TEXAS DEPARTMENT OF MOTOR VEHICLES
CASE NO. 14-0276 CAF

CULLEN MENN, §
Complainant §

v. §

FORD MOTOR COMPANY, §
Respondent §

BEFORE THE OFFICE

§

OF

§

ADMINISTRATIVE HEARINGS

DECISION AND ORDER

Cullen Menn filed a “Lemon Law” complaint with the Texas Department of Motor Vehicles (Department) against Ford Motor Company (Ford), for an alleged defect in his 2013 Ford F-150 truck. He seeks repurchase or replacement relief due to the vehicle’s failure to meet advertised fuel economy standards. Ford argues that the truck does not meet the statutory requirements for repurchase or replacement relief. The hearings examiner finds that Ford’s express limited warranty applicable to the vehicle does not cover variations in fuel mileage. Moreover, Mr. Menn’s complaint regarding fuel economy is preempted by federal law and must be dismissed.

I. PROCEDURAL HISTORY, NOTICE AND JURISDICTION

Matters of notice and jurisdiction were not contested. These issues are addressed in the Findings of Fact and Conclusions of Law without further discussion here.

The evidentiary hearing in this case convened and closed on October 22, 2014 in Fort Worth, Texas, with Hearings Examiner Anne K. Perez presiding. Mr. Menn appeared and represented himself. Ford was jointly represented by Zachary LaTour, a Field Service Engineer on assignment at Ford, and Malcolm Barrett, Ford’s Technical Support Operations Manager.

II. DISCUSSION

A. Applicable Law

The Lemon Law provides administrative remedies for a consumer whose vehicle cannot be made to conform to an applicable express warranty. Texas Occupations Code § 2301.604(a) provides that:
(a) A manufacturer . . . that is unable to conform a motor vehicle to an applicable express warranty by repairing or correcting a defect or condition that creates a serious safety hazard or substantially impairs the use or market value of the motor vehicle after a reasonable number of attempts shall reimburse the owner for reasonable incidental costs resulting from loss of use of the motor vehicle because of the nonconformity or defect and:

(1) replace the motor vehicle with a comparable motor vehicle; or

(2) accept return of the vehicle from the owner and refund to the owner the full purchase price, less a reasonable allowance for the owner's use of the vehicle, and any other allowances or refunds payable to the owner.

"Impairment of market value" means a substantial loss in market value caused by a nonconformity in the vehicle, and "serious safety hazard" means a life-threatening malfunction or defect that significantly impedes a person's ability to control or operate a vehicle for ordinary use or intended purposes.¹

B. Undisputed Facts

Mr. Menn purchased the 2013 Ford F-150 equipped with a 3.5 Liter V6 Ecoboost engine (truck, or vehicle) from Grapevine Ford Lincoln (Grapevine Ford) of Grapevine, Texas on March 30, 2013, with mileage of eight (8) at the time of delivery.² On the date of hearing the vehicle's mileage was 29,472. At this time, Ford's express limited warranties applicable to the vehicle remain in place, with "bumper-to-bumper" coverage of factory-supplied materials and workmanship for three years or 36,000 miles, whichever comes first, and powertrain coverage for five years or 60,000 miles, whichever comes first.³

Mr. Menn's Lemon Law petition received by the Department on July 22, 2014, complains that:

The truck is not getting the rated miles per gallon (mpg) (15 city/21 highway). When the truck was new it was getting above the rated mpg (17 city/22 highway) and after the first oil change it started to go down. It is currently getting 12.5 city/15 highway.⁴

¹ Tex. Occ. Code § 2301.601(1) and (4).
² Complainant Ex. 1.
³ Complainant Ex. 12, 2013 Model Year Ford Warranty Guide.
⁴ Complainant Ex. 6. Mr. Menn's complaint sets forth his request for repurchase or replacement relief. Consistent with Texas Occupations Code § 2301.604(a)'s provision for reimbursement of incidental expenses if such relief is granted, Mr. Menn testified that he incurred expenses for alternate transportation while his truck was in service at Grapevine Ford for poor fuel economy. While Ford paid for a portion of these expenses, Mr. Menn presented receipts reflecting his payment of $19.16 on October 29-30, 2013, and $93.39 on January 3-8, 2014. See Complainant Exs. 17 and 18.
On June 13, 2014, Mr. Menn sent written notice to Ford that his 2013 Ford F-150 truck was defective. His letter states that approximately four months after he purchased the vehicle, “fuel economy dropped drastically [by more than 20%] without any change on my part in driving route, usage, habits, etc.”

