

It has come to our attention that concerns have been raised regarding the use of biodiesel in passenger vehicles and how it impacts warranties. As biodiesel gains in popularity, dealerships and original equipment manufacturers will be increasingly called upon to service vehicles that use high blends of biodiesel. The Northwest Biofuels Association and the Oregon Auto Dealers Association would like to assist in making the transition to higher level blends as smooth and trouble-free as possible.

The Magnuson Moss Warranty Act

As you know, the Magnuson-Moss Warranty Act is the federal law that governs consumer product warranties. Passed by Congress in 1975, the Act requires manufacturers and sellers of consumer products to provide consumers with detailed information about warranty coverage. It affects both the rights of consumers and the obligations of warrantors under written warranties.

Because vehicle warranties only cover parts and workmanship, fuel is not covered under any vehicle warranty. If a customer develops a problem that is directly caused by something other than a failure of the parts or workmanship, it will not be covered by the vehicle's warranty. If an engine fails because of out-of-specification diesel or biodiesel, it will not be covered by the vehicle's warranty.

Conversely, if consumers that use biodiesel have an engine failure unrelated to the use of biodiesel and the cause is found to be faulty parts or workmanship, then the failure would be covered by the warranty. If a customer brings in a vehicle that has used biodiesel and the customer is told that the warranty is voided solely because the customer is using biodiesel, this violates the Magnuson-Moss Warranty Act.

A vehicle's warranty cannot be voided solely due to the use of biodiesel. Even if the manufacturer recommends a blend of 5% biodiesel and a customer uses a higher blend such as 20% or 99% biodiesel, this does not void the warranty. If a customer uses a blend of biodiesel that is not recommended, that in and of itself, does not void the warranty. If the biodiesel is not the cause of the engine or parts failure, the warranty must be honored (assuming the failure is not the result of another external factor).

Protocol

Dealership service departments may be unsure of what protocol to follow if they suspect an engine problem may be caused by out-of-specification biodiesel. If a service department determines that they will not honor a warranty due to this diagnosis, we recommend that these steps be followed closely:

- Pump the biodiesel from the vehicle's fuel tank
- Take a minimum sample of 1 gallon of biodiesel
- Divide this sample into two clean, dry, sealed containers (1/2 gallon each)
- These containers must have an airtight lid (a clean glass or plastic jar with an airtight, screw-on lid is optimal)
- Keep the first sample in a clean and dry location indoors
- Take an oil sample (to rule out fuel dilution) and keep it in a standard oil sample container
- Keep any failed engine parts
- Send the second sample to a third party, independent fuel testing laboratory (contact information for local labs below)

If the results show that the biodiesel is out of specification then:

- Provide the customer with the first fuel sample that was saved
- Provide the customer with the fuel testing lab results
- Provide the customer with written documentation of the nature of the problem - how out-of-specification biodiesel caused the engine failure and specifically what the failure was
- Inform the customer to provide the biodiesel supplier (the location where the fuel was purchased) with the fuel sample, lab results, and the written documentation

In the past, mechanics have sometimes placed biodiesel samples in dirty, contaminated containers. This negates a fuel testing lab's ability to accurately test the biodiesel.

If the fuel supplier finds the biodiesel to be out of specification, it is up to the fuel supplier to remedy the situation. If the test results find that the biodiesel is in specification and the problem was caused by faulty parts or workmanship, then the warranty must be honored.

Quality

Original equipment manufacturers (OEMs) have been actively and extensively testing their engines on all blends of biodiesel. The results of these tests have found that biodiesel performs well except under conditions in which the fuel is outside of its ASTM specifications. Not surprisingly, a number of dealerships and OEMs have voiced concerns with regards to biodiesel quality. All commercially sold biodiesel in Oregon (and the Northwest) must meet the ASTM D 6751 specifications. Biodiesel that is produced by individuals is NOT sold into the commercial market. Fuel distributors DO NOT supply biodiesel produced by anyone other than biodiesel manufacturers that are licensed, certified, and that sell biodiesel that meets ASTM D 6751. Additionally, the Oregon Measurement Standards Division has created a testing program for biodiesel that tracks the fuel throughout the distribution chain from manufacturers to distributors to retailers. Ensuring that quality, on-specification biodiesel is manufactured and distributed in the Northwest is the number one priority in the biodiesel industry.

Fuel Testing Labs

Below are a number of regional fuel testing labs that specialize in testing biofuels.

Gorge Analytical
1107 13th Street
Hood River, OR 97031
541.980.7168

gorgeanalytical@embarqmail.com
www.gorgeanalytical.com

Pacific Biodiesel Technologies
4725 Turner Road SE
Salem, OR 97317
503.485.0882

quality@biodiesel.com
www.biodiesel.com

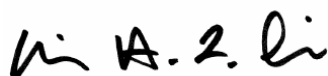
FuelOnly
14413 NE 10th Ave, #B-104
Vancouver, WA 98685
360.546.3835

info@fuelonly.net
www.fuelonly.net

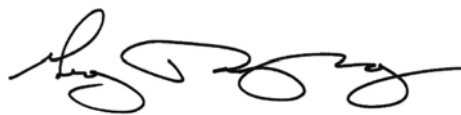
How we can help

The Northwest Biofuels Association is working with Oregon community colleges to provide technical training to mechanics on the use of biodiesel. To participate in the training and for any questions related to biofuels, please contact Nikola Davidson at nikola@nwbiofuels.org. Thank you for your partnership in making the transition to biodiesel a success.

Sincerely,



Nikola Davidson
Director
Northwest Biofuels Association



Greg Remensperger
Executive Vice President
Oregon Auto Dealers Association