

October 2, 2008

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

08V-564
(6 Pages)

**Re: Recall Campaign
Paralever link
2005-2006 BMW HP2 Enduro 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: 2005 – 06 / HP2 Enduro

Inclusive Dates of Manufacture: Aug 16, 2004 – Aug 3, 2006
- The number of motorcycles affected is approximately 365.
- The percentage of motorcycles estimated to actually contain the problem is 100%.
- The problem involves the Paralever link. Due to build tolerances and the length of the front threaded fastener of the Paralever link, in isolated instances, it has been determined that the fastener could loosen as a result of insufficient torque. Over time, it is also possible for the fastener to separate from its housing. If this were to occur, then the final drive of the motorcycle would not be properly supported. If that happened, then motorcycle handling would be compromised.
- BMW became aware of this matter as a result of a normal quality control monitoring processes including the receipt of two field reports. Subsequent investigations and analyses resulted in a determination of the specific problem and the range of potentially affected motorcycles.

BMW has received two reports of accidents, but without injuries, potentially related to this issue.
- Not applicable.

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) 571-5479

Website
bmwusa.com

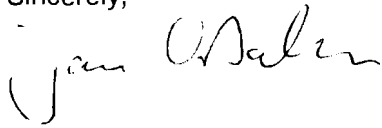


8. BMW will conduct a recall campaign to remedy the affected motorcycles. The front threaded fastener of the Paralever link will be removed and replaced with an improved fastener.

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



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 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

Date

Recall Campaign No. 08V-xxx, HP2 Enduro
- Paralever link

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 2005-2006 BMW HP2 Enduro motorcycles. Our records indicate that you are the owner of a potentially affected motorcycle.

We sincerely apologize for any inconvenience that this may cause you.

DESCRIPTION OF DEFECT

The problem involves the front threaded fastener of the Paralever link. The fastener may not have been tightened to correct specifications. If the fastener was not tightened according to specifications, it could loosen. Over time, it is also possible for the fastener to separate from its housing. If this were to occur, then the final drive of the motorcycle would not be properly supported. If that happened, then motorcycle handling would be compromised.

You must have this problem corrected promptly. 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. Should you need to contact BMW Motorcycle Roadside Assistance, they can be reached at 1-877-680-2176.**
- 3. If you are not the only rider of this motorcycle, please advise all other riders of this important information.**

DESCRIPTION OF REPAIR

BMW will perform a recall campaign to remedy the affected motorcycles. The front threaded fastener of the paralever link will be removed and replaced with an improved fastener.

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 by telephone 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, 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 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