

Recall Campaign 16V-071 and 16V-364

Communication Toolkit for Dealers

June 3, 2016



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Purpose of Toolkit

This communication toolkit was prepared to assist dealers, field support teams and customer-facing employees with relevant and timely communication related to the Takata recall. We hope it is a valuable resource for you and your business.

While we had an unfortunate situation thrust upon us, it is still within our control to provide the “ultimate customer experience” at every customer touchpoint. Doing so is good for our customers, and our business.

On behalf of BMW NA, thank you for your support and collaboration.

Points of Contact

Your first point of contact for questions is your BMW of North America Area Manager.

IMPORTANT SAFETY RECALL

This notice applies to your vehicle, [INSERT VIN]

March 2016

Recall Campaign No. 16V-071: Driver's Front Air Bag Module

Dear BMW Owner / Lessee:

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. BMW AG has decided that a defect, which relates to motor vehicle safety, exists in certain Model Year 2006-2015 BMW 1 Series, 3 Series and X1, X3, X5 and X6 Sports Activity Vehicles. Our records indicate that you are the owner of a potentially affected vehicle.

IMPORTANT NOTICE

Please note that at the present time, we do not have parts available. BMW will notify you via another letter as soon as we can perform this recall on your vehicle.

DESCRIPTION OF PROBLEM

In the event of a crash necessitating deployment of the driver's front air bag, excessive internal pressure could cause rupturing of the air bag inflator, resulting in metal fragments striking the front driver or other passengers potentially resulting in serious injury or death. **If you are not the only driver of this vehicle, please advise all other drivers and passengers of this important information.**

At the present time, BMW is not aware of any ruptures in its vehicles equipped with the type of inflator subject to this recall.

DESCRIPTION OF REPAIR

The driver's front air bag module will be replaced free of charge when parts become available.

OTHER INFORMATION

If you are no longer the vehicle owner/lessee, we request that you provide us with the name and address of the new owner/lessee using the enclosed postage-paid card so that we can contact the new owner/lessee regarding this recall. If you are a lessor of this vehicle, Federal Regulations require you to forward this notice to your lessee within ten days.

Should you have any questions about this recall, please contact your authorized BMW center. Should you need additional assistance, you may contact BMW Customer Relations and Services via Email at

Company
BMW of North America, LLC

BMW Group Company

Mailing address
PO Box 1227
Westwood, NJ
07675-1227

Office address
200 Chestnut Ridge Rd.
Building 150
Woodcliff Lake, NJ 07677

Telephone
(201) 307-4000

Fax
(201) 571-5479

Website
bmwusa.com

CustomerRelations@bmwusa.com or by calling 1-800-525-7417 from 9 AM to 9 PM Eastern Time, Monday through Friday.

If your BMW center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Ave., S.E., Washington, DC 20590, call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

We sincerely apologize for any inconvenience this issue may cause; however be assured that BMW is concerned about your safety and security. BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.

BMW OF NORTH AMERICA, LLC

BMW



IMPORTANT SAFETY RECALL

This notice applies to your vehicle, [INSERT VIN]

May 2016

Recall Campaign No. 16V-071: Driver's Air Bag Module

Dear BMW Owner / Lessee:

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. BMW AG has decided that a defect, which relates to motor vehicle safety, exists in certain Model Year 2006-2015 BMW 1 Series, 3 Series and X1, X3, X5 and X6 Sports Activity Vehicles. Our records indicate that you are the owner of a potentially affected vehicle.

Why are we contacting you?

In March 2016, we informed you of this matter by letter, indicating that we were not ready to perform this recall due to parts availability. **We are pleased to inform you that we now have an interim repair available for your vehicle.** An interim repair involves replacing the inflator with a newly manufactured version. NHTSA has concluded based on information it has collected, that the age of the inflator, temperature cycling and environmental moisture are the likely root cause of rupturing. Therefore, replacing the older inflator with a newer version reduces the safety risk associated with your vehicle until a final remedy is available.

You should have the inflator replaced as soon as possible and not wait for the final remedy. Please contact your authorized BMW Center immediately to schedule an appointment. You can locate your nearest BMW center at www.bmwusa.com/dealers.

All owners that have an interim remedy applied will still be offered a free final remedy. We will notify you again when the final remedy is available.

What is the issue?

In the event of a crash necessitating deployment of the driver's air bag, excessive internal pressure could cause rupturing of the air bag inflator, resulting in metal fragments striking the driver or other passengers potentially resulting in serious injury or death.

At the present time, BMW is not aware of any ruptures in its vehicles equipped with this type of inflator subject to this recall.

If you are not the only driver of this vehicle, please advise all other drivers and passengers of this important information.

What will BMW do?

Depending on your model, either the inflator or the air bag module with inflator will be replaced. This free repair will take approximately one hour.

If you already had this repair performed at your own expense, please see the attachment regarding possible eligibility for reimbursement.

What if you are not the current owner of this vehicle?

If you are no longer the vehicle owner/lessee, please fill out the enclosed postage-paid card so we can update our records.

To ensure BMW of North America, LLC has your most recent contact and vehicle information, please register your vehicle at <http://www.bmwusa.com/myBMW>. Registration is free, and will give you access to factory initiated campaigns and other information specific to your BMW vehicle.

If you are a lessor of this vehicle, Federal Regulations require you to forward this notice to your lessee within ten days.

What if you have questions or experience problems?

Should you need additional assistance, you may contact BMW Customer Relations and Services via Email at CustomerRelations@bmwusa.com or by calling 1-800-525-7417 from 9 AM to 9 PM Eastern Time, Monday through Friday.

If your BMW center is unable to remedy the defect without charge or within a reasonable period of time, you may notify the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Ave., S.E., Washington, DC 20590, call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

We sincerely apologize for any inconvenience this recall may cause; however, be assured that BMW is concerned about your safety and security.

BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.

Sincerely,

BMW of North America, LLC

PRIORITIZED OPTIONS FOR AFFECTED TAKATA CUSTOMERS.

