

BMW Group

October 17, 2005

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

2005 NOV 01 A 8:47
DEFECT INVESTIGATION

05V-504
(6 pages)

**RE: Recall Campaign – Parking Lock Guide Plate
2005-06 BMW 5-, 6-Series / 2006 3-, 7-Series**

Dear Associate Administrator:

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.

1. Manufacturer: Bayerische Motoren Werke AG (BMW AG)
Designated Agent: BMW of North America, LLC
Woodcliff Lake, NJ 07677

2. Make: BMW

<u>Model Year / Model</u>	<u>Inclusive dates of manufacture</u>
2006 / 3-Series	August 1, 2005 – September 30, 2005
2005-06 / 5-Series	August 1, 2005 – September 30, 2005
2005-06 / 6-Series	August 1, 2005 – September 30, 2005
2006 / 7-Series	August 1, 2005 – September 30, 2005

3. The number of vehicles affected is approximately 270.

4. The percentage of vehicles estimated to actually contain the defect is 5%.

5. The defect involves the guide plate of the parking lock pawl subsystem in the automatic transmission. The guide plate assists the parking lock pawl to engage in the sprag wheel when the transmission is placed in the park ("P") position. Some transmissions have been assembled using non-hardened guide plates. A non-hardened guide plate can result in a misaligned pawl in the sprag wheel. This could cause the parking lock pawl not to engage, after placing the transmission in the park ("P") position. If the vehicle was parked on an incline of sufficient grade, and the parking brake was not engaged, this could result in a vehicle rollaway condition.

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 name, business address, telephone number, and contact person of the automatic transmission supplier is:



ZF Getriebe GmbH
Mr. Andreas Faulstich
Suedring 17
D-66119 Saarbruecken
Germany
Tel: 49.681.920.2341
Fax: 49.681.920.2574

6. BMW initially became aware of this matter in early October 2005 through internal quality control processes. The transmission supplier informed BMW that certain transmissions may have been assembled using non-hardened guide plates. Further analyses by, and information from, the transmission supplier resulted in an identification of the 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 this matter.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the automatic transmission guide plate will be replaced.

BMW expects to begin and complete dealer and owner notification in October 2005.

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,



Thomas C. Baloga
General Manager
Safety Engineering and Intelligent Transportation Systems

Attachment

DRAFT

October, 2005

Recall Campaign No. 05V-XXX: Parking Lock Guide Plate

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 2005 and 2006 Model Year BMW 5- and 6-Series vehicles, and 2006 Model Year BMW 3- and 7-Series vehicles. 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 parking lock system within the automatic transmission of your vehicle. The transmission could have been assembled using a certain part (guide plate) not manufactured to specifications. This could cause the parking lock system not to engage, after the transmission is placed in the park ("P") position. If the vehicle was parked on an incline, and the parking brake was not engaged, this could result in a vehicle rollaway condition.

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

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. Always engage the parking brake when the vehicle is parked.**
- 3. If you are not the only driver of this vehicle, please advise all other drivers of this important information.**

DESCRIPTION OF REPAIR

BMW will conduct a recall to remedy the affected vehicles. The repair will consist of replacing the automatic transmission guide plate. Please note that the transmission does not have to be removed from the vehicle for this repair.

The actual repair will require approximately one hour; 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

BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times

Should you need BMW Roadside Assistance during operation of your vehicle, they may be reached at 1-800-332-4269.

If you are no longer the owner of this vehicle, 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 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 Street S.W., Washington, DC 20590, call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

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 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 07675-1227

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 and Services 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.