

BMW Group

December 10, 2008

George Person
Chief, Recall Management Division
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

Re: 08V-564

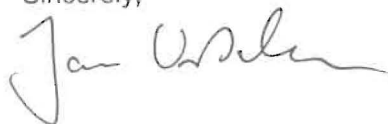
Dear Mr. Person:

With this letter, BMW is responding to NHTSA's November 4, 2008 request for additional information in the above-captioned matter.

The attachments included with this letter comprise BMW's response. As requested, BMW has repeated each question verbatim and provided our response accordingly. Our detailed responses are contained in the attachments.

Should you have any questions pertaining to the information enclosed with this letter, please contact me at (201) 571-5360, or Martin Rapaport of my staff at (201) 571-5208.

Sincerely,



Jan Urbahn
General Manager
Safety Engineering and Intelligent Transportation Systems

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Attachments



**BMW Response
to
NHTSA 08V-564**

Before turning to the specific questions in your letter, we thought it would be useful to summarize the reasons why BMW decided to conduct a safety recall for these motorcycles in the United States.

As noted in the Part 573 Report, in 2006, BMW AG received two incident reports about five months apart involving separation of a front threaded fastener of the Paralever link on the subject motorcycles in Europe. BMW AG was unable to obtain the affected components for analysis. Given the absence of evidence of a design or manufacturing defect, and the very small number of reports, BMW AG decided to monitor the situation to see whether or not these reports were isolated. In fact, no further reports of fastener separation were received; however, BMW AG has received some reports from dealers in Europe regarding loose fasteners that were detected when the motorcycle was being serviced or repaired for other reasons.

There have been no incident reports of Paralever link fastener separation or fastener looseness in the United States. BMW attributes the difference in incident reports between Europe and the U.S. to the fact that this motorcycle model is capable of both on-road and off-road operation. BMW believes that off-road operation is more common in Europe for this model than in the United States. Because off-road operation is inherently rougher on the vehicle systems, it is likely that any fastener looseness will manifest itself earlier on a motorcycle that is operated in the rough off-road environment than it will on a motorcycle that is operated mostly on paved roads.

Although the loose fasteners detected by dealers in Europe were not resulting in performance issues in the field, in late Spring 2008, BMW AG began the process of deciding whether to conduct a field action in Europe to replace the Paralever link fastener in the affected motorcycles. BMW NA was notified shortly thereafter of the likely intention to conduct a field action in Europe. No decision was made at that time as to whether the field action would be considered safety-related, whether a formal safety defect recall was warranted in the United States, or whether the issue could be handled through less formal means, such as a Technical Service Bulletin. Given the absence of incident reports in the United States and the fact that any looseness in the fastener would progress very gradually, these considerations required further analysis.

Once the details of the European campaign were finalized in late August, however, it was clear that the European campaign would need to be reported to NHTSA under 49 C.F.R. 579.11 as a foreign safety campaign, unless BMW decided to conduct a safety recall campaign in the U.S. under Part 573. Accordingly, despite the absence of evidence suggesting that the problem has manifested itself in the United States, in September 2008 BMW decided to conduct a safety recall in the United States to address any possibility of fastener looseness in the future.

1. BMW said that it became aware of performance problems with the front threaded fasteners as a result of “normal quality control monitoring processes including the receipt of two field reports.” Please identify and describe the normal quality control monitoring processes to which BMW is referring, providing in your response all dates of any relevant discoveries, findings, events, testing, or conclusions.

BMW AG’s long-standing and well-established “normal quality control monitoring processes” include a number of continuous actions, such as manufacturing quality control inspections at

its assembly plants, receipt and review of information from its suppliers, information from the field in the form of field reports, warranty data analyses, and test reports from various engineering groups. If a quality issue is thought to be occurring, this information, from any of the aforementioned sources, is forwarded along with an initial report and analysis, to BMW AG's quality department for further analysis and action.

The specific quality control monitoring process involving the HP2 Enduro Paralever link that ultimately resulted in BMW AG's voluntary safety recall campaign is described below.

BMW AG received two non-US field reports, one on May 31, 2006, and one on November 3, 2006. Both of these reports indicated that the front threaded fastener of the Paralever link became loose and then separated from the link. At that time, the specific parts potentially containing this alleged quality issue were not able to be retrieved from the field and therefore, a detailed physical inspection and any other potential follow-up action (such as a laboratory analysis) of those specific field parts could not be performed. Therefore, considering the time which elapsed between the two field reports, and the unavailability of the actual parts, BMW AG considered those incidents to be isolated cases of a loose fastener, and not necessarily indicative of a pattern.

