

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND EMAIL**

**November 8, 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 – Amended Notice  
Front Passenger Seat Occupant Detection Mat  
Model Year 2006-07 BMW 3 Series, 5 Series, 7 Series  
Model Year 2006 BMW X5 SAV**

Dear Ms. Lewis:

This is an amendment to our July 18, 2008 report (08V-384), and is being sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573.

BMW has decided to conduct a voluntary recall in accordance with CFR Parts 573 and 577 for the subject models contained herein. In addition, BMW has decided to implement an extended warranty program for certain other models that have lower incident rates.

Pursuant to Section 573.6(c), we are amending our July 18, 2008 report to add the following information in **bold** pertaining to additional production.

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

- |    |              |     |
|----|--------------|-----|
| 2. | <u>Make:</u> | BMW |
|----|--------------|-----|

<b>Model Year / Model</b>	<b>Inclusive Dates of Manufacture</b>
<b>2006-07 / 3 Series (Sedan / Sports Wagon) (Sport Seat)</b>	<b>Dec. 1, 2005 – Sep. 30, 2006</b>
<b>2006-07 / 5 Series (Sedan / Sports Wagon) (Standard / Sport Seat)</b>	<b>Dec. 1, 2005 – Sep. 29, 2006</b>
<b>2006-07 / 7 Series (all seat types)</b>	<b>Dec. 1, 2005 – Sep. 29, 2006</b>
<b>2006 / X5 SAV (all seat types)</b>	<b>Dec. 1, 2005 – Sep. 21, 2006</b>

**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



3. **The number of additional vehicles affected is approximately 76,565.**

<b>Model Year / Model</b>	<b>Production Volume</b>
<b>2006-07 / 3 Series (Sedan / Sports Wagon) (Sport Seat)</b>	<b>21,138</b>
<b>2006-07 / 5 Series (Sedan / Sports Wagon) (Standard / Sport Seat)</b>	<b>23,506</b>
<b>2006-07 / 7 Series (all seat types)</b>	<b>11,908</b>
<b>2006 / X5 SAV (all seat types)</b>	<b>20,013</b>

4. The percentage of vehicles estimated to contain the condition is unknown.
5. This recall involves the front passenger seat occupant detection mat. Depending on seat configuration and vehicle geometry, the mat can fatigue during field usage depending on the manner and frequency of the front passenger's entry and exit. Specifically, over time micro-cracks could develop in the side flanks of the mat. If a micro-crack leads to a break of a conductive path, the system will recognize a failure. Consequently, the front passenger air bags with exception of the head protection system will be deactivated. The air bag warning lamp as well as the passenger air bag "on-off" lamp will be illuminated to make the occupants aware of the deactivation.

**The name, business address, telephone number, and contact person of the front passenger seat occupant detection mat system supplier is:**

**Mr. Scott Morell  
Continental Automotive Systems, Inc.  
One Continental Drive  
Auburn Hills, MI 48326  
Phone: 248-391-5628**

**Country of Origin – Germany**

6. **BMW conducted a 2008 recall in the US and Canada on certain BMW models equipped with a specific front passenger seat occupant detection mat (the "Original Mat"). At that time, the mat configuration on models that are the subject of this notice (the "Improved Alloy Mat") were not included, as analyses indicated that they had significantly lower warranty claim rates. The Improved Alloy Mat was introduced after the Original Mat, with production from approximately December 2005 through September 2006.**

**Between September 28, 2012 and October 11, 2012, Transport Canada contacted BMW Canada and provided public complaints related to models equipped with the Improved Alloy Mat. From November 2012 to March 2013, BMW Canada conducted analyses and held discussions with Transport Canada.**

**On April 17, 2013, BMW Canada offered to Transport Canada an extended warranty program of 10 years / unlimited mileage for the Improved Alloy Mat models that were the subject of the Transport Canada inquiry. On July 5<sup>th</sup>, Transport Canada accepted BMW's extended warranty program via a Notice of Defect.**

In May 2013, preliminary analyses were initiated in order to examine and assess the US field data. In July, the preliminary analyses suggested a low warranty claim rate for models equipped with the Improved Alloy Mat. Additionally, the NHTSA public complaint database was reviewed in order to determine if any air bag seat mat complaints had been received by NHTSA.

In August 2013, additional and more comprehensive analyses were conducted. These additional analyses indicated that a higher warranty claim rate for models equipped with the Improved Alloy Mat were occurring compared to the rate resulting from the preliminary analyses.

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

On November 4, 2013, 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. **The Improved Alloy Mat will be reworked so that an external force application to the seat does not cause a crack in the mat.**

In addition, owners of Model Year 2006-07 3 Series (standard seat), 5 Series (comfort seat), and Z4 models, equipped with the Improved Alloy Mat, will receive an extended warranty due to lower incident rates.

BMW expects to begin dealer notification in November and complete dealer notification in January. BMW expects to begin owner notification in January and complete owner notification in March.

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

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.
- The Manufacturer's Suggested Retail Price (MSRP) for BMW Genuine Parts 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.

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.