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UNITED STATES OF AMERICA FEDERAL TRADE COMMISSION

WASHINGTON, D.C. 20580

Bureau of Consumer Protection Division of Marketing Practices

December 21, 2010

Aaron M. Lowe Vice President, Government Affairs Automotive Aftermarket Industry Association 7101 Wisconsin Ave., Suite 1300 Bethesda, MD 20814

Patricia Wirth
President
Automotive Oil Change Association
1701 N Greenville Ave., Suite 404
Richardson, TX 75081

Paul Fiore
Executive Vice President
Tire Industry Association
Service Station Dealers of America
1532 Pinter Ridge Place Suite G
Bowie, Maryland 20716

Dear Mr. Lowe, Ms. Wirth, and Mr. Fiore:

I am responding to concerns your organizations have raised regarding position statements issued by American Honda addressing warranties on parts that are not purchased from an "authorized" Honda or Acura dealer and subsequent repair costs associated with failures due to the use of such parts.¹ As we mentioned, we take very seriously the concerns you raised and appreciate you bringing these issues to our attention. We are addressing your concerns as an informal request for a staff advisory opinion. The opinions and conclusions expressed in the following discussion are those of Commission staff only and are not attributable to, nor binding on, the Commission itself or any individual Commissioner.

¹ Specifically, I am responding to the August 25 letter on behalf of the Automotive Aftermarket Industry Association ("AAIA"), the letters of September 8 and October 26 on behalf of the Automotive Oil Change Association ("AOCA"), our meeting on October 26, and your most recent letter on December 9 on behalf of AAIA, AOCA, and the Tire Industry Association/Service Station Dealers of America, collectively. Copies of American Honda's position statements provided as part of these letters are attached hereto.

prohibition. We would welcome any information that American Honda operates inconsistent with its position statements or warranty terms and represents to consumers that their warranty is void simply because of the use of unauthorized

⁷ <u>See</u> 16 C.F.R. 700.10(c) (warrantor is not precluded from denying liability where "the <u>warrantor</u> can demonstrate" the cause of damage or defect) (emphasis added).

⁸ <u>See http://www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt192.shtm.</u>

⁹ <u>See</u> 75 Fed. Reg. 12,715 (Mar. 17, 2010).

to the Commission an appropriate action should other facts subsequently come to our attention.

We hope this discussion is helpful to you. Please continue to contact the Commission whenever we may be of service.