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VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND EMAIL

July 15, 2014

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-Side Frontal Air Bag System
2000 - 2006 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. BMW has decided to expand recall campaign 13V-172 to increase the affected vehicle population.

Pursuant to Section 573.6(c), we submit the following information.

- | | | |
|----|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <u>Manufacturer:</u> | Bayerische Motoren Werke AG (BMW AG) |
| | <u>Designated Agent:</u> | 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> |
| | 2000 – 2005 / 3 Series Sedan | Jun 1999 – Aug 2005 |
| | 2000 – 2006 / 3 Series Coupe | Jun 1999 – Aug 2006 |
| | 2000 – 2005 / 3 Series Sports Wagon | Jan 2000 – Aug 2005 |
| | 2000 – 2006 / 3 Series Convertible | Dec 1999 – Aug 2006 |
| | 2001 – 2006 / M3 Coupe | Feb 2001 – May 2006 |
| | 2001 – 2006 / M3 Convertible | Mar 2001 – Aug 2006 |

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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bmwusa.com



3. The number of vehicles affected is approximately 573,935 as follows:

<u>Model Year / Model</u>	<u>Approximate Number Affected</u>
2000 – 2005 / 3 Series Sedan	330,650
2000 – 2006 / 3 Series Coupe	93,570
2000 – 2005 / 3 Series Sports Wagon	17,527
2000 – 2006 / 3 Series Convertible	94,568
2001 – 2006 / M3 Coupe	22,341
2001 – 2006 / M3 Convertible	15,279

4. The percentage of vehicles estimated to contain the condition is less than 1%.
5. This recall campaign involves the passenger-side frontal air bag system with integrated inflator.

In recall campaign 13V-172, BMW communicated that certain frontal passenger-side inflators manufactured between April 13, 2000 and September 11, 2002 at Takata's Moses Lake, WA plant 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 in their facility. 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.

Also, NHTSA and Takata recently brought to BMW's attention that the frontal passenger-side inflators produced from June 1, 2000 to July 31, 2004 may potentially rupture during air bag deployment after long-term exposure to high absolute humidity environments due to unknown reasons.

Based on a recent review of airbag deployment incidents, BMW has now concluded that the design of the frontal passenger-side airbag module with its integrated inflator, an excessive internal pressure of the inflator potentially could result in an increased risk of airbag-induced injuries in a deployment event, even if the inflator doesn't rupture.

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
Bahnhof 1
63743 Aschaffenburg
Germany

Country of Origin: Mexico and USA

6. On May 2, 2013, BMW decided to conduct a voluntary recall campaign (NHTSA "13V-172") based on information provided by Takata in April 2013 and the cooperative analyses performed by BMW and Takata.

On June 3, 2014, BMW AG was informed by Takata of additional cases with the passenger-side inflators and new cases with driver-side inflators, but on other manufacturers' vehicles.

On June 10, 2014, BMW AG held a telephone conference with Takata. At that time, Takata shared further details including notification that there were potentially defective inflators produced outside the original affected inflator production dates, as stated in recall campaign 13V-172 and that BMW vehicles were potentially affected. Takata also informed BMW that they held a meeting with NHTSA on June 5, 2014 to discuss the new field cases. During that discussion NHTSA disclosed its plan to request affected automakers to undertake a limited regional technical action to collect potentially affected inflators for further analysis.

On June 11, 2014, Takata informed NHTSA of a new potential safety issue with frontal driver-side inflators produced from January 1, 2004 to July 1, 2007 and frontal passenger-side inflators produced from June 1, 2000 to July 31, 2004. These inflators may potentially rupture during air bag deployment after long-term exposure to high absolute humidity environments, possibly causing an injury. Takata also disclosed to NHTSA that BMW vehicles were affected. On June 12, 2014, NHTSA informed BMW of this issue. BMW has received no field reports of ruptured airbag inflators.

On June 19, 2014, at NHTSA's request, BMW agreed to participate in a special limited regional parts collection campaign from potentially affected vehicles in high risk regions, specifically, Florida, Hawaii, Puerto Rico, and the US Virgin Islands, even though BMW had not yet identified a safety defect or made a safety decision. The focus was to collect parts for analysis in order to determine the root cause of failure and determine if a safety defect exists.

The new inflator issue led BMW to conduct a further review of its vehicle and component production records, manufacturing records, as well as a retrospective review of field incidents involving frontal airbag deployments. During that review, BMW noted a small number of incidents which might be related to this issue, and had resulted in a limited number in which there were frontal passenger side airbag induced injuries.

BMW further reviewed its records in order to determine the quantity and production date range of potentially affected vehicles. As a result, the production range of vehicles has been expanded to include earlier and later production vehicles which could have been repaired with replacement

passenger-side frontal air bags produced with inflators manufactured between June 1, 2000 and July 31, 2004.

On July 10, 2014, BMW decided in an abundance of caution to expand its prior voluntary recall campaign (NHTSA "13V-172") with this updated voluntary recall of the passenger-side frontal air bags on all potentially affected vehicles.

BMW will continue to participate in the limited regional technical campaign to collect frontal airbags for evaluation.

7. Not applicable.
8. BMW will conduct a recall campaign to remedy the affected vehicles. The passenger-side frontal air bag will be replaced.

BMW expects to begin dealer notification in July and complete dealer notification in August. BMW expects to send an interim letter to owners in August, and a follow-up letter in October when an adequate supply of parts is available to conduct this expanded recall campaign.

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