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By Recall Mgt Div. at 8:02 am, Mar 11, 2010

February 18, 2010

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



**Re: Recall Campaign
Tire Pressure Label
2009-10 7-Series, 2010 550i Gran Turismo
Supplemental Report**

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.

Please note that this is to supplement our January 29, 2010 report which, in accordance with Section 573.6(b), contained information pertaining to Section 573.6(c)(1), (c)(2), and (c)(5).

Pursuant to Section 573.6(c), we submit the following information.

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|----|--|---|
| 1. | <u>Manufacturer:</u> | Bayerische Motoren Werke AG (BMW AG) |
| | <u>Designated Agent:</u> | Jan Urbahn
BMW of North America, LLC
Woodcliff Lake, New Jersey 07677 |
| 2. | <u>Make:</u> | BMW |
| | <u>Model Year / Model</u> | <u>Inclusive Dates of Manufacture</u> |
| | 2009-10 / 7-Series | Nov. 10, 2008 – Nov. 26, 2009 |
| | 2010 / 550i Gran Turismo | Jul. 24, 2009 – Nov. 26, 2009 |
| 3. | The number of vehicles affected is approximately 1,040 7-Series and 150 550i Gran Turismo models. | |
| 4. | The percentage of vehicles estimated to actually contain the problem is 100%. | |
| 5. | The issue involves the vehicle's tire pressure label. Specifically, affected vehicles are equipped with a tire pressure label indicating that the vehicle's seating capacity is five (5) occupants. However, the actual seating capacity is four (4) occupants. Therefore, although the tire size, tire pressure, and vehicle capacity weight on the label is correct, the tire label does not conform to FMVSS 110. | |
| 6. | BMW became aware of this matter through its quality control analyses and processes. In late 2009, examination of vehicles during import processing indicated that some 7-Series and 550i Gran Turismo vehicles, which were equipped with optional rear comfort seats, were fitted with tire pressure labels | |

Company
BMW of North America, LLC

BMW Group Company

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indicating vehicle seating capacity for five (5) occupants. Actions were then taken in order to determine the reasons for, and the extent of, the misapplied labels. As a result of these actions, it was determined that certain Model Year 2009-10 7-Series and 2010 550i Gran Turismo models were equipped with these labels. Further investigations and analyses resulted in a determination of the number, and production range, of potentially affected vehicles. On January 21, 2010, BMW decided to conduct a recall. Accordingly, BMW submitted its initial defect report to NHTSA on January 29, 2010.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, the tire pressure label will be replaced.

BMW expects to begin and complete dealer and owner notification in March 2010.

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 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.