MODEL YEAR 2006-2015: BMW 1 SERIES, 3 SERIES, X1 SAV, X3 SAV, X5 SAV AND X6 SAC.

B8_0316_28

Updated April 1, 2016

Prioritization of options	Affected Vehicles: MY12 and Newer BMW FS Lease/Owner's Choice Customers	Affected Vehicles: MY12 and Newer Loan/Select/Cash Customers	Affected Vehicles: MY11 and Older
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Retail Operator / General Manager	Sales – New Car	Sales - Pre-Owned	Business Manager (F&I)	Service	Parts & Accessories	Administration
Date: April 1, 2016					Replaces: -	
Bulletin #: B2_US_H_30_48					Supersedes -	

Operations Update

Safety Recall 16V-071(Driver’s Front Air Bag Module)

Dealer Q&A – April 1, 2016 – This supercedes Pre-Owned bulletin number B8_0216_20 & B8_0216_20a

OPERATIONS	
Is there any change to the stop sale mandate?	No. The stop sale continues unchanged on the Affected Vehicles. BMW NA will not indemnify you for any deviations.
Is there any update on parts availability?	We expect to receive a limited number of repair parts starting in the summer of 2016.
What are the Affected Vehicles?	Model Year 2006-2015 BMW 1 Series, 3 Series, X1 SAV, X3 SAV, X5 SAV and X6 SAC
When and how will customers with Affected Vehicles be contacted about the recall?	BMW NA began sending out official recall letters to customers on March 16 th . They will continue to be mailed in waves. All letters will be mailed no later than April 4 th .
Any new information on the BMW NA monthly financial assistance package for Affected Vehicles?	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
If I take in an unremedied Affected Vehicle in trade or off lease today, will it also qualify for the BMW monthly financial assistance package?	
What do I need to do to receive eligible payment under the financial assistance package?	

OPERATIONS	
How will I get paid?	BMW NA will pay you via the miscellaneous billing process. Payment will appear on your monthly settlement statement. BMW NA will initiate the payment process beginning month-end February. The same process will continue monthly thereafter.
Will BMW NA provide any special CPO sales support for Affected Vehicles, once they are repaired?	
As a BMW dealer may I deactivate any air bag?	No.
Will BMW NA offer any support to customers who don't feel comfortable driving their Affected Vehicle?	Yes. Please remind your customers that they may continue driving their BMWs, as we are not aware of a ruptured inflator in any of our vehicles associated with this recall. Please refer to bulletin B8_0316_28 for comprehensive details on support programs.
Will dealer KPI targets for Balanced Scorecard, CPO Bonus, AVP – used car component, etc. be adjusted?	Yes.
If I don't have room to store Affected Vehicles, will you take them and store them for me?	

ALTERNATIVE TRANSPORTATION	
Should I provide concerned customers in Affected Vehicles with alternative transportation?loaner or rental vehicle?	If requested, service loaners or rentals should be provided to customers, but only after presenting alternative solutions to the customer using the priority toolkit we have provided.
Will BMW NA allow a temporary expansion to my AMP fleet?	
How long should a customer be kept in a service loaner?	A customer may remain in a service loaner until his/her Affected Vehicle is remedied. The customer may be transferred to a new service loaner at the dealer's discretion, at any time to manage fleet efficiently.
Can we use Affected Vehicles as service loaners?	No, Affected Vehicles must be remedied first before they are offered as an alternative transportation option.
How can I check whether a service loaner is included in the recall?	

Center Operator / Operation Manager	Sales - New	Sales – Pre-Owned	Business Manager (F&I)	Service	Parts & Accessories	Administration
Date: Effective: Bulletin #	05/06/2016 05/06/2016-07/31/201 6 16-N-82	Source: Name: Title:				

BMW Financial Services

Safety Recall (Driver's Front Air Bag)

Affected Vehicles: BMW 1 Series, 3 Series, X1 SAV, X3 SAV, X5 SAV and X6 SAC (Model Year 2006-15)

Dealer Q&A – Updated as of **May 26, 2016**

The contents of this document are confidential and should not be shared with third parties for distribution.

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Center Operator / Operation Manager	Sales - New	Sales - Pre-Owned	Business Manager (F&I)	Service	Parts & Accessories	Administration
Date: Effective: Bulletin #	03/25/2016 03/25/2016-06/30/2016 16-N-50	Source: Name: Title:				

BMW Financial Services

The contents of this document are confidential and should not be shared with third parties for distribution.

Take your customer’s passion for BMW to a new level ... Beyond the Drive™.

Retail Operator / General Manager	Sales - New Car	Sales - Pre-Owned	Business Manager (F&I)	Service	Parts & Accessories	Administration
Date: April 1, 2016	Source: Name: Title: Phone #: Email:					
Bulletin #: B2-US-H-30-46						

Customer Orientation

Trade-In Options

Applicable Only to the following Affected Vehicles:



This Service Information bulletin supersedes SI B01 23 14 **dated April 2016.**

SUBJECT

Safety Recall: Increased Demand for Alternate Transportation

MODEL

E39 (5 Series Sedan)
E46 (3 Series Sedan, Coupe, Convertible incl M)
E53 (X5)
E70 (X5 incl M)
E71 (X6 incl M)
E72 (X6 ActiveHybrid)
E82 (1 Series Coupe incl M)
E83 (X3)
E84 (X1)
E88 (1 Series Convertible)
E90 (3 Series Sedan incl M)
E91 (3 Series Sports wagon)
E92 (3 Series Coupe incl M)
E93 (3 Series Convertible incl M)

Applicable to the Takata Airbag Recall Affected Vehicles listed above

SITUATION

Due to the large number of BMW vehicles and non-BMW vehicles alike that are affected by the airbag recall, replacement airbag modules are in short supply.

As a result of this recall-related “replacement part” supply issue, we understand that some customers may have concerns about continuing to drive their Affected BMW vehicle.

For additional information about the Affected Vehicles: See SI B65 15 13, SI B65 14 14, SI B65 17 14, SI B65 11 15 and SI B65 04 16.

