



U.S. Department of Transportation
**National Highway Traffic Safety
Administration**



1200 New Jersey Avenue SE.
Washington, DC 20590

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

APR 25 2018

Mr. Sam Campbell
Dept. Head-Safety Engineering
BMW of North America, LLC
P.O. Box 1227
Westwood, New Jersey 07677

NEF-104
RQ18-001mm

Dear Mr. Campbell:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened Recall Query RQ18-001 to investigate allegations engine belt idler pulley bolt failures resulting in loss of power assisted steering and alternator function in model year (MY) 2009 through 2012 X5 xDrive35d vehicles manufactured by BMW North America, LLC (BMW) and remedied under Safety Recall 12V-550, and to request certain information.

This office has received 19 reports alleging incidents of engine belt idler pulley bolt failure or loss of power assisted steering in MY 2009 through 2012 xDrive35d vehicles previously remedied under Recall 12V-550. The reports each reference either recall 12V-550 (17), engine belt idler pulley bolt failure (16) or both (14). A copy of each of the reports is enclosed for your information.

Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject vehicles:** All MY 2009 through MY 2012 BMW X5 xDrive35d vehicles remedied under the subject recall.
- **Subject recall:** NHTSA Safety Recall 12V-550.
- **Subject components:** All engine belt idler pulley bolts (or alternator and deflection pulley mounting bolts) and related fastening systems used as original equipment, service or recall remedy parts in the subject vehicles.
- **Alleged defect:** Allegations of any one or more of the following symptoms or conditions occurring after completion of the subject recall remedy repairs:
 1. Engine idler belt pulley mounting bolt loosens or fractures;
 2. Serpentine drive belt failure; or
 3. Loss of power steering.

- **BMW:** BMW North America, LLC, all of its past and present officers and employees, whether assigned to its principal offices or any of its field or other locations, including all of its divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of BMW (including all business units and persons previously referred to), who are or, in or after January 1, 2007, were involved in any way with any of the following related to the alleged defect in the subject vehicles:
 - a. Design, engineering, analysis, modification or production (e.g. quality control);
 - b. Testing, assessment or evaluation;
 - c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
 - d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.

- **Document:** "Document(s)" is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by BMW, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-

identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by BMW or not. If a document is not in the English language, provide both the original document and an English translation of the document.

- **Other Terms:** To the extent that they are used in these information requests, the terms "claim," "consumer complaint," "dealer field report," "field report," "fire," "fleet," "good will," "make," "model," "model year," "notice," "property damage," "property damage claim," "rollover," "type," "warranty," "warranty adjustment," and "warranty claim," whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as BMW has previously provided a document to ODI, BMW may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above each response. After BMW's response to each request, identify the source of the information and indicate the last date the information was gathered.

1. State, by model year, the number of subject vehicles BMW has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by BMW, state the following:
 - a. Vehicle identification number (VIN);
 - b. Make;
 - c. Model;
 - d. Model Year;
 - e. Date of manufacture;
 - f. Date warranty coverage commenced;
 - g. Date subject recall remedy repairs were completed;
 - h. Mileage subject recall remedy repairs were completed;
 - i. The name, address and dealer code of the dealer who performed the subject recall remedy repairs; and
 - j. United States state or territory where the vehicle was originally sold or leased (or delivered for sale or lease).

Provide this information separately in Microsoft Access 2010, or a compatible format, entitled "PRODUCTION DATA."

2. 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;
 - d. Reports involving a fire;
 - e. Property damage claims; and
 - 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 "f, / g," 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" through "f, / g," 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/f" and "f, / g," 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.

3. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, 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 (i.e., consumer complaint, field report, etc.);
 - c. Vehicle owner or fleet name (and fleet contact person), street address, email 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 separately in Microsoft Access 2010, or a compatible format, entitled "REQUEST NUMBER TWO DATA."

4. Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method BMW used for organizing the documents. Describe in detail the search methods and search criteria used by BMW to identify the items in response to Request No. 2.
5. 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 and/or the subject components 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), street address, email address 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(s);
- h. Problem code(s);
- i. Diagnostic trouble code(s);
- j. Replacement part number(s) and description(s);
- k. Whether a towing claim was made within seven days of the repair date;
- l. Concern stated by customer;
- m. Cause as stated on the repair order;
- n. Correction as stated on the repair order; and
- o. Additional comments, if any, by dealer/technician relating to claim and/or repair.

Provide this information separately in Microsoft Access 2010, or a compatible format, entitled "WARRANTY DATA."

6. Describe in detail the search methods and search criteria used by BMW to identify the claims in response to Request No. 5, including the labor operations, problem codes, diagnostic trouble 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, diagnostic trouble codes and diagnostic trouble code descriptions applicable to the alleged defect in the subject vehicles. State whether the diagnostic trouble codes are automatically reported to the warranty database electronically or manually entered into the warranty database by a claims administrator.

State, by model year, the terms of the recall repair 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 that may be applicable to the alleged defect and state by option, model, and model year, the number of vehicles that are covered under each such extended warranty.

7. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that BMW has issued to any dealers, regional or zone offices, field offices, fleet purchasers, or other entities. This includes, but is not limited to, bulletins, advisories, informational documents, training documents, or other documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication that BMW is planning to issue within the next 120 days.
8. Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries and/or evaluations (collectively, "actions") that relate to, or may relate to, the alleged defect in the subject vehicles that have been conducted, are being conducted, are planned, or are being planned by, or for, BMW. For each such action, provide the following information:
 - a. Action title or identifier;
 - b. The actual or planned start date;
 - c. The actual or expected end date;
 - d. Brief summary of the subject and objective of the action;
 - e. Engineering group(s)/supplier(s) responsible for designing and for conducting the action; and
 - f. A brief summary of the findings and/or conclusions resulting from the action.

For each action identified, provide copies of all documents related to the action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action.

9. Describe all modifications or changes made by, or on behalf of, BMW in the design, material composition, manufacture, quality control, supply, or installation of the subject components, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject vehicles. For each such modification or change, provide the following information:
 - a. The date or approximate date on which the modification or change was incorporated into vehicle production;
 - b. A detailed description of the modification or change;
 - c. The reason(s) for the modification or change;
 - d. The part number(s) (service and engineering) of the original component;
 - e. The part number(s) (service and engineering) of the modified component;
 - f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
 - g. When the modified component was made available as a service component; and
 - h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that BMW is aware of which may be incorporated into vehicle production within the next 120 days.

10. Provide the following information regarding the subject recall:

- a. A detailed description of how the scope was determined;
- b. A detailed description of how the remedy procedure was developed and validated, including how the snugging torque and angle torque specifications were determined;
- c. Copies of all documents related to the development and testing of the remedy fastener joint, including all preload requirement testing, all preload-angle testing, and all torque-angle testing;
- d. Identify all other vehicles, by platform, model and engine that use the same engine belt idler pulley bolt as 1) the part originally installed in the subject vehicles and recalled under 12V-550; and 2) the replacement bolt used as the recall remedy part; and
- e. Copies of all internal documents used in any and all of the technical reviews and briefings related to the investigation and decision making process for the subject recall.

11. Provide the following information for the subject components:

- a. Describe the tools and procedures for assembling and torquing the subject bolts in the vehicle assembly process, including all factors that may affect the proper assembly of the joint;
- b. Describe the tools and procedures for assembling and torquing the subject bolts in the subject recall repair process, including all factors that may affect the proper assembly of the joint;
- c. Provide force diagrams for subject clamped joint showing all axial and shear forces acting on the joint after the specified fastening torques are applied, including all differences between the original assembly joint and the recall remedy joint;
- d. State the minimum design preload for the subject bolt and describe how it was determined by BMW;
- e. BMW's assessment of all factors that may affect the loss of preload/clamping force immediately after tightening and in subsequent vehicle service;
- f. Provide 1 exemplar sample each of the original fastening system bolts and recall remedy bolts; and
- g. Provide 2 samples each of original fastening system bolt and recall remedy bolt field returns exhibiting the subject failure mode.

