

BMW Group

March 30, 2006

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

2006 BMW - 4 A 11:00
PA
NHTSA INVESTIGATION

06V-104
6 pages

**Re: Recall Campaign – Clutch
2006 BMW R1200 GS, R1200 RT, R1200 GS HP2 Motorcycles**

Dear Mr. Smith:

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.

1. Manufacturer: Bayerische Motoren Werke AG (BMW AG)
Designated Agent: BMW of North America, LLC
Woodcliff Lake, New Jersey 07677
2. Make: BMW
Model Year / Model: 2006 / R1200 GS, RT, GS HP2
Inclusive Dates of Manufacture:
R1200 GS (20 Jan 06 – 24 Jan 06)
R1200 RT (9 Dec 05 – 16 Feb 06)
R1200 GS HP2 (20 Jan 06)

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

3. The number of motorcycles containing the defect is approximately 64 R1200 GS, 386 R1200 RT, and 3 R1200 GS HP2 models.
4. The percentage of motorcycles estimated to actually contain the defect is 30%.
5. The defect involves certain clutch components. These clutch components could become loose while the motorcycle is being operated. If this happened, it is also possible that due to the forces within the engine/clutch housing, these components could exit through the engine casing.

The name, business address, telephone number, and contact person of the clutch supplier is:

Valeo GmbH – Transmission
Engstlatte Weg 18
DE 70567 Stuttgart

Mr. Joaquino Vagedes
Tel. – 497117870672

6. BMW became aware of this matter as a result of normal quality control monitoring processes. The clutch supplier informed BMW that certain clutch assemblies were



assembled containing components that were not manufactured to specification. Subsequent investigations and analyses resulted in a determination of the specific defect and the range of potentially affected motorcycles.

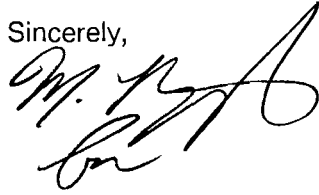
BMW has not received, nor is BMW otherwise aware, of any accidents or injuries related to this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected motorcycles. The involved clutch components will be replaced on all affected motorcycles.

BMW expects to begin and complete dealer and owner notification in April 2006.

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,

A handwritten signature in black ink, appearing to read 'T. Baloga', written over a white background.

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

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 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 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

April 2006

Recall Campaign No. 06V-xxx, R1200 GS, R1200 RT, R1200 GS HP2 – Clutch

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 2006 BMW R1200 GS, R1200 RT, and R1200 GS HP2 motorcycles. Our records indicate that you are the owner of a potentially affected motorcycle.

We sincerely apologize for any inconvenience this may cause you.

DESCRIPTION OF DEFECT

The defect involves certain clutch components. These clutch components could become loose while the motorcycle is being operated. If this happened, it is also possible that due to the forces within the engine/clutch housing, these components could exit through the engine casing.

You must have the problem corrected promptly. Failure to observe the following precautions could increase the risk of injury and/or result in a crash.

PRECAUTIONS

- 1. CONTACT YOUR AUTHORIZED BMW RETAILER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE. THE BMW RETAILER WILL ARRANGE FOR PICKUP AND REPAIR OF THE MOTORCYCLE.**
- 2. DO NOT OPERATE YOUR MOTORCYCLE.**
- 3. If necessary, BMW Roadside Assistance can be reached at 1-800-332-4269.**
- 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 installing new clutch components on all affected motorcycles.

The actual repair may take up to four hours; however, additional time may be required depending upon the BMW retailer's scheduling and processing. This work will be performed *free of charge* by your Authorized BMW retailer.

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.

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

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, or at www.bmwmotorcycles.com.

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, 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 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 07675-1227