INFORMATION

BMW of North America, LLC (“BMW NA”) wants to provide your center with the ability to provide alternate transportation, when needed, to those customers driving Affected Vehicles.

Please use the following options when customers request alternate transportation because they are unwilling to continue driving their Affected Vehicle while waiting to have the airbag module replaced.





This Service Information bulletin supersedes SI B01 16 16 dated March 2016.

SUBJECT

Safety Recall: AMP - RAMP Up New Loaner Vehicles

MODEL

E39 (5 Series Sedan)

E46 (3 Series Sedan, Coupe, Convertible incl M)

E70 (X5 incl M)

E71 (X6 incl M)

E72 (X6 ActiveHybrid)

E82 (1 Series Coupe incl M)

E83 (X3)

E84 (X1)

E88 (1 Series Convertible)

E90 (3 Series Sedan)

E91 (3 Series Sports Wagon)

E92 (3 Series Coupe)

E93 (3 Series Convertible)

E70 to E93 with option code(s) 0255, 02XA, 0710 or 07XA.

E90 (M3 Sedan)

E92 (M3 Coupe)

E93 (M3 Convertible)

Recall Affected Vehicles

SITUATION

Due to the large number of BMW vehicles and non-BMW vehicles alike that are affected by the airbag recall, replacement airbag modules are in short supply.

As a result of this recall-related "replacement part" supply issue, we understand that some customers may have concerns about continuing to drive their Affected BMW vehicle.

For additional information about the Affected Vehicles: See SI B65 15 13, SI B65 14 14, SI B65 17 14, SI B65 11 15 and SI B65 04 16.



Retail Operator / General Manager	Sales – New Car	Sales - Pre-Owned	Business Manager (F&I)	Service	Parts & Accessories	Administration
Date: March 23, 2016		Source: Name: Title: Phone #: Email:				
Bulletin #: B2-US-H-30-47						

Customer Orientation

AMP Enrollment Allowance Bulletin





This Service Information bulletin supersedes SI B01 18 16 dated March 2016.

SUBJECT

Safety Recall Trade Benefit (SRTB)

MODEL

E39 (5 Series Sedan)

E46 (3 Series Sedan, Coupe, Convertible incl M)

E70 (X5 incl M)

E71 (X6 incl M)

E72 (X6 ActiveHybrid)

E82 (1 Series Coupe incl M)

E83 (X3)

E84 (X1)

E88 (1 Series Convertible)

E90 (3 Series Sedan)

E91 (3 Series Sports Wagon)

E92 (3 Series Coupe)

E93 (3 Series Convertible)

E70 to E93 with option code(s) 0255, 02XA, 0710 or 07XA.

E90 (M3 Sedan)

E92 (M3 Coupe)

E93 (M3 Convertible)

Recall Affected Vehicles

SITUATION

Due to the large number of BMW vehicles and non-BMW vehicles alike that are affected by the airbag recall, replacement airbag modules are in short supply.

As a result of this recall-related “replacement part” supply issue, we understand that some customers may have concerns about continuing to drive their Affected BMW vehicle.

For additional information about the Affected Vehicles: See SI B65 15 13, SI B65 14 14, SI B65 17 14, SI B65 11 15 and SI B65 04 16.



Service Information

Audio, Navigation, Monitors,
Alarms, SRS

B65 04 16

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May 2016

Technical Service

This Service Information bulletin supersedes SI B65 04 16 dated May 2016.

SUBJECT

Recall Campaign 16V-071: Driver's Front Air Bag Module

MODEL

E70 (X5 incl M)
E71 (X6 incl M)
E72 (X6 ActiveHybrid)
E82 (1 Series Coupe)
E83 (X3)
E84 (X1)
E88 (1 Series Convertible)
E90 (3 Series Sedan)
E91 (3 Series Sports Wagon)
E92 (3 Series Coupe)
E93 (3 Series Convertible)

Above with option code(s) 0255, 02XA, 0710 or 07XA.

E90 (M3 Sedan)
E92 (M3 Coupe)
E93 (M3 Convertible)

SITUATION

BMW AG is conducting a Voluntary Safety Recall involving Driver's Front Air Bag Module on certain BMW vehicles that are equipped with non-desiccated Takata PSDI-5 inflators. These vehicles, covering model years 2006-2015 have not been part of earlier Takata-related air bag recalls.

This is an industry-wide safety recall involving driver's front air bag modules. BMW is committed to helping you manage this recall campaign in the least disruptive fashion.

All customers affected by this Recall were sent an interim letter shortly after March 16, 2016. The letter informed them that their vehicle is affected by this recall. A final letter will be mailed to the customers when parts become available. A copy of the letter that was sent to these customers is attached.

To assist you with customer concerns, please reference the attached Q&A that will be updated as information becomes available. You can identify the latest version by the date that is referenced at the bottom of the pages.

AFFECTED VEHICLES

Vehicles which require this Recall Campaign to be completed will show it as "Open" when checked either in the "Service Menu" of DCSnet (Dealer Communication System) or with the Key Reader.

The total vehicle population was identified by Defect Code 0000001100. This Defect Code is temporary until the final repair information is released. This Defect Code cannot be used for warranty claims submission.

The first set of vehicles to be repaired under this Recall have been assigned Defect Code 0032350200. As customer letters are mailed, we will add these VINs to this defect code and remove 0000001100 from being displayed. We will update this bulletin with a customer mail date as it becomes available.

There are approximately 840,000 vehicles in the US.

