

BMW Group

October 1, 2007

07V-479
(7 Pages)

Mr. Daniel Smith
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

**RE: Recall Campaign – Engine Electronics
2006-07 BMW 550i, 650i Coupe, 650i Convertible
2007 BMW X5 4.8i**

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.

1. Manufacturer: Bayerische Motoren Werke AG (BMW AG)

Designated Agent: BMW of North America, LLC
Woodcliff Lake, NJ 07677

2. Make: BMW

| <u>Model Year / Model</u> | <u>Inclusive dates of manufacture</u> |
|---|---------------------------------------|
| 2006-07 BMW 550i, 650i Coupe, 650i Convertible | August 26, 2005 – June 14, 2007 |
| 2007 BMW X5 4.8i | October 2, 2006 – June 27, 2007 |

3. The number of vehicles affected is approximately 29,250.

4. The percentage of vehicles estimated to actually contain the defect is 100%.

5. The issue involves the engine electronic control unit (ECU) of certain vehicles equipped with the V8 engine. In conditions of below-freezing temperatures, combined with low humidity, it is possible for electrostatic discharge to occur at the fuel rails. If this were to occur, the engine ECU could be affected such that engine stalling could result. If the engine were to stall, this would result in a loss of power steering. Loss of power steering could lead to a condition in which vehicle handling and control were impaired.

6. BMW became aware of this matter as a result of reports of this condition occurring to vehicles on the road. Subsequent investigations and analyses resulted in a determination of the problem, as well as, the number of potentially affected vehicles. BMW initially conducted a service action in July 2007; however, upon further analysis, BMW has decided to upgrade this action to a recall.

Company
BMW of North America, LLC

BMW Group Company

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PO Box 1227
Westwood, NJ
07675-1227

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300 Chestnut Ridge Road
Woodcliff Lake, NJ
07677-7731

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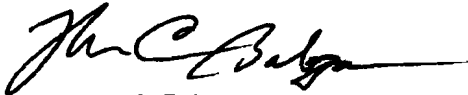
BMW has not received any reports, nor is BMW otherwise aware of any accidents or injuries related to this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, two additional ground cables will be attached between the fuel rails and the ground connection of the ignition coils in the engine compartment.

BMW expects to begin and complete dealer and owner notification in October.

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,



Thomas C. Baloga
Vice President
Engineering-US

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

October, 2007

Recall Campaign No. 07V-XXX: Engine Electronics

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 Model Year 2006-07 5-, 6-Series and X5 vehicles equipped with the V8 engine. 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 engine electronics of your vehicle. During conditions of below-freezing temperatures and low humidity, it is possible for an electrostatic discharge to occur which could stall the engine.

If stalling were to occur, you would be unable to maintain vehicle speed or accelerate, and the power steering would fail.

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 FOR YOUR SAFETY

- 1. PLEASE CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. If you experience engine stalling while driving, pull over carefully as soon as possible to a safe location and away from traffic. Do not continue to drive your vehicle. Contact BMW Roadside Assistance at 1-800-332-4269 immediately to have your 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. Please advise all other drivers and passengers of this vehicle of this important information.**

DESCRIPTION OF REPAIR

BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, two ground cables will be attached in the engine compartment.

The actual repair will require approximately one hour; 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 via Email at CustomerRelations@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, 1200 New Jersey Ave., S.E., 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

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

Your authorized BMW SAV 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 SAV 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 SAV 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.

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