C. Mr. Menn’s Evidence

Mr. Menn noted that at the time of purchase, the truck’s Monroney (or window) sticker advertised fuel economy of 15 miles per gallon (mpg) in the city and 21 mpg on the highway, for a combined city/highway total of 17 mpg. The sticker further promotes “5.9 gallons [of fuel] per 100 miles.” His desire to achieve good fuel economy was the primary reason for his purchase of the vehicle.

Mr. Menn testified that for the first 5,000 miles or so, the truck’s fuel economy was “better than expected.” He calculated that he was achieving 17 mpg in the city and 22 mpg on the highway. After an oil change was performed by Quick Lube at about 5,000 miles, he noticed that the truck “vibrated” at speeds of 75 to 80 miles per hour (mph). On July 30, 2013, at mileage of 6,225, he reported this problem to Grapevine Ford. The dealer indicated that his tires were out of balance and this was the source of the complained-of vibration. Technicians balanced the tires.

Following the July 30, 2013 service visit, Mr. Menn said the truck’s fuel mileage really started to go down. According to his calculations, the vehicle was achieving only 11 mpg in the city and 15 mpg on the highway. On September 28, 2013, he reported the truck’s poor fuel economy to Grapevine Ford “but nothing they told me made any sense.” Nonetheless, he followed the advice of dealer service personnel to install a fuel system cleaner and an oil conditioner additive, but these measures did nothing to improve the truck’s fuel mileage.

Subsequent to the September 28, 2013 service visit the problem of inadequate fuel mileage continued, and he also noticed a lack of acceleration power when the truck’s Ecoboost engine function was engaged. Another visit to the dealership on October 29, 2013, did little to assuage these concerns. In a

5 Complainant Ex. 14.
6 Complainant Ex. 3, copy of the truck’s Monroney sticker.
7 Mr. Menn said he realized sometime later that this “shaking” incident occurred while it was raining. After performing Internet research, he learned of another widely reported issue: the tendency of Ford F-150 trucks to “shudder” while traveling at high speeds in rainy weather, a problem that was purportedly linked to moisture entering the charge air cooler.

WID # 795674
December 11, 2013 email, however, Mr. Menn noted that after “testing” performed at the dealership the truck’s “highway gas mileage went down to 15-16 mpg and the city went up to 13 mpg.”

Grapevine Ford’s repair orders for the vehicle reflect the following information:

<table>
<thead>
<tr>
<th>Date In &amp; Date Out</th>
<th>Mileage</th>
<th>Reported Concern</th>
<th>Diagnostic Action &amp; Dealer’s Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-30-13 to 7-31-13</td>
<td>6,225</td>
<td>Truck shakes since 5k-mile service (oil change)</td>
<td>Wheel &amp; Tire Assembly-Balance</td>
</tr>
<tr>
<td>9-28-13 to 9-28-13</td>
<td>9,993</td>
<td>No customer concern noted on repair order. Mr. Menn testified that he reported to dealer his concerns about fuel mileage and loss of acceleration power</td>
<td>Installed Zak Premium Oil Conditioner Additive &amp; Zak Premium Z Tech Fuel System Cleaner; Changed Engine Oil &amp; Oil Filter &amp; Rotated Tires</td>
</tr>
<tr>
<td>10-29-13 to 10-31-13</td>
<td>11,853 to 11,863</td>
<td>Fuel mpg going down; Was 22 mpg/hwy. &amp; 17 mpg city, now at 17 mpg/hwy. &amp; 11 mpg/city; Runs rough at first start</td>
<td>Found tire pressure 5 PSI low/all 4 tires; Replaced right-front wheel; Passed EEC(^{11}) System Test; Ran OASIS; Changed Engine Oil/Filter, Rotated Tires. The Ecoboost engine provides power when throttle input &amp; vehicle load are demanded by utilizing high pressure fuel system &amp; turbochargers. Optimal fuel economy is achieved when throttle input &amp; vehicle load are minimal. Refer customer to Owner’s Guide section on maintenance &amp; specification essentials of good fuel economy to promote maximum fuel economy driving habits. Diagnosis: All systems normal at this time. Suggested that Customer reset fuel mileage meter at every fill-up.</td>
</tr>
<tr>
<td>1-3-14 to 1-8-14</td>
<td>15,493 to 15,509</td>
<td>Gas mileage off by 5 or 6 mpg</td>
<td>Performed EEC Test, KOFO &amp; KOER(^{12})-all passed; Viewed DCL (Data Communication Link) data, all data was normal; road-tested 13 miles while monitoring fuel mileage with IDS,(^{13}) averaged 18 mpg on a 20-degree day; Also changed oil &amp; filter &amp; rotated tires; Diagnosis: Engine performing as designed.</td>
</tr>
</tbody>
</table>

