on both models thereby retaining complete seat back interchangeability.

. Steering Wheel

Product Engineering had previously indicated that the Special Falcon steering wheel (the Falcon Sprint wheel in body color) would have to be somewhat different in rim and spoke section because it would be made from rubber rather than plastic. Product Planning asked Product Engineering to deliver the necessary drawing information to Styling so that the steering wheel might be modeled for approval.

. Rear Bumper

The minor revision to the rear bumper bar surface to improve its impact resistance previously considered approved has not been transmitted by Styling. This revision will be shown on the prove-out clay on January 4, 1963 for Ford Division approval.

OTHER BUSINESS

. Cost Reduction Report

Product Engineering was unable to report on the Cost Reduction Proposals made by Product Planning some time ago. They indicated that they will have completed their investigation in a few days and will report to Product Planning at that time.

. Weight Status

Product Engineering reported the status of the Special Falcon hardtop weight was down approximately 18 pounds from the target of 2618 pounds to 2600 pounds. The reduction is largely attributable to the deletion of bumper guards from the standard car.

. Assembly Plant Plans

The Automotive Assembly Division indicated that their study of assembling the Special Falcon at the Dearborn Plant would be completed by about January 11, 1963.

. Powertrain Chassis Design Review

Product Planning requested that Product Engineering arrange for a major review of all powertrain/chassis components for Ford Division Product Planning and Purchasing.

. Metal Stamping Division/Ford Division Price Negotiations

What had previously been thought to be a settlement of firm sheetmetal transfer prices on January 10, 1962, will not be a settlement of prices, but a revaluation of transfer prices and variable costs by the Metal Stamping Division as well as re-affirmation of the agreed-upon formula for pricing Special Falcon sheetmetal.

SPECIAL FALCON STATUS REPORT #13 January 2, 1962

. Cost Control

In a series of meetings involving representatives of Product Planning, Purchasing, and the Controller's Office, the method of cost control and cost reporting to be used on Special Falcon has been established. Essentially it involves the following basic elements:

.. The Basic Manufacturing Divisions will be advised of the transfer price, variable cost, and fixed expenditure objectives by item agreed upon at the time of the Operating Policy Committee meeting. They will be asked to report any changes from these objectives as they may occur. This is consistent with Finance Staff's request of the Manufacturing Divisions to report on Special Falcon variable cost and transfer price on a monthly basis.

.. On a non-scheduled basis, a series of major reviews of all components in the car will be made by all Divisions. The first of these is planned for February 15, 1963 with the Ford Division request to be issued by January 15, 1963 and Manufacturing Division replies to be made by February 15, 1963. This first review should be particularly significant since it will reflect a substantially more sophisticated design level than that included in the assumptions behind the Operating Policy Committee financial data.

.. In addition, the normal semi-monthly Ford Division cost reporting system will be employed on the program.

. Interchangeability Status

There are no known changes to the planned interchangeability shown on the attachment.

. Styling Approvals

The following recent Styling approvals have been made:

December 21, 1962

Convertible Top Appearance
Bumper Guard Deletion
Headlamp Door and Fender Revision
Vent Window Appearance
Cowl Top Grille

December 28, 1962

Windshield Reveal Mouldings
Hood Release Handle Location
(Not visible from normal sight lines).

H. K. Sperlich
Special Studies Manager
Product Planning Office

CONFIDENTIAL

SPECIAL FALCON STATUS REPORT #13

January 2, 1962

Present at the Meeting

Mr. L. Anderson
Mr. N. L. Blume
Mr. F. K. Brown
Mr. J. C. Cotting
Mr. D. E. Gale
Mr. H. C. Howerth
Mr. B. Lukert
Mr. F. A. MacArthur
Mr. E. S. Marvin
Mr. R. A. Place
Mr. H. K. Sperlich
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Mr. W. Jean
Mr. E. R. Karrer
Mr. W. J. Korth
Mr. J. Najjar
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. J. F. Randall
Mr. R. A. Salvette
Mr. Will Scott

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

December 21, 1962

CONFIDENTIAL

To: Mr. J. J. Prendergast

Subject: Special Falcon Seating Buck

The following is a summary of the exceptions and recommendations we have concerning the Special Falcon seating buck.

. Transmission Tunnel

The driver's side of the tunnel seems objectionably close to the driver's right leg. Further, the flat top appearance of the tunnel forward of the seats tends to make the tunnel look unnecessarily large. We would appreciate anything that could be done to correct these two problems.

. Shift Tower

The package would be substantially improved in my opinion if the base of the shift tower could be moved rearward. This would have two desirable effects, one, the automatic transmission PRNDL would be easier to read and, two, the manual transmission shift appearance and feel would be more nearly like contemporary sports cars.

In addition, we would consider it desirable if the size of the boot and the diameter of the boot retaining ring could be reduced from that shown.

. Rear Seat

At present, the convertible and hardtop rear seat backs have a different thickness at the top with the convertible being smaller to provide room for top stowage. We would like to see this condition on a cobbled seat installed in the buck for review. If acceptable, we would like both the hardtop and convertible to be made this way (with the thinner back) for complete seat back interchangeability.

The quarter trim panel condition shown on the driver's side of the styling buck should be installed in the seating buck for evaluation as quickly as possible.

The convertible top side baskets should be modeled in the buck as soon as possible, and it should be determined whether or not the interchangeable seat width can be increased over that shown in the buck.

To: Mr. J. J. Prendergast

Subject: Special Falcon Seating Buck

. Floor Area

The convertible floor side member reinforcement should be added to the buck (probably as a removable piece).

. Front Seats

Cobbled samples of the front seat we are proceeding with should be shown in the buck as soon as possible to insure that adequate rear seat knee room is provided with this design.

. Luggage Compartment

Body Engineering is proceeding with a kick-up location for the spare tire. We would prefer the horizontal location and would appreciate a review of these alternatives as soon as possible.

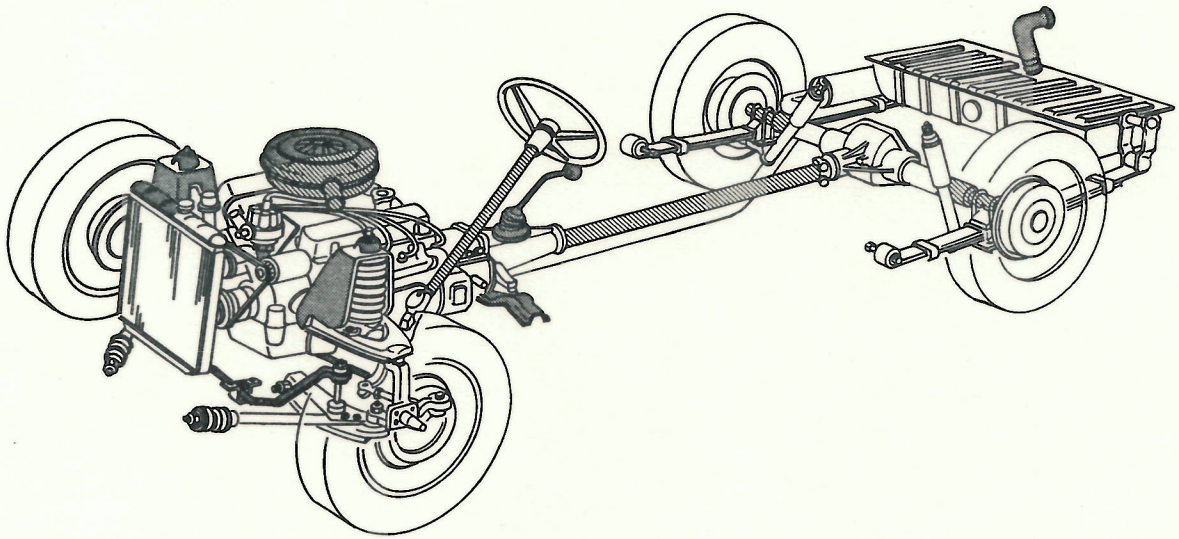
H. K. Sperlich

cc: Mr. B. T. Andren
Mr. N. L. Blume
Mr. C. W. Bugbee
Mr. J. Najjar
Mr. D. E. Petersen
Mr. D. C. Woods

