

BMW Group

RECEIVED
NYS-215

June 10, 2004

2004 JUN 23 P 3 35



Mr. Kenneth N. Weinstein
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 Seventh Street, S.W.
Washington, DC 20590

OFFICE OF
DEFENDERS INVESTIGATION

**Re: Recall Campaign – Rear Brake Master Cylinder
2004 BMW R1150 RT, 2005 K1200 LT Motorcycles**

04V-304
(6 pages)

Dear Mr. Weinstein:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573.

Pursuant to Section 573.6(c) of the above, we submit the following information.

- Manufacturer:** Bayerische Motoren Werke AG (BMW AG)

Designated Agent: BMW of North America, LLC
Woodcliff Lake, New Jersey 07677
- Make:** BMW

Model Year / Model: 2004 / R1150 RT
2005 / K1200 LT

Inclusive Dates of Manufacture: April 2004
- The number of models potentially containing the defect is approximately 181 R1150 RT models, and 387 K1200 LT models.
- The percentage of vehicles estimated to actually contain the defect is less than eight percent.
- The potential defect involves the master cylinder of the rear brake. Due to an error in the supplier's manufacturing process, an incorrect sealing ring may have been mounted to the piston of the rear brake master cylinder. As a result, the master cylinder may not build up adequate pressure in the system. Consequently, if only the rear brake were applied during riding, insufficient braking pressure would be available in order to decelerate the motorcycle. However, functionality of the front brake system is not affected. Therefore, the motorcycle can still be brought to a stop by utilizing the front braking system.
- BMW first became aware of the potential problem in April 2004 when a rear brake failed on a K1200 LT model during final inspection at the end of the motorcycle assembly line. Subsequent investigations and analyses resulted in an identification of the potential defect, as well as, a determination of the range of potentially

Company
BMW of North America, LLC

BMW Group Company

Mailing address
PO Box 1227
Westwood, NJ
07675-1227

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300 Chestnut Ridge Road
Woodcliff Lake, NJ
07677-7731

Telephone
(201) 907-4000

Fax
(201) 782-0784

Website
bmwusa.com



affected motorcycles.

The name, business address, telephone number, and contact person of the manufacturer of the rear brake master cylinder are:

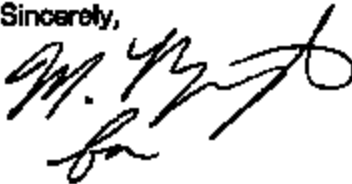
FTE Automotive GmbH&Co.KG
Andreas-Humann-Str.2
D-96106 Ebern
Tel.: 49.9531.810
Mr. Hohner

BMW has received no reports, nor is BMW otherwise aware of any accidents or injuries related to this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected motorcycles. The rear brake master cylinder will be replaced on all affected motorcycles.

BMW expects to begin and complete owner notification in June 2004.
9. A copy of the Service Bulletin will be submitted when available.
10. A draft copy of the owner notification letter is attached.
11. Not applicable.

Sincerely,



Karl-Heinz Ziwica
Vice President, Engineering - US

Attachment

**TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)**

**Customer Reimbursement for Safety Related Recall Repairs
Effective with Safety related recalls Initiated January 15, 2003**

The customer is encouraged to request reimbursement from their authorized BMW retailer. Alternatively, the customer may submit the request for reimbursement to the following address:

Customer Relations Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227

In all cases:

- Repair expenses pertaining to the subject of the safety recall are reimbursable, not consequential expenses such as towing, rental, accommodations, damage repairs, etc.
- Expenses from repair facilities outside of the BMW retailer network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

The authorized BMW retailer will request a copy of the owner notification letter, as well as, a copy of the owner's previously paid invoice, and then inspect the vehicle (if still in the possession of the invoice holder) to determine the scope and quality of the previous repair. Claims shall be processed within 60 days of receipt.