---

8 Complainant Ex. 8, Mr. Menn’s email sent to Grapevine Ford’s general manager.
9 The repair orders were admitted as Complainant Exs. 2, 4, 5, 7, 10, 11, and 19. The table summarizes information contained in the invoices (rather than verbatim quotes) for clarity and ease of reference. Also, some of the service records address issues unrelated to Mr. Menn’s Lemon Law complaint. Only repair items that are potentially relevant to the complaint are included in the table.
10 The repair order reflects that Mr. Menn was provided with a rental car while his truck was in service.
11 "EEC" means “Electronic Engine Control.”
12 "KOFO" means "Key On Engine Off," while "KOER" means "Key On Engine Running."
13 "IDS" means Integrated Diagnostic System.” “Monitoring fuel mileage with IDS” means that the technician utilized a diagnostic scan tool and laptop during while test-driving to obtain information from the vehicle’s operating systems.
By December 2013, Mr. Menn was dissatisfied with Grapevine Ford’s response to his concerns. He began to communicate directly with Ford about the truck’s fuel economy, but found that the manufacturer was reluctant to engage with him, on any level. Grapevine Ford management told him that unless diagnostic testing performed by technicians revealed a problem, Ford would not send an FSE out to inspect his vehicle. However, the dealer encouraged Mr. Menn to keep a log documenting the truck’s fuel mileage, the results of which appear in the table below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Starting Mileage</th>
<th>Ending Mileage</th>
<th>Trip Data</th>
<th>Trip Data</th>
<th>Trip Data</th>
<th>Actual avg. mpg, actual mileage, and actual gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-12-13</td>
<td>14,252</td>
<td>14,643</td>
<td>13.27 time</td>
<td>390.4 miles</td>
<td>26.9 gallons; 14.4 mpg per dash</td>
<td>Avg.: 13.7 mpg; 16 Mileage: 391 miles Gallons: 28.5</td>
</tr>
<tr>
<td>First tank of gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second tank of gas</td>
<td>14,463</td>
<td>15,018</td>
<td>12.29 time</td>
<td>375 miles</td>
<td>29.6 gallons; 12.6 mpg per dash</td>
<td>Avg.: 12.4 mpg; 17 Mileage: 375 miles Gallons: 30.3</td>
</tr>
<tr>
<td>Third tank of gas</td>
<td>15,018</td>
<td>15,354</td>
<td>7:33.46 time</td>
<td>336.1 miles</td>
<td>22.2 gallons; 15.1 mpg per dash</td>
<td>Avg.: 14.4 mpg; 18 Mileage: 336 miles Gallons: 23.4</td>
</tr>
</tbody>
</table>