<u>Model</u>	<u>Model Year</u>	<u>Approx .Volume</u>	<u>Production Dates</u>
1 Series Coupe (incl. M) E82	2008 – 2013	32,620	Nov 2007 – Oct 2013
1 Series Convertible E88	2008 – 2013	28,160	Nov 2007 – Oct 2013
3 Series Sedan (incl. M) E90	2006 – 2011	132,845	Feb 2005 – Dec 2011
3 Series Sedan (diesel) E90	2009 – 2011	4,160	Mar 2008 – Aug 2011
3 Series Sports Wagon E91	2006 – 2012	3,270	Jun 2005 – May 2012
3 Series Coupe (incl. M) E92	2007 – 2013	129,515	Apr 2006 – Jun 2013
3 Series Convertible (incl.M) E93	2007 – 2013	99,810	Nov 2006 – Oct 2013
X1 SAV E84	2013 – 2015	57,290	Feb 2012 – Sep 2014
X3 SAV E83	2007 - 2010	64,925	Aug 2006 – Aug 2010
X5 SAV (incl. M) E70	2007 – 2013	214,580	Sep 2006 – Jun 2013
X5 SAV (diesel) E70	2009 – 2013	35,440	Mar 2008 – Jun 2013
X6 SAC (incl. M) E71	2008 – 2014	37,000	Jul 2007 – Jun 2014
X6 SAC ActiveHybrid E72	2010 – 2011	365	Mar 2009 – Sep 2011

CORRECTION

Replace the driver's front air bag module

PROCEDURE

Please record the exterior cosmetic condition of the air bag assembly on the repair order prior to any repair.

Follow ISTA Repair Instructions for removal/installation of air bag assembly:

- REP 32 34 020 - Removing and installing/replacing air bag unit
- REP 32 34 030 - Removing and installing/replacing air bag unit (sport steering wheel)

It is necessary to document which air bag goes into which vehicle. Therefore the technician is required to note on the repair order the serial number of the new air bag. The serial number should also be entered into the warranty claims comment section.

PARTS INFORMATION

Due to the limited availability of parts, please do not schedule a Customer unless you have the part on hand flagged for the VIN.

We have a **limited** quantity of air bags currently available for the following vehicles only.

Part Number	Description	Quantity
32 30 6 884 328	Air bag module driver's side E82 E88 E90 E91 E92 E93 (only sport / M steering wheel without vibration absorber)	1
32 30 6 884 323	Air bag module driver's side E70 base	1
32 30 6 884 324	Air bag module driver's side E70 Sport and M Sport (SA0255 or SA0710 or SA02XA or SA07XA)	1

We currently have no parts available for the E83 and E84, Basic wheel E71/E72 or for vibration absorber equipped E90 and E93 vehicles.

If you received part number 32 30 6 884 329 or 32 30 6 884 330, please follow the warranty claim process below.

Due to the **limited** supply of air bags that can be used for the repair of vehicles affected by this Recall, a special ordering procedure for parts has been established. This procedure will be updated as the parts supply improves.

Order the parts for a specific VIN only. **One VIN request per email.** Please email your orders to recallparts@bmwna.com include your Dealer (ship to location) code, VIN (last 7 digits), part number and your contact information including the address for delivery. Orders will be entered using the VIN and AB (air bag) for the PO **if parts are available**. Example LM12345AB

Important! Disposal of Used Parts

The parts replaced and submitted through this Recall claim entry procedure are the property of BMW NA.

Your center is responsible for the proper identification, storage and documentation of these parts.

A DCSnet part return tag will be generated for the driver's front air bag module with special handling instructions. Inflatable air bags are classified as dangerous goods by the Department of Transportation (DOT) and require special preparation, packing and labeling for transport.

A shipping procedure has been created for returning the replaced air bag modules **directly to Takata**. There is also a procedure available for "Bulk Shipping 15 or more air bag modules" at one time to Takata.

These procedures are contained in the "Part Return Program Instructions" and "Bulk Ship" PDF attachments to this bulletin; please read both of them.

The parts are to be packaged in the same packaging that the new part arrived in for shipment back to Takata.

Your center is responsible for following all rules and regulations that apply to shipping dangerous goods as described in the attachment.

Please **do not** return these air bag modules to the:

- Warranty Parts Return Center (WPRC) or to the
- Recycling/disposal vendors listed in the Warranty Policy and Procedures Manual, Section 6.

WARRANTY INFORMATION

Reimbursement for this Recall will be via normal claim entry utilizing the following information:

Defect Code:	00 32 35 02 00	
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All

Labor Operation:	Labor Allowance:	Description:
00 64 072	5 FRU	Replace the driver-side front air bag (Main work)

For the E84, E70, E71 and E72

Labor Operation:	Labor Allowance:	Description:
00 64 070	8 FRU (E84, E70, E71); 9 FRU (E72)	Replace the gas generator for driver-side front air bag (Main work)
00 64 073	5 FRU (E84); 6 FRU (E70, E71, E72)	Replace the driver-side front air bag (complete) after the replacement of the gas generator could not be properly completed (Main work)

Prior Customer-Pay Repairs (TREAD Act)

With this Recall, a prior repair reimbursement is not likely. Typically, a customer would have their driver's front air bag module replaced as a result of an accident. In such a case, either an insurance company or the customer themselves paid for the replacement of the above mentioned air bag module in conjunction with the accident repairs. Such cases are not covered by this Recall and are not entitled to reimbursement.

In the case where the customer paid for the replacement of his/her driver's front air bag module to address the issue described in this Recall bulletin, please reimburse the customer-paid repair expense as follows:

Defect Code 85 99 00 12 NA

- Sublet Code 3
- Dollar amount (with no markup)
- Comment: Reimbursement for allowable expenses related to the previous customer-pay repair
- Please detail and itemize the claimed sublet on the repair order and in the claim comment section.

Retain the "original" customer-pay invoice in your files.



Service Information

Page 1 of 1

June 2016

Audio, Navigation, Monitors,
Alarms, SRS

B65 19 16

Technical Service

Please perform the procedure outlined in this Service Information on all affected vehicles before customer delivery. In the event the customer has already taken delivery of the vehicle, please perform the procedure the next time the vehicle is in the shop.

RECALL 16V-364: PASSENGER'S FRONT AIR BAG MODULE

MODEL

E70 (X5)	E70 (X5 diesel)	E71 (X6 incl. M)	E72 (X6 active hybrid)

SITUATION

BMW AG is conducting a Voluntary Safety Recall on certain E70, E71, and E72 vehicles from Model Year 2007 to 2011, involving the passenger front air bag module.

