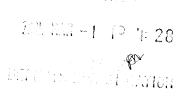
VOLKSWAGEN of America, Inc.



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

February 27, 2006

Ms. Patricia Wallace
Recall Analyst for Safety Assurance
National Highway Traffic Safety Administration
NSA-11
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, DC 20590

Subject: Recall Campaign M8 (06V-043)

2006 Model Year New Beetle Equipped with 17-inch Wheels

and a 2.5L Engine

Install New Tire Information Label

Dear Ms. Wallace:

Pursuant to the requirements set forth in Part 573.5 of Title 49 of the Code of Federal Regulations, we are submitting three (3) copies of the following communications:

- Dealer Notification
- Customer Notification
- Work Procedure
- Accounting Procedure

If you have any questions or require additional information please contact Chris Sandvig at 248-754-5563.

Sincerely,

John Maddox

Froduct Compliance Officer

Enclosures



Volkswagen of America, Inc. 3800 Hamlin Road Auburn Hills, MI 48326 Tel. 1 800 741 2919

February 2006

Subject: Compliance Recall M8

2006 Model Year Volkswagen New Beetle Vehicles Equipped with 17-Inch Wheels

and a 2.5L Engine

Install New Tire Information Label

Dear Volkswagen Dealer Principal and Service Manager:

This letter is to inform you of Compliance Recall M8.

What is the Issue?

The affected vehicles were produced with a tire information label that lists an incorrect front tire size. The correct front tire size should be listed as 225/45 R17.

What Does the Repair Involve?

In order to correct this noncompliance, a new tire information label must be installed on affected vehicles.

- Customers will receive a new tire information label, along with installation instructions, enclosed with their notification letter. Customers may install the label themselves, or, if they prefer, have the label installed by their authorized Volkswagen dealer. Please remind any customer making an appointment for Compliance Recall M8 to bring the new tire information label to their service appointment.
- Dealers with affected vehicles in new car inventory will receive new tire information labels for those vehicles. Because of the small number of affected vehicles, not every dealer will have affected vehicles in new car inventory (and therefore not every dealer will receive a supply of tire information labels). Additional labels are available and can be obtained at no charge from RESOLVE by calling 1-800-544-8021.

Important Reminder on Vehicles Affected by Safety and Compliance Recalls

Federal law prohibits any person from knowingly selling, or offering for sale, any motor vehicle that does not comply with applicable motor vehicle safety standards prescribed under Chapter 301 ("Motor Vehicle Safety") of Title 49, United States Code. It is therefore imperative that you correct any vehicle in your inventory that is affected by this recall **prior to delivery** for sale or lease.

Where to Find Complete Campaign Information

Please refer to Compliance Recall M8 posted on web VESIS and on the VW HUB for additional information, and please be sure to share this information with all personnel with campaign-related responsibilities.

As this is a label campaign, the M8 code will not show on OTIS. To assist you in determining whether or not a vehicle is affected by this action, a complete listing of affected VINs has been posted with the M8 campaign circular on VESIS and on the VW Hub. As always, if you have any questions, please contact the Campaign Helpline at 1-800-741-2919.

Other Service Work to be Completed at the Same Time

When the vehicle is presented for this recall, check the OTIS screen for any applicable service procedures, such as Required Vehicle Update Technical Bulletins, and perform these during the service visit. Also, we encourage you to take this opportunity to ask the customer if there are any other concerns with the vehicle, and service them at that time as well.

Thank you for your cooperation and assistance in this important matter.

Maria Cotter

Product Compliance

Compliance Recall Circular

Code:

February 2006

Subject: 2006 Model Year New Beetle Equipped with 17-Inch Wheels

And a 2.5L Engine

Install New Tire Information Label

Problem Description

Volkswagen has decided that some 2006 model year New Beetle vehicles equipped with 17-inch wheels and a 2.5L engine fail to fully comply with the labeling requirements of Federal Motor Vehicle Safety Standard 110. "Tire Selection and Rims." The affected vehicles were produced with a tire information label that lists an incorrect front tire size. The correct front tire size should be listed as 225/45 R17.

Remedial Action

In order to correct this noncompliance, a new tire information label must be installed on affected vehicles.