14 “PCM” means “Powertrain Control Module,” while “BCM” means “Body Control Module.”
15 At the hearing, FSE Zachary Latour utilized a diagnostic scan tool and laptop to check for diagnostic codes stored in the vehicle’s PCM. He testified that there were no diagnostic codes stored indicating that a misfire condition was present, thus justifying performance of the service procedures in TSB 14-0017, i.e., there was no basis for the dealer to perform repairs to Mr. Menn’s vehicle in accordance with TSB 14-0017.  
16 Mr. Menn’s log indicates that the 13.7 mpg he documented was for “metroplex driving with little more than typical non-traffic highway miles.” Complainant Ex. 9 at 11.  
17 Mr. Menn’s log indicates that the 12.4 mpg he documented was for “highway miles towing a trailer part of the time.” Complainant Ex. 9 at 10.  
18 Mr. Menn’s log indicates that the 14.4 mpg he documented was for “highway miles.” Complainant Ex. 9 at 10.
On cross-examination, Mr. Menn clarified that he obtained the “trip data” in the above-referenced table directly from the truck’s dash readings. And, he calculated the “average miles per gallon” figures using his previous fuel receipt (reflecting the number of gallons purchased) and dividing that number by the number of miles driven prior to refueling.

Mr. Menn also described his typical use of the truck. He drives approximately 20,000 miles per year. He regularly makes the 40-mile round-trip commute between his home in Bedford, Texas to his job in Irving, mostly traveling on highways with a posted speed limit of 65 mph, which he obeys. On days when he does not have travel to the office he is likely to be driving on the highway. He agreed that in the hot Texas climate, he regularly runs his truck’s air conditioner.

D. Ford’s Evidence

Ford offered the testimony of FSE Zachary LaTour. Mr. LaTour testified that he performed an inspection of Mr. Menn’s truck on August 1, 2014, and prepared a report with his findings. The examination of the vehicle revealed no obvious issues that might affect fuel economy, such as recent axle repairs, the addition of tires with non-compliant specifications, or other after-market changes that could reduce fuel mileage. He subsequently performed a 37-mile road test of the vehicle that lasted an hour and 16 minutes, all the while monitoring the PCM with a diagnostic scan tool and laptop. More specifically, as he conducted the road-test he was able to observe instant fuel economy changes; alterations in average fuel economy; engine revolutions per minute (RPM); fuel usage; distance traveled; whether the fuel system was in a “closed” or “open” loop; and total drive time.

Mr. LaTour’s road-test conducted on August 1, 2014 included a 22-mile stretch during which he maintained vehicle speeds between 60 and 65 mph; he said the resulting test data showed average fuel economy of 19.5 mpg. The remainder of the road-test involved 22 miles of “in-town” driving; with

---

19 Mr. Menn’s log indicates that the 14.8 mpg he documented was for “highway miles.” Complainant Ex. 9 at 7.
20 Respondent Ex. 1.
21 Id.
vehicle speed ranging between 35 and 55 mph, he drove in stop-and-go traffic, he pulled away from stops, and he stopped and idled at traffic lights; he said corresponding test data reflected average fuel economy of 18.2 mpg. Mr. LaTour said that fuel economy achieved during his August 1, 2014 test-drive was better than the truck’s Monroney sticker, which estimates fuel economy of 17 mpg as the combined city/highway total. Lastly, his report notes that he scanned the vehicle’s PCM for the presence of diagnostic trouble codes and found none present on August 1, 2014.22

E. Test Drive at Hearing

Mileage was at 29,472 when Mr. Menn, Mr. LaTour, and the hearings examiner participated in a test-drive at hearing. Similar to the procedures followed on August 1, 2014, Mr. LaTour monitored various aspects of the vehicle’s PCM by utilizing a diagnostic scan tool/laptop. Over a 17-minute period, Mr. Menn drove the truck at highway speeds (mostly around 65 mph) with the air conditioner running; according to the test data generated, the vehicle’s fuel economy averaged 20.2 mpg over a distance of 12.8 miles (fuel usage was not recorded). In a separate 32-minute period, Mr. Menn drove the truck at varying “in-town” speeds (between 25 and 45 mph) with “starts” and “stops,” and with the air conditioner running; the corresponding test data showed fuel economy averaging 16.2 mpg over a 12.2 mile-stretch, with fuel consumption at 0.8 gallons.23 On the way back to the hearing site, Mr. Menn re-entered the highway. This time, he drove 12.5 miles in a 13-minute period, while keeping the vehicle’s speed between 60 and 65 mph. Although the truck’s air conditioner was turned off for this stretch, the traffic was such that Mr. Menn went “heavier on the throttle.” The test data results showed average fuel economy of 20.3 mpg, with fuel consumption of 0.6 gallons.