SPECIAL FALCON PROGRAM

INTERCHANGEABILITY WITH FALCON

NEW
MODIFIED
CARRY-OVER



CHASSIS

FRONT SUSPENSION C/O EXCEPT STABILIZER BAR, SHOCK ABSORBER UPPER EYE AND UPPER BRACKET
BRAKES C/O
STEERING LINKAGE C/O EXCEPT CENTER LINK
STEERING GEAR C/O EXCEPT LONGER STEERING SHAFT
STEERING COLUMN C/O EXCEPT LONGER
REAR SUSPENSION C/O
FUEL TANK C/O
WHEELS AND TIRES C/O
POWER STEERING C/O EXCEPT NEW CENTER LINK

POWER TRAIN

ENGINES C/O 170, 260, 289 EXCEPT AIR CLEANER MODIFICATIONS
TRANSMISSION C/O EXCEPT SHIFT CONTROLS
ENGINE MOUNTS C/O FRONT, NEW OR MODIFIED REAR
CLUTCH C/O EXCEPT MODIFIED LINKAGE
DRIVE SHAFT C/O JOINTS - NEW TUBE
REAR AXLE - 6 CYL. C/O FALCON EXCEPT TREAD WIDTH INCREASE
8 CYL. C/O FAIRLANE EXCEPT SPRING SEATS
RADIATOR C/O EXCEPT NEW UPPER HALF OF TOP TANK FOR V8
EXHAUST - NEW

BODY

HEATER - C/O
MISCELLANEOUS HARDWARE AND ELECTRICAL C/O
INSTRUMENT CLUSTER C/O EXCEPT APPLIQUE
SHEET METAL NEW
OTHER INTERIOR NEW

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

January 21, 1963

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #15

The following is a summary of the action taken at the January 16, 1963 Status Review Meeting.

PROGRAM TIMING

The Program Timing Office had the following comments regarding the timing progress of the program:

. Floor Pan Changes

Floor Pan changes are contemplated for two reasons: to reduce the tunnel size and to eliminate an $.80 penalty required for seat track spacers. Timing indicated that the floor pan changes could be made if approved this week although the changes would delay the floor pan sample date to February 1, 1964 and would miss semi-engineering prototypes.

. Rear Seat Back

Timing requested that a decision be made on rear seat back interchangeability by February 8, 1963.

. Transmission Controls

Program Timing requested that the floor shift towers and transmission associated changes be finalized as quickly as possible. Regarding the new Transmission and Chassis 4-speed manual transmission, Program Timing indicated there was no timing problem, and that the 1964½ transmission would be available in time for the Special Falcon.

MAJOR OPEN PRODUCT PROBLEMS

. Instrument Panel/"A" Pillar Joint Covers

This problem is settled and a cover cap has been approved at Styling to be used if necessary after a review of prototype models.

. Fuel Tank

It has been decided to pursue a 16-gallon fuel tank for the 1964 Falcon and Special Falcon. Lincoln-Mercury Division has been advised of this action so that they would have the opportunity to use this tank rather than the larger tank planned for the Comet/Meteor cars. Product Engineering is proceeding with the 16-gallon tank investigation.

. Reveal Moulding Attachment

This item is still unresolved in the absence of the necessary cost information from Automotive Assembly Division.

. Shoe Scuffing Problem

Product Engineering was advised that, based on a review of the seating buck, Ford Division management was willing to accept the necessary compromise in rear foot space to eliminate the $.80 penalty required for seat track spacers which had been added to correct the shoe-scuffing problem. Ford Division management's direction to Product Engineering was that the $.80 penalty should be eliminated by revising the floor pan if necessary.

. Steering Wheel

The steering wheel rim and spoke sections were resolved on January 18, 1963 with agreement that the Special Falcon steering wheel will be patterned after the Falcon sprint wheel from an appearance standpoint except that the finger depressions on the back of the steering wheel should be patterned after the 1963 StingRay which has more pronounced finger depressions.

. Tunnel Size

Product Engineering is continuing its attempt to design the transmission control mechanisms in such a manner as to permit a reduction in the size of the tunnel. Product Planning indicated that, based on cost information received from Transmission and Chassis Division, it appeared desirable to mount the manual transmission shift tower assemblies to bosses added to the existing extension castings rather than using separate adapting brackets on the extensions. In the case of the automatic transmissions, no changes will be made to existing transmissions.

. Radio Speaker Demonstration

Product Engineering has not yet set a date for this demonstration.

MAJOR OPEN PRODUCT PROBLEMS (continued)

. Quarter Panel to Wheel Clearance

An unacceptably tight clearance condition has been discovered between the rear tire and the quarter panel along the front of the rear wheel opening. This problem was resolved on January 18, 1963 with agreement to make a minor adjustment to the rear end of the rocker panel just forward of the rear wheel. This change can be accomplished without timing complications.

. Front Inner Bumper Arms

Metal Stamping Division had no information to report on the comparative bumper impact values that would result with the proposed lower gauge front bumper arms.

. Rear Bumper

A surface revision has been proposed by Metal Stamping Division at the outboard corner of the rear bumper to meet the impact standard originally established by Ford Division. While the revision would satisfy the technical requirements of the bumper standard, it was not clear from a practical standpoint, what improvement would be produced. This revision was shown at Styling on January 18, 1963 and was not liked because it caused some appearance compromise and because it would require revisions to the previously transmitted rear bumper surface. Product Engineering was requested to review this matter and indicate in what manner the proposed change would improve the Special Falcon in terms of actual customer use.

. Instrument Cluster

A number of minor changes are required to the 1964 Falcon cluster to accommodate the simulated wood grain applique used on this cluster by Special Falcon. Program Timing advised that these changes were practical from a timing standpoint. It was agreed at the Styling meeting on January 18, 1963 to approve these changes for both Falcon and Special Falcon.

OTHER BUSINESS

. Management Status Review

Product Planning advised that a status review for top management would be held on January 31, 1963. Product Engineering was requested to attempt to improve their timing on the seating buck so that it might be available for this review. Engineering was also asked to revise the front seats being constructed for the seating buck, if possible, to reflect the approved direction which eliminates the hardboard seat back cover and uses bright hockey stick mouldings.

OTHER BUSINESS (continued)

. Cost Control Letters to Basic Manufacturing Divisions

These letters have been issued to all of the Basic Manufacturing Divisions except the Metal Stamping Division. The Metal Stamping Division letter was expected to be delivered by the end of the week. Metal Stamping Division Engineering was advised that they would be given a copy of the Metal Stamping Division Bill of Material being used in the revaluation scheduled to be completed by February 15, 1963, and that they were requested to review it and concur. This Bill of Material will be used for the establishment of a firm transfer price on the sheetmetal set.

. Weight Status Report

Product Engineering reported the weight of the hardtop model was up 28# from the last report to 2628# (10# over objective). The convertible model was reported 5# over objective. The weight increase occurred largely in the body structures area.

. Assembly Plant Plans

Automotive Assembly Division reported that the study of assembling the Special Falcon in the Dearborn Plant had been completed. While the study is complete, a final decision on Special Falcon assembly plant plans cannot be made until a complete Automotive Assembly Division study of the entire system has been completed and discussed with management during the last half of February, 1963. Automotive Assembly Division indicated that the selection of the assembly plant to be used for Special Falcon must be made by March 1, 1963.

It is significant to note that of the two alternatives under consideration for Special Falcon, Louisville and Dearborn, the fixed expenditures required will be virtually the same. The Dearborn alternative has the advantage of avoiding the organization of a second shift, required at Louisville, whereas the Louisville alternative would avoid a five to six week shutdown of Dearborn Fairlane production required under that alternative. In addition, it appears that the variable cost picture may be substantially more favorable for Special Falcon with the Dearborn alternative in that a significant reduction in inbound and outbound freight may be realized compared to the Louisville alternative.

. Styling Approvals

- The following Styling approvals have been made:

January 18, 1963

. Steering Wheel - as discussed above
. Convertible Top Well
. Convertible Quarter Trim Panels
. Rocker Panel Modification for Wheel Clearance
. Instrument Cluster
. Front Stone Deflector Notches - visible on the upper stone deflector only.
. Convertible Back Belt Moulding.

OTHER BUSINESS

. Styling Approvals (continued)

- The following items shown were specifically disapproved:

  . CV Frame - disapproved pending further Engineering study of a poor appearance condition.

