

BMW Group

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2007 FEB 23

February 14, 2007

RECALL MANAGEMENT DIVISION

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

07V-066
(6 pages)

**Re: Recall Campaign – Oil tank ventilation
2003-07 BMW K1200 S, 2004-07 BMW K1200 R, 2005-07 BMW K1200 R
Sport, 2005-07 BMW K1200 GT 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.

- Manufacturer: Bayerische Motoren Werke AG (BMW AG)

Designated Agent: BMW of North America, LLC
Woodcliff Lake, New Jersey 07677
- Make: BMW

Model Year / Model: 2003-2007 / K1200 S
2004-2007 / K1200 R
2005-2007 / K1200 R Sport
2005-2007 / K1200 GT

Inclusive Dates of Manufacture: K1200 S (April 2003 – January 2007)
K1200 R (April 2004 – January 2007)
K1200 R Sport (June 2005 – December 2006)
K1200 GT (November 2004 – January 2007)
- The number of motorcycles potentially containing the defect is approximately 3,294 K1200 S models, 1,300 K1200 R models, 197 K1200 R Sport models and 1,840 K1200 GT models.
- The percentage of motorcycles estimated to actually contain the defect is 100%.
- The condition involves oil tank ventilation. Frequent short-trips, particularly during cold temperatures, can cause water to accumulate in the oil tank, and when the engine is running, escaping water vapor can condense on the oil tank air bleed valve. In freezing temperatures, this water could freeze and block the air bleed valve. If this occurs, it is possible that a pressure build-up in the oil tank could cause it to rupture, allowing oil to leak onto the rear tire. To prevent this situation, a newly designed oil tank cap must be installed.

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



6. BMW became aware of this matter as a result of quality control procedures during routine inspections and motorcycle testing programs. Subsequent investigations and analyses resulted in an identification of the condition, as well as a determination of the range of potentially affected motorcycles.

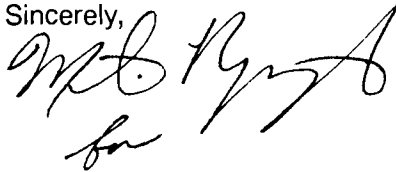
BMW has not received any reports, nor is BMW otherwise aware, of any accidents or injuries related to this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected motorcycles. A new oil tank cap, containing a valve to prevent overpressure in the tank, will be retrofitted on all affected motorcycles.

BMW expects to begin and complete dealer and owner notification in February 2007.

9. Not applicable.
10. A copy of the Service Bulletin will be submitted when available.
11. A draft copy of the owner notification letter is attached.
12. Not applicable.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Baloga', with a smaller signature below it.

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 motorcycle dealer. 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 motorcycle dealer 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 motorcycle dealer 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

February 2007

Recall Campaign No. 06V-xxx, K1200 S, K1200 R, K1200 R Sport, K1200 GT – Oil tank ventilation

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 2003 - 2007 BMW K1200 S, 2004 – 2007 K1200 R, 2005 – 2007 K1200 R Sport, as well as in certain 2005 – 2007 K1200 GT 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

Frequent short-trips, particularly during cold temperatures, can cause water to accumulate in the oil tank, and when the engine is running, escaping water vapor can condense on the oil tank air bleed valve. In freezing temperatures, this water could freeze and block the air bleed valve. If this occurs, it is possible that a pressure build-up in the oil tank could cause it to rupture, allowing oil to leak onto the rear tire. To prevent this situation, a newly designed oil tank cap must be installed.

Failure to observe the following precautions, in conjunction with traffic and road conditions, and the rider's reactions, could increase the risk of a crash.

PRECAUTIONS FOR YOUR SAFETY

- 1. PLEASE CONTACT YOUR AUTHORIZED BMW MOTORCYCLE DEALER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. Call BMW Motorcycle Roadside Assistance at 1-877-680-2176 if necessary.**
- 3. Please advise all other riders of this important information if you are not the only rider of this motorcycle.**

DESCRIPTION OF REPAIR

The repair will consist of installing a new oil tank cap with a valve to prevent overpressure in the tank.

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

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 motorcycle dealer.

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 by email at CustomerService@bmwmotorcycles.com.

If the BMW motorcycle dealer 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, 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>.

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 motorcycle dealer. Expenses from repair facilities outside of the BMW motorcycle dealer network will be considered; however, the procedure must meet BMW standards and use BMW Genuine Parts.

Your authorized BMW motorcycle dealer 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 motorcycle dealer 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 motorcycle dealer 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