During the test drive, Mr. LaTour testified that idle time “kills” fuel economy. Other enemies of good fuel economy include stop-and-go traffic; accelerating while traveling up a hill; and braking to a complete stop (e.g., at a traffic light) because getting back up to normal speed consumes a lot of fuel. Driving habits that increase fuel economy include coasting whenever possible (e.g., if you coast towards a red light that turns green, you may avoid having to stop); limiting highway speed to 55 mph, which is optimal for fuel economy; and ensuring that tires are properly inflated.

22 Id.
23 After recording these figures, traffic worsened and the truck was in idle condition for approximately five minutes. Compared with the earlier figures, over a 37-minute period that included 5 minutes of idle time, the vehicle’s average fuel economy went from 16.2 mpg down to 15.1 mpg.
F. Analysis

The Lemon Law provides remedies for a consumer whose vehicle fails to conform to a manufacturer’s warranty. Relief in the form of repurchase or replacement is available when the manufacturer is unable to conform a vehicle to an express limited warranty by repairing a defect that creates a serious safety hazard, or substantially impairs the use or market value of the vehicle after a reasonable number of attempts.\(^\text{24}\)

Mr. Menn is the primary driver of the truck. He credibly testified that when he first purchased the vehicle his experience of fuel economy was “better than expected.” Prior to the first 5,000-6,000 miles, he was achieving 17 mpg in the city and 22 mpg on the highway, and he was more than pleased. Then something went wrong. His fuel mileage began to decline but the dealership could not find any causative problem. He recalled that the reduction in fuel mileage seemed to coincide with another event: the night he was driving at 75 to 8 mph in the rain and his truck started “shaking.” He researched the matter, and thought that moisture entering his truck’s charge air cooler possibly led to a misfire condition, which can result in reduced fuel efficiency.

Whatever the cause, Mr. Menn monitored over a period of weeks and months,\(^\text{25}\) actual fuel mileage achieved by his 2013 Ford F-150 truck. He credibly testified that the vehicle’s fuel economy averages only 12 to 15 mpg. In contrast, the findings of service technicians and Mr. LaTour are based on limited road testing of the vehicle, and the results of diagnostic testing that failed to turn up an explanatory trouble code. In the face of such results, Mr. Menn is understandably upset and dissatisfied with his vehicle’s poor fuel economy.

Still, federal law requires the denial of Mr. Menn’s’ Lemon Law complaint. The United States Environmental Protection Agency (EPA) and Federal Trade Commission regulate the calculation, disclosure, and advertising of fuel economy estimates,\(^\text{26}\) and federal law regarding fuel economy

\(^{25}\) The table in this decision does not include all of Mr. Menn’s fuel mileage calculations.
\(^{26}\) 49 U.S.C. § 32901 et seq.
preempts state regulation that is inconsistent with EPA standards. Motor vehicle manufacturers are required to comply with federal statutes and agency regulations regarding disclosures of EPA fuel economy estimates to consumers. The EPA estimates are designed "to assist consumers in making comparisons of the fuel economy of new vehicles," but they do not predict the fuel economy that an individual driver will achieve because actual fuel economy is affected by a host of factors, among them driving habits, vehicle maintenance, and weather and traffic conditions.

Because EPA mpg ratings are expressly labeled as "estimates," the law provides that they are not a warranty of actual fuel economy under federal or state law. It follows that Ford does not warrant the fuel mileage of the 2013 Ford F-150, or any other vehicle model it manufactures. The fuel mileage ratings listed on a new vehicle's window sticker are established by the EPA, and federal law dictates that EPA mpg ratings are estimates and do not constitute a warranty of actual fuel economy. The Lemon Law does not extend to defects or conditions not covered by a manufacturer's warranty. For this reason, Mr. Menn's complaint must be dismissed.

III. FINDINGS OF FACT

1. Cullen Menn purchased a new 2013 Ford F-150 equipped with a 3.5 Liter V6 Ecoboost engine (truck, or vehicle) from Grapevine Ford Lincoln (Grapevine Ford) of Grapevine, Texas on March 30, 2013, with mileage of eight (8) at the time of delivery.