DRAFT

June 2004

Recall Campaign No. 04V-xxx, Rear Brake Master Cylinder

Dear BMW Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

BMW AG has decided that a defect which relates to motor vehicle safety exists in certain 2004 BMW R1150 RT and 2005 K1200 LT motorcycles. Our records indicate that you are the owner of a potentially affected motorcycle.

DESCRIPTION OF DEFECT

The defect involves the master cylinder of the rear brake. An incorrect sealing ring was mounted to the piston of the rear brake master cylinder during production. As a result, if only the rear brake were applied during riding, insufficient braking pressure would be available to slow the motorcycle. However, the front brake is not affected. Therefore, the motorcycle can still be brought to a stop by carefully applying the front brake.

You may continue to ride your motorcycle; however, do not leave this problem unattended. If you ignore the following precautions, then depending upon traffic and road conditions, and the rider's reactions, a crash could occur.

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW RETAILER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. If you are in any way concerned with your ability to safely operate the motorcycle, please contact your BMW retailer to arrange for pickup and repair of the motorcycle.**
- 3. If you experience diminished braking capability of the rear brakes while riding, your motorcycle may be experiencing this problem. Do not operate the motorcycle. You should pull over carefully to a safe location and away from traffic. Immediately contact BMW Roadside Assistance at 1-800-332-4269 to have the motorcycle brought to the nearest Authorized BMW retailer.**
- 4. If you are not the only rider of this motorcycle, please advise all other riders of this important information.**

DESCRIPTION OF REPAIR

The repair will consist of replacing the rear brake master cylinder on all affected motorcycles.

This repair may take up to two and one-half hours and will be performed *free of charge* by your Authorized BMW retailer. Additional time may be required depending on the BMW retailer's scheduling and processing.

OTHER INFORMATION

If you are no longer the owner of this motorcycle, we would appreciate you furnishing us with the name and address of the new owner using the enclosed postage-paid card.

If you are a lessor of this motorcycle, Federal Regulations require you to forward this notice to your lessee.

If you have already had this repair performed at your own expense, please see the attachment regarding possible eligibility for reimbursement.

Should you have any questions about this campaign, please contact your Authorized BMW retailer.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence. Should you need additional assistance, you may contact BMW Customer Relations and Services at 1-800-831-1117.

If the BMW retailer is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 400 Seventh Street S.W., Washington, DC 20590, or call the toll-free Auto Safety Hotline at 1-888-327-4236.

BMW OF NORTH AMERICA, LLC

**TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)**

If you have paid for the repair described in the attached letter, and you would like to be considered for reimbursement, please contact your authorized BMW retailer. Expenses from repair facilities outside of the BMW retailer network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.

Your authorized BMW retailer will request a copy of your owner notification letter, as well as, a copy of your previously paid invoice, and then inspect the vehicle (if it is still in your possession) prior to submitting a claim on your behalf to BMW of North America, LLC for reimbursement.

Please note the following:

- Only a repair that is the subject of this safety recall is reimbursable. Consequential expenses such as towing, rental, accommodations, damage repairs, etc will not be reimbursed.
- When BMW Genuine Parts are used, the Manufacturers Suggested Retail Price (MSRP) will be considered as the guideline for reasonable charges.
- Expenses for repairs performed more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement.
- Taxes and hazardous waste disposal, where previously paid, are eligible for reimbursement.
- BMW will not reimburse for prior repairs that did not utilize BMW Genuine Parts.

We anticipate that your authorized BMW retailer will be able to answer any questions that you may have regarding your qualifications for reimbursement of a previous repair. If you qualify for such a reimbursement, they will also be able to advise you of the manner in which you could receive reimbursement.

We recommend that your authorized BMW retailer be your primary contact on this issue; however, our Customer Relations and Services Department may be contacted at 1-800-831-1117 for any special assistance that you may require.

Alternatively, you may submit your request for reimbursement to the following address:

Customer Relations and Services Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07075-1227