VOLKSWAGEN of America, Inc.

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

December 8, 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 JR (06V-454)

Dear Ms. Wallace:

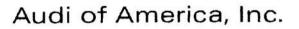
Pursuant to the requirements set forth in Part 573.6 of Title 49 of the Code of Federal Regulations, we are submitting three (3) copies of the following communications for recall campaign JR (06V-454): Dealer notification (including customer notification, work procedure, and accounting procedure) and Frequently Asked Questions (FAQ) document.

If you have any questions or require additional information please contact Chris Sandvig at 248-754-5563 or Maria Cotter at (248) 754-4856.

Sincerely,

John Maddox Product Compliance Officer

Enclosures





Audi of America, Inc. 3800 Hamlin Road Auburn Hills, MI 48326 United States of America www.audiusa.com

SAFETY RECALL INFORMATION

November 2006

Subject: Safety Recall JR 2006-2007 Model Year Audi A8 Airbag Control Module Software Update

Dear Audi Dealer Principal and Service Manager:

This letter is to inform you of Safety Recall JR.

What is the Issue?

Audi has determined that in cases where a weak battery exists, it is possible that a low voltage condition could cause the airbag control unit to improperly set a fault code. If this occurs, the passenger side frontal airbag will become deactivated; however, both the airbag warning light in the instrument cluster as well as the "PASSENGER AIR BAG OFF" telltale in the center of the instrument panel will illuminate and provide visual warning to the driver. The passenger side frontal airbag would not deploy in the case of a frontal crash.

Owner Notification Mailing

On or about December 5, 2006 Audi will notify all known owners of affected vehicles by first-class mail.

What Does the Repair Involve?

In order to correct this defect, the software for the airbag control module will be updated.

Parts Allocation Information

There are no parts required for this recall; therefore no parts will be allocated to you.

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 either contains a defect related to motor vehicle safety or 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 **Safety Recall JR** posted on ElsaWeb and on AccessAudi for additional information, and please be sure to share this information with all personnel with campaign-related responsibilities.

Other Service Work to be Completed at the Same Time

When the vehicle is presented for this recall, check the ElsaWeb Campaign/Action 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.

Customer Satisfaction Assistance

Dealers may provide additional assistance for customer satisfaction out of their CAP budget. Dealers can provide assistance for each customer and Audi will reimburse 50% of the cost for the assistance item. Please see the JR Safety Recall campaign circular for recommended methods of customer assistance for owners of affected vehicles.

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

Audi Product Compliance

IMPORTANT INFORMATION

Please inform and provide a copy of this document to every person in your dealership with campaign-related responsibilities including Service. Parts and Accounting personnel. By law dealers must correct, prior to delivery for sale or lease, any vehicle that fails to comply with an applicable Federal Motor Vehicle Safety Standard or that contains a defect relating to motor vehicle safety. If you have questions regarding this or any other campaign, please call (800) 741-2919.



Problem Description

Audi has determined that in cases where a weak battery exists, it is possible that a low voltage condition could cause the airbag control unit to improperly set a fault code. If this occurs, the passenger side frontal airbag will become deactivated; however, both the airbag warning light in the instrument cluster as well as the "PASSENGER AIR BAG OFF" telltale in the center of the instrument panel will illuminate and provide visual warning to the driver. The passenger side frontal airbag would not deploy in the case of a frontal crash.

Corrective Action

Update the airbag control module with new software.

VIN Ranges & Production Dates of Affected Vehicles

Produced between June 2005 & June 2006

2006-2007 Audi A8 (USA including Puerto Rico)

WAU___4E_6N003536 - WAU___4E_7N002540

2006-2007 Audi A8 (CAN)

WAU ____4E_6N003609 - WAU ___4E_7N002518

NOTE: Check ElsaWeb on the day of repair to verify vehicle eligibility and attach the screen print to the repair order. This is the only valid campaign inquiry and vehicleation source. Some vehicles: may be involved in an additional action(s); any additional work can be done while the vehicle is in for this action.

Allocation Report of Affected Vehicles

In the Service Manager's Package, dealers with affected vehicles will receive a report containing the complete VIN with customer name and address data. Dealers will not receive a report if they have no affected vehicles.

NOTE: The allocation report contains owner names and addresses obtained from Motor Vehicle Registration Records. By law, this data may only be used for recall purposes. Use for any other reason may be a violation of law in many states/provinces. Accordingly, you must limit the use of this report.

Parts Information and Allocation

This recall does not require any parts; therefore, no parts will be allocated.

Owner Notification Mailing

On or about December 5, 2006 Audi will notify all known owners of affected vehicles by first-class mail. A sample copy of the owner letter is enclosed.