2. The manufacturer of the vehicle, Ford Motor Company (Ford) issued an express limited warranty for the vehicle, with "bumper-to-bumper" coverage of factory-supplied materials and workmanship for three years or 36,000 miles, whichever comes first, and powertrain coverage for five years or 60,000 miles, whichever comes first.

3. The Environmental Protection Agency's (EPA) window sticker for the 2013 Ford F-150 equipped with a 3.5 Liter V6 Ecoboost engine estimates fuel economy of 15 mpg in the city and 21 mpg on the highway, for a combined total of 17 mpg.

4. Within 5,000 to 6,000 miles following the date of purchase, Mr. Menn noticed that the truck's fuel mileage was far below the EPA's estimated fuel consumption for the vehicle. Over a period of weeks and months, the actual fuel mileage achieved by Mr. Menn's vehicle averaged 12 to 15 mpg.

5. The vehicle was serviced by Grapevine Ford for issues of fuel inefficiency on the following dates:
   a. September 28, 2013 at 9,993 miles;
   b. October 29, 2013 at 11,853 miles;
   c. January 3, 2014 at 15,493 miles;
   d. January 20, 2014 at 16,060 miles; and
   e. August 1, 2014, at 25,290 miles.

6. Grapevine Ford's testing of the vehicle's fuel economy did not reveal any problems that would explain the truck's reduced fuel efficiency.

7. Mr. Menn's vehicle continues achieve average fuel economy of 12-15 mpg, but the cause of this fuel inefficiency was not established by evidence.

8. Ford does not warrant the vehicle's fuel mileage consistent with EPA mpg estimates.

9. Mr. Menn filed a Lemon Law complaint with the Department on June 18, 2014.

10. On August 19, 2014, the Department's Office of Administrative Hearings issued a notice of hearing directed to Mr. Menn and Ford, giving all parties not less than 10 days' notice of hearing and their rights under the applicable rules and statutes. The notice stated the time, place and nature of the hearing; the legal authority and jurisdiction under which the hearing was to be held; particular sections of the statutes and rules involved; and the matters asserted.

11. The hearing convened and closed on October 22, 2014 in Fort Worth, Texas, with Hearings Examiner Anne K. Perez presiding. Mr. Menn appeared and represented himself. Ford appeared and was represented by Zachary LaTour, a Field Service Engineer on assignment at Ford, and Malcolm Barrett, Ford's Technical Support Operations Manager.
IV. CONCLUSIONS OF LAW

1. The Texas Department of Motor Vehicles (Department) has jurisdiction over this matter. Tex. Occ. Code §§ 2301.601-.613 (Lemon Law).

2. A hearings examiner of the Department’s Office of Administrative Hearings has jurisdiction over all matters related to conducting a hearing in this proceeding, including the preparation of a decision with findings of fact and conclusions of law, and the issuance of a final order. Tex. Occ. Code § 2301.704.


5. The United States Environmental Protection Agency (EPA) and Federal Trade Commission regulate the calculation, disclosure, and advertising of fuel economy estimates. 49 U.S.C. § 32901 et seq.

6. Ford is required to comply with federal statutes and agency regulations regarding disclosures of fuel economy. 49 U.S.C. §§ 32904 and 32908.


8. The EPA requires the window sticker disclosure for every new vehicle to include a disclaimer stating that actual mileage will vary depending on how the vehicle is driven and maintained. 40 C.F.R. §§600.307-08(b)(4).

9. The vehicle’s express limited warranty does not cover fuel mileage and as a result, the Lemon Law does not provide a remedy for Mr. Menn.

10. Mr. Menn’s vehicle does not qualify for replacement or repurchase. Tex. Occ. Code § 2301.604.
ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, IT IS ORDERED that Mr. Menn's petition for relief pursuant to Texas Occupations Code §§ 2301.601-.613 is hereby DISMISSED.

SIGNED December 17, 2014.

[Signature]

ANNE K. PEREZ
HEARINGS EXAMINER
OFFICE OF ADMINISTRATIVE HEARINGS
TEXAS DEPARTMENT OF MOTOR VEHICLES