- Customers will receive a new tire information label, along with installation instructions, enclosed with their notification letter. Customers may install the label themselves, or, if they prefer, have the label installed by their authorized Volkswagen dealer. Please remind any customer making an appointment for Compliance Recall M8 to bring the new tire information label to their service appointment. In the event that you install a label for a customer, the owner reply card enclosed with the customer letter need not be returned because you update our records when you submit your claim for payment.
- **Dealers** with affected vehicles in new car inventory will receive new tire information labels for those vehicles. Because of the small number of affected vehicles, not every dealer will have affected vehicles in new car inventory (and therefore not every dealer will receive a supply of tire information labels). Additional labels are available and can be obtained at no charge from RESOLVE by calling 1-800-544-8021.

Vehicle Identification Number Range

The vehicles affected by this action are within the following vehicle identification number range:

2006 New Beetle with 17-inch Wheels and a 2.5L Engine

3VW__*_1C_6M404341 - 3VW * 1C 6M412173 (* G or W in 5th position)

Please note that the above VINs represent the lowest and highest serial numbers of affected vehicles. As this is a label campaign, the M8 code will not show on OTIS. The above range can be used as a tool to determine whether or not a particular vehicle requires the corrective work.

List of Affected Vehicles To assist you in determining whether or not a vehicle is affected by this action, a complete listing of affected VINs has been posted on VESIS and on the VW Hub. As always, if you have any questions about vehicle eligibility, please contact the Campaign Helpline at 1-800-741-2919.

Limitation of Sale or Lease of Certain Vehicles

The National Traffic and Motor Vehicle Safety Act of 1966, as amended, mandates that dealers correct, prior to delivery for the sale or lease, any vehicle which fails to comply with an applicable Federal Motor Vehicle Safety Standard or which contains a defect relating to motor vehicle safety. It is therefore imperative that any vehicle in your new or used car inventory and affected by this recall is corrected prior to delivery for sale or lease.

Owner Notification Mailing

Volkswagen of America, Inc. will notify all known owners of affected vehicles directly by first class mail on or about February 24, 2006. Each notification letter will include a new tire information label, installation instructions and a postage-paid "Owner Reply Card". Owners will be asked to affix the label themselves or seek the help of an authorized Volkswagen dealer. A sample copy of the owner letter is attached for your information.

Vehicle Allocation

A computer list containing the VINs including the owner names and addresses of vehicles that, according to our records, are located within your area of responsibility (AOR) and require this action to be performed will be provided under separate cover. Because of the small number of vehicles in this action, only dealers with affected vehicles will receive an allocation list.

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Parts Information

Because of the small number of vehicles involved in this action, only dealers whom our records show as having affected vehicles in new car inventory will receive a supply of new tire information labels. These labels will be enclosed with the Service Manager's notification letter. Additional labels are available and can be obtained at no charge from RESOLVE by calling 1-800-544-8021.

Time Requirements/ Reimbursement

To ensure prompt and proper payment, be sure to enter, immediately upon completion of the repair work, the applicable reimbursement code listed below. As this is a label campaign, the M8 code will not show on OTIS, but claims will only be paid for vehicles with an open M8 code in OTIS on the day of repair.

To assist you in determining whether or not a vehicle is affected by this action, a complete listing of affected VINs has been posted on VESIS and on the VW Hub. As always, if you have any questions about vehicle eligibility, please contact the Campaign Helpline at 1-800-741-2919.

M8 Data Entry Procedure

Repair Code (Damage Code Field)	Time Units	Work Scope
M8 11	10 T.U.	- Affix new tire information label 1 1C0 010 496 G Label (Provided At No Cost)
There is <u>NO</u> rei	imbursemen	t for Vehicle Wash or Loaner Vehicle.

The system automatically enters labor applicable to the above listed code.

For vehicles that, according to your information, cannot be corrected or reached, and one of the codes below best describe the reason, please enter one of the applicable codes into the system:

- M8 20 Customer Refused Repairs
- M8 30 Total Loss
- M8 40 Vehicle Stolen
- M8 50 Vehicle Exported

Additional Campaigns

Some of the affected vehicles may be involved in an additional corrective action. Please check your OTIS View Campaign inquiry screen so that <u>any additional required work can be done simultaneously</u>. Ensure customer approval is obtained before proceeding with any additional work

Campaign Verification

As this is a label campaign, the OTIS View Campaign verification is not required for this action.

Dealer Obligation

To ensure customer satisfaction, as well as to minimize inconvenience to customers, you are urged to service each vehicle at the scheduled service appointment time.

Service Help

If you have a question regarding this or any other campaign, please call (800) 741-2919.

Dealer Personnel Information

Please inform and/or provide a copy of this communication to every person in your dealership who has campaign-related responsibilities, including parts and accounting personnel.

