

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND EMAIL

May 3, 2013

Ms. Nancy Lewis
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

**Re: Recall Campaign
Passenger Frontal Air Bag System
2002-2003 BMW 3-Series**

Dear Ms. Lewis:

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.

- 1. **Manufacturer:** Bayerische Motoren Werke AG (BMW AG)
- Designated Agent:** Samuel Campbell, III
Department Head, Safety Engineering and ITS
BMW of North America, LLC
200 Chestnut Ridge Rd. (Bldg. 150)
Woodcliff Lake, NJ 07677

2.	<u>Make:</u> BMW	<u>Model Year / Model</u>	<u>Inclusive Dates of Manufacture</u>
		2002-03 / 3-Series Sedan	Jan 2002 – Dec 2002
		2002-03 / 3-Series Coupe	Feb 2002 – Dec 2002
		2002-03 / 3-Series Convertible	Feb 2002 – Dec 2002
		2002-03 / 3-Series Sports Wagon	Jan 2002 – Dec 2002
		2002-03 / M3 Coupe	Feb 2002 – Dec 2002
		2002-03 / M3 Convertible	Feb 2002 – Dec 2002

- 3. The number of vehicles affected is approximately 42,080 as follows:

<u>Model</u>	<u>Approximate Number Affected</u>
2002-03 / 3-Series Sedan	27,440
2002-03 / 3-Series Coupe	4,670
2002-03 / 3-Series Convertible	5,295
2002-03 / 3-Series Sports Wagon	1,535
2002-03 / M3 Coupe	1,830
2002-03 / M3 Convertible	1,300

Company
BMW of North America, LLC

BMW Group Company

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PO Box 1227
Westwood, NJ
07675-1227

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300 Chestnut Ridge Road
Woodcliff Lake, NJ
07677-7731

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(201) 307-4000

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4. The percentage of vehicles estimated to contain the condition is much less than 1%.
5. This recall involves the passenger frontal air bag system, specifically the air bag system inflator module. Please refer to Section 5 of the Takata Holdings Inc. ("Takata") 49 CFR 573 report of April 11, 2013 (NHTSA "13E-017"). Certain inflator propellant wafers, manufactured between April 13, 2000 and September 11, 2002 at Takata's Moses Lake, WA plant may have been produced out of specification. The propellant wafers may have been produced with an insufficient compaction force. In addition, certain inflator propellant wafers contained within inflators produced between October 4, 2001 and October 31, 2002 at Takata's Monclova, Mexico plant may have been exposed to an uncontrolled environment involving excessive moisture.

If either or both of these conditions are present, then in combination with environmental factors, a degradation of the inflator propellant could occur over time. If the propellant were to degrade, then this could create a condition of excessive internal pressure within the air bag system inflator during an air bag deployment. If the pressure were of a sufficient severity, it would cause the inflator housing to rupture, possibly causing an injury.

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

Takata AG
Mr. Albrecht Plag
Global Quality Assurance
Tel: 49.6021.651031
Email: Albrecht.Plag@eu.takata.com
Bahnweg 1
63743 Aschaffenburg
Germany

Country of Origin: Mexico and USA

6. On April 5, 2013, BMW initially became aware of this matter from its supplier, Takata. Takata informed BMW of a potential problem with certain configurations of a passenger frontal air bag system (specifically the air bag inflator) that it produced for several vehicle manufacturers, including BMW. At that time, Takata informed BMW that the system configuration it produced for BMW was thought to be similar (but not identical) to the configuration that it produced for another vehicle manufacturer. Therefore, it was unclear as to whether or not the defect could exist within the BMW vehicles equipped with the system.

Between April 10th and April 16th, BMW conducted several reviews with Takata requesting detailed technical information, including a failure analysis report, detailed component production information, and the possibility of conducting system performance tests. End-of-life component recycling records were also requested to be examined in order to determine if any unusual system deployments occurred during the end-of-life component recycling process. At that time, BMW was unaware of any field cases involving BMW vehicles.

On April 17, 2013, Takata provided BMW with preliminary technical information indicating that it was unaware of any unusual deployments during the end-of-life

component recycling process. BMW requested additional detailed information from Takata, as well as performed further internal reviews and analyses.

During the week of April 22, 2013, additional technical discussions and analyses were conducted between BMW and Takata. At that time, Takata was then able to confirm that the system design configuration that it produced for BMW was not identical to the configuration produced for other vehicle manufacturers. Additional analyses and technical discussions were planned for the week of April 29th.

On April 30, 2013, Takata provided BMW with the final requested technical information, including a detailed failure analysis.

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

On May 2, 2013, BMW decided to conduct a voluntary recall based on the information provided and the final analyses performed.

BMW has not received any reports 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 passenger frontal air bag will be replaced.

BMW expects to begin dealer notification in May and complete dealer notification in July. BMW expects to send an interim letter to owners in May, and a follow-up letter in July when parts are available instructing owner at that time to contact their dealer.

9. Not applicable.
10. A copy of the Service Bulletin will be submitted when available. A draft copy of the owner notification letter will be submitted when available.
11. Not applicable.

Sincerely,

BMW of NORTH AMERICA,, LLC



Sam Campbell
Department Head
Safety Engineering and Intelligent Transportation Systems