  . Lower Rear Stone Deflector Notch for Resonator Outlet Pipe - disapproved until the need for the resonator is established on mechanical prototypes.

  . Rear Bumper Change - Disapproved pending information from Product Engineering as discussed above.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. W. L. Heller
Mr. H. J. Howerth
Mr. B. Lukert
Mr. F. A. MacArthur
Mr. E. F. Moore
Mr. R. A. Place
Mr. H. K. Sperlich
Mr. B. Stork
Mr. M. W. Stucky
Mr. J. M. Sutherland

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Mr. G. Falshaw
Mr. G. J. Fischer
Mr. L. A. Habrle
Mr. C. Kurt Hoffman
Mr. J. L. Hooven
Mr. W. Jean
Mr. E. R. Karrer
Mr. W. J. Korth
Mr. J. Najjar
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. J. F. Randall
Mr. R. A. Salvette
Mr. Will Scott

Mr. L. A. Iacocca

— CONFIDENTIAL —

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

January 28, 1963

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #16

The following is a summary of the action taken at the January 23, 1963 Status Review Meeting.

PROGRAM TIMING

The Program Timing Office made the following comments:

1. Proposed changes to the front lower stone deflector to eliminate exposed notches in this panel could be contained from a timing standpoint if approved Friday. This change was approved January 25, 1963.

2. Contrary to previous reports, Program Timing indicated that the floor pan changes contemplated could be contained from a timing standpoint if approved quickly.

MAJOR OPEN PRODUCT PROBLEMS

1. Fuel Tank

Product Engineering is continuing the investigation of a 16-gallon fuel tank. It is anticipated that this change will be adopted for the 1964 Falcon and 1964½ Special Falcon. Lincoln/Mercury Division has indicated no interest in the proposal.

2. Reveal Mouldings

Automotive Assembly Division reported the costs of drilling the holes for the windshield and backlight reavel moulding attaching brackets. These costs are less than one-half the cost of piercing the holes in the panels as supplied by Metal Stamping Division. As such, the holes should be drilled at assembly.

MAJOR OPEN PRODUCT PROBLEMS (continued)

- Shoe Scuffing Problem

  Body Engineering has completed the development of the proposals requested by Ford Product Engineering aimed at eliminating the shoe scuffing problem and the $.80 cost penalty caused by the addition of seat track spacers. These designs are being costed at present.

- Tunnel Reduction Program

  In a special meeting held January 24, 1963, Product Engineering reviewed their proposed direction which would permit a major reduction in tunnel size. The tunnel reduction is made possible by a redesign of the transmission control shift towers and is contingent upon Transmission and Chassis Division acceptance of the transmission extension modifications required by this shift tower design. The proposed product engineering direction also includes the replacement of the cable controls for the automatic transmission with rod actuated controls, a substantial cost savings. In addition, the floor pan will be identical for all engine-transmission combinations, and shift tower mounting brackets will not be required.

- Front Bumper Arms

  The attempt to reduce the gauge of the front bumper supporting arms has been discontinued in that the impact values presently assumed for the front bumper are slightly below bogey (equal to 1962 Falcon).

- Rear Bumper

  In the previous meeting, it was reported that a rear bumper surface revision was disapproved pending Product Engineering's report on whether or not the change would provide a real improvement in terms of customer use. Product Engineering reports that, while the proposed change would allow the rear bumper to meet the technical requirements of the bumper testing standard, no improvement would result in terms of actual customer value. The bumper impact values accepted by Product Planning and Product Engineering are shown on the attachment.

- C/V Window Design

  As presently designed, the bottom of the vent window is elevated above the belt line more than any other Ford product. The result is an unacceptable appearance condition. Body Engineering is developing an alternative which would require that the vent window movement be limited to 110 degrees (typically 130 degrees) along with a minor revision to the upper forward area of the door inner panel. The proposed change will be reviewed on February 1, 1963.

- Seating Buck Status

  Product Engineering indicated that it appeared that the seating buck would be available early in February and well in time for the February 7, 1963 Management Status Review.

MAJOR OPEN PRODUCT PROBLEMS (continued)

- Rear Suspension

The Special Falcon rear suspension remains unsettled. The assumptions made at the time of program approval assumed the use of a 2" wide, 5-leaf rear suspension for the hardtop. With the change to 2½" rear springs for the 1964 Falcon, unless the Special Falcon also changes to 2½" springs, the axle assemblies for the two cars will not be interchangeable. Product Engineering is to provide detailed rear suspension assumptions for costing so that this open matter can be settled.

OTHER BUSINESS

- Program Evaluation

The Basic Manufacturing Divisions and Automotive Assembly Division have been requested to provide revised financial data by February 15, 1963. These studies are presently in progress and are assumed to be on time.

Metal Stamping Division concurrence in the Bill of Material being used by Metal Stamping Division and Ford Division has not yet been received. The study is continuing regardless.

- Weight Status

Product Engineering indicated that the weight status report issued last week should be superseded by the earlier report showing the hardtop at 2600#, 18# under objective. Product Planning requested that Product Engineering provide the weight distribution for a 280-2V 4-speed Special Falcon hardtop at the earliest possible time.

- Assembly Plant Plans

The Automotive Assembly Division assembly plant sourcing study is continuing with resolution expected by February 15, 1963. Of the two alternatives affecting the Special Falcon, Louisville and Dearborn, the Dearborn alternative appears to be preferable from a financial standpoint for Special Falcon. Fixed expenditures in the two plant locations would be approximately equal, but freight savings of approximately $12 per unit would be realized at Dearborn compared to the Louisville numbers included in the Special Falcon budget.

- Cost Status

Product Planning distributed a preliminary cost report, copy attached. The current Special Falcon design cost level is $2.10 over budget. The report excludes sheetmetal changes versus budget which have not been reported pending resolution of sheetmetal price levels with the Metal Stamping Division. The variable cost provisions for unforeseen changes, included in the original budget, have not been revised to offset the over budget condition.

INTERCHANGEABILITY STATUS

The interchangeability approved for the Special Falcon, see attached, remains unchanged, except that complete rear axle interchangeability with Falcon is anticipated. The transmission extension changes discussed in this and prior reports were budgeted by Ford Division.

STYLING APPROVALS

The following items were approved at the January 25, 1963 Styling Review Meeting:

- Grille Opening Mouldings
- Lower Front Stone Deflector Surface Changes
- Chassis Component Appearance Review Shown on the Convertible Clay Model
- Radio Antenna positioned $1\frac{1}{2}$" rearward of the original location
- Carpet Heel Pad
- Convertible Sun Visor and Bracket
- Convertible Top Lock and #1 Bow appearance

Based on a review of the proveout model in a painted and trimmed condition, Engineering was requested to improve the appearance of the following:

- Headlamp Doors

  The headlamp door inboard mounting screws are plainly visible and considered objectionable from an appearance standpoint. Engineering was requested to relocate the screws if possible.

- Lower Grille Opening Moulding

  The area between the bumper and the lower grille opening panel had a very unfinished appearance with a series of unusual looking notches and patches plainly visible. Engineering was asked to attempt to clean up the design in this area.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. N. L. Blume
Mr. F. Brown
Mr. C. W. Bugbee
Mr. R. DeLoof
Mr. R. Glaspie
Mr. H. C. Howerth
Mr. B. Lukert
Mr. E. S. Marvin
Mr. E. Moore
Mr. R. A. Place
Mr. H. K. Sperlich
Mr. M. W. Stucky
Mr. J. M. Sutherland

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Mr. D. L. Bachman
Mr. G. J. Fischer
Mr. E. R. Karrer
Mr. M. H. Manning
Mr. J. Najjar
Mr. J. F. Randall
Mr. R. T. Larsen
Mr. A. P. Piziali
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

CONFIDENTIAL

SPECIAL FALCON PROGRAM

FOOT-POUNDS OF ENERGY ABSORBED

FRONT BUMPER

	1965 Special Falcon	1962 Falcon	1964 Falcon
Center	105	62	97
Rail	130	150	117
Long @ Corner	50	57	67
45° @ Corner	50	57	93

