

July 29, 2010

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

10V-254
(2 Pages)

**Re: Recall Campaign
Sound Insulation / Belt Retractor Unit
2008-11 BMW 1-Series
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 June 8, 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> | 2008-11 / 1-Series |
| | <u>Inclusive Dates of Manufacture:</u> | Dec. 1, 2007 – May 27, 2010 |
| 3. | The number of vehicles affected is approximately 31,935. | |
| 4. | The percentage of vehicles estimated to actually contain the problem is unknown at this time. | |
| 5. | In the event of a crash of sufficient severity, deployment of the front pre-tensioner and load-limiter in the safety belt retractor unit occurs. In rare circumstances, it is possible that the insulation around the unit could ignite. | |

Supplier contact information is as follows:

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Company
BMW of North America, LLC

BMW Group Company

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6. BMW became aware of this matter through its normal quality control analyses and processes including a limited number of field reports during the latter part of 2009. Investigations were initiated in order to determine the cause of the problem. In late May 2010, it was finally determined that both the safety belt retractor unit (containing pre-tensioner and load-limiter) and the sound insulation near the retractor were contributing factors. Further investigations and analyses resulted in a determination of the number, and production range, of potentially affected vehicles. On June 8, 2010, BMW decided to conduct a voluntary recall. Accordingly, BMW submitted its initial report to NHTSA on June 8, 2010.

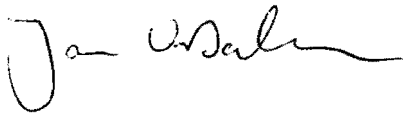
BMW has not received any reports of accidents or injuries which have been caused by this issue.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. Specifically, modified front safety belt retractor units (containing pre-tensioner and load-limiter) will be installed in vehicles produced up through December 2009 along with a modification to the sound insulation near the units. Vehicles produced between January 2010 and May 2010 will only receive a modification to the sound insulation near the units because these vehicles contain a different safety belt retractor design.

BMW expects to begin and complete dealer notification in July and owner notification in August.

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