

# BMW Group

November 5, 2014

Mr. Frank Borris  
Director, Office of Defects Investigation  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590

**Re: Takata Inflator Recalls 14V-428 and 13V-172  
Model Year 2000 to 2006 BMW 3 Series Passenger Front Air Bag**

Dear Mr. Borris :

With this letter, BMW of North America, LLC, on behalf of BMW AG, Munich, Germany ("BMW"), is responding to NHTSA's letter dated October 29, 2014 in the above captioned matter. As requested, BMW has repeated each question verbatim and provided our response accordingly.

1. The steps that BMW will take to (a) expedite Takata's production of replacement air bags; (b) expand the supply of replacement air bags by obtaining replacement air bags from other suppliers; (c) accelerate distribution of replacement air bags to repair facilities; and (d) urge and incentivize your dealers to increase the number of vehicles repaired.
  - BMW is expediting Takata's production of replacement air bags by supporting Takata in its efforts to relocate production of the air bag inflator from Monclova, Mexico to Freiberg, Germany. The module assembly line is being transferred from Dolni Kalna in the Czech Republic to Miskolc in Hungary, where a production facility with higher production capacity is available. Additional capacity is expected to be available by mid-December.
  - BMW is not expanding the supply of replacement air bags by attempting to obtain replacement air bags from other suppliers, since the BMW air bag design is unique to Takata and to the affected BMW vehicles. Such an effort to identify and qualify an alternate source is estimated to take two years and would divert the limited BMW available resources, which are needed to address the current issue with Takata.
  - BMW's distribution procedures include air freight shipments from our central warehouse in Dingolfing, Germany to our USA regional parts distribution centers, typically allowing 1 day turnaround of requested and in-stock parts to our authorized repair facilities within the United States and Puerto Rico. To accelerate parts distribution, BMW has set up extra shifts in our central warehouse in Dingolfing.
  - BMW is urging our dealers to expeditiously repair the affected vehicles, dependent upon parts availability, while focusing on vehicles in the hot, humid regions of the country, particularly Florida, Hawaii and Puerto Rico.
2. The measures (including innovative approaches) that BMW will take to encourage and incentivize vehicle owners to bring their vehicles in for repair (e.g., expanding service hours for more convenience, accommodating owners whose vehicles

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cannot immediately be repaired by providing loaner vehicles, and the use of print, radio, television and social media to inform vehicle owners of the recall program).

- In August 2013, BMW informed via First Class mail approximately 42,000 owners of affected Model Year 2002 to 2003 3 Series vehicles to bring their vehicles to their BMW center for replacement of the passenger front air bag per recall 13V-172.
  - In September 2014, BMW informed via First Class mail approximately 28,000 owners of affected Model Year 2000 to 2004 3 Series vehicles registered in Florida, Hawaii and Puerto Rico to bring their vehicles to their BMW center for replacement of the passenger front air bag per recall 14V-428.
  - At the same time, BMW sent an interim notification of the 14V-428 recall via First Class mail to approximately 546,000 owners of affected Model Year 2000 to 2006 3 Series vehicles advising them that replacement parts were not currently available.
  - As soon as parts become available, BMW will inform additional owners via First Class mail to bring their vehicles to their BMW center for replacement of the passenger front air bag.
  - This process will continue until all owners of affected Model Year 2000 to 2006 3 Series vehicles have been requested to bring their vehicles to their BMW center for replacement of the passenger front air bag.
  - We will evaluate whether we need to use additional and different mediums to notify customers when parts are available to repair their vehicles.
  - A second mailing to owners who have not yet completed the recall will be considered once all owners have received their initial notification.
3. The efforts BMW will make to maintain clear, thorough, and up-to-date information regarding the recall on your website, and within BMW's dealer network, to better inform consumers.
- BMW maintains an open recall by VIN lookup function for its consumers at [www.bmwusa.com](http://www.bmwusa.com) (link: "Safety Recalls") to allow them to determine if their BMW is affected by these recalls.
  - BMW will continue to inform dealers of updates regarding the recall and parts availability via Service Information Bulletin updates, as well as other electronically distributed alerts.
4. Any other interim measures BMW has taken or can take to address the safety risk and up-to-date information on the number of loaner vehicles you have provided.
- BMW is not aware of a ruptured inflator in any potentially affected vehicle.
  - If a customer is extremely concerned about this issue and if a replacement air bag is not available, BMW has advised its dealers to instruct customers not to allow anyone to sit in the front passenger seat or place any objects, such as a purse, backpack, briefcase or package on it while driving, until the air bag is replaced.
  - There are currently 18,267 vehicles in BMW's service loaner program at our authorized repair facilities.
5. A description of any ongoing efforts to evaluate the safety risks of Takata air bags in BMW vehicles, including a description of testing that is currently underway or planned.

- BMW is returning all replaced air bags to Takata's facilities in Auburn Hills, MI for testing. Takata's analysis plan forms the current basis for BMW's evaluation. A description of this plan is shown in Attachment A.
  - BMW engineers from Munich, Germany and Woodcliff Lake, NJ will participate in a detailed review of the Takata analysis plan as well as a review of the initial results on November 17-18, 2014 at Takata's test facility in Auburn Hills, MI.
6. Testing results and data that BMW has conducted or gathered concerning its vehicles that contain Takata air bags that were sold or registered within the hot, humid regions of the country identified in NHTSA's consumer advisory.
- Takata has informed BMW that it has tested 50 returned passenger front air bags collected from Model Year 2000 to 2004 3 Series vehicles in southern Florida. None of the tested inflators experienced a rupture.
  - BMW is not aware of the occurrence of a ruptured inflator in any customer's vehicle within the hot, humid regions of the country identified in NHTSA's consumer advisory.
7. Testing results and data that BMW has conducted or gathered concerning its vehicles that contain Takata air bags that were sold or registered outside the hot, humid regions of the country identified in NHTSA's consumer advisory. (If the data indicates that the area of risk extends beyond the region identified, BMW will need to act quickly to expand its recall).
- Takata has informed BMW that it has not yet tested any returned passenger front air bags collected from Model Year 2000 to 2006 3 Series vehicles outside the region noted in No. 6 above.
  - BMW is not aware of the occurrence of a ruptured inflator in any customer's vehicle outside the hot, humid regions of the country identified in NHTSA's consumer advisory.
8. The testing protocols/methodologies used (or that will be used) to conduct or gather the information described in Nos. 5 through 7 above.
- Please see Attachment A for a description of Takata's current analysis plan. BMW may recommend changes or additions to the plan after its joint review with Takata on November 17-18, 2014.
9. Up-to-date information regarding the number of vehicles covered by your recall, the number of those vehicles still in service and the number of vehicles remedied with a replacement air bag.

The following information is current as of November 4, 2014:

<u>Recall No.</u>	<u>Vehicles Covered</u>	<u>Vehicles in-Service</u>	<u>Vehicles Remedied</u>
14V-428	573,935	542,647 (estimated)	30,386*
13V-172	42,080	39,786	13,802

\*Includes approximately 3,000 vehicles within FL, HI and PR.

10. Information on the testing, if any, BMW has done on the replacement air bags.
- BMW has not yet conducted any tests on replacement air bags. This activity will be discussed with Takata in the November 17-18<sup>th</sup> meeting.

Should you have any questions pertaining to the information contained in this response, please contact me at (201) 571-5360, or Francis Dance or my staff at (201) 571-5238.

Sincerely,



Sam Campbell  
Department Head  
Safety Engineering and Intelligent Transportation Systems

#### Attachment A: Current Takata Air Bag Analysis Plan

