

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 573.6(c), we submit the following information.

1. Manufacturer: Bayerische Motoren Werke AG (BMW AG)

 Designated Agent: Jan Urbahn
 BMW of North America, LLC
 Woodcliff Lake, New Jersey 07677

2. Make: BMW

 Model Year / Model: 2002-05 / BMW 3-Series Sedan

 Inclusive Dates of Manufacture: September 1, 2001 – March 1, 2005

3. The maximum number of vehicles that could potentially be affected is approximately 241,000. However, the rear lamp units in the body panel on many of these vehicles have already been repaired in accordance with BMW Service Information Bulletin 630306. Additionally, we believe that vehicles have also been repaired at independent (i.e., non-BMW) service locations. Therefore, the actual number of potentially affected vehicles is less than 241,000. Based upon our records and other analyses, we believe it is less than 200,000.

4. The percentage of vehicles estimated to actually contain the condition is less than 20%.

5. The issue involves the rear lamp unit in the vehicle's body panel. Specifically, the material combination of the lamp's connector and housing can result, in combination with aging and environmental influences, in an increase of the resistance at the electrical contact points. This could lead to damage of the ground terminal of the connector. As a result, an intermittent or permanent loss of functionality of one or more rear lamp functions (tail, brake, turn-signal), within the vehicle's body panel, could occur. However, the vehicle's trunk panel also contains a rear lamp unit, on a separate circuit, and is therefore unaffected by this condition. The rear lamp unit in the trunk panel consists of a tail lamp and brake lamp, and therefore, provides redundancy for these lamp functions.

The name, business address, telephone number, and contact person of the supplier, and country of origin of the component, is:

Leopold Kostal GmbH & Co. KG
Michael Schricker
An der Bellmerlei 10
D-58513 Lüdenscheid
Germany
Tel. +49 (0) 2351 16-2740
Fax +49 (0) 2351 16-2400
M.Schricker@kostal.com

Country of Origin – Germany

6. BMW became aware of this matter through its quality control analyses and processes.

BMW started to receive customer complaints and warranty claims in 2004. Increasing numbers of customer complaints and warranty claims were occurring in 2005. Initial analyses were started October 2005. After the root cause was determined, and in order to remedy vehicles in the field that were experiencing this condition, BMW issued Service Information Bulletin 630306 in December 2006. The remedy outlined in the bulletin consisted of adding a secondary ground connection, in parallel to the primary ground connection, to the circuit of the rear lamp in the vehicle's body panel. Additionally, the 8-pin connector housing was checked and, if necessary, also replaced. BMW believed that issuing Service Information Bulletin 630306 was an appropriate response for vehicles experiencing this condition in the field.

On April 8, 2009, NHTSA opened Defect Petition DP09-002, and on April 10, 2009, NHTSA submitted the DP09-002 Information Request letter to BMW. On June 1, 2009, BMW responded to DP09-002.

On August 7, 2009, NHTSA opened Preliminary Evaluation PE09-036, and on September 2, 2009, NHTSA submitted the PE09-036 Information Request letter to BMW. On October 15, 2009, BMW responded to PE09-036.

On December 18, 2009, NHTSA opened Engineering Analysis EA09-019, and on February 8, 2010, NHTSA submitted the EA09-019 Information Request letter to BMW. On March 15, 2010, BMW responded to EA09-019.

On July 14, 2011, NHTSA submitted the second EA09-019 Information Request letter to BMW.

On August 18, 2011, 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. BMW will conduct a voluntary recall campaign to remedy the affected vehicles. The rear lamps in the vehicle's body panel will be reworked. A secondary ground connection, in parallel to the primary ground connection, to the circuit of the rear lamps in the vehicle's body panel will be installed. The rear lamps in the body panel will also be checked for proper functionality. If they are not operating properly, then they will be repaired which could include replacement of the 8-pin connector housing, if necessary.

BMW expects to begin dealer notification in August and complete dealer notification in September 2011. BMW expects to begin and complete owner notification in October 2011.

Expenses for repairs performed prior to December 18, 2009 or more than 10 days after the date of the last owner notification letter sent by BMW are not eligible for reimbursement. Further information is provided in the attachment.

9. Not applicable.
10. A copy of the Service Bulletin will be submitted when available.
11. A draft copy of the owner notification letter is attached.
12. Not applicable.

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 and use BMW Genuine Parts.
- 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 prior to December 18, 2009 or 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 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.