REAR BUMPER

Center	40	22	45
Rail	100+	46	150
Long @ Corner	29	25	48
45° @ Corner	20	25	59

SPECIAL FALCON COST POSITION

Changes Not Questioned	Remarks		Piece Cost (Over)/Under Budget Unit	Average Car
Front Bumper and arms	Design and revised estimates			$ .72
Rear Bumpers and arms	"			.54
Headlamps	"			.22
Hood Lock	"			.10
Backlight Reveal Mldgs.	"		$(.08)	(.06)
Windshield Reveal Mldgs.	Larger than budgeted		(.25)	(.20)
Frt.Seat Hockey Stick "	Added Parts			(2.44)
Seat Covers	Revised estimates, use of 2F4 vinyl, and savings due to added hockey stick mldgs.			3.62
Carpet	Larger tunnel and revised estimates	Hardtop	(.92)	(.74)
		Conv.	(1.72)	(.34)
"A" Pillar Mouldings	Added cover caps	Upper	(.12)	(.10)
		Lower	(.22)	(.18)
Visors	Add brite brackets		(.06)	(.05)
Door Trim Panels	Add mylar bead and larger for AAD feasibility			(1.03)
Scuff Plate	Stamped design for rigidity			(.10)
Grille Opening Mldgs	Added Mouldings			(1.31)
Headlining	Revised estimate		.38	.30
Rear View Mirror	Replace glue-on with header mounted mirror			.82
Interior Lamps	Replace dome lamp with 2 convertible type lamps	Hardtop	.12	.10
		Conv.	(.14)	(.03)
Taillamps	Revised est. and design			(.21)
Jack	Body Side Jack			(.60)
Bumper Guards	Deleted			4.00
Quarter Window Hardware	Provision for unforeseen complication			(.50)
Transmission	Add ext. bosses and use larger Comet extension (3-spd man) for best shift position-cost in excess of budget	3-spd man. -6	(.35)	(.05)
		3-spd man. -8	(.08)	(.01)
		4-spd man. -6	(.03)	(.01)
		4-spd man. -8	(.03)	-
Rear Springs	Add full length liners and silent block bushing			(.43)
		Sub-Total		$2.03

CONFIDENTIAL

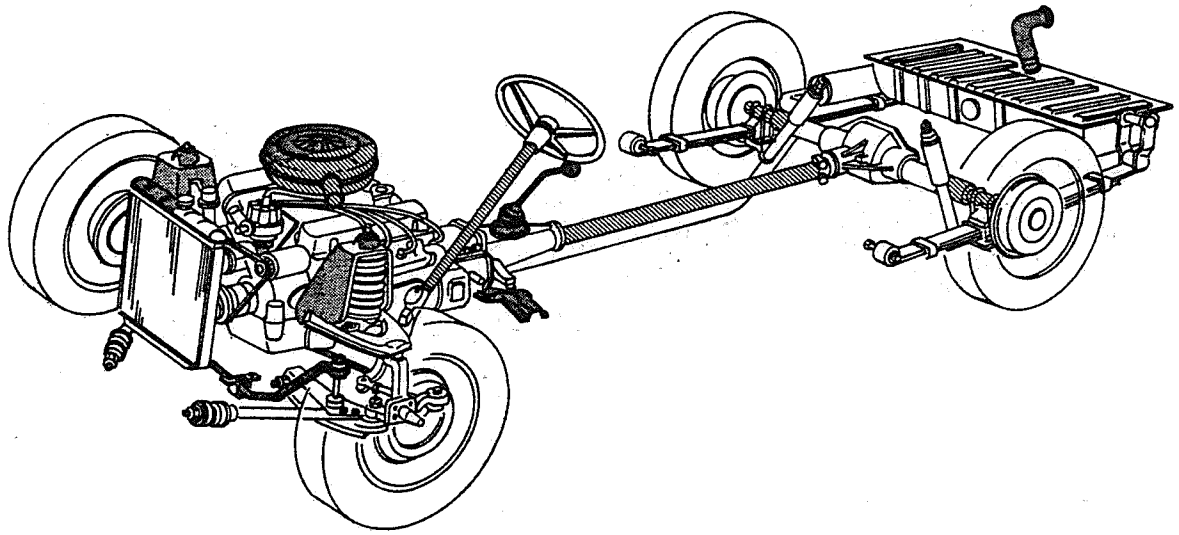
SPECIAL FALCON COST POSITION

Changes Questioned by Product Planning	Remarks	Piece Cost (Over)/Under Budget Unit	Average Car
Door Hinges	Adopt GM-type hinge, retainers and tapping plates per AAD		$(.92)
Seat Tracks	Added spacers	$(.80)	(.64)
Parking Brakes	More expensive cable and larger brackets - Provision		(.50)
Exhaust System	Fairlane muffler brackets used rather than Falcon		(.20)
Convertible Crossmember	Added crossmember under front seat - originally omitted by MSD due to Falcon/Special Falcon differences.	(3.94)	(.79)
Grille Ornament	Provision for mounting problems		(.50)
Grille	Added reinforcements to meet the 14# push test		(.58)
	Sub-Total		$(4.13)
	Total		$(2.10)

SPECIAL FALCON PROGRAM

INTERCHANGEABILITY WITH FALCON

NEW
MODIFIED
CARRY-OVER



CHASSIS

FRONT SUSPENSION C/O EXCEPT STABILIZER BAR, SHOCK ABSORBER UPPER EYE AND UPPER BRACKET
BRAKES C/O
STEERING LINKAGE C/O EXCEPT CENTER LINK
STEERING GEAR C/O EXCEPT LONGER STEERING SHAFT
STEERING COLUMN C/O EXCEPT LONGER
REAR SUSPENSION C/O
FUEL TANK C/O
WHEELS AND TIRES C/O
POWER STEERING C/O EXCEPT NEW CENTER LINK

POWER TRAIN

ENGINES C/O 170, 260, 289 EXCEPT AIR CLEANER MODIFICATIONS
TRANSMISSION C/O EXCEPT SHIFT CONTROLS
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REAR AXLE - 6 CYL. C/O FALCON EXCEPT TREAD WIDTH INCREASE
8 CYL. C/O FAIRLANE EXCEPT SPRING SEATS
RADIATOR C/O EXCEPT NEW UPPER HALF OF TOP TANK FOR V8
EXHAUST - NEW

BODY

HEATER - C/O
MISCELLANEOUS HARDWARE AND ELECTRICAL C/O
INSTRUMENT CLUSTER C/O EXCEPT APPLIQUE
SHEET METAL NEW
OTHER INTERIOR NEW

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

February 4, 1963

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #17

The following is a summary of the action taken at the January 30, 1963 Status Review Meeting.

PROGRAM TIMING

- Timing

  Program Timing again expressed concern that the impending floor pan and door inner panel changes would cause significant delays in sheetmetal sample dates. It was agreed that as quickly as the alternatives are resolved, a detailed examination of the timing problems should be made. It is hoped that these problems will be resolved by February 4, 1963 in a special meeting called for that purpose.

PRODUCT PROBLEMS

- Fuel Tank

  The investigation of the 16-gallon fuel tank is continuing. Engineering has been requested to show the larger fuel tank on both Falcon and Special Falcon at Styling as soon as possible.

- Shoe Scuffing Problem and Floor Pan Design

  It appears all the necessary information will be available to resolve this problem on February 4, 1963 in the meeting referred to above.

PRODUCT PROBLEMS (continued)

- Tunnel Reduction Program

  The tunnel reduction program should also be settled in the February 4 meeting with the key factor in this case being Transmission & Chassis Division's willingness to accept transmission extension modifications proposed by Product Engineering.

- Radio Speaker Demonstration Status

  Product Engineering still had no word as to when the question of speaker size could be established by the demonstration requested by Product Planning.

- Vent Window Design

  The vent window appearance problem was resolved on February 1, 1963 by a compromise solution which produced a significant improvement over the original model. The improvement requires a modification to the door inner panel and restrictions of vent window travel to 110 degrees. The appearance of this area was approved at Styling as shown on the driver's side of the prove-out clay model except that the DLO radius on the vent window frame will be .36" instead of .24" as shown on the model.

- Seating Buck Status

  Product Engineering is still proceeding to have the seating buck available in time for the Management Status Review now scheduled for February 11, 1963. Product Engineering was asked to obtain a fiberglas front end to be installed on the Engineering seating buck at the earliest possible time and, by working with Styling, to arrange some method of demonstrating the driver's visibility of the cluster and instrument panel either by providing a correct seat for the Styling buck or by adding a correct instrument panel to the seating buck.

