



U.S. Department of Justice
Consumer Protection Branch
Washington, DC 20530

DEC - 9 2011

Michael & Elana Laham
P.O. Box 66
Renton, WA 98057

Re: Automobile Information Disclosure Act

Dear Mr. & Mrs. Laham:

This letter is in response to your correspondence, dated November 22, 2011, regarding an alleged violation of the Automobile Information Disclosure Act (AIDA). I regret the delay in responding.

According to your correspondence, when you purchased your new 2011 Kia Forte from Kia of Puyallup (KoP), 111 Valley Avenue NE, Puyallup, WA 98372, in December 2010, the vehicle did not have a federally mandated "price sticker" affixed. Subsequently, you found a copy of the sticker amongst the papers that accompanied your purchase. I note Greg Backstrom, Chief Financial Officer of KoP, responded to your concerns by letter dated April 7, 2011, by noting that "the vehicle you purchased was never displayed on our lot for sale at ANY price. We acquired this vehicle from another dealer specifically for you because we did not have the exact vehicle you wanted in stock at the time you placed your order."

Essentially, the AIDA, 15 U.S.C. §§ 1231-1233, requires manufacturers and importers of new automobiles, including standard automobiles, station wagons, passenger vans, jeeps, and other intermediate vehicles, but not including pickup trucks, as such, to affix securely to a window of each such vehicle the familiar new car window label, usually called the "price sticker" or "Monroney label," which, among other items of information, must clearly and distinctly disclose the following:

- (a) make, model, and serial number;
- (b) final assembly point, or, in the case of imports, the port of importation;
- (c) identity and address of the dealer to whom the vehicle is shipped;
- (d) basic retail price of the vehicle suggested by the manufacturer;
- (e) suggested retail price for each option installed by the manufacturer which is not included in the basic retail price;
- (f) transportation charge, if any, charged to the dealer by the manufacturer;
- (g) total retail price of the vehicle suggested by the manufacturer (basic price plus options price(s)).

Manufacturers and importers are required to attach this label to a window prior to delivery of the vehicle to a dealer, with certain, very narrow exceptions. Once such a label has been affixed, it is unlawful for a dealer or any other party to remove, alter, or render the label illegible prior to the time that the vehicle is delivered to the actual custody and possession of the ultimate purchaser. We interpret that time to be the point when the vehicle's keys have been turned over to the customer and they are free to drive the vehicle off the dealer's premises without returning. Further, as an item attached to the vehicle at the time of purchase, the label itself becomes the property and responsibility of the purchaser.

Under one section of a related statute, the Motor Vehicle Information and Cost Savings Act, 49 U.S.C. § 32908, manufacturers and importers of new automobiles, including each category of vehicle identified above and pickup trucks (see 49 U.S.C. § 32901(a)(3)(B)) are also required to label such vehicles with a window label, usually called the "E.P.A. label," containing certain Environmental Protection Agency fuel economy information.

Usually, this E.P.A. label appears on the lower portion of the "price sticker" described above, although it may appear legally as a separate label. Under this statute, Section 32908, the offense and penalty provisions are the same as those in the Automobile Information Disclosure Act above, except that, in addition to being prohibited from willfully removing or altering the labels, or rendering them illegible, dealers have an affirmative legal responsibility to maintain the labels on the vehicles. 49 U.S.C. § 32908(b). A violation of this labeling provision may also constitute an unfair or deceptive act or practice under the Federal Trade Commission Act, 15 U.S.C. §§ 41 et seq.

The AIDA was amended in an effort to improve the dissemination of New Car Assessment Program ratings when the United States Department of Transportation issued a regulation in 2006, 49 C.F.R. 575.301, that required new car crash safety information, known as "Stars on Cars," to be on the Monroney label. Gold stars appear on the Monroney label, ranging from 1-5, with more stars denoting greater safety to help consumers evaluate a car's crash worthiness, see <http://www.safercar.gov/>, for more information. The information required by the two statutes and one regulation are usually combined on the Monroney label.

Lastly, the practice of placing supplemental labels on new cars is fairly common today. Some of these labels are clearly and simply supplemental labels created by the dealer, distinctly divulging the nature of the dealer's "add-on's," and not attempting to conceal the fact that the additional charges and resulting new price are over and above the price on the federally required sticker. Often times they are affixed adjacent to the federally required sticker. However, they are not interchangeable with the federal sticker, nor do they legally supplant it. There is nothing in the statute requiring dealers, who add options, to provide consumers an itemized list of these costs.

The AIDA does not prohibit a dealership from charging a price less than or in excess of the Manufacturer's Suggested Retail Price (MSRP) if it so wishes, although the MSRP already contains a dealer profit margin. None of these provisions contain a private legal remedy or provide for restitution. Nor do the statutes and regulation address issues relating to the quality of specific automobiles.


Accordingly, if you have not done so you may wish to contact a private attorney regarding any rights or remedies available to you.

While it is not always possible for the Department of Justice to institute legal action in regard to every automobile labeling irregularity, complaints from consumers are important for overall enforcement of the AIDA. Accordingly, we are contacting your dealership regarding your allegations.

Thank you for contacting this office.

Sincerely yours,

Kenneth L. Jost
Deputy Director
Consumer Protection Branch
Civil Division


Kenneth C. Maddox
Consumer Affairs Specialist