



**AUTOMOTIVE
RECYCLERS
ASSOCIATION**
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ARA Calls on Federal Trade Commission to Address Car Manufacturers' Anti Magnuson-Moss Activity

*Analysis of Recycled Original Equipment Parts
Should Include Firmer Statement of Valid Use*

MANASSAS, VA - In a letter to Chairman Jon D. Leibowitz, the Automotive Recyclers Association (ARA) yesterday once again called on the U.S. Federal Trade Commission (FTC) to investigate possible violations of the Magnuson-Moss Act by automotive manufacturers. "Tying warranties to the use of new, authorized replacement parts is illegal under the Magnuson-Moss Act," said Michael E. Wilson, ARA's Chief Executive Officer, adding that automakers' unfounded disparagement of recycled original equipment manufactured (OEM) parts is also a potential violation of the Lanham Act."

Late last year, for example, Chrysler released a position statement implying that recycled parts may have invisible defects due to environmental and human error factors and stated that, "Chrysler Group LLC does not approve of or recognize structural repair procedures where Authentic Mopar Parts are not used for Chrysler, Jeep®, Dodge and Ram vehicles," suggesting that consumers' warranties would be in doubt if parts other than Authentic Mopar Parts were used. Similar statements have been released by American Honda, Toyota Motor Sales, and Hyundai Motor America.

In its letter, the ARA asked the Chairman for additional action since the FTC's December 2010 consumer alert, "Auto Warranties, Routine Maintenance, and Repairs: Is Using the Dealer a Must?," was helpful, but it did not specifically consider the issue of recycled OEM parts. "These potential violations of federal law that harm consumers, especially those least likely to be able to afford expensive replacement parts, need to be completely examined," said Wilson.

Over the past several months, ARA has reached out to the appropriate federal agencies highlighting activity that could be a violation of the Magnuson Moss Act and has yet to receive a satisfactory response from the federal government.

Since 1943, the Automotive Recyclers Association ("ARA") represents an industry dedicated to the efficient removal and reuse of "green" automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents the interests of over 4,500 auto recycling facilities in the United States and fourteen other countries around the world. With programs such as the Certified Automotive Recycler Program (CAR) and other partnerships, ARA members continue to provide consumers with quality, low-cost alternatives for vehicle replacement parts, while preserving our environment for a "greener" tomorrow.

To learn more about the Association, visit ARA's Home Page at www.a-r-a.org or call (571) 208-0428.