

BMW Group

Revelation
dyan
8:12AM

October 15, 2009

Scott Yon
Chief, Vehicle Integrity Division
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

Re: PE09-036

Dear Mr. Yon

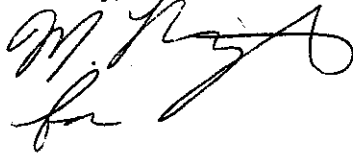
With this letter, BMW is responding to NHTSA's Information Request dated September 2, 2009 in the above captioned matter.

The attachments included with this letter comprise BMW's response to Questions 1 through 6. Our response for Questions 7 through 11, as agreed, will be submitted no later than November 9, 2009. As requested, BMW has repeated each question verbatim and provided our response accordingly. Our detailed responses are contained in the attachments.

BMW understands that it is NHTSA policy to protect the privacy of individuals under Exemption 6 of the Freedom of Information Act, 5 USC Section 552(b)(6). Certain information requested by NHTSA, such as personal information pertaining to BMW vehicle owners that is contained in the attachments, although not claimed herein to be "BMW Confidential" pursuant to 5 USC Section 552(b)(4) (Exemption 4) and 49 CFR 512, should not be made public by NHTSA in accordance with Exemption 6.

Should you have any questions pertaining to the information enclosed with this letter, please contact me at (201) 571-5360, or Martin Rapaport of my staff at (201) 571-5208.

Sincerely,



Jan Urbahn
General Manager
Safety Engineering & Intelligent Transportation Systems

Attachments:

CD No. 1

Company
BMW of North America, LLC

BMW Group Company

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1. State the number of each of the following, received by BMW, or of which BMW is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:
 - a. Consumer complaints, including those from fleet operators;
 - b. Field reports, including dealer field reports;
 - c. Reports involving a crash, injury, or fatality, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
 - d. Reports involving a fire, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
 - e. Property damage claims;
 - f. Third-party arbitration proceedings where BMW is or was a party to the arbitration; and
 - g. Lawsuits, both pending and closed, in which BMW is or was a defendant or codefendant.

For subparts "a" through "d" state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle are to be counted separately. Multiple reports of the same incident are also to be counted separately (i.e., a consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report and a consumer complaint).

In addition, for items "c" and "d," provide a summary description of the alleged problem and causal and contributing factors and BMW's assessment of the problem, with a summary of the significant underlying facts and evidence. For items "e" and "f," identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed

Response:

The sources of this information are our customer contact database (information current as of 11 Sep 2009), various field report databases (information current as of 25 Sep 2009), and certain legal databases (information current as of 2 Oct 2009).

The number of consumer complaints is indicated in Table 1.

Consumer Complaint Code	Code Description	Number of Complaints
6125	Turn Signals	0
6134	Brake Lights	6
6300	Lights General	14
6313	Turn Indicators	2
6321	Rear Light Cluster	13
6325	Brake Lights	8

Table 1.

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The number of field reports, including dealer field reports, is 0.

The number of crash, injury, fatality, and fire reports is 0.

The number of property damage claims is 0.

The number of third-party arbitration proceedings is 0.

The number of lawsuits is 0.

- 2. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2 [sic 1], state the following information:**
- a. BMW's file number or other identifier used;**
 - b. The category of the item, as identified in Request No. 2 [sic 1] (i.e., consumer complaint, field report, etc.);**
 - c. Vehicle owner or fleet name (and fleet contact person), address, and telephone number;**
 - d. Vehicle's VIN;**
 - e. Vehicle's make, model and model year;**
 - f. Vehicle's mileage at time of incident;**
 - g. Incident date;**
 - h. Report or claim date;**
 - i. Whether a crash is alleged;**
 - j. Whether property damage is alleged;**
 - k. Number of alleged injuries, if any; and**
 - l. Number of alleged fatalities, if any.**

Provide this information in Microsoft Access 2000, or a compatible format, entitled "REQUEST NUMBER TWO DATA."

Response:

The sources of this information and the availability dates are as noted above.

Attachment "REQUEST NUMBER TWO DATA – CC" on CD No. 1 contains the requested information for the consumer complaints.

The consumer complaint codes and their descriptions that were utilized in the search are contained in Table 2.

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Consumer Complaint Code	Code Description
6125	Turn Signals
6134	Brake Lights
6300	Lights General
6313	Turn Indicators
6321	Rear Light Cluster
6325	Brake Lights

Table 2.

In addition, key words such as “light”, “lamp”, “tail”, “rear”, “brake”, and “turn signal” were utilized, in various combinations and “character strings”, in order to refine the search with the intent to collect only those consumer complaints that relate, or may relate, to the alleged defect in the subject vehicles.

Complaints pertaining to issues such as “headlamps”, “headlights”, “battery warning lamp”, “service engine soon light / lamp”, “oil level light / lamp”, “front turn signals”, “clear lamp lenses”, “instrument panel light”, and many other complaints that are not related to the alleged defect in the subject vehicles are not included.

Although not specifically requested, we have included, within Attachment “REQUEST NUMBER TWO DATA – CC” on CD No. 1, the complaint codes, in order to identify an individual complaint with its corresponding code.

