

July 18, 2008

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

08V-384  
(3 Pages)

**Re: EA08-001**

Dear Mr. Smith:

This is a follow-up to our April 16, 2008 letter to Tom Cooper of your office in which BMW informed the NHTSA that we plan to conduct a voluntary owner notification and product improvement campaign (the "Voluntary Campaign") for certain vehicles (product rework and extended warranty) that will conform to the applicable provisions of 49 CFR Parts 573 and 577, as well as an extended warranty for a broader population of vehicles. As stated previously, BMW is not prepared to agree that a defect that presents an "unreasonable risk to motor vehicle safety" exists in the affected vehicles, but wishes to resolve this matter with the agency. With this letter, BMW is providing further and specific details to the agency.

This issue, as described in more detail below (4.), involves the front passenger seat occupant detection mat of certain BMW vehicles, and has been the subject of NHTSA PE07-045 and EA08-001. In short, a fatigue failure of the mat can occur and would consequently lead to the deactivation of the front passenger air bags with exception of the head protection system. The air bag warning lamp as well as the passenger air bag "on-off" lamp would illuminate in such case.

While BMW has not concluded that a defect that presents an "unreasonable risk to motor vehicle safety" exists, in order to resolve this matter and to address NHTSA's concerns, BMW plans to proceed with the Voluntary Campaign in good faith, subject to engineering validation of the proposed rework solution, as expeditiously as possible. BMW plans to conduct the Voluntary Campaign without actually making a defect determination; however, BMW agrees, with regard to the product improvement campaign, to adhere to all the requirements of Sections 30118 through 30120 of Title 49 U.S.C., Chapter 301, and to be bound by all other sections of Title 49 U.S.C., Chapter 301 and regulations relating to recall campaigns. Further, the mailing of owner letters containing the statements required by 49 CFR Part 577 is not intended, and should not be considered, to be an admission that BMW has determined that a safety-related defect exists in these vehicles.

\* \* \*

In accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573, specifically 573.6(c), we submit the following information.

**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



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

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

2. Make: BMW

Model Year / Model Inclusive dates of manufacture

"2(a) vehicles" (extended warranty and mat rework)

2006 / 3-Series (sport seat)	01.02.2005 – 30.11.2005
2004-06 / 5-Series (std. seat)	01.07.2003 – 30.11.2005
2004-06 / X3	01.09.2003 – 30.11.2005
2004-06 / 5-Series (sport seat)	01.07.2003 – 30.11.2005

"2(b) vehicles" (extended warranty, mat replaced as necessary)

2006 / 6-Series	01.09.2005 – 30.11.2005
2006 / 3-Series (std. seat)	01.02.2005 – 30.11.2005
2004-05 / Z4	01.09.2003 – 30.11.2005
2004-06 / 7-Series	01.03.2004 – 30.11.2005
2006 / X5	01.09.2005 – 30.11.2005
2004-06 / 5 series comfort seat	01.09.2003 – 30.11.2005

3. The number of vehicles affected for 2(a) is approximately 200.000 while for 2(b) it is approximately 120.000, less the vehicles, whose front passenger seat occupant detection mat was already replaced.

4. The percentage of vehicles estimated to actually be affected by the issue is unknown.

5. The issue involves the front passenger seat occupant detection mat. Depending on seat configuration and vehicle geometry, the mat can fatigue during field usage depending on the manner and frequency of the front passenger's entry and exit. Specifically, over time micro-cracks could develop in the side flanks of the mat. If a micro-crack leads to a break of a conductive path, the system will recognize a failure. Consequently, the front passenger air bags with exception of the head protection system will be deactivated. The air bag warning lamp as well as the passenger air bag "on-off" lamp will be illuminated to make the occupants aware of the deactivation.

The name, business address, telephone number, and contact person of the front passenger seat occupant detection system supplier is:

Ms. Diane Ingamells  
Siemens VDO Automotive Corp.  
2400 Executive Hills Boulevard  
Auburn Hills, MI 48326-2980  
Phone: (248) 209-5692  
Fax: (248) 209-4050

6. BMW became aware of this matter during normal quality control analyses and processes and in consultation with our supplier. This issue has also been the subject of NHTSA PE07-045 and EA08-001. Subsequent investigations and analyses resulted in a determination of the 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.

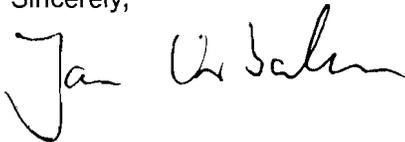
7. Not applicable.
8. BMW plans to conduct a Voluntary Campaign on the affected vehicles (2(a)), subject to engineering validation of the rework procedure described as follows. Specifically, for the vehicles identified above in Section 2(a), the front passenger seat occupant detection mat will be reworked so that external force application to the seat does not cause a crack to the mat. The vehicles identified above in Section 2(a) and 2(b) will receive an extended warranty of 10 years from first registration without any mileage limit. Under the extended warranty program, the occupant detection mat in a vehicle that experiences this specific issue will be replaced at no charge to the customer.

Before any technical action, it is necessary for BMW to conduct an extensive test program to verify the feasibility and effectiveness of the proposed rework procedure. A draft letter to all affected owners will be sent to you under separate cover.

**BMW expects to mail owner notification for the “2(a)”-vehicles and an extended warranty notification letter for the “2(b)”-vehicles in late September 2008.**

9. Not applicable.
10. A copy of the Service Bulletin will be provided as soon as it is finalized.
11. A draft copy of the owner letter will be provided under separate cover.
12. Not applicable.

Sincerely,



Jan Urbahn  
General Manager  
Safety Engineering and Intelligent Transportation Systems

Cc:

Ms. K. DeMeter, NHTSA  
Mr. T. Cooper, NHTSA  
Mr. P. Ong, NHTSA