

September 15, 2011

11V-476
(3 Pages)

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
Front Driveshaft Bolts
2011 BMW 328i xDrive / 335i xDrive**

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 / 328i xDrive, 335i xDrive

Inclusive Dates of Manufacture: February 8, 2011 – July 29, 2011

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 number of vehicles affected in the US is approximately 190.
- The percentage of vehicles estimated to contain the condition is 40%.
- The issue involves the front driveshaft attachment bolts. The attachment bolts, which secure the front driveshaft to the all-wheel-drive transfer case and to the front differential, may not have been tightened to specification. If the bolts of the front driveshaft were not tightened to specification, then they could start to become loose. Over time, the bolts could continue to loosen. The customer may notice a loose driveshaft due to noise, or by feeling a vibration, coming from the front of the vehicle. If the driver does not recognize the noise or vibration, then the driveshaft can become completely loose during driving. If this happened, then this could result in a loss of power to the front wheels and ultimately a vehicle breakdown.
- BMW became aware of this matter through its quality control analyses and processes.

On July 21, 2011 at a BMW assembly plant's vehicle processing center, noise that was thought to be coming from the drive train of four (4) all-wheel-drive vehicles



was observed. Initial analyses indicated that the front driveshaft attachment bolts of the four vehicles were loose.

On July 22, 2011 a delivery stop was issued for potentially affected vehicles at the assembly plant and at the plant's vehicle processing center. An inspection of the front driveshaft attachment bolts of other vehicles showed that these other vehicles were not affected. Therefore, it was thought that if this condition existed, it would occur very soon after vehicle assembly and before a potentially affected vehicle moved beyond the processing center.

During the week of July 25th, a production process audit was conducted. An immediate action was taken to correct the process for tightening the front driveshaft attachment bolts during all-wheel-drive vehicle assembly.

On August 30, 2011 a report indicated that a vehicle in the US market may have experienced the same condition.

On September 2, 2011, another delivery stop was issued in order to hold any potentially affected vehicles.

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

On September 8, 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.

The front driveshaft attachment bolts will be removed and replaced.

BMW expects to begin and complete dealer notification in September 2011. BMW expects to begin and complete owner notification in October 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,



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.