Approximately 91,000 vehicles may be affected.

<u>Series</u>	<u>Model</u>	<u>Model Year</u>	<u>Approx. Volume</u>	<u>Production Dates</u>
E70	X5 SAV (incl. M)	2007 – 2011	66,524	May 2006 – Mar 2011
E70	X5 SAV (diesel)	2009 – 2011	16,087	Mar 2008 – Sept 2011
E71	X6 SAC (incl. M)	2008 – 2011	9,026	Jul 2007 – Mar 2011
E72	X6 SAC ActiveHybrid	2010 – 2011	169	Mar 2009 – Sept 2011

This recall is an expansion to vehicles already affected by recall 16V-071 driver's front air bag. No new vehicles are affected that have not yet been recalled. Therefore, these new affected vehicles will now need both driver and passenger air bags.

This bulletin will be updated with repair instructions, parts and warranty information when it becomes available.

**BMW 1 Series, 3 Series X1 SAV, X3 SAV, X5 SAV and X6 SAC
Model Year 2006 - 2015
Driver's Front Air Bag Module
Safety Recall 16V-071
Last updated: 5/19/2016**

Q1. Which models are included in this Safety Recall Campaign?

Included are approximately 840,000 vehicles, with approximate volumes and production dates as noted below.

<u>Series</u>	<u>Model</u>	<u>Model Year</u>	<u>Approx. Volume</u>	<u>Production Dates</u>
E82	1 Series Coupe (incl. M)	2008 – 2013	32,620	Nov 2007 – Oct 2013
E88	1 Series Convertible	2008 – 2013	28,160	Nov 2007 – Oct 2013
E90	3 Series Sedan (incl. M)	2006 – 2011	132,845	Feb 2005 – Dec 2011
E90	3 Series Sedan (diesel)	2009 – 2011	4,160	Mar 2008 – Aug 2011
E91	3 Series Sports Wagon	2006 – 2012	3,270	Jun 2005 – May 2012
E92	3 Series Coupe (incl. M)	2007 – 2013	129,515	Apr 2006 – Jun 2013
E93	3 Series Convertible (incl. M)	2007 – 2013	99,810	Nov 2006 – Oct 2013
E84	X1 SAV	2013 – 2015	57,290	Feb 2012 – Sep 2014
E83	X3 SAV	2007 – 2010	64,925	Aug 2006 – Aug 2010
E70	X5 SAV (incl. M)	2007 – 2013	214,580	Sep 2006 – Jun 2013
E70	X5 SAV (diesel)	2009 – 2013	35,440	Mar 2008 – Jun 2013
E71	X6 SAC (incl. M)	2008 – 2014	37,000	Jul 2007 – Jun 2014
E72	X6 SAC ActiveHybrid	2010 – 2011	365	Mar 2009 – Sep 2011

Q2. BMW conducted safety recalls in 2013, 2014 and 2015 on a similar issue. How is this different?

The inflators are different. This recall campaign pertains to the Takata PSDI-5 inflator. The earlier recalls pertained to different inflators produced by Takata.

Q3. Are BMW M models included in this recall campaign?

Yes. [Please refer to Q1.]

Q4. Is this recall comparable to similar recalls being conducted by other Manufacturers?

Yes. This recall campaign involves the Takata PSDI-5 inflator.

Q5. How many BMW vehicles in the US are included in this Safety Recall?

The number of BMW vehicles in the US included in this recall is approximately 840,000. This amount has not changed since February 5, 2016. When viewing "Vehicle Comments" the date referenced only reflects when the comments were updated.

Q6. Why are other models not included?

Other models are not included because this recall pertains specifically to vehicles equipped with the Takata PSDI-5 inflator.

Q7. What is the specific concern?

Takata's investigation to date indicates that exposure to certain environmental conditions (several years of exposure to persistent conditions of high absolute humidity) could lead to over-aggressive combustion in the event of air bag deployment.

Q8. What can happen as a result of this issue?

In a crash where air bag system deployment occurs, the air bag inflator housing may rupture. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, which may result in injury or death to vehicle occupants.

BMW 1 Series, 3 Series X1 SAV, X3 SAV, X5 SAV and X6 SAC
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- Q9. Is it possible to find out whether the problem exists in my car?**
No. There is no way to detect if your BMW might have an air bag inflator potentially at risk of rupturing upon deployment in an accident.
- Q10. Can I continue to drive my vehicle?**
Yes. BMW is not aware of a ruptured inflator in any of its vehicles associated with this recall. Vehicles equipped with air bags, including air bags that are under recall, save lives and reduce injuries. The vast majority of Takata air bags will perform as expected. When you receive a letter asking you to have this service performed by an authorized BMW center, please do so as soon as possible. If you are not the only driver of this vehicle, please advise all other drivers of this important information.
- Q11. What measures will be taken when my vehicle part is being replaced?**
The gas generator inside the driver's front air bag module will be replaced.
- Q12. How did BMW become aware of this issue?**
BMW became aware of this issue from Takata (the air bag module supplier) and NHTSA.
- Q13. Is BMW aware of any accidents or injuries involving BMW vehicles associated with this campaign?**
No. BMW is not aware of a ruptured inflator in any of its vehicles associated with this recall.
- Q14. How will I be informed of this recall program?**
If your vehicle is affected, you should have received an initial letter in March via First Class mail advising you of this recall. You will receive another letter when replacement parts become available, requesting that you schedule an appointment to bring your vehicle to an authorized BMW center for service and repair.
- Q15. Will my BMW center deactivate my driver's front air bag until it is replaced?**
No, NHTSA estimates that frontal air bags saved 2,400 lives in 2014 alone. It is far more likely that if you are involved in a crash that your air bag will perform properly and protect you than it will rupture and cause harm.
- Q16. How will BMW perform this program?**
When you are notified via the final letter, you will be asked to make an appointment with an authorized BMW center. When you come into a center, the gas generator inside the airbag will be replaced by a center technician.
- Q17. How long will the repair take?**
This repair may take approximately one hour; however, additional time may be required depending upon your BMW center's schedule. The repair will be performed free of charge by your authorized BMW center.
- Q18. Do I have to wait for my letter in order to have my vehicle serviced?**
Yes. BMW is in the process of implementing this program to ensure that the necessary parts, tools and procedures are available to its authorized BMW centers, prior to instructing you to take your vehicle in for repair. Repairs will be prioritized according to the schedule NHTSA has established.

