

BMW Group

June 2, 2006

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

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06V-277
6 pages

**RE: Recall Campaign - Rear Shock Absorbers
2006 BMW 5-, 6-, 7-Series**

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), 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>
2006 5-, 6-, 7-Series	January 5, 2006 - April 26, 2006
- The number of vehicles affected is approximately 11,640 total; 7,160 which are 5-Series, 1,125 which are 6-Series, and 3,355 which are 7-Series.
- The percentage of vehicles estimated to actually contain the defect is approximately 2%.
- The defect involves the rear shock absorbers (rear struts). Specifically, the lower rubber bushing may not have been manufactured to specification (improper vulcanization of the bushing may have occurred). Depending on vehicle operation and temperature conditions, this could lead to a loosening of the bushing within its shock absorber housing. If this condition was not corrected, then over time, the bushing could continue to loosen. Eventually, the bushing could separate from its housing. This could result in a situation in which vehicle handling and control were impaired.

The name, business address, telephone number, and contact person of the rear spring strut supplier is:

ZF Sachs AG
D-97419 Schweinfurt
Dr. H.-J. Heinrichs
VP, Corporate Quality

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



Tel. – 49.9721.98.2424
Fax. – 49.9721.98.3427

6. BMW became aware of this matter through consultation with its supplier. Subsequent investigations and analyses resulted in a determination of the problem, as well as, the number of potentially affected vehicles.

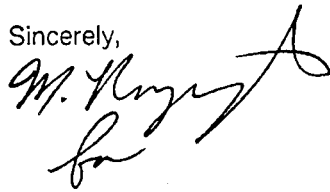
BMW has not received any reports, nor is BMW otherwise aware of any accidents or injuries related to this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the rear struts will be replaced.

BMW expects to begin and complete dealer and owner notification in June 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,



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 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.

DRAFT

June, 2006

Recall Campaign No. 06V-XXX: Rear Shock Absorbers

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 Model Year BMW 5-, 6- 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 lower rubber mount of the rear shock absorbers of your vehicle. Specifically, this rubber mount (bushing) may not have been manufactured to specifications and therefore may not adhere correctly to its housing within the shock absorber.

Depending on vehicle operation and temperature conditions, the bushing could loosen. If this condition was not corrected then, over time, the bushing could separate from its housing. This could eventually result in a situation in which vehicle handling and control were impaired.

You may continue to drive your vehicle; however, you must have the problem corrected promptly. Failure to observe the following precautions, in conjunction with traffic and road conditions, and the driver's reactions, could increase the risk of a crash.

Precautions

- 1. Contact your Authorized BMW Center immediately to have the necessary repair performed as soon as possible.**
- 2. If you notice a change in vehicle handling/control, or hear an unusual noise coming from the area of the rear axle, your vehicle may be experiencing this problem. In that case, you should pull over carefully to a safe location, and away from traffic. Do not continue to drive the vehicle. Please contact BMW Roadside Assistance immediately at 1-800-332-4269 to have the vehicle brought to the nearest Authorized BMW Center.**
- 3. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**
- 4. 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 rear shock absorbers will be replaced.

The actual repair will require approximately 2½ 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, or through our website at www.bmwusa.com.

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, 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