

BMW Group

November 24, 2004

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

**RE: Recall Campaign – Seating Systems
2004 BMW 5-Series, 2003-2004 BMW 7-Series**

*04V-575
(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), 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-Series*	June 17, 2003 – April 30, 2004
2003-04 / 7-Series*	February 26, 2003 – June 9, 2004

*Vehicles equipped with front seat heating systems.

- The number of vehicles affected is approximately 15,030 5-Series and 2,875 7-Series.
- The percentage of vehicles estimated to actually contain the defect is 100%.
- The defect involves the seat heating system that is contained in the backrest of the driver's and front passenger's standard- and sports-seat. The seat heating system consists of a heating mat/grid that is also present in the outboard side bolster of the seat's backrest. Depending upon a number of factors, such as occupant size and seat position, this side bolster may experience unfavorable contact (mechanical loading) due to occupant contact during ingress/egress. Because of the location of this mat, under these conditions, it would also be subject to this loading.

In some extreme cases, the heating mat could become damaged in a small localized area of the backrest's side bolster. If this happened, the seated occupant may experience excessive heat in this small location. The heating mat in this area could damage, or melt a small hole in, the lower portion of the backrest's outboard side bolster. If this were to occur, an electrical/melting smell or small amount of smoke would be noticeable. In some cases, the small hole in the backrest's side bolster could damage the seated occupant's clothing. In rare instances, it could contact the occupant.

Company
BMW of North America, LLC

BMW Group Company

Mailing address
PO Box 1227
Westwood, NJ
07675-1227

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

Telephone
(201) 307-4000

Fax
(201) 782-0764

Website
bmwusa.com



The seat heating system can simply be turned off at this point to preclude further damage.

The name, business address, telephone number, and contact person of the seat heating system is:

Fa. I. G. Bauerrhin GmbH
Mr. Michael Sauer
Wiesenstrasse 29
D-63584 Gruendau
Germany
Tel: 49.6051.826.265
Fax: 49.6051.826.295

6. BMW began to receive a very limited number of reports pertaining to this occurrence with cars in the US in early 2004. Immediately, BMW initiated an investigation in order to determine the cause of these occurrences. After these initial reports were received, further reports were not received until the onset of colder weather in the Fall of 2004. Some of these reports allege minor injury, although they have not been verified. Further investigations and analyses resulted in an identification of the defect as being influenced by driver or front seat passenger ingress/egress of the vehicle.

Subsequent analyses resulted in a determination of the range of potentially affected vehicles.

At this time, the extent of the claimed injury for each occupant is unknown to BMW.

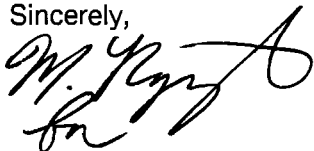
BMW is not aware of any accidents that have occurred as a result of this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the seat heating circuit for the front seat backrests will be modified on all affected vehicles.

BMW expects to begin and complete dealer and owner notification in December 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 Ziwick
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

December, 2004

Recall Campaign No. 04V-XXX: Seating Systems

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 5- Series and 2003-2004 Model year BMW 7-Series vehicles equipped with front seat heating systems. Our records indicate that you are the owner of a potentially affected vehicle.

We sincerely apologize for any inconvenience this may cause you.

DESCRIPTION OF DEFECT

The defect involves the seat heating system of the driver's and front passenger's seat. In some cases, upon entering/exiting the vehicle, excessive contact with the side bolster that is contained in the seat's backrest may damage the heating mat located in this area. If such damage were to occur, with the system turned on, you may feel excessive heat from this area.

It is possible that the heating mat in the backrest's side bolster could overheat and damage, or melt a small hole in, this area of the seat cover. If this happened, the clothing of the person occupying the seat could be damaged. In rare instances, this could lead to a minor or superficial skin injury.

Your vehicle can still be driven; however, do not leave this problem unattended. Failure to observe the following precautions could increase the risk of an injury.

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. Do not switch on the driver's or front passenger's seat heating system until you have had this repair performed.**
- 3. If you feel excessive heat from the seat cover, or notice an electrical/melting smell, you may have inadvertently switched on a seat heating system. You should immediately make certain that the seat heating systems for both the driver's seat and the front passenger's seat are turned off. Then, pull over carefully as soon as possible to a safe location and away from traffic. Allow the system to cool down.**

If you are concerned in any way with continuing to operate your vehicle, you may contact BMW Roadside Assistance at 1-800-332-4269 immediately to have the vehicle brought to the nearest Authorized BMW Center

- 4. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**
- 5. If you are not the only driver of this vehicle, please advise all other drivers and passengers of this important information.**

DESCRIPTION OF REPAIR

BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the seat heating circuit will be modified.

The actual repair will require approximately 3 hours; however, additional time may be required depending on the BMW center's scheduling and processing. This work will be performed *free of charge* by your Authorized BMW Center.

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.

Again, we sincerely apologize for any inconvenience this may cause you.

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 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 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