

**RECEIVED**

By Recall Management Division at 7:02 am, Jun 29, 2011

June 28, 2011

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

**Re: Recall Campaign  
Electric Power Steering  
2011 BMW X3 SAV**

Dear Mr. Harris:

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), we submit the following information.

- Manufacturer: Bayerische Motoren Werke AG (BMW AG)

Designated Agent: Jan Urbahn  
BMW of North America, LLC  
Woodcliff Lake, New Jersey 07677
- Make: BMW

Model Year / Model: 2011 / X3 SAV

Inclusive Dates of Manufacture: April 27, 2011 – June 8, 2011
- The number of vehicles affected is approximately 50.
- The percentage of vehicles estimated to actually contain the problem is 100%.
- The issue involves the Electric Power Steering (EPS) unit. Specifically, the EPS unit has an integrated control module which includes a rotor position sensor. The sensor's calibration data pertaining to temperature balancing was mistakenly overwritten by a sub-supplier. This could result in a signal-offset during the permanent sensor signal plausibility check leading the control module to suddenly switch off the EPS unit during driving. This would result in a sudden loss of power steering assist. Simultaneously, the driver would be alerted by the illumination of a warning symbol in the instrument cluster. Subsequent to the drive cycle, at the next vehicle start, the EPS unit could function properly (the warning symbol in the instrument cluster would not appear). However, the condition could occur again. If there were a loss of power steering assist, manual steering capability would be retained, and the system would still comply with all relevant motor vehicle safety standards worldwide.

**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



The name, business address, telephone number, and contact person of the sub-supplier, and country of origin of the component, is:

Sibyl Jacobs  
Account Manager  
Melexis Tessenderlo NV  
Transportstraat 1  
B-3980 Tessenderlo  
Belgium  
Phone: 32 13 67 07 93  
Fax: 32 13 67 21 34  
Mobile: 32 4 85 556 223  
E-mail: [sij@melexis.com](mailto:sij@melexis.com)

Country of Origin – Belgium

6. BMW became aware of this matter through its quality control analyses and processes.

On May 17, 2011, this issue was first observed at a BMW vehicle assembly plant during a vehicle test-drive program involving a new pre-production vehicle using the same EPS unit as the BMW X3 SAV. Two additional incidents occurred at the assembly plant on May 18<sup>th</sup>.

On June 1, 2011, after internal analyses at the vehicle assembly plant, BMW technical development was informed, followed by involvement of the EPS supplier. The supplier immediately started investigations on June 1<sup>st</sup>.

In parallel, a review of field data was initiated in order to determine if there were any similar occurrences on vehicles in the field. This analysis showed that BMW had received 20 cases for the X3 SAV, worldwide, from the field until mid-June.

On June 11, 2011, the analyses were completed and the root cause was found.

Subsequently, production and manufacturing records were examined in order to determine the number, and production range, of potentially affected vehicles.

On June 21, 2011, BMW decided to conduct a voluntary recall.

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 will conduct a recall campaign to remedy the affected vehicles. Specifically, the Electric Power Steering (EPS) unit will be replaced.

BMW initially notified dealers on June 22, 2011, and expects to complete dealer notification in July. BMW expects to begin and complete owner notification in July 2011.

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,

A handwritten signature in cursive script that reads "Jan Urbahn".

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 SAV 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 SAV 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 SAV 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.

