

BMW Group

June 18, 2003

Mr. Kenneth N. Weinstein
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 7th Street, SW
Washington, DC 20590

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NYS-215

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OFFICE OF
DEFECTS INVESTIGATION

RE: Recall Campaign -- DME Software Update
2002 & 2003 BMW 745i, 745Li

03V-240 ① of ⑥

Dear Mr. Weinstein:

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 573.8(c), we submit the following information.

- Manufacturer:** Bayerische Motoren Werke AG (BMW AG)

Designated Agent: BMW of North America, LLC
Woodcliff Lake, NJ 07677
- Make:** BMW

<u>Model Year/Model</u>	<u>Inclusive dates of manufacture</u>
2002 & 2003 / 745i, 745Li	10/24/2001 - 04/09/2003
- The number of vehicles affected is approximately 6,470.
- The percentage of vehicles estimated to actually contain the defect is approximately 100%.
- The potential defect involves the programming of the digital engine management control unit. Specifically, due to a software error, a desynchronization of the valvetronic motors for engine banks I and II may occur. If this occurs, it would cause a rough-running engine. If this happens, the check engine light will illuminate, and the message "engine malfunction, drive with moderation" will appear in the vehicle's instrument cluster message display area. In certain extreme cases, the engine could stall. In those cases, the driver may not be able to restart the engine.

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) 307-4005

Internet
bmwusa.com



The name, business address, telephone number, and contact person of the supplier of the digital engine management control unit are:

Mr. Hans Barho
Robert Bosch GmbH
Postfach 300240
70442 Stuttgart
Germany
Tel.: 49 711 811 8492
Fax.: 49 711 811 24465

6. BMW has received three field reports pertaining to this occurrence with cars in the US, and also, three US customer contacts with similar claims. With respect to the field reports, in two of those cases, the vehicle was involved in a rear-end collision. In one of those two cases, both vehicle occupants have alleged injury. At this time, the extent of the claimed injury for each occupant is unknown to BMW. In that particular case, the police report states that the driver of the striking vehicle was impaired while driving. In the other case, the police report states that the driver of the striking vehicle admitted that he was not paying attention to traffic conditions. The vehicles involved in the customer contact (non-field report) cases were not involved in a collision.

Subsequent investigations and analyses resulted in an identification of the potential occurrence and consequences, as well as, a determination of the range of potentially affected vehicles.

7. Not applicable.
8. BMW will conduct a recall campaign to reprogram the digital engine management control unit of the affected vehicles.
- BMW plans to send owner notification letters in late June 2003.
9. A copy of the Service Bulletin will be prepared and submitted when available.
10. A draft copy of the owner notification letter is attached.
11. Not applicable.

Sincerely,



Karl-Helinz Ziwica
General Manager
Environmental Engineering

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 16, 2003**

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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 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 Manufacturer's 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.

DRAFT

June 2003

03V-240 ④ of ⑥

Recall Campaign No. 03V-XXX: DME Software Update

Dear BMW Owner:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

BMW AG has decided that a defect, which relates to motor vehicle safety exists in certain 2002 and 2003 Model Year BMW 7 Series vehicles. Our records indicate that you are the owner of a potentially affected vehicle.

DESCRIPTION OF DEFECT

The defect involves the electronic programming of the digital engine management control unit. This can result in a rough-running engine. If this happens, the check engine light will illuminate, and the message "engine malfunction, drive with moderation" will appear in the vehicle's instrument cluster message display area. In certain extreme cases, the engine could stall. In those cases, the driver may not be able to restart the engine.

Depending on the level of engine roughness, or stalling, as well as, traffic conditions and the driver's reactions, this could lead to a crash.

PRECAUTIONS

1. **CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY TO HAVE THE NECESSARY REPAIR PERFORMED AS SOON AS POSSIBLE.**
2. **If you experience either a rough-running engine, an illumination of the check engine light, or a display of "engine malfunction, drive with moderation" in the vehicle's instrument cluster message area, then you should pull over carefully as soon as possible to a safe location and away from traffic. Do not continue to drive the vehicle. Contact BMW roadside assistance at 1-800-332-4289 immediately to have the vehicle brought to the nearest authorized BMW center.**
3. **BMW recommends that you always wear your safety belt, and that all passengers are properly seated and restrained at all times.**

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

DESCRIPTION OF REPAIR

The repair will consist of reprogramming the digital engine management control unit.

The repair will require approximately 2 hours. This work will be performed *free of charge* by your Authorized BMW center. Additional time may be required depending on the BMW center's scheduling and processing.

OTHER INFORMATION

If you are no longer the owner of this vehicle, we would appreciate you furnishing us with the name and address of the new owner, using the enclosed postage-paid card.

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

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

Should you have any questions about this campaign, please contact your Authorized BMW center.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence. Should you need additional assistance, you may contact BMW Customer Relations at 1-800-831-1117.

If the 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, 400 Seventh St., S.W., Washington, DC 20590, or call the toll-free Auto Safety Hotline at 1-888-327-4236.

BMW OF NORTH AMERICA, LLC

**TREAD ACT CUSTOMER REIMBURSEMENT PLAN
(BMW of North America, LLC)**

If you have paid for the repair described in the attached letter, and you would like to be considered for reimbursement, please contact your authorized BMW SAV center. 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.

Your authorized BMW SAV center will request a copy of your owner notification letter, as well as, a copy of your previously paid invoice, and then inspect the vehicle (if it is still in your possession) prior to submitting a claim on your behalf to BMW of North America, LLC for reimbursement.

Please note the following:

- Only a repair that is the subject of this safety recall is reimbursable. Consequential expenses such as towing, rental, accommodations, damage repairs, etc will not be reimbursed.
- 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.

We anticipate that your authorized BMW SAV center will be able to answer any questions that you may have regarding your qualifications for reimbursement of a previous repair. If you qualify for such a reimbursement, they will also be able to advise you of the manner in which you could receive reimbursement.

We recommend that your authorized BMW SAV center be your primary contact on this issue; however, our Customer Relations Department may be contacted at 1-800-831-1117 for any special assistance that you may require.

Alternatively, you may submit your request for reimbursement to the following address:

Customer Relations Department
BMW of North America, LLC
P.O. Box 1227
Westwood, NJ 07675-1227