- Rear Suspension

  Product Engineering delivered rear suspension assumptions to Product Planning. These provide for virtually complete interchangeability with Falcon and include $2\frac{1}{2}$" wide springs, 53" long (the same as Falcon). The front and rear spring attaching hardware will be interchangeable with Falcon, and the same number of leaves will be used as for the comparable Falcon models. This design also includes complete axle interchangeability between Falcon and Special Falcon.

- Headlamp Door Attaching Screws

  Product Planning indicated that the headlamp door attaching screw appearance as presently designed was unacceptable from a Styling standpoint. Body Engineering agreed to look into this matter and accomplished the necessary improvements which were subsequently approved on February 1, 1963.

PRODUCT PROBLEMS (continued)

- Hood Lock Access

  The Special Falcon hood lock actuating lever has been designed for maximum concealment. In order to provide satisfactory access to the actuating lever a depression has been designed on the gravel deflector. Product Planning questioned the need for this depression which is considered undesirable from a Styling standpoint, and requested Body Engineering to simulate, in buck form, the added clearance conditions that would result without the depression.

OTHER BUSINESS

- Program Revaluation

  Purchasing reported that the program revaluation scheduled for completion in February is continuing with one known problem area. While Metal Stamping Division is performing the necessary revaluation, they have indicated that they will be unwilling to sign-off on the Bill of Material being used for this revaluation. Product Planning has pointed out that this appears to be outside the agreement that the Special Falcon and 1965 Ford would be the two vehicles on which complete Company cost control procedures would be initiated. The Metal Stamping Division plans only to provide concurrence or comments on body gauges and corrosion protection specifications, rather than complete Bill of Material sign-off. Without sign-off, it will be impossible to settle sheetmetal prices as had been planned.

- Assembly Plant Plans

  The Automotive Assembly Division plans to recommend a number of assembly plant changes, including the sourcing of the Special Falcon to the Dearborn Assembly Plant. This matter will be established during the week of February 11 at which time this recommendation will be considered by top Company management.

  Automotive Assembly Division asked Purchasing to provide an up-dated listing of Metal Stamping Division plant sourcing for the various sheetmetal end items for use in the program revaluation.

- Sheetmetal Prices

  Although the Special Falcon sheetmetal set is virtually complete in design, no costs have yet been reported against the sheetmetal set due to negotiations between Ford Purchasing and Metal Stamping Division. Purchasing indicated that sheetmetal cost reporting could begin next week.

- Cost Status

  Product Planning indicated that the PF-11 cost reporting system will henceforth include the Special Falcon and that the first report, Issue 86-A, would show an over-budget condition of $.34 per car.

STYLING APPROVALS

The following were approved at the Styling Review Meeting held February 1, 1963.

- Header-Mounted Rear View Mirror with Integral Sun Visor Retention.
- Wheel Covers to be used on the Standard Car.
- Vent Window design as discussed above.
- Headlamp Door Attaching Screws.
- A minor revision to the quarter panel and rocker panel surfaces requested by Metal Stamping Division.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. N. L. Blume
Mr. R. J. DeLoof
Mr. R. M. Glaspie
Mr. H. J. Howerth
Mr. R. C. Longwell
Mr. B. Lukert
Mr. F. A. MacArthur
Mr. E. S. Marvin
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Mr. E. R. Karrer
Mr. R. T. Larsen
Mr. M. H. Manning
Mr. J. Najjar
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Mr. J. M. Sutherland
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

February 11, 1963

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #18

The following is a summary of the action taken at the February 6, 1963 Status Review Meeting.

PROGRAM TIMING

Program Timing reported that the front floor pan changes recently made in the tunnel and seat areas would delay engineering prototypes two weeks, with some improvement possible in delivery of some of the later vehicles.

The door inner panel change, made to reduce the exterior height of the vent window casting above the belt, will cause a two-week delay in delivery of production samples. Program Timing stated that every effort will be made to improve this date.

PRODUCT PROBLEMS

- Fuel Tank

  The question of increasing fuel tank capacity from 14 to 16 gallons on Falcon/Special Falcon remains unresolved primarily due to package problems on the Falcon. Engineering reported that a wood model of the proposed tank is being fabricated for appearance review on a styling model, and should be completed within a few days. The tank appearance, reviewed on February 8, 1963, was considered satisfactory.

- Shoe Scuffing Problem and Floor Pan Design

  Product Planning reported that Ford Division management had approved a redesign of the front floor pan incorporating added crossmembers beneath the seats which will provide a more shake-free vehicle and optimum foot room. Product Engineering advised of a telegram sent to all affected activities that morning confirming the decision. Engineering will attempt to offset the resulting cost penalty ($1.56) with cost reductions in other areas.

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PRODUCT PROBLEMS (Continued)

- Tunnel Reduction Program

  Agreement was reached at a special meeting held February 4, 1963 to proceed with a tunnel change which significantly reduces its size. A telegram advising all interested areas of this decision was issued by Product Planning on February 4, 1963.

- Radio Speaker Demonstration Status

  The speaker size demonstration requested by Product Planning was held immediately prior to the meeting at Engineering. A determination of the speaker size to be used will be made shortly, subsequent to a review of the costs of each alternative.

- Seating Buck Status

  Product Engineering will have the seating buck completed by February 7, 1963. The buck will be static tested that day and will be available for the General Manager's program review scheduled for February 11. A Fiberglas front end is being made by Styling and will be installed on the seating buck for over-the-hood appearance review.

- Hood Lock Access Buck Status

  Body Engineering stated that the construction of bucks by them had been severely curtailed and that they would not build the buck requested in favor of prototype review (the first prototype is scheduled for completion in mid-June). The Ford Division has objected to the appearance of a depression in the stone deflector incorporated by MSD to provide additional finger clearance to the hood release lever. Product Planning stated that the question must be settled before prototype availability.

OTHER BUSINESS

- Program Revaluation

  Purchasing reported that the program revaluation due to be completed this month is proceeding without delay.

- Weight Status and V-8 Weight Distribution

  Product Engineering distributed the current weight status report dated January 30, 1963 which reported the hardtop curb weight as 2607# (11# below objective) and the convertible as 2732# (14# below objective). V-8 equipped vehicle weight distribution was not available, and will be reported at the next status review meeting.

- Assembly Plant Plans

  Automotive Assembly Division stated that their sourcing and capacity/flexibility plan would be reviewed with top company management early the following week, and that they were still recommending assembly of Special Falcons in Dearborn.

OTHER BUSINESS

. Assembly Plant Plans (continued)

Purchasing advised Automotive Assembly Division that the Metal Stamping Division sourcing pattern previously supplied with the original program assumptions remains unchanged for the revaluation.

. Financial Status

Product Planning reviewed the financial status of the program as outlined on the attachments.

. Interchangeability Status

There are no known significant changes to the Falcon/Special Falcon interchangeability pattern as approved by the Operating Policy Committee.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. N. L. Blume
Mr. C. W. Bugbee
Mr. R. J. DeLoof
Mr. R. M. Glaspie
Mr. H. J. Howerth
Mr. R. C. Longwell
Mr. E. S. Marvin
Mr. E. F. Moore
Mr. R. A. Place
Mr. H. K. Sperlich
Mr. M. W. Stucky
Mr. J. M. Sutherland

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Mr. M. H. Manning
Mr. J. Najjar
Mr. J. F. Randall
Mr. A. P. Piziali
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

February 22, 1963

2

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #19

The following is a summary of the action taken at the February 20, 1963 Status Review Meeting.

PROGRAM TIMING

No new timing problems were indicated.

MAJOR OPEN PRODUCT PROBLEMS

. Fuel Tank

Product Engineering indicated that the 16 gallon fuel tank investigation was continuing with the open question whether or not Falcon would adopt the change early in 1964. Subsequent to the status meeting, it was decided that we would proceed with the 16 gallon fuel tank for the Special Falcon with the Falcon decision to be made when the necessary information is available.

. Seat Tracks

Engineering proposed a $1.60 cost reduction that could be accomplished by eliminating the RH front seat tracks. Product Planning is favorably disposed to the question since the right hand seat adjustment is used relatively infrequently and based on the competitive precedent in the case of the Pontiac Tempest. A final decision will be made shortly.

