VOLKSWAGEN of America, Inc.

Product Compliance 3800 Hamlin Road Auburn Hills, MI 48326 Phone: 1 (248) 754-5000 Fax: 1 (248) 754-5093

July 31, 2006

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

064-293 2 pages

Subject: Notification of Recall Pursuant to 49 CFR Part 573 (2006) Model Year 2006 Audi A3, Side Curtain Airbag

Dear Mr. Smith,

This information is submitted in accordance with the requirements of Part 573 of Title 49 of the Code of Federal Regulations (49 CFR 573 (2006)).

573.6 (c) (1) Manufacturer's Name

AUDI AG

Importer

Volkswagen of America, Inc. (VWoA)

573.6 (c) (2) **Identification of Vehicles**

Make : Audi : A3 Line Model Years : 2006

Month/Year

: 07/05 - 08/05 of Manufacture

VIN Numbers of Affected

: WAU___8P_6A024987 - WAU___8P_6A045319

Vehicles

Other

Identification : None

573.6 (c) (3) Number of Vehicles Potentially Containing the Defect

An estimated total of 48 vehicles are affected by this recall in the United States.

573.6 (c) (4) Percentage of Vehicles Actually Containing Defect

Audi is unable to estimate the percentage of vehicles in the United States that are subject to this defect.

573.6 (c) (5) **Description of Defect**

As a result of a supplier quality issue during the production of the airbag, either the left or the right side curtain airbag inflation module may leak. In the event of an accident, the airbag may not inflate as designed.

573.6 (c) (6) Basis for Determination

Internal test at AUDI AG.

Date of determination: July 24, 2006.

573.6 (c) (8) Proposed Remedial Program

Removal of affected side curtain airbag and replacement with new airbag.

573.6 (c) (10) **Submission of Communications**

VWoA plans to notify all owners of affected vehicles and will instruct these owners to arrange an appointment with an authorized Audi dealer. The dealers will perform the repair at no cost to customers. Mailing dates are anticipated as follows:

Dealers: On or about August 28, 2006

Owners: On or about August 31, 2006

A representative copy of all bulletins and other communications sent to dealers will be submitted within five (5) days of dealer notification.

573.6 (c) (11) Proposed Owner Letter

A draft owner's letter will be submitted within five (5) days of owner notification.

573.6 (c) (12) Manufacturer's Recall Code

VWoA has assigned the code "JP" to this recall.

Sincerely,

John Maddox

Product Compliance Officer
Volkswagen of America