BMW 1 Series, 3 Series X1 SAV, X3 SAV, X5 SAV and X6 SAC
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Q19. Am I eligible for reimbursement under the TREAD Act if I previously replaced my driver's front air bag module?

In this particular recall, reimbursement is likely not applicable, as you would typically have replaced your driver's front air bag module as a result of an accident. In that situation, either your insurance company paid for the repair, or you paid "out-of-pocket".

However, in the very unusual (unlikely) scenario that you previously replaced the driver's front air bag module "out-of-pocket" upon learning of this possible defect, you may be eligible for reimbursement. Additional information will be provided when BMW mails the additional letter, asking you to make an appointment with an authorized BMW center to have your driver's front air bag module replaced.

Q20. When are the repair parts expected to be available?

Interim repair parts are now becoming available and dealers can expect them to arrive commensurate with customer communications.

Q21. How will the repair be introduced to USA customers?

Now that an adequate inventory of parts is available, final owner notification letters will be issued via US First Class Mail to owners of the highest risk registered vehicles, i.e., oldest models in highest absolute humidity areas (e.g., USA Gulf states). As parts supply increases, all owners of affected vehicles will be notified by First Class mail.

Q22. Why is the passenger's front air bag not affected?

In some cases, it may be affected based on a more recent recall announcement by NHTSA on May 4th. We have confirmed that approximately 700 MY11 and older X5/X6 vehicles will require a passenger air bag and driver air bag replacement in accordance with the first part of the extended recall announced by NHTSA. Passenger airbag availability is estimated for mid-summer so these vehicles will currently remain under stop sale. The remainder of the X5/X6 vehicles that are part of this recall will require a passenger air bag at a later date.

Q23. Will BMW give me a loaner vehicle until a repair part is available?

If replacement parts are not available, BMW has authorized its centers to provide or assist customers with alternate transportation, subject to availability. If we have an interim part available, alternate transportation will not be offered.

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Newly Added Q&A

Q24. Are the replacement parts for the current repairs also Takata air bags and do they allow vehicles under this recall to be sold or bought?

Yes. These are Takata air bags as approved by NHTSA and as such, vehicles that have the replacement part can now be sold or bought off lease.

Q25. What does "interim repair" mean and what makes these air bags safer than what is in my vehicle now?

An interim repair involves replacing the inflator with a newly manufactured version. NHTSA has concluded that the age of the inflator, temperature cycling and environmental moisture are the likely root cause of rupturing. Based on these factors, the timeframe during which propellant degradation may occur varies from 6-20 years. (See question #35 for location details associated with this timeframe). Therefore, replacing the older inflator with a newer one reduces the potential safety risk until a final remedy is available.

Q26. Does this mean another repair will have to be performed on my vehicle?

Yes. All vehicles that receive an interim remedy will still be eligible for a free final remedy. The priority for these replacements will be determined by NHTSA.

Q27. Will the interim part close the open recall and be offered at no cost?

Yes. All owners that choose to have the interim replacement will be offered a final replacement, at which time the open recall will be considered closed. The final replacement will also be offered at no cost to the customer.

Q28. Do the newer Takata air bags contain ammonium nitrate?

Yes.

Q29. What is desiccant? Do the newer Takata air bags use desiccant?

Put simply, desiccant is a substance with properties that enable it to soak up water vapor from the air surrounding it. At this time, the interim air bags do not use desiccant.

Q30. Can I continue to drive my BMW loaner car or rental if I choose not to have the interim air bag replacement installed?

No. Because NHTSA has deemed the interim Takata replacement air bags safe for a minimum of six years, customers are requested to return loaner and/or rental cars once notified that your vehicle's interim part is available. Should they choose not to have the interim air bag installed and still want to drive a rental car, customers can certainly do so at their own expense.

Q31. How will I be notified when the final replacement for my vehicle is ready?

Customers with affected vehicles will be notified via another letter when the final replacement air bag becomes available. The final remedy parts are based on a priority schedule dictated by NHTSA. At that time, we will request that you schedule an appointment to bring your vehicle to an authorized BMW center for service and repair.

Q32. Why is BMW using Takata air bags?

Customer safety is our top priority. Given the industry wide shortage of air bag manufacturers, BMW decided that using interim air bags would be in our customers' best

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interests. At the same time, other air bag suppliers are designing, testing and validating replacement air bags.

Q33. What if I have my vehicles registered in NY, but my vehicle resides at my home in Florida. How do I get a new airbag?

In this instance, please contact Customer Relations at customerrelations@bmwusa.com or by calling 1-800-831-1117.

Q34. I'm not the first owner of this vehicle and am concerned it may have been kept in a high humidity state. What can you tell me?

Any vehicle that was ever registered in hot and humid area as defined by NHTSA is given priority on the list of customers being notified about this recall.

Q35. What determines the prioritized locations that are associated with the most at-risk vehicles – and what is the average propellant degradation time in each?

Per the May 2016 Takata Recall Expansion Fact Sheet located on the NHTSA website <http://icsw.nhtsa.gov/safecar/rs/takata/takata-docs.html>, three geographic zones have been established based on the temperature fluctuations and humidity and the exposure time required under those environmental conditions to degrade the propellant to the point where it poses an unreasonable risk to safety.