Claim Entry Procedure

Immediately upon completion of the repair work, enter the correct code listed below. Claims will only be paid for vehicles that show this campaign open in ElsaWeb on the day of the repair. To help ensure prompt and proper payment, attach the screen print to the repair order.

Damage Code	Time Units	Work Scope
JR12	60 T.U.	 Update airbag control module software
JR20	0 T.U.	- Customer refused repairs
The s		mbursement for Loaner r applicable to the codes above
SUB LABOR		LOANER/RENTAL
Exterior wash or detail Up to \$10.00 USD Up to \$12.00 CAD		\$0 Utilize Service Loaner Program

CUSTOMER ASSISTANCE COVERAGE

Claim Type: W5

Dealers may provide additional goodwill for customer satisfaction out of their CAP budget. Dealers can provide assistance for each customer and Audi will reimburse dealers for 50% of the cost of the assistance item. Claim 100% of customer assistance amount, Audi will then adjust your CAP budget accordingly.

Audi recommends the following:

· Interior detailing

PID: JRCA

- · Gift certificate for use from Audi Collection
- Audi Q7 use for weekend or overnight
- Loaner if dealer does not belong to Service Loaner Program
- Complete fill-up of fuel tank
- Money that customer can spend on repairs performed at dealership

The repair information in this document is intended for use only by skilled technicians who have the proper tools, equipment and training to correctly and safely maintain your vehicle. These procedures are not intended to be attempted by "do-it-yourseffers," and you should not assume this document applies to your vehicle, or that your vehicle has the condition described. To determine whether this information applies, contact an authorized Audi dealer. ©2006 Audi of America, Inc. and Audi Canada. All Rights Reserved.



December 2006

Code: JR

Customer Letter Example (USA)

December 2006

Subject: Safety Recall JR 2006-2007 Model Year Audi A8 Airbag Control Module Software Update

Dear Audi Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. Audi has decided that a defect, which relates to motor vehicle safety, exists in some 2006-2007 model year Audi A8 vehicles. Our records show that you are the owner of one of these vehicles.

What Is The Problem?

Audi has determined that in cases where a weak battery exists, it is possible that a low voltage condition could cause the airbag control unit to improperly set a fault code. If this occurs, the passenger side frontal airbag will become deactivated; however, both the airbag warning light in the instrument cluster as well as the "PASSENGER AIR BAG OFF" telltale in the center of the instrument panel will illuminate and provide visual warning to the driver. The passenger side frontal airbag would not deploy in the case of a frontal crash.

What Audi Will Do

In order to correct this defect, the software for the airbag control module will be updated.

What We Would Like You To Do

Please contact your authorized Audi dealer and arrange for an appointment without delay. This service will take about forty minutes and will be free of charge. 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.

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.

Reimbursement of Expenses

If you have previously paid for a software update for the airbag control module, the enclosed form explains how to request reimbursement. We would be pleased to review your reimbursement request.

Service Help from Us

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

Audi of America, Inc. Attn: Customer Relations – Hills East (JR) 3499 West Hamlin Road Rochester Hills, MI 48309 1-866-892-2834

If you still cannot obtain satisfaction, you may file a complaint with: Administrator, National Highway Traffic Safety Administration, U.S. Department of Transportation, 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 your continued loyalty!

Audi Product Compliance

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Customer Letter Example (CANADA)

December 2006

Subject: Safety Recall JR 2006-2007 Model Year Audi A8 Airbag Control Module Software Update

Dear Audi Owner:

This notice is sent to you in accordance with the requirements of the Canadian Motor Vehicle Safety Act. Audi has decided that a defect, which relates to motor vehicle safety, exists in some 2006-2007 model year Audi A8 vehicles. Our records show that you are the owner of one of these vehicles.

What Is The Problem?

Audi has determined that in cases where a weak battery exists, it is possible that a low voltage condition could cause the airbag control unit to improperly set a fault code. If this occurs, the passenger side frontal airbag will become deactivated; however, both the airbag warning light in the instrument cluster as well as the "PASSENGER AIR BAG OFF" telltale in the center of the instrument panel will illuminate and provide visual warning to the driver. The passenger side frontal airbag would not deploy in the case of a frontal crash.

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Lease Vehicles

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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.

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If you have previously paid for a software update for the airbag control module, the enclosed form explains how to request reimbursement. We would be pleased to review your reimbursement request.

Service Help from Us

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

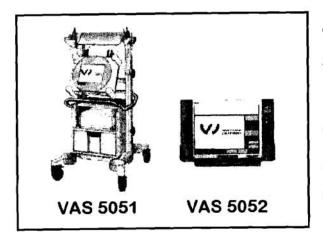
Audi Canada Attn: Customer Relations (JR) P.O. Box 842, Stn. A Windsor, ON N9A 9Z9 1-866-892-2834

We regret any inconvenience this matter may cause. Thank you for your continued loyalty!