. Radio Speaker

Based on a demonstration of the alternative radio speakers proposed for the Special Falcon, it has been decided to use a 4" x 10" speaker with a 1.7 oz. magnet. This is the same speaker planned for use on

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MAJOR OPEN PRODUCT PROBLEMS

. Radio Speaker (continued)

the 1964 Thunderbird except that a smaller magnet will be used for cost reasons. The speaker will provide performance roughly equal to the present Falcon but will involve a $.15 per car piece cost penalty. The carryover Falcon speaker could not be packaged in the Special Falcon.

. Front Seats

At the Status Review Meeting held February 11, 1963, the Ford Division indicated it was not satisfied with either the appearance or comfort of the Special Falcon front seat. Since that time Engineering has prepared alternative seat proposals which will be reviewed on February 22, 1963.

. Hood Lock Access

Product Planning reiterated its objection to a clearance slot in the stone deflector provided for hood lock access. Product Planning's objection is based on the fact that such changes could cause a serious appearance deterioration from the originally approved Styling model. Engineering was asked to prepare a buck showing the package condition with and without the clearance slot.

. Quarter Panel Ornament

Engineering reported that they had been able to eliminate the requirement for separate studs to mount the quarter panel scoop ornament and that cast studs would be used. Further, Engineering reported that the original Styling surface behind the casting had been restored so that the ornament could be removed in subsequent model year ornamentation programs.

. Fuel Filler Pipe

At the February 11, 1963 Status Review Meeting the intrusion of the fuel filler pipe into the luggage compartment was objected to. Product Engineering was asked to examine ways to improve this situation. No report was made this week.

. Steering Wheel Position

At the same meeting, Engineering was asked whether the steering wheel position would be more like 1963 or 1964 Falcon. Engineering reported that the steering wheel-to-driver relationship would be at least as favorable as the 1964 Falcon which has the steering wheel moved forward from the 1963 position.

. Door Hinges

The body front royalite buck is now available and Product Planning asked Automotive Assembly Division to re-examine the possibility of inside mounted door hinges for the Special Falcon.

MAJOR OPEN PRODUCT PROBLEMS

. Six-Cylinder Automatic Transmission

With the approval of the additional 3-speed automatic transmission capacity for 1965, the 1965 Special Falcon 6-cylinder automatic transmissions will be 3-speed rather than 2-speed transmissions. Product Planning reported that they were preparing a proposal to utilize the 3-speed automatic transmission with the 6-cylinder engine in place of 2-speed beginning Job #1, 1964½ to avoid the necessity of engineering the 2-speed for six months of production. A final decision has not yet been made although it is anticipated that the transmission change will be effected.

A recent Falcon cost reduction eliminated the need for oil cooling with the six-cylinder 2-speed automatic transmission. Product Planning asked Engineering to determine whether or not oil cooling could be eliminated for the six cylinder 3-speed automatic transmission.

OTHER BUSINESS

. Program Revaluation

Purchasing reported that all the basic manufacturing divisions had provided the cost information requested by February 15, 1963 except the Metal Stamping Division whose reply was expected shortly. The Automotive Assembly Division letter was also expected by the end of the week. The present plan calls for the preparation of a complete financial review to be completed by the Controller's Office by March 4, 1963.

The Controller's Office was asked to make certain that no pieces of the program evaluation data were reported or included in financial amendments (except for the decision to build the Special Falcon at Dearborn) until the entire financial review is completed.

. Weight Status

Engineering reported that a revised weight report will be issued on February 25, 1963. The previous weight report was included in Status Report #18.

V-8 weight distribution has been reported as 55.8% front - 44.2% rear for the hardtop and 54.6% front - 45.4% rear for the convertible.

. Sheetmetal Prices

Purchasing indicated that agreement had finally been reached with Metal Stamping Division on sheetmetal prices for the Special Falcon and that this information would be available to Product Planning and the Controller's Office by the end of the week.

OTHER BUSINESS (continued)

. Cost Status

Product Planning reviewed the cost changes made since the previous meeting (copy attached). The current design cost position is $1.38 over budget.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. N. L. Blume
Mr. C. W. Bugbee
Mr. J. A. Capolongo
Mr. R. J. DeLoof
Mr. R. M. Glaspie
Mr. H. J. Howerth
Mr. R. C. Longwell
Mr. B. Lukert
Mr. R. A. Place
Mr. H. K. Sperlich
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Mr. J. F. Randall
Mr. A. P. Piziali
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

CONFIDENTIAL

1965 SPECIAL FALCON PROGRAM

DESIGN COST POSITION

	Job #1, 1965 (Over)/ Under Objective
STATUS AT PF-11 ISSUE 87	$(1.81)
Explanation of Changes by Causal Factor	
. Functional Changes	$(3.76)
. Styling Changes	4.39
. Manufacturing Feasibility	(2.44)
Total	$(1.81)
Cost Changes Since Issue 87	
. Steering Gear Needle Bearings-- Costs revised from $(.31) to $(.32) for 6-cylinder and $(.52) for 8-cylinder vehicles	$(.12)
. Parking Brake System -- Complete system costs replacing prior provision	.50
. Exhaust System -- Complete 6-cylinder system costs of $(.25) replacing prior provision of $(.20)	(.02)
. Quarter Panel Ornament -- Integral studs replacing separate studs	.07
Total	$ .43
CURRENT STATUS	$(1.38)
POTENTIAL DESIGN COST INCREASES	$(6.58)
Explanation of Potential Cost Increases	
. Fuel Tank -- Increase in fuel tank capacity from fourteen to sixteen gallons	$(.75)
. Front Bucket Seats	
- Use of latex pads, rather than urethane, may be specified by Engineering	(2.20)
- Use of Padded Board in seat back may be required to obtain curved appearance	(.86)
. Assembly Plant Labor -- Preliminary AAD estimates revised (Hardtop $(1.99); Convertible $(2.84))	(2.17)
. Quarter Panel to Bumper Moulding -- May be required to cover unsightly appearance at rear lower area of quarter panel	(.60)
	$(6.58)

February 20, 1963

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

March 8, 1963

CONFIDENTIAL

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #21

The following is a summary of the action taken at the March 6, 1963 Status Review Meeting.

PROGRAM TIMING

The Program Timing Office cited the following three timing problems:

. Scuff Plates

A change to the scuff plates for cost reduction reasons is being contemplated. Program Timing urged that this matter be settled promptly. Subsequent to the status meeting it was agreed to stay with the present design since the proposed cost reduction was not practical from an Engineering standpoint.

. Crash Pad

Program Timing urged that a final selection of crash pad be made by March 15, 1963. Product Planning advised that a decision would be made by March 8, 1963.

. Mechanical Prototype

The first mechanical prototype was delivered on time, March 4, 1963. Some problems were experienced with out-of-date parts; however, corrective actions have been taken and the prototype has been re-delivered to Ford Division.

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SPECIAL FALCON STATUS REPORT #21 March 6, 1963

MAJOR OPEN PRODUCT PROBLEMS

. Fuel Filler Pipe

Product Engineering presented drawings of a proposed change to the upper half of the fuel tank which would permit reducing the intrusion of the fuel filler pipe into the luggage compartment. The proposed change might also permit elimination of the fuel tank vent.

Product Planning indicated it was very favorably disposed to the change and would make a decision as quickly as the financial effect is known. The change, if made, would apply to both Falcon and Special Falcon.

. Transmission Extensions and Shift Control Design

The present Engineering design has produced problems of cost and interchangeability. Because the extension modifications required for Special Falcon cannot be packaged in the Falcon, unique extension castings must now be used on the Special Falcon. Product Engineering is attempting to come up with revised designs that would eliminate the cost and interchangeability problems.

. Door Hinges

Automotive Assembly Division Management will review the body front end royalite March 7 to determine whether or not a lower cost mounting system can be accepted.

. 6-Cylinder Automatic Transmission

- Purchasing advised that Transmission and Chassis Division has promised a reply to Ford Division's request for financial information on the proposed change from 2-speed to 3-speed automatic transmission on the 6-cylinder car by March 8.

- Oil Cooling -- It now appears that air cooling can be used on the 270 3-speed automatic transmission. This will be a cost reduction compared to the previous design which used the radiator for transmission oil cooling.

