

2008 APR 11 A 10:35

April 10, 2008

DEFECTS INVESTIGATION
RECALL MGMT DIV.

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

08V-170
(6 pages)

**RE: Recall Campaign – Rear Axle Stabilizer
2008 BMW X5**

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>
2008 / BMW X5	March 18, 2008
3. The number of vehicles affected is 55.
4. The percentage of vehicles estimated to actually contain the problem is 100%.
5. The problem involves the rear axle stabilizer (anti-sway bar). Due to a supplier logistical error, vehicles with standard suspension were equipped with a sports suspension stabilizer on the rear axle. Specifically, the sports suspension stabilizer has a 24.6 mm diameter instead of the appropriate 22.5 mm diameter of the standard version. In certain driving conditions, such as fast lane changes at high-speed, these vehicles could experience an "over-steer" behavior, affecting vehicle handling and control.

The name, business address, telephone number, and contact person of the supplier is:

Mr. Franz Puntigam / Mr. Jens Wegener
Benteler Automotive Corp.
1255 Howell Road
Duncan, SC 29334
864 485 1353
864 485 1301
(Puntigam@benteler.com) (jens.wegener@benteler.de)

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 through a report from our supplier. Subsequent investigations and analyses resulted in a determination of the specific problem, as well as, the number of potentially affected vehicles.

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, the rear axle stabilizer will be replaced.

BMW expects to begin and complete dealer and owner notification in April 2008.

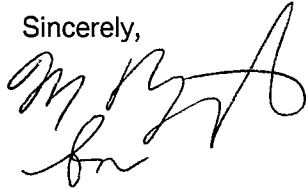
9. Not applicable.

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 'Jan Urbahn', is written over the word 'Sincerely,'.

Jan Urbahn
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 SAV 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 SAV 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 SAV 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

April, 2008

Recall Campaign No. 08V-XXX: Rear Axle Stabilizers

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 2008 Model Year BMW X5 Sports Activity Vehicles (SAVs). 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 problem involves the rear axle stabilizer (also known as the anti-sway bar). Your vehicle has been equipped with a sports-suspension stabilizer, instead of a standard-suspension stabilizer, on the rear axle.

In certain driving conditions, such as fast lane changes at high-speed, your vehicle could experience an "over-steer" behavior affecting vehicle handling and control.

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

- 1. CONTACT YOUR AUTHORIZED BMW SAV CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
- 2. AVOID EXTREME DRIVING MANEUVERS AT HIGH SPEED, E.G., FAST LANE CHANGES.**
- 3. Should you need BMW Roadside Assistance, they can be contacted at 1-800-332-4269.**
- 4. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**
- 5. If you are not the only driver of this vehicle, please advise all other drivers and passengers of this important information.**

DESCRIPTION OF REPAIR

BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the rear axle stabilizer will be replaced.

The actual repair will require approximately one (1) hour; however additional time may be required depending on the BMW SAV Center's scheduling and processing. This work will be performed free of charge by your authorized BMW SAV 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 SAV 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 SAV 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 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.

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