Audi Product Compliance

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Special tools:



Work Sequence:

- Approved battery charger
- CAS 5051A, 5051B (not shown) or VAS 5052 (equipped with Ethernet card and security certificate)
- Minimum base CD V.08.00.00 installed
- Brand CD V.08.43.00 or later installed
- URL update performed

Section A - Preparation

Connect vehicle to an approved battery charger

Note: Battery MUST have minimum no-load charge of 12.5V. Failure to maintain voltage during update process can lead to control module failure. Use approved battery charger to maintain

battery voltage

- Ensure VAS 5051A or VAS 5051B is connected to dealer's Local Area Network (LAN) with internet access prior to booting up tester.
- Minimize any voltage draw to vehicle
 - radio, and other accessories switched OFF
 - apply emergency brake to switch running lights OFF, if applicable)

Proceed to Section B

Section B – Software Update via Software Version Management (SVM)

- Function/Component Selection
- Access Software Version Management (SVM) via Guided Fault Finding (GFF)
- Choose prompt for problem-related hardware and software update.
- Follow link for Direct input: SVM code for problemrelated update.
- Using SVM code 4E15A001, update software for airbag control module Part No: 4E0 959 655 C, SW level 3630 to SW level 4030 using Software Version Management (SVM). (Refer to SVM instructions - Software Version Management (SVM) Operating Instructions (2011732)

Note: Only perform update and coding for airbag module. Software CD is not available. If software will not load check the following:

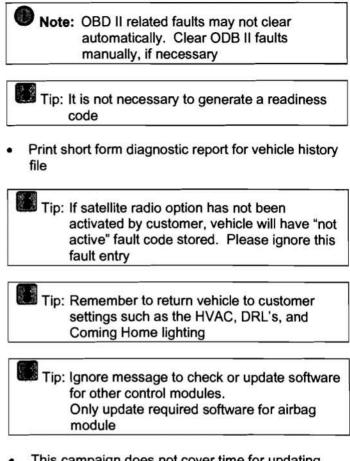
- Internet connection
- User ID/Password
- IT connectivity
- then, perform software download again
- Tip: Ignore message to check or update software for other control modules. Only update required software for airbag module
- After software update is complete, select the prompt to view changes to confirm software update

Section C – Coding the Vehicle

Note: System will ask to continue with the coding function

- Follow prompt to code airbag control module
- Choose prompt to view changes to confirm coding change
 - Tester will send coding confirmation to SVM.
- Clear fault upon exiting GFF

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 This campaign does not cover time for updating (flashing) other modules.

WORK IS COMPLETE

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Safety Recall JR Information

Frequently Asked Questions & Answers for JR Safety Recall Campaign – Audi A8 Airbag Control Module Software Update

This FAQ is intended to provide supplementary information regarding the JR Safety Recall Campaign. For additional information, please refer to the JR Safety Recall Campaign circular that will be posted on ElsaWeb and on AccessAudi.

What vehicles are affected?

Some Model Year 2006-2007 Audi A8 produced between June 2005 and June 2006. Approximately 5,902 vehicles are affected in the U.S. (including Puerto Rico) and approximately 234 vehicles are affected in Canada.

The affected VIN range is as follows: WAU___4E_6N003536 - WAU___4E_7N002540 (USA - including Puerto Rico)

WAU 4E 6N003609 - WAU 4E 7N002518 (Canada)

What is the problem?

Audi has determined that in cases where a weak battery exists, it is possible that a low voltage condition could cause the airbag control unit to improperly set a fault code.

What can happen?

The passenger side frontal airbag will become deactivated; however, both the airbag warning light in the instrument cluster as well as the "PASSENGER AIR BAG OFF" telltale in the center of the instrument panel will illuminate and provide visual warning to the driver. The passenger side frontal airbag would not deploy in the case of a frontal crash.

What exactly will be repaired on the vehicle and how long will the repair take?

In order to correct this defect, the airbag control module software will be updated. This service will take about forty minutes and will be free of charge. Please keep in mind that the dealer may need additional time for the preparation of the repair, as well as to accommodate their daily workshop schedule.

Can the customer continue to drive the vehicle?

Yes, the vehicle can still be driven. However, if the airbag warning light in the instrument cluster becomes illuminated, the customer should take their vehicle to an authorized Audi dealer for servicing without delay.

Is a loaner vehicle being offered under this action?

A loaner may be provided from dealer's Service Loaner Program. However if the dealer does not belong to the Service Loaner Program, the dealer may utilize the Customer Assistance coverage to obtain alternate transportation for the customer.

When will this repair be available?

Audi expects that dealer notification will take place on or about November 30, 2006 and customer notification will take place on or about December 5, 2006.