

BMW Group

July 14, 2004

Mr. Kenneth N. Weinstein
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 7th Street, SW
Washington, DC 20590

04V-344
(6 pages)

**RE: Recall Campaign - Engine Control Module
2004 BMW 5-, 6-, 7-Series and X5**

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), we submit the following information.

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

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

| <u>Model Year / Model</u> | <u>Inclusive dates of manufacture</u> |
|---|---------------------------------------|
| 2004 / 5-, 6-Series, X5 (8-Cylinder Engine) | 05/12/2004 -- 07/06/2004 |
| 2004 / 7-series (8-, 12-Cylinder Engine) | 05/12/2004 -- 07/06/2004 |
- The number of vehicles affected is approximately 1,329 5-Series, 1,510 6-Series, 1,673 7-Series and 2,025 X5 models.
- The percentage of vehicles estimated to actually contain the defect is unknown at this time, but is estimated to be less than 100%.
- The potential defect involves the digital engine management control unit. Specifically, an error in the assembly process has resulted in a number of control units that are misbuilt. The assembly error in the misbuilt control units can lead to a failure of the functionality of the control units after a few hours. If this occurred, the engine would stall. Also, a loss of power steering and, after repeated actuation of the brake pedal, a loss of brake power assistance would likely occur. While steering and braking would be possible, it would be difficult.

Company
BMW of North America, LLC

BMW Group Company

Mailing address
PO Box 1227
Westwood, NJ
07678-1227

Office address
300 Chestnut Ridge Road
Woodcliff Lake, NJ
07677-7731

Telephone
(201) 307-4000

Fax
(201) 762-0764

Website
bmwusa.com

The name, business address, telephone number, and contact person of the digital engine management control unit is:

Michael Ziegler
Robert Bosch GmbH
Technischer Verkaufsbereich Süd
Deussauerstr. 13-15
D-80992 München
Germany
Tel.: 49-89-5128-231
Fax.: 49-89-5128-375

6. BMW initially became aware of this potential problem in July 2004 through quality observations. Subsequent investigations and analyses resulted in an identification of the potential defect, as well as, a determination of the range of potentially affected vehicles.

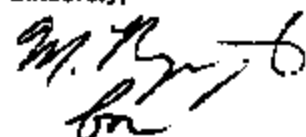
BMW has received no reports, nor is BMW otherwise aware of any accidents or injuries related to the defect.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, affected vehicles will have a new digital engine management control unit installed.

BMW expects to begin and complete owner notification in July 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-Helmut 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 center. 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 center 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 center 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

July, 2004

Recall Campaign No. 04V-XXX: Engine Control Module

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 Model Year BMW vehicles equipped with 8- and 12- cylinder engines. Our records indicate that you are the owner of a potentially affected vehicle.

DESCRIPTION OF DEFECT

The defect involves the digital engine management control unit. Specifically, a number of control units were not produced according to specifications. As a result, engine stalling will occur after a short period of operation. The vehicle may not be able to be restarted. Also, a loss of power steering and, after repeated actuation of the brake pedal, a loss of brake power assistance will occur.

If stalling were to occur, you would be unable to maintain vehicle speed or accelerate. Steering and braking, while possible, would be difficult.

Depending on traffic conditions and the driver's reactions, this could lead to a crash.

PRECAUTIONS

- 1. DO NOT DRIVE YOUR VEHICLE.**
- 2. CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE. YOUR AUTHORIZED BMW CENTER WILL ARRANGE FOR PICK-UP AND REPAIR OF YOUR VEHICLE, INCLUDING ALTERNATE TRANSPORTATION.**
- 2. If you experience engine stalling while driving, pull over carefully as soon as possible to a safe location and away from traffic. Do not continue to drive your vehicle. Contact BMW Roadside Assistance at 1-800-332-4269 immediately to have your vehicle brought to the nearest Authorized BMW Center.**
- 3. If you are not the only driver of this vehicle, please advise all other drivers of this important information.**

DESCRIPTION OF REPAIR

The repair will consist of installing a new digital engine management control unit in all affected vehicles.

The repair will require approximately 2 hours. This work will be performed *free of charge* by your Authorized BMW Center. Additional time may be required depending on the BMW Center's scheduling and processing.

OTHER INFORMATION

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

If you are a lessor of this vehicle, 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 Center.

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 Center 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 St., 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 center. Expenses from repair facilities outside of the BMW center network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.

Your authorized BMW center 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 Manufacturer's 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 center 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 center be your primary contact on this issue; however, our Customer Relations 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 Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227