Consistent with BMW AG's standard quality control monitoring processes, a review was initiated in May 2006 (at the time of receipt of the first non-US field report) in order to determine if further cases were occurring in the field. The monitoring process continued until the late Spring of 2008. Although no additional field reports similar in nature to the two field reports in 2006 were received, and no additional reports of field incidents involving a loose fastener were received, some dealers in Europe reported detecting loose fasteners when servicing or repairing the subject motorcycles for other reasons. Additionally, an analysis of non-US warranty claims revealed that some of these warranty claims also involved a loose fastener. No reports from the field or from dealers related to this issue have been received in the United States.

While this monitoring was taking place, BMW AG also analyzed the manufacturing and assembly process on a different model, the HP2 Megamoto, which has a frame that is similar to the HP2 Enduro but which has a shorter fastener, to attempt to determine whether it could identify a potential explanation for how the fastener may have loosened in the two European incidents. That analysis was initiated in January 2007 (subsequent to the receipt of the second non-US field report). It was necessary to evaluate the HP2 Megamoto because the HP2 Enduro, the subject of your inquiry, was no longer being manufactured. The HP2 Megamoto was produced from production start with a threaded fastener of a shorter length compared to the fastener used for the HP2 Enduro. Examination of the assembly process of the HP2 Megamoto prompted the possibility in March 2007 that, due to build tolerances, as well as the length of the threaded fastener used up to the end of HP2 Enduro production in August 2006 (to which the field reports pertained), it was possible that the two fasteners involved in the field incidents may have loosened as a result of insufficient torque applied to the fastener during assembly of the motorcycle. Although not determinative, some instances of insufficient torque also showed signs of paint overspray deposited within the threads of the frame to which the fastener was attached. A possibility existed that insufficient torque could occur if the longer fastener on the HP2 Enduro "bottomed-out" against a frame member in the vicinity of the fastener attachment point before it was tightened according to internal specifications. This analysis was inconclusive, and did not establish whether other HP2 Enduro models were built with insufficient torque. Accordingly, BMW AG continued its monitoring of data from the field.

2. Provide a summary of the facts, events, conclusions, and any other material pertinent to BMW's investigation or analysis of the defect, in the two field reports that

are referenced in BMW's report. Provide copies of each of these reports and state when BMW received each.

Please refer to our response to Question 1 and the introduction to this letter.

Copies of the two non-US field reports are attached, along with an English-text translation.

3. BMW related in its report that "subsequent investigations and analyses resulted in a determination of the specific problem and the range of potentially affected motorcycles." Please identify and describe the investigations and analyses to which BMW is referring, including in your response all dates of relevant testing, analysis, findings, or conclusions.

Please refer to our response to Question 1 and the introduction to this letter.

During September 2008, BMW decided to file a Part 573 report in the United States. The report was prepared and underwent the standard review and approval cycle, involving both BMW NA and BMW AG. Subsequent to the review and approval cycle, at both BMW NA and BMW AG, intended to ensure that the Part 573 report contained necessary and accurate information, the report was signed and submitted to NHTSA on October 2, 2008.

4. BMW said that it has received two reports of accidents potentially related to this defect. Please provide a summary of each of these accidents. Please provide copies of each of these reports and state when BMW received each.

As noted in response to Question 1, BMW AG received two non-US field reports, one on May 31, 2006, and one on November 3, 2006. Both of those reports indicated that the front threaded fastener of the Paralever link became loose and then separated from the link. As noted in response to Question 2, copies of the reports are attached along with an English-text translation.

As noted in the English-text translation, both riders experienced handling difficulties; however, in neither case did a fall or crash occur.

Furthermore, as indicated in our November 21, 2008 amended Part 573 report (copy attached), during the formulation of the original Part 573 report, a textual translation error occurred whereby the term "accidents" was inadvertently used instead of the term "incidents" in Section 6 of the report.

Therefore, BMW AG did not receive two reports of accidents in this matter, and regrets any confusion from the translation error that occurred in the original Part 573 report. .

Navigationsbereich					
Objekt-Nr	LE	Modul	Status	SV / Bearb.	Datum
Problem 2484576 - Paraleverstrebe Verschraubung an Rahmen lose	M-LPP	K25/HP-8400	100	Meinecke	21.02.2007 WV
Meldungen					
Meldung 1 (2446800) - Vordere Verschraubung Paraleverstrebe verloren	M-V	K25/HP-8400	ERLE	Migrationsuser	26.06.2008 AD
Ursachen					
Zielvereinbarung			ABST	Migrationsuser	26.06.2008 AD