Zone A covers states with high temperature cycling and humidity. These include: Alabama, Florida, Georgia, Hawaii, Louisiana, Mississippi, Texas, Puerto Rico, American Samoa, Guam, Saipan, and U.S. Virgin Islands. California and South Carolina have also been added to this Zone per the NHTSA Amendment to the November 3, 2015 Consent Order. ***Time until unsafe propellant degradation is projected between 6-9 years.***

Zone B covers states with moderate temperature cycling and humidity. These include: Arizona, Arkansas, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Virginia, and West Virginia. ***Time until unsafe propellant degradation is projected between 10-15 years.***

Zone C covers states with lower temperature cycling and humidity. These include: Alaska, Colorado, Connecticut, Idaho, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, and Wyoming. ***Time until unsafe propellant degradation is projected between 15-20 years.***

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BMW X5 SAV and X6 SAC
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Passenger's Front Air Bag Module
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Q1. Which models are included in this Safety Recall Campaign?

Included are approximately 91,000 vehicles, with approximate volumes and production dates as noted below.

<u>Series</u>	<u>Model</u>	<u>Model Year</u>	<u>Approx. Volume</u>	<u>Production Dates</u>
E70	X5 SAV (incl. M)	2007 – 2011	66,524	May 2006 – Mar 2011
E70	X5 SAV (diesel)	2009 – 2011	16,087	Mar 2008 – Sept 2011
E71	X6 SAC (incl. M)	2008 – 2011	9,026	Jul 2007 – Mar 2011
E72	X6 SAC ActiveHybrid	2010 – 2011	169	Mar 2009 – Sept 2011

Q2. BMW conducted safety recalls in 2013, 2014, 2015 and 2016 on a similar issue. How is this different?

The inflators are different. This recall campaign pertains to the passenger's front air bag which is a Takata PSPI-2 inflator. The earlier recalls pertained to different inflators produced by Takata.

Q3. Are BMW M models included in this recall campaign?

Yes. [Please refer to Q1.]

Q4. Is this recall comparable to similar recalls being conducted by other Manufacturers?

Yes. This recall campaign involves the Takata PSPI-2 inflator.

Q5. Why are other X5 and X6 vehicles not included?

The vehicles included are Model Year 2011 and older for Zone A and Model Year 2008 and older for Zone B (see geographic areas by zone in Q6 response). There are no vehicles in Zone C at this time. The remainder of the X5/X6 vehicles will require a passenger air bag at a later date per the May 2016 Takata Recall Amendment located here: http://icsw.nhtsa.gov/safecar/rs/takata/pdfs/Amendment_Nov3_2015-ConsentOrder.pdf.

Q6. What determines the prioritized locations that are associated with the most at-risk vehicles – and what is the average propellant degradation time in each?

Per the May 2016 Takata Recall Expansion Fact Sheet located on the NHTSA website <http://www.safecar.gov/rs/takata/pdfs/20160504-FactSheet-May2016-Takata-Recall-Expansion.pdf>, three geographic zones have been established based on the temperature fluctuations and humidity and the exposure time required under those environmental conditions to degrade the propellant to the point where it poses an unreasonable risk to safety.

Zone A covers states with high temperature cycling and humidity. These include: Alabama, Florida, Georgia, Hawaii, Louisiana, Mississippi, Texas, Puerto Rico, American Samoa, Guam, Saipan, and U.S. Virgin Islands. California and South Carolina have also been added to this Zone per the NHTSA Amendment to the November 3, 2015 Consent Order. *Time until unsafe propellant degradation is projected between 6-9 years.*

Zone B covers states with moderate temperature cycling and humidity. These include: Arizona, Arkansas, Delaware, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio,

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Oklahoma, Pennsylvania, Tennessee, Virginia, and West Virginia. ***Time until unsafe propellant degradation is projected between 10-15 years.***

Zone C covers states with lower temperature cycling and humidity. These include: Alaska, Colorado, Connecticut, Idaho, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New York, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, Wisconsin, and Wyoming. ***Time until unsafe propellant degradation is projected between 15-20 years.***

Q7. What is the specific concern?

Takata's investigation to date indicates that exposure to certain environmental conditions (several years of exposure to persistent conditions of high absolute humidity) could lead to over-aggressive combustion in the event of air bag deployment.

Q8. What can happen as a result of this issue?

In a crash where air bag system deployment occurs, the air bag inflator housing may rupture. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, which may result in injury or death to vehicle occupants.

Q9. Is it possible to find out whether the problem exists in my car?

No. There is no way to detect if your BMW might have an air bag inflator potentially at risk of rupturing upon deployment in an accident.

Q10. Can I continue to drive my vehicle?

Yes. BMW is not aware of a ruptured inflator in any of its vehicles associated with this recall. Vehicles equipped with air bags, , save lives and reduce injuries. The vast majority of Takata air bags will perform as expected. When you receive a letter asking you to have this service performed by an authorized BMW center, please do so as soon as possible. If you are not the only driver of this vehicle, please advise all other drivers of this important information.

Q11. What measures will be taken when my vehicle part is being replaced?

The final remedy will incorporate a different inflator inside the passenger's front air bag module.

Q12. How did BMW become aware of this issue?

BMW became aware of this issue from Takata (the air bag module supplier) and NHTSA.

Q13. Is BMW aware of any accidents or injuries involving BMW vehicles associated with this campaign?

No. BMW is not aware of a ruptured inflator in any of its vehicles associated with this recall.

Q14. How will I be informed of this recall program?

If your vehicle is affected, you will receive an initial letter in July via First Class mail advising you of this recall. You will receive another letter when replacement parts become available, requesting that you schedule an appointment to bring your vehicle to an authorized BMW center for service and repair.

Q15. Will my BMW center deactivate my passenger's front air bag until it is replaced?

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No, NHTSA estimates that frontal air bags saved 2,400 lives in 2014 alone. It is far more likely that if you are involved in a crash that your air bag will perform properly and protect you than it will rupture and cause harm.

Q16. How will BMW perform this recall?

When you are notified via the final letter, you will be asked to make an appointment with an authorized BMW center to replace the inflator inside the air bag module.

Q17. How long will the repair take?

