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ARA Pushes for Action in Response to Attacks on Recycled Parts Utilization

Manassas, VA – The Automotive Recyclers Association (ARA) today expressed disappointment with a recent revision by Hyundai Motor America to its policies regarding the use of replacement parts and manufacturer warranties. ARA continues to strongly urge the Federal Trade Commission (FTC) to take swift action in response to what appears to be automotive manufacturers’ coordinated efforts to force recycled original equipment manufacturer (OEM) parts out of the market.

“We understand that the revisions to Hyundai’s policy statements come in response to an April 9 letter from the FTC expressing concern that warranty language on a Hyundai website aimed at consumers could be a violation of the Magnuson Moss Warranty Act, which clearly spells out that the use of recycled parts does not void warranty coverage,” said ARA Interim CEO Sandy Blalock.

Hyundai’s new statement on warranty coverage states:

“Choosing Hyundai genuine parts offers you better fit, finish, design, quality, safety, structural integrity and resale value than alternative collision parts. Also, while the use of Hyundai genuine parts is not required to keep your Hyundai manufacturer warranties, should damage result from the use or installation of non-Hyundai genuine parts, Hyundai or its authorized dealers would have the right to deny warranty coverage for that part and charge you for any repairs. Finally, all new cars leased through Hyundai require that genuine parts be used for collision repairs.”

The Hyundai website also includes a section titled, “Learn What Type of Parts to Avoid” and the automaker advises vehicle owners to avoid:

* Like kind and quality (LKQ) parts – “These are ‘recycled’ OEM parts from salvage (aka, junk) yards. Often, they’ve been previously repaired or reconditioned but there is no way to ensure the proper fit or function with your vehicle.”

“While ARA applauded the FTC’s action in April, unfortunately, the revised language published by Hyundai continues to purposefully mischaracterize recycled OEM parts and mislead consumers. We believe that a full investigation by the FTC is still needed,” said Blalock.

ARA has met several times with the FTC to protect the industry’s position in the replacement parts market and discuss concerns that auto manufacturers have become more aggressive in their attacks on the use of recycled OEM parts. OEMs have launched these attacks by releasing position statements, repair specifications and procedures that are both biased and based on weak or no apparent scientific research claiming that genuine recycled OEM parts are inferior to new OEM parts.

Recent developments seem to indicate automotive manufacturers are ramping up efforts to force recycled OEM parts out of the market and require their certified repair networks to strictly follow edicts which have that effect. ARA urges the FTC, legislators, consumer groups, and other stakeholders to help hold auto manufacturers accountable for their attacks on recycled OEM parts utilization.