CD-15-18 (LDV)

August 24, 2015

SUBJECT: Emissions Warranty and Manufacturer Responsibilities under the Clean Air Act

Dear Manufacturer:

Over the past several months EPA has received numerous inquiries from the public regarding emissions warranty claims which have been denied. This letter is not intended to establish or alter any legal requirements, but to remind manufacturers of their responsibilities under the Clean Air Act and EPA regulations to honor emissions warranties and of the limited circumstances under which warranty claims may be denied. We would also like to update the EPA contact information which is required to be included in the owner’s manual/warranty booklet per 40 CFR §85.2109(a) (6). The following provisions apply to light duty vehicles and light duty trucks.

State Warranty Requirements Which Differ from the Federal Emissions Warranty

EPA has received several reports from vehicle owners stating that their warranty claims have been denied based on the age or mileage of their vehicle exceeding the California 7 year/70,000 mile warranty period.

State motor vehicle emissions warranty provisions are in addition to, and do not void or eliminate, the federal emissions warranties under §207 of the Act. A vehicle that is within the federal warranty period and subject to regulations issued under §202 is therefore covered by the federal emission warranties, notwithstanding valid adoption by a state of separate warranties. Under this situation, the Federal and California warranty provisions are concurrent, and all vehicles, even those sold in California, are subject to Federal warranty provisions. Therefore the Federal 8 year or 80,000 mile warranty period for the specified major emission control components applies to all vehicles, including those sold in California.
Vehicles with Salvage or Branded Titles

EPA has received several reports from vehicle owners stating that their warranty claims have been denied solely based on the fact that the vehicle has a salvage title.

While EPA acknowledges that a manufacturer is not responsible for damage to an emissions related component caused by improper use or maintenance, EPA’s regulations prohibit a manufacturer from denying an emissions performance warranty claim based on improper use or maintenance which is not relevant to the reason the vehicle failed (40 CFR 85.2104(h)(3)). Additionally, as stated in EPA’s guidance on allowable maintenance (CD-85-11), EPA’s long-standing policy is that a manufacturer may only deny a defect warranty claim if it can show that the part failure was due to improper or neglected maintenance and not due to a defect. This principle applies to improper use (e.g. an accident or flood damage) as well.

The fact that a vehicle has a salvage title, by itself, is not evidence that a defect or emissions failure was caused by previous damage outside the responsibility of the manufacturer. Therefore a manufacturer may not deny an emissions warranty claim based solely on the fact that a vehicle has a salvage title. The following restrictions apply to all light duty vehicles/trucks whether or not they have a salvage or branded title.

a) Defect Warranty

A manufacturer may not deny an emissions defect warranty claim because of previous damage (e.g. an accident or flood damage), unless the manufacturer is able to show that part failure was due to the previous damage and not due to a defect.

b) Performance Warranty

A manufacturer may not deny an emission performance warranty claim because of previous damage (e.g. an accident or flood damage) which is not relevant to the reason the vehicle failed. In other words, a manufacturer must show a direct causative effect between the previous damage to the vehicle and the failure of the vehicle to comply with emission standards.

Cost of Diagnostics

EPA has received several reports from vehicle owners stating that they were charged for the cost of diagnostics for a warranty claim.

The regulations of 40 CFR §85.2106(g) state: “The vehicle manufacturer shall incur all costs associated with a determination that an emission performance warranty claim is valid.” This means the owner cannot be charged a diagnostic fee related to a valid warranty claim.
**Warranty Enforcement:**

EPA would like to remind manufacturers that failing or refusing to comply with the terms and conditions of the emissions warranties is a prohibited act under §203(a)(4)(D) of the Clean Air Act and may be subject to a civil penalty of up to $37,500 for each offense. Acts constituting such a failure or refusal shall include, but are not limited to, the following:

1. Failure to honor a valid warranty claim,
2. Performance of a warranty repair in a manner which cannot reasonably be expected to allow the vehicle to meet applicable emission standards for the remainder of its useful life
3. Failure of a manufacturer to reimburse a dealer or other designated agent for performance of a warranty repair
4. Charging the vehicle owner for any portion of a valid warranty claim including any related diagnostic fee.
5. Failure of a manufacturer to supply a part necessary to perform a warranty repair within a reasonable period, unless such failure is for a reason not attributable to the vehicle manufacturer or the warranty repair facility (for a performance warranty claim, a manufacturer generally must supply a part necessary to perform a warranty repair within 30 days (40 CFR §85.2111(b)(4)).

EPA would also like to remind manufacturers that if a warranty claim is denied, an owner can request a written explanation of the basis upon which the claim is being denied. For a performance warranty claim, failure to notify an owner within 30 days (unless the delay is attributable to the vehicle owner or events which are beyond the control of the vehicle manufacturer or the repair facility) shall result in the vehicle manufacturer being responsible for repairing the warranted items free of charge to the vehicle owner.

**EPA Contact Information:**

Please include in each vehicle’s owner’s manual or warranty booklet an explanation that an owner may obtain further information concerning emission warranties or that an owner may report violations of the terms of the emission warranties by contacting:

U.S. Environmental Protection Agency  
Office of Transportation and Air Quality  
Compliance Division, Light-Duty Vehicle Group  
Attn: Warranty Complaints  
2000 Traverwood Drive  
Ann Arbor, MI 48105  
Email: complianceinfo@epa.gov
If you have questions, please contact your certification team representative or Joel Ball at 734-214-4238 or by email at ball.joel@epa.gov.

Sincerely,

[Signature]

Byron J. Bunker, Director
Compliance Division
Office of Transportation and Air Quality