Customer Letter Example



Volkswagen of America, Inc. 3800 Hamlin Road Auburn Hills, MI 48326 Phone: 1 800 893 5298

February 2006

Subject: Compliance Recall M8

2006 Model Year New Beetle Vehicles Equipped with 17-inch Wheels

and a 2.5L Engine

Install New Tire Information Label

Dear Volkswagen Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. Volkswagen has decided that some 2006 model year New Beetle vehicles equipped with 17-inch wheels and a 2.5L engine fail to fully comply with the labeling requirements of Federal Motor Vehicle Safety Standard 110, "Tire Selection and Rims." Our records show that you are the owner of one of these vehicles.

What Is The Problem?

The affected vehicles were produced with a tire information label that lists an incorrect front tire size. The correct front tire size should be listed as 225/45 R17.

What Will Volkswagen Do?

In order to correct this noncompliance, we have enclosed a replacement tire information label and instructions for installing it on your vehicle.

What We Would Like You To Do

Please affix the enclosed label to your vehicle in accordance with the instructions included with this letter. You may choose to install the label yourself, or if you prefer, you may have the label affixed by your authorized Volkswagen dealer free of charge.

- If you choose to affix this label yourself, as soon as the label has been affixed we ask that you please complete and return to us the self-addressed, postage-paid owner reply card enclosed with this letter.
- If you choose to have your authorized Volkswagen dealer affix this label, please arrange for an appointment without delay. This service will take just a few minutes. Please keep in mind that your dealer may need additional time for the preparation of the repair, as well as to accommodate their daily workshop schedule. Remember to bring the enclosed label with you to your service appointment.

Lease Vehicles

If you are the lessor and registered owner of the vehicle identified in this action, the law requires you to forward this information immediately via first-class mail to the lessee within ten (10) days of receipt of this notification.

Have You Changed Your Address Or Sold The Vehicle?

If you have, please fill out the enclosed prepaid Owner Reply card and mail it to us so we can update our records.

Service Help from Us

If your authorized Volkswagen dealer fails or is unable to complete this work free of charge within a reasonable time, please call or write to:

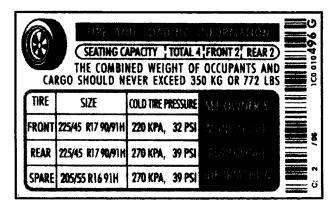
Volkswagen of America, Inc.
Attn: Customer CARE Center – Hills East (M8)
3499 West Hamlin Road
Rochester Hills, MI 48309
1-800-893-5298

If you still cannot obtain satisfaction, you may file a complaint with: The Administrator, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590; or call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153); or go to http://www.safercar.gov.

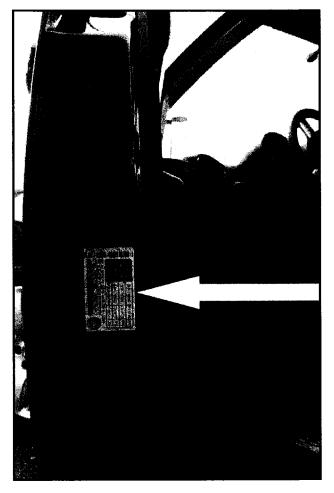
We regret any inconvenience this matter may cause. Thank you for driving a Volkswagen!

Sincerely,

Maria Cotter Product Compliance



• Tire and Loading Information label



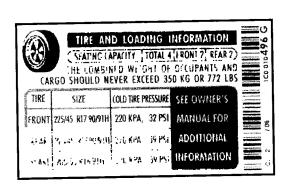
Set the parking brake fully. Move the selector lever to P (Park) for an automatic transmission or N (Neutral) for a manual transmission. Switch off the engine and remove the ignition key.

- Open driver's side door
- Locate existing TIRE AND LOADING INFORMATION label –arrow–
- Thoroughly clean present label with soap and water and dry completely
- Remove backing from new TIRE AND LOADING INFORMATION label and affix over existing label
- Ensure that no bubbles appear under new label
- Close driver's side door

Parts:

Quantity Part Number Part Name

1 1C0 010 496G Tire and Loading Information label



• (supplied to customer)

Work Sequence



Set parking brake fully. Move selector lever to P (Park) for automatic transmission or N (Neutral) for manual transmission. Switch off engine and remove ignition key

- Open driver's side door
- Locate existing TIRE AND LOADING INFORMATION label –arrow–
- Thoroughly clean present label with soap and water and dry completely
- Remove backing from new TIRE AND LOADING INFORMATION label and affix over existing label
- Ensure that no bubbles appear under new label
- · Close driver's side door

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