Although not specifically requested, we have also included fields identified as “Type” and “Issue Summary” in Attachment “REQUEST NUMBER TWO DATA – CC” on CD No. 1. “Type” is used by the customer service representative to help categorize the customer’s request, such as “inquiry”, “complaint”, etc., while “Issue Summary” is used by the customer service representative to help summarize, in a very brief manner, the customer’s concern.

In response to DP09-002, we had stated the following regarding the “type” of complaints we were receiving (emphasis added):

The vast majority (approximately 80%) of the consumer complaint Types are identified as “Survey”, have a corresponding entry in the “Issue Summary” field, and pertain to Complaint Code 6300 (“Lights General”). The records pertaining to the Type (“Survey”) are based upon individual telephone surveys, which are conducted as a follow-up with customers who have had a recent service or sales experience (standard follow-up procedure in the interest of product quality, customer loyalty, etc.). In some cases, some survey customers make a specific complaint during the survey. In other words, they do not initiate the complaint themselves; it is only in response to a company-initiated survey. These can be considered “second level” complaints, as the customer did not initiate the complaint, and did not contact us directly. Nevertheless, we do address and include these complaints as part of this submission.

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In this update, it can be seen in Table 1 that, only a few pertain specifically to turn-signals. This is similar to the consumer complaint data provided in response to DP09-002.

In summary, the majority of complaints are "second-level" complaints. For "first-level" complaints, turn-signals are not dominant.

- 3. Produce copies of all documents related to each item within the scope of Request No. 2 [sic 1]. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method BMW used for organizing the documents.**

Response:

The sources of this information, and the availability dates, are as noted above.

Attachment "CC" on CD No. 1 contains copies of the consumer complaints.

- 4. State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by BMW to date that relate to, or may relate to, the alleged defect in the subject vehicles: warranty claims; extended warranty claims; claims for good will services that were provided; field, zone, or similar adjustments and reimbursements; and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.**

Separately, for each such claim, state the following information:

- a. **BMW's claim number;**
- b. **Vehicle owner or fleet name (and fleet contact person) and telephone number;**
- c. **VIN;**
- d. **Repair date;**
- e. **Vehicle mileage at time of repair;**
- f. **Repairing dealer's or facility's name, telephone number, city and state or ZIP code;**
- g. **Labor operation number;**
- h. **Problem code;**
- i. **Replacement part number(s) and description(s);**
- j. **Concern stated by customer; and**
- k. **Comment, if any, by dealer/technician relating to claim and/or repair.**

Provide this information in Microsoft Access 2000, or a compatible format, entitled "WARRANTY DATA."

Response:

The source of this information is our warranty claims database and is current as of 9 Sep 09.

Attachment "WC - WARRANTY DATA" on CD No. 1 contains the additional information.

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The number of warranty claims that relate, or may relate, to the issue is contained in Table 3.

Model Year	Warranty Claims
2002	8
2003	182
2004	458
2005	205

Table 3.

5. Describe in detail the search criteria used by BMW to identify the claims identified in response to Request No. 4, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by BMW on the subject vehicles (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) that BMW offered for the subject vehicles and state by option, model, and model year, the number of vehicles that are covered under each such extended warranty.

Response:

The warranty claims search criteria principally involved the subject component as defined in the Information Request.

The search utilized part numbers associated with the rear lamp assembly and other related sub-components of the rear lamp assembly. All of the related sub-components and associated part numbers are contained in Attachment "WC - WARRANTY DATA" on CD No. 1.

The terms of the new vehicle warranty coverage for the subject vehicles is 4 years / 50,000 miles (whichever occurs first) and includes coverage for the subject component.

BMW offers a "Certified Pre-Owned" (CPO) program for the subject vehicles. The CPO program provides warranty coverage on the vehicle when purchased (via the CPO program) by a second (and subsequent) owner(s) for an additional 2 years / 50,000 miles (whichever occurs first), after the original warranty coverage of 4 years / 50,000 miles expires. With the addition of CPO coverage, the vehicle is covered up to a maximum of 6 years / 100,000 miles (whichever occurs first).

BMW offers an "Extended Service Contract" (ESC) for the subject vehicles. The ESC is known as the "Original Owner Protection Program" (ZOP), and the coverage is similar to the CPO program. However, compared to the CPO program, coverage is available at three different levels - 6 years / 100,000 miles, 7 years / 70,000 miles, or 7 years / 100,000 miles (whichever occur first). Also, compared to the CPO program, the coverage is initially available to the original owner. Once in place, coverage can be transferred to a second (and subsequent) owner(s) in private-party to private-party changes in ownership, but, it does not apply (becomes "inactive") if the vehicle is traded in to a dealer, broker, or wholesaler.

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Attachment "WC – WARRANTY DATA" on CD No. 1 contains additional information indicating claim type (warranty, goodwill, CPO, ESC), as well as, labor operation codes/descriptions, and problem codes/descriptions that resulted from the search.

6. Provide the following:

- a. One sample of the original subject component including the lamp assembly, electrical connector, and a section of the harness assembly with the associated electrical terminals in situ, and,**
- b. Two samples of failed field returned subject components such as the lamp assembly, electrical connector, or the harness assembly (with terminals in situ).**

Response:

Samples are being provided under separate cover.