

September 5, 2007

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

**Re: Recall Campaign
Hitch Mounted Bike Carrier**

Dear Mr. Smith:

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.

Thule Corporation has recently reported to NHTSA (see attached Part 573 report), and to us, that a hitch mounted bike carrier which they manufacture has a defect. BMW purchases this bike carrier from Thule, re-labels it with the BMW name, and offers it for sale, as an accessory, under the BMW brand. It carries BMW part number 82110393954.

As required by Part 573, we are submitting this defect report. However, because the attached Thule report already contains certain required Part 573 information, such as a description of the defect, we are not repeating that information here as it would be redundant. That information can be gleaned from the attached Thule report.

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) 782-0764

Website
bmwusa.com

BMW specific information is provided below.

The bike carrier was introduced in 2005 and fits all BMW X3 and X5 models that also contain a trailer hitch.

The number of units that BMW has sold is approximately 675.

BMW will conduct a recall campaign to remedy the defect. A full description of the specific remedy is contained in the attached Thule report. At the present time, we are attempting to determine specific purchasers of the BMW-labeled bike carrier.

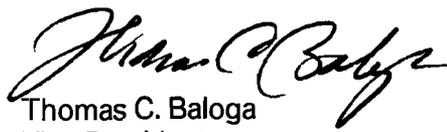
As noted above, because this item was offered for sale at BMW dealers, and as an accessory item, it may be difficult to directly identify purchasers. Because of this, we are conducting what we believe is a good-faith effort in an attempt to identify as many affected purchasers as possible. In this regard, we are placing a notice on the accessory page of the BMW website and also issuing a BMW press release on this topic.



BMW has already communicated a "stop sale" to its dealers. We have also advised our dealers to isolate any affected inventory. Furthermore, we have requested that our dealers search their records in an attempt to determine if they have sold the bike carrier to any customer and, if so, to provide BMW with specific customer information. A number of communications have been issued, and they are attached. Further information that we may communicate to our dealers, as it develops, will be submitted to NHTSA.

A draft copy of an owner notification letter is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas C. Baloga". The signature is fluid and cursive, with the first name "Thomas" and last name "Baloga" clearly distinguishable.

Thomas C. Baloga
Vice President
Engineering-US

Attachments

DRAFT

Date

Recall Campaign No. 07V-xxx,
- **Hitch Mounted Bike Carrier**

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 Hitch Mounted Bike Carriers (BMW part number 82 11 0 393 954). Our records indicate that you may have purchased a potentially affected bike carrier.

We sincerely apologize for any inconvenience this may cause you.

DESCRIPTION OF DEFECT

The defect involves the connection between the bike carrier's arm bracket and the upright assembly of the carrier. A pinch point exists in this region. When moving the arm bracket to its down position, this pinch point has the potential of causing severe injury to the user's finger or hand.

You must have this problem corrected promptly. Failure to observe the following precautions could increase the risk of serious injury.

PRECAUTIONS FOR YOUR SAFETY

- 1. DO NOT USE THE BIKE CARRIER. IT MUST REMAIN OUT OF USE UNTIL REPAIRED.**
- 2. PLEASE CONTACT YOUR AUTHORIZED BMW CENTER IMMEDIATELY. YOU MAY EITHER OBTAIN THE NECESSARY PARTS AND INFORMATION IN ORDER TO CONDUCT THE REPAIR YOURSELF, OR, REQUEST THAT THE BMW CENTER PERFORM THE REPAIR.**
- 3. Should you need to contact BMW Customer Relations and Services, they may be reached at 1-800-831-1117.**
- 4. Please advise all persons who may use this bike carrier of this important information.**

DESCRIPTION OF REPAIR

The repair consists of installing a rubber bumper and warning labels to the bike carrier's arm bracket. If you wish to perform the repair yourself, the repair instructions, along with the rubber bumper and the warning labels are available at an Authorized BMW center. In the alternative, you may ask an Authorized BMW center to perform this repair.

Should you need a BMW center to perform the repair, the actual repair may take up to one half hour; however additional time may be required depending upon the BMW dealer's scheduling and processing. This work will be performed *free of charge* by your Authorized BMW center.

OTHER INFORMATION:

If you are no longer the owner of this bike carrier, we would appreciate you furnishing us with any contact information for the new owner.

Again, we sincerely apologize for any inconvenience this may cause you.

We appreciate your confidence in our product, and we wish to do everything we can to retain your confidence.

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, 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>.

BMW OF NORTH AMERICA, LLC