Meldung M-V 2446800 : Vordere Verschraubung Paraleverstrebe verloren

Speichern Abbrechen

Übersicht Übersicht 2 Meldungsdetails Beanstandete Fälle Notizen/Anlagen

Meldung Front threaded fastener of Paralever link lost (location-of issue, type of issue, symptom)
 Meldung* Vordere Verschraubung Paraleverstrebe verloren (Fehlerort, Fehlerart, Symptom)
 Notice
 Beschreibung Description
 Während der Fahrt mit konstanter Geschwindigkeit bemerkte der Kunde ein Geräusch vom Hinterradantrieb; unmittelbar danach blockierte das Hinterrad, so dass eine große Sturzgefahr bestand.
 During the ride with constant speed the customer noticed a sound from the rear-wheel drive. Immediately after that the rear-wheel blocked in such a way that there was a risk of falling off.
 BI Bl 2 / Panne

Entw.-Bez.* K25/HP Projektkz./Serie* SERIE - Serienprojekt für K25/HP
 Modul* 8400 Fahrwerk
 Gruppe* ML-V - ML-V Bearb.-Stand* erledigt
 Sensor* PUMA - Technische Beratung

Problembild problem
 Nr. 3317043700 Strebe für Hinterradantrieb lose link of rear axle drive loose

Ansprechpartner
 Ansprechpartner
 Preparation Erstellung 03.11.2006/Robert Karl / UX-VA-3 / +49-89-382-34232
 Änderung Change 26.06.2008/PQM 3.0 (PMP Lenken) Migrationsuser / MZ-612 / +49-89-382-55555

Problem Zuordnungsvorschlag
 PQM-Problem-Nr.
 Problemtitel

Ergänzung
 Nr. Text Erstellung Ergänzung

Navigationsbereich					
Objekt-Nr	LE	Modul	Status	SV / Bearb.	Datum
Problem 1695373 - Momentenstütze an Rahmen, MA <Soll 42Nm	M-LPP	K25-8400	97	Meinecke	31.05.2006 WV
Meldungen					
Meldung 1 (1669838) - Momentenstütze an Rahmen, MA <Soll 42Nm	M-E	K25-8400	ERLE	Migrationsus	26.06.2008 AD
Meldung 2 (2197361) - Schraube Paralever verloren	M-V	K25/HP-8400	ERLE	Migrationsus	26.06.2008 AD
Ursachen					

Meldung M-V 2197361 : Schraube Paralever verloren	
Speichern Abbrechen	
Übersicht Übersicht 2 Meldungsdetails Beanstandete Fälle Notizen/Anlagen	
▼ Weitere Beschreibungen	
Wahrnehmung Notice	1. Fehlerbild: Ort (Antrieb, Antriebsstrang), Art (Funktionsausfall), Randbedingung (im Fahrbetrieb) 1. indication of issue: location (engine, powertrain); type (malfunction); boundary conditions (at driving operation)
Vermutete Ursache assumed reason	Die Strebe des Paralevers hat sich aufgrund des Verlusts des Befestigungsbolzens, der bei der Montage vermutlich nicht richtig angezogen worden war, vom Rahmen gelöst. Außerdem ist das Fehlen einer Befestigungsschraube Motor/Rahmen festzustellen. * (eigener PQM wird erstellt)
Durchgef. Arbeiten performed operations	Hinterachsantrieb und komplette Gelenkwelle getauscht rear-axle drive and complete drive shaft replaced
Empfehlung Recommendation	Zwar kam es aufgrund geringer Fahrgeschwindigkeit zu keinem Sturz, dennoch hätten die Folgen für den Kunden sehr ernst sein können. Indeed no falling off occurred due to low vehicle speed. However the results for the customer could have been serious.
▼ Historie	
Erstellung Preparation	31.05.2006/Christoph Brettle / UX-VA-3 / +49-89-382-38836
Änderung Change	26.06.2008/PQM 3.0 (PMP Lenken) Migrationsuser / MZ-612 / +49-89-382-65655
Änd. Bearb.-Stand Change of processing status	28.06.2008

* The link of the Paralever had detached oneself from the frame due to the loss of the attachment bolt which isn't supposedly accurate tightened in the assembly.
Furthermore the absence of one of the attachment bolts engine/ frame is detected.

BMW Group

November 21, 2008

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

**Re: Amendment to Part 573 Report
Recall Campaign (08V-564)
Paralever Link**

Dear Mr. Smith:

This is an amendment of our October 2, 2008 report in the matter noted above.

It has come to our attention that, due to textual translation errors, the term "accidents" was inadvertently used instead of the term "incidents" in Section 6 of our October 2, 2008 Part 573 report.

Therefore, Section 6 of our October 2, 2008 report is completely revised as follows:

6. BMW became aware of this matter through its quality control analyses and processes including the receipt of two field reports. The two reports describe incidents in the field; however, neither rider incurred an injury. Subsequent investigations and analyses resulted in a determination of the specific problem and the range of potentially affected motorcycles.

Sincerely,



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