. Seating Buck

Product Planning requested that the seating buck be fitted with two correct front seats and that Engineering advise when the revised buck would be available for management review.

. Disc Brake Program

Product Engineering is continuing with the disc brake program based on the Budd design and programed for Job #1, 1964½. Product Planning indicated that a program blue letter was being prepared and would be discussed in the March 14 Ford Division Product Meeting.

MAJOR OPEN PRODUCT PROBLEMS (continued)

. 1965 Ford V-8 Engine Changes

Product Engineering indicated that the effect of the proposed 1965 Ford engine changes on Special Falcon was being analyzed with full information expected within a few days.

. Improved Handling Program

In order to provide more satisfactory handling, Product Planning requested that Engineering develop a lower over-all steering ratio for use with high performance equipment and with power steering. Product Engineering plans to install revised lower ratio steering gears on the mechanical prototype to evaluate this proposal. Purchasing was requested to obtain the financial effect of the revised gear from Transmission and Chassis Division.

. Front Seat Tracks

Metal Stamping Division Engineering advised that the elimination of the right hand bucket seat tracks had been accomplished as requested. The right hand seat supports will be modified to fill the space normally occupied by the seat tracks. This approach will permit the full design cost savings.

. Bumper Guards

Product Engineering has asked Metal Stamping Division Engineering to provide sketches of the proposed optional bumper guards so that a firm decision on design can be made.

OTHER BUSINESS

. Program Revaluation

The Program Revaluation is running behind schedule; however complete resolution of all raw cost data problems is anticipated by March 8. Metal Stamping Division tooling costs by end item have not yet been received. Purchasing was asked to accelerate this action. The Controller's Office was asked to obtain from Finance Staff a cost breakdown by end item on Metal Stamping Division-supplied parts including Company Variable Cost and transfer price to permit analysis of Basic Manufacturing Division profits.

. Cost Status

The current design cost status was reported at $1.36 over objective.

. Cost Status (continued)

Changes since last report include the following:

	(Over)/Under Objective
- Passenger Bucket Seat Tracks Deleted	$ 1.60
- Front Suspension Housing Cover Plates Deleted	.19
- Unique Manual Transmission Extensions now required due to addition of Gear-Shift Lever Mounting Bosses Cost level increased from $(.45) to $(.75)	(.25)
- Bucket Seats Revised	(.79)
Total	$ .75
Current Status	$(1.36)

. Styling Approvals

The following items were approved at the March 8, 1963 Styling meeting.

- Crash pad and mouldings (full depth pad)
- Windshield Wiper sheetmetal depression
- Rally-Pac with electric tachometer

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting

Mr. N. L. Blume
Mr. F. C. Brown
Mr. C. W. Bugbee
Mr. R. J. DeLoof
Mr. D. J. Edwards
Mr. H. J. Howerth
Mr. R. C. Longwell
Mr. B. R. Lukert
Mr. E. S. Marvin
Mr. M. W. Stucky
Mr. H. K. Sperlich
Mr. J. M. Sutherland

Other Copies to:

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Mr. J. Najjar
Mr. J. F. Randall
Mr. A. P. Piziali
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

CONFIDENTIAL

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

March 18, 1963

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #22

The following is a summary of the action taken at the March 13, 1963 Status Review Meeting.

PROGRAM TIMING

The following Program Timing matters were discussed:

. Dress-up Package

Program Timing requested that a firm decision be made this week on the Special Falcon dress-up package. Product Planning indicated that the financial decision could not be reached this week; however, Product Letters would be issued on all candidate items for the dress-up package so that Timing would be protected in all cases.

. Vehicle Name

The name for the Special Falcon carline will not be selected by March 15, 1963 as originally requested by Program Timing. The Sales Office has scheduled a meeting with the General Manager to be held March 21, 1963 to discuss the question of vehicle name.

. Bumper Guards

Product Planning indicated that they had requested Styling to hold up transmitting surfaces for the RPO bumper guards. The specific styling approval of bumper guards must of necessity be based on the feasibility work now being performed by Metal Stamping Division. Program Timing requested that Metal Stamping Division accelerate their efforts since approval of bumper guards was now substantially beyond planned dates.

PROGRAM TIMING (continued)

. Transmission Shift Towers

Product Planning indicated that the styling for the manual and automatic transmission shift tower assemblies would be approved on Friday.

. Taillamps

Product Planning has requested a redesign of the taillamp structure to avoid a major piece cost penalty. Program Timing indicated that the proposed change was being timed out, and because of the long lead time involved in States' approval for taillamps, they were very concerned with this change.

MAJOR OPEN PRODUCT PROBLEMS

. Fuel Filler Pipe

Product Engineering reported that the proposed fuel tank and fuel filler pipe change required to reduce the intrusion of the fuel filler pipe into the luggage compartment was feasible. Subsequent to the status meeting it was decided to proceed with the change. The change will involve from $15,000 to $35,000 in tooling depending on whether or not a similar change is made on Falcon. A piece cost savings of approximately $.25 per car is anticipated due to the elimination of the separate fuel system vent.

. Transmission Extensions and Shift Control Tower

This problem continues unresolved. While the interchangeability between Special Falcon and other car lines in this area has been improved since last report, major cost penalties have been introduced by the present design direction. The most serious problem involves the projected use of the Fairlane transmission for the 6-cylinder 3-speed manual transmission equipped Special Falcon. This change will involve a penalty of over $3.50 per car so equipped. Engineering is examining ways to avoid the cost penalty. Product Planning repeated its request that Engineering consider floor-mounting the manual transmission controls. This approach, if feasible, would provide complete interchangeability and would produce a major piece cost and fixed cost savings.

. Door Hinges

Automotive Assembly Division indicated that the possibility of inside mounted door hinges on Special Falcon was still being investigated.

. Seating Buck

The following is a summary of significant agreements resulting from the Chief Engineer's Meeting of March 14, 1963 on the Special Falcon seating buck:

. Seating Buck -- (continued)

- It was agreed that the rear quarter trim panel should be moved further rearward in relation to the rear seat back to further minimize the chance that the trim panel could interfere with comfortable seating.

- It was agreed that the most desirable location for the passenger side front seat, which will be fixed in one place, was a position 2" forward of the rearmost position of the driver's seat.

- It was agreed that we would either adopt a different windshield washer than the carryover Falcon/Fairlane unit planned or relocate the dimmer switch from the floor location to the turn signal lever.

. Disc Brakes

Engineering work on the Budd design disc brake for the Special Falcon has been stopped pending a final decision between the Budd design and the Kelsey Hayes disc brake design. This decision should be made within the week.

. 1965 Ford V-8 Engine Changes

Engineering has developed five alternative plans to accommodate the proposed 1965 Ford V-8 engine change. The financial effect of these changes on all car lines is being evaluated.

OTHER BUSINESS

. Program Revaluation

Purchasing has now completed their portion of the Special Falcon Program revaluation and has transmitted their cost package to Product Planning and the Controller's Office.

While the revaluation is not yet complete, it appears that the results will be favorable. Fixed expenditures will remain at near budget levels except for the $900,000 increase in Automotive Assembly Division levels attributable to the change from Louisville to the Dearborn plant. Design cost and profits are expected to be favorable compared to Operating Policy Committee budget levels.

. Styling Approvals

The following items were approved at the March 15 Styling Meeting:

Revised seat side moulding -- to be used on outboard of front seats only.

SPECIAL FALCON STATUS REPORT #22

March 13, 1963

. Styling Approvals (continued)

Instrument Cluster -- same as 1964 Falcon except for engine turning in the center lower and outboard areas of the cluster face.

Instrument Panel Applique

Instrument Panel Assist Bar

4-Speed manual and automatic transmission control towers.

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting:

Mr. N. L. Blume
Mr. F. C. Brown
Mr. C. W. Bugbee
Mr. R. J. DeLoof
Mr. H. J. Howerth
Mr. R. C. Longwell
Mr. B. R. Lukert
Mr. R. A. Place
Mr. E. S. Marvin
Mr. E. F. Moore
Mr. M. W. Stucky
Mr. H. K. Sperlich
Mr. J. M. Sutherland

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Mr. A. P. Piziali
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

L. A. Iacocca

CONFIDENTIAL

N O T I C E :

Weekly Status Meetings have been held on the Special Falcon Program since program approval. The purpose of those meeting, coordination of all general matters attendant to the initiation of a new program, has been accomplished. Therefore these meetings will be terminated. They will be replaced by separate meetings as required including a regular weekly Product Engineering/ Product Planning meeting to devote the necessary attention to proper program execution.