This repair may take approximately one hour; however, additional time may be required depending upon your BMW center's schedule. The repair will be performed free of charge by your authorized BMW center.

Q18. Do I have to wait for my letter in order to have my vehicle serviced?

Yes. BMW is in the process of implementing this program to ensure that the necessary parts, tools and procedures are available to its authorized BMW centers, prior to instructing you to take your vehicle in for repair. Repairs will be prioritized according to the schedule NHTSA has established.

Q19. Am I eligible for reimbursement under the TREAD Act if I previously replaced my passenger's front air bag module?

In this particular recall, reimbursement is likely not applicable, as you would typically have replaced your passenger's front air bag module as a result of an accident. In that situation, either your insurance company paid for the repair, or you paid "out-of-pocket".

However, in the very unusual (unlikely) scenario that you previously replaced the passenger's front air bag module "out-of-pocket" upon learning of this possible defect, you may be eligible for reimbursement. Additional information will be provided when BMW mails the additional letter, asking you to make an appointment with an authorized BMW center to have your passenger's front air bag module replaced.

Q20. When are the repair parts expected to be available?

Interim repair part availability is estimated for summer 2016.

Q21. What does "interim repair" mean and what makes these air bags safer than what is in my vehicle now?

An interim repair involves replacing the inflator with a newly manufactured version. NHTSA has concluded that the age of the inflator, temperature cycling and environmental moisture are the likely root cause of rupturing. Based on these factors, the timeframe during which propellant degradation may occur varies from 6-20 years. (see question #6 for location details associated with this time frame). Therefore, replacing the older inflator with a newer one reduces the potential safety risk until a final remedy is available.

Q22. How will the repair be introduced to USA customers?

When an adequate inventory of parts is available, final owner notification letters will be issued via US First Class Mail to owners of the highest risk registered vehicles, i.e., oldest models in highest absolute humidity areas (e.g., USA Gulf states). As parts supply increases, all owners of affected vehicles will be notified by First Class mail.

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- Q23. Will BMW give me a loaner vehicle until a repair part is available?**
If replacement parts are not available, BMW has authorized its centers to provide or assist customers with alternate transportation, subject to availability. If we have an interim part available, alternate transportation will not be offered.
- Q24. Why is BMW using Takata air bags?**
Customer safety is our top priority. Given the industry wide shortage of air bag manufacturers, BMW decided that using interim air bags would be in our customers' best interest while the final replacements air bags are designed, tested and validated.
- Q25. I'm not the first owner of this vehicle and am concerned it may have been kept in a high humidity state. What can you tell me?**
Any vehicle that was ever registered in a hot and humid area as defined by NHTSA is given priority on the list of customers being notified about this recall.

Document Title	Customer Facing Response Script Recall 16V-071
Use	For customers who call in to a dealership regarding the recall notice they received.
Last Updated	March 15, 2016

Thank you for your call / inquiry regarding the current Takata airbag recall. I want to personally assure you that BMW of North America takes your safety and this industry-wide situation very seriously. BMW has issued a recall for approximately 840,000 cars and Sports Activity Vehicles equipped with Takata PSDI-5 driver's front air bags to have the driver's front air bag module replaced. These vehicles, covering model years 2006 to 2015, were not part of earlier Takata-related air bag recalls.

Currently, we do not have a fixed date for the replacement parts.

Here's what I can tell you: If you own a *potentially* affected BMW vehicle, you will be sent a first-class letter in the mail within the next few weeks with more information on what you can do prior to availability of the replacements parts. Once the parts are available, owners will receive another letter with instructions on what to do to have the parts replaced.

While I certainly understand that this may not answer all your questions, I hope it helps a little to know what to expect in light of this industry-wide recall. BMW is working as quickly as possible to address this situation and we very much appreciate your patience as we do.

Document Title	Driver's Front Air Bag Module (DCS Message) Recall 16V-071
Use	For customers who call in to a dealership regarding the recall notice they received.
Last Updated	March 11, 2016

Subject: Recall Campaign 16V-071: Driver's Front Air Bag Module

Priority: Urgent

Message Start Date: 3/11/2016

Message Expiration Date: 3/24/2016

Attachment: Y

Message Recipients:

General Managers, Sales Managers, Service and Parts Managers, Service Managers, Shop Foremen, Service Technicians

Message Text:

BMW AG is conducting a Voluntary Safety Recall involving Driver's Front Air Bag Module on certain BMW vehicles that are equipped with non-desiccated Takata PSDI-5 inflators. These vehicles, covering model years 2006-2015 have not been part of earlier Takata-related air bag recalls. There are approximately 840,000 vehicles in the US. BMW Group is participating as part of the industry-wide voluntary safety recall involving driver-side front airbag modules. BMW is committed to helping you manage this recall campaign in the least disruptive fashion.

Affected vehicles, which require this Recall, have been identified and will display under "Recall Summary and Vehicle Comments" in DCS Warranty or ISPA Light.

We will provide you with more information regarding the repair process and parts availability as soon as possible. To assist you with challenging concerns, please reference the attached documents: Technical Q&A, SI B65 04 16 and Customer Facing Response Script.

We want to remind you that we have a Vehicle Stop Sale in effect and it is a violation of Federal law for you to sell, lease or deliver any vehicle covered by this notification until the recall repair has been performed. This means that centers may not legally deliver motor vehicles to a consumer until it is fixed or use/sell replacement equipment/parts subject to a Recall. Note also that substantial civil penalties apply to violations of this law.

Also, you should not sell, lease or deliver any Certified Pre-Owned or used vehicles subject to a safety recall until the repair is completed. Please follow any special instructions that we provide to you for the return or disposition of recall parts.

Sincerely,

Eugene Aton,
Technical Service

Document Title	Media Inquires Recall 16V-071
Use	To know how to handle any media inquiries
Last Updated	March 14, 2016

Please do not engage with the media regarding the Takata situation. Should you receive any media inquiries, please refer them to the BMW Corporate Communications team.



Appendix

BMW Financial Services