12. Furnish a detailed assessment of the alleged defect in the subject vehicles, including;

- a. The causal or contributory factor(s) for the failure;
- b. The failure mechanism(s);
- c. The failure mode(s);
- d. The risk to motor vehicle safety that it poses;
- e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject system was malfunctioning; and
- f. The reports included with this inquiry.

Legal Authority for This Request

This letter is being sent to BMW pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information.

Civil Penalties

BMW's failure to respond promptly and fully to this letter could subject BMW to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) The Vehicle Safety Act, as amended, 49 U.S.C. § 30165(a)(3), provides for civil penalties of up to \$21,000 per violation per day, with a maximum of \$105,000,000 for a related series of daily violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 CFR 578.6 (as amended by Fixing America's Surface Transportation Act (the "FAST Act"), Pub. L. 114-94, § 24110(a)(2), 129 Stat. 1312 (Dec. 4, 2015)). This includes failing to respond completely, accurately, and in a timely manner to ODI information requests.

If BMW cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, BMW does not submit one or more requested documents or items of information in response to this information request, BMW must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Confidential Business Information

All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office. In addition, do not submit any business confidential information in the body of the letter submitted to this office. Please refer to RQ18-001 in BMW's response to this letter and in any confidentiality request submitted to the Office of Chief Counsel.

If BMW claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, BMW must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended, to the Office of Chief Counsel (NCC-100), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. BMW is required to **submit two copies of the documents containing allegedly confidential information (except only one copy of blueprints) and one copy of the documents from which information claimed to be confidential has been deleted.** Please remember that the phrase "ENTIRE PAGE CONFIDENTIAL BUSINESS INFORMATION" or "CONTAINS CONFIDENTIAL

BUSINESS INFORMATION” (as appropriate) must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 49 CFR 512.6. If you submit a request for confidentiality for all or part of your response to this IR, that is in an electronic format (e.g., CD-ROM), your request and associated submission must conform to the new requirements in NHTSA's Confidential Business Information Rule regarding submissions in electronic formats. *See* 49 CFR 512.6(c) (as amended by 72 Fed. Reg. 59434 (October 19, 2007)).

If you have any questions regarding submission of a request for confidential treatment, contact Otto Matheke, Senior Attorney, Office of Chief Counsel at otto.matheke@dot.gov or (202)366-5253.

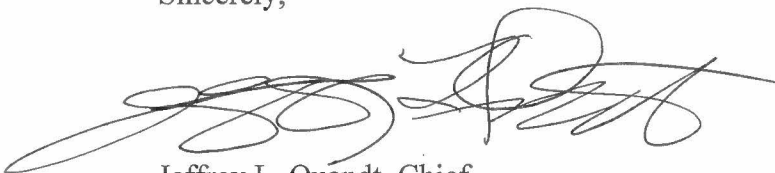
Due Date

BMW's response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by June 13, 2018. BMW's response must include all non-confidential attachments and a redacted version of all documents that contain confidential information. If BMW finds that it is unable to provide all of the information requested within the time allotted, BMW must request an extension from me at (202) 366-5207 no later than five business days before the response due date. If BMW is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information BMW then has available, even if an extension has been granted.

Please send email notification to Matthew Martens at matthew.martens@dot.gov and to ODI_IRresponse@dot.gov when BMW sends its response to this office and indicate whether there is confidential information as part of BMW's response.

If you have any technical questions concerning this matter, please call Matthew Martens of my staff at (202) 366-2252.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey L. Quandt', is written over a horizontal line.

Jeffrey L. Quandt, Chief
Vehicle Defect Division D
Office of Defects Investigation

Enclosure 1, Copies of the subject reports referenced in the introduction of this letter identified by the following ODI reference numbers: 11066063, 11063010, 11054909, 11054759, 11042259, 11041551, 11032006, 11013643, 11010667, 11002447, 10956710, 10948014 (10984353), 10937632, 10903433, 10819617, 10817406, 10661614, 10559422, and 10552773.