To insure that all parties are kept informed of program progress, this office will continue to issue a program status report on a bi-weekly basis.

Special Studies Department
Product Planning Office
Ford Division

Ford Motor Company — FORD DIVISION

Intra-Company Communication — GENERAL OFFICE

CONFIDENTIAL

March 25, 1963

To: Mr. D. T. Axon
Mr. C. E. Bosworth
Mr. D. N. Frey
Mr. W. L. Heller
Mr. L. A. Iacocca
Mr. R. L. Logue
Mr. J. Oros
Mr. H. A. Matthias
Mr. D. E. Petersen
Mr. S. M. Vass
Mr. D. C. Woods

Subject: SPECIAL FALCON PROGRAM -- STATUS REPORT #23

The following is a summary of the action taken at the March 20, 1963 Status Review Meeting.

PROGRAM TIMING

Open Investigations

. Bumper Guards

Program Timing stated that no timing assurance can be given bumper guards until further Engineering information is available. Body Engineering indicated that design work on the bumper guards has yet to be started.

. Handling Improvement Program

Because design changes to improve vehicle handling are not known at this time, Program Timing warned that problems may develop in this area when the changes become known.

. Transmission Control Mounting

Program Timing reported that if the manual transmission controls are to be floor-mounted, timing problems may result. Subsequent to the meeting it was agreed that the transmission controls would remain extension-mounted for all manual transmissions.

. Alternators

Program Timing questioned the status of the alternator program with regard to the Special Falcon. An all car line alternator proposal is being prepared which will include Special Falcon. Product Planning will report the status of this proposal at the next meeting.

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Decisions Required

. Engine Dress-Up Kit

Product Planning reported that the engine dress-up kit has been dropped from the program.

. Tonneau Cover

It was stated that the tonneau cover work being done at Styling is directed toward an RPO that may or may not materialize, depending on cost and appearance factors.

. Console

Program Timing emphasized the advisability of approving a console design prior to April 1, 1963 to avoid possible compression costs. Product Planning stated that every effort will be made to reach a decision on this question prior to that date.

. Vehicle Name

Program Timing emphasized again that selection of a name in the near future is imperative to avoid premium expenditures on affected ornamentation items, especially the radiator grille ornament.

. Sun Visor and Rear View Mirror Brackets

The addition of padded visors to the program will require revisions to the approved sun visors and rear view mirror brackets. Program Timing advised these revisions should be approved as soon as possible.

MAJOR OPEN PRODUCT PROBLEMS

. Transmission Extensions, Shift Control and Engine Mount Design

This item continues unresolved. Engineering is attempting to develop alternatives to the present high cost design.

. Door Hinges

Automotive Assembly Division stated that mounting the doors from inside the car was still under consideration by Automotive Assembly Division management. A change in direction in this item would not incur a timing problem, Metal Stamping Division reported.

. 6-Cylinder Automatic Transmission Plans

An action product letter was issued by Product Planning approving the XP-3 speed for all Special Falcon automatic transmission application beginning with Job #1, 1964½.

. Seating Buck

Product Engineering stated they are finished with the seating buck and that it can be made available for management review at any time. Product Planning is requesting several revisions to be made to the buck in preparation for review by the General Manager on March 29, 1963.

. Disc Brakes

The disc brake program for all car lines is in a "hold" status pending determination of source.

. 1965 Ford 289 Changes

The effect on all light vehicles of the bolt circle changes to the small V-8 engines to correct power plant bending problems on the 1965 Ford car is being determined by a special study. Each alternative solution appears to involve major expenditures. Full cost information will not be available for several weeks.

. Dress-Up Plans

Subsequent to the meeting a review was held with Divisional management at which time it was decided that all Special Falcon dress-up items would be offered as separate options rather than coupled for high series or dress-up packages. All items have been released from Styling except the console storage and seating items.

. Prototype Program Status

Product Engineering stated that prototype build is on schedule and that the second mechanical prototype, a convertible, has been delivered.

OTHER BUSINESS

. Program Revaluation

Product Planning has reviewed and concurred in the revaluation cost package furnished by Purchasing. The Controller's Office expects to develop the new profit levels by March 26, 1963.

. Weight Status

Program Engineering reported no change in weight status from the previous meeting.

. Cost Status

The current design cost status is $1.87 over objective. This is an increase of $.51 over the prior report (see attached).

SPECIAL FALCON STATUS REPORT #23

March 20, 1963

. Styling Approvals

- Interior Rear View Mirror Mounting Bracket -- Revised
- Brake Pedal Pad for use with power brakes and automatic transmission
- Crash Pad colors

H. K. Sperlich
Special Studies Manager
Product Planning Office

Present at the Meeting

Mr. N. L. Blume
Mr. C. W. Bugbee
Mr. R. J. DeLoof
Mr. H. J. Howerth
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Mr. J. O. Wright
Mr. B. T. Andren
Mr. L. D. Ash
Mr. J. K. Armstrong
Mr. D. L. Bachman
Mr. E. Ehrenberg
Mr. G. J. Fischer
Mr. C. Kurt Hoffman
Mr. W. J. Korth
Mr. J. L. Hooven
Mr. W. Jean
Mr. E. R. Karrer
Mr. F. A. MacArthur
Mr. M. H. Manning
Mr. E. F. Moore
Mr. M. H. Manning
Mr. J. Najjar
Mr. J. F. Randall
Mr. A. P. Piziali
Mr. J. M. Sutherland
Mr. C. B. White
Mr. N. B. Wolford
Mr. F. W. Zuckerman

Attachment

CONFIDENTIAL

1965 SPECIAL FALCON PROGRAM

DESIGN COST POSITION

	Job #1, 1965 (Over)/ Under Objective
STATUS AT PF-11 ISSUE 88	$(1.36)
Explanation of Changes by Causal Factor	
. Functional Changes	$(4.11)
. Styling Changes	3.59
. Manufacturing Feasibility	(2.44)
. Features	1.60
Total	$(1.36)
Cost Changes Since Issue 88 - Including Carryover Options	
. Bucket Seat Bright Inner Side Shield Deleted	$ .95
. Instrument Panel Appliques Added	(.66)
. Glove Box Light Added	(.18)
. Instrument Panel Crash Pad Approved: $(1.82) @ 50%	(.91)
. Provision for AT PRNDL Housing Appearance: $(.60) @ 16%	(.10)
. Revised Backup Lamp Cost Estimate: $.22 @ 25%	.06
. Revised Estimate of Quarter Panel Rear Die Casting	(.26)
. Estimate of 16 gal. fuel tank revised from $(.75) to $(.90)	(.15)
. 170/XP-3 AT Accelerated to Job #1, 1964½: $(6.96) @ 16%	(1.12) a/
. Revaluation: Labor Cost - AAD Estimates Revised: Hardtop $(3.60) Convertible $(4.80)	(3.84) b/
. Revaluation: Material Cost	9.08
Sub-Total	$ 2.87
Cost Changes Since Issue 88 - Including New Options	
. 260/289 Engine Cost Level Increased: $(5.74) @ 55%	$(3.16)
. Provision for AT PRNDL Housing Appearance: $(.60)@ 37%	(.22)
Sub-Total	$(3.38)
Total Changes	$(.51)
CURRENT STATUS	$(1.87)
POTENTIAL DESIGN COST CHANGES	
. 170/3-Speed Manual Transmission--Fairlane Transmission Extension and Clutch Housing Replacing Falcon Assumption:$(2-.5) @ 15%	$(.30) to (.75)
. Stainless Steel vs. Aluminum Rocker Panel Moulding: $(.90) @ 30%	(.27)
. Quarter Panel to Bumper Moulding--May be required to cover unsightly appearance at rear lower area of Quarter Panel	(.60)
Total Potential	$(1.17) to (1.62)

a/ The Division is currently considering an Objective Amendment for the XP-3 acceleration to 1964½.

b/ Includes $(1.20) due to 1963 Falcon Sedan Labor Reduction

March 20, 1963