

U.S. Department of Transportation

400 Seventh Street, SW Washington, DC 20590

National Highway Traffic Safety Administration

July 28, 2006

THOMAS C. BALOGA GENERAL MANAGER BMW OF NORTH AMERICA, LLC 300 CHESTNUT RIDGE ROAD WOODCLIFF LAKE NJ 07675 NVS-215 06V-277

Subject: REAR SHOCK ABSORBERS

Dear MR BALOGA:

This letter is to acknowledge your recent defect information report. Please review the following information to ensure that it conforms to your records as this information is being made available to the public. If the information does not agree with your records, please contact us immediately to discuss your concerns.

Makes/Models/Model Years:

BMW/5 SERIES/2006 BMW/6 SERIES/2006 BMW/7 SERIES/2006

NHTSA Campaign Number: 06V-277 Mfg's Report Date: July 2, 2006

Components: SUSPENSION: REAR: SHOCK ABSORBER

Potential Number of Units Affected: 11,640

Summary:

ON CERTAIN PASSENGER VEHICLES, THE LOWER RUBBER MOUNT OF THE REAR SHOCK ABSORBERS MAY NOT HAVE BEEN MANUFACTURED TO SPECIFICATIONS AND MAY NOT ADHERE CORRECTLY TO ITS HOUSING WITHIN THE SHOCK ABSORBER.

Consequence:

THE BUSHING COULD LOOSEN AND OVER TIME COULD SEPARATE FROM ITS HOUSING. THE DRIVER WILL EXPERIENCE IMPAIRED VEHICLE HANDLING AND CONTROL INCREASING THE RISK OF A CRASH.

Remedy:

DEALERS WILL REPLACE THE REAR SHOCK ABSORBER FREE OF CHARGE. THE RECALL IS EXPECTED TO BEGIN DURING JULY 2006. OWNERS MAY CONTACT BMW AT 1-800-332-4269.

Notes:

CUSTOMERS MAY ALSO CONTACT THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION'S VEHICLE SAFETY HOTLINE AT 1-888-327-4236 (TTY 1-800-424-9153), OR GO TO http://www.safercar.gov.

We have reviewed your proposed owner notification letter and it meets the requirements of Part 577.

Please provide the following additional information and be reminded of the following requirements:

Copies of all notices, bulletins, dealer notifications, and other communications that relate to this recall, including a copy of the final owner notification letter and any subsequent owner follow-up notification letter(s), are required to be submitted to this office no later than 5 days after they are originally sent (if they are sent to more than one manufacturer, distributor, dealer, or purchaser/owner).

As stated in Part 573.7, submission of the first of six consecutive quarterly status reports is required within one month after the close of the calendar quarter in which notification to purchasers occurs. As stated in your report, owner notification is expected to begin during July 2006. Therefore, the first quarterly report will be due on or before October 30, 2006.

Your contacts for this recall will be Pat Wallace or Delia Lopez, who may be reached by phone at 202-366-5232 or 202-366-9525 or by email at patricia.wallace@nhtsa.dot.gov or delia.lopez@NHTSA.dot.gov. We look forward to working with you for successful completion of this recall gampaign.

Sincerely,

George H. Person

Chief, Recall Management Division

Office of Defects Investigation

Enforcement