

LKQ and ABPA Opposition to the NCOIL Model Crash Parts Act  
September 30, 2009

LKQ Corporation, after the acquisition of Keystone Automotive Industries, is now the nation's leading supplier of aftermarket, refurbished and recycled OEM parts. With more than 150 members, the Automotive Body Parts Association (ABPA), a non-profit organization, occupies more than 400 separate collision parts distribution, bumper sales, recycling facilities and manufacturing plants across the United States.

LKQ and ABPA believe that the model act is discriminatory, restricts competition, increases cost to consumers, creates additional threat to jobs in the automotive aftermarket industry and is unnecessary for the following reasons:

- The introduction of bills regulating aftermarket parts in the states has diminished significantly indicating states have recognized the benefits of maintaining the availability of alternative parts
- Many aftermarket parts do not have established standards and the absence of a standard should not create the presumption that the part is somehow inferior- crash parts are cosmetic in nature
- There are other quality verification processes and programs outside of those recognized by "ANSI"
- NCOIL abandoned the certification language in 2005 after several years of debate and discussion resulting in the 2005 Resolution
- Concerns for certification programs differing state by state – for example – different standards for parts required for Florida than for New York. This would create an impossible situation for manufacturing and supplying parts to customers across the country
- The majority of states already have disclosure laws in place and adoption of this model is unnecessary
- This Model Act discriminates against the aftermarket parts industry by requiring a disclosure that the car companies do not warrant an

aftermarket part- when the distributor of the part will provide the warranty for the part

- The language of this proposed act is misleading, implying that the consumers will receive an inferior part if an aftermarket part is used to repair their vehicle. Independent tests have concluded that aftermarket parts are graded for fit, finish and acceptability and have shown that, in many cases, aftermarket crash parts have scored higher than their OEM counterparts
- This Model Act implies that the consumer will lose warranty coverage if an aftermarket part is used in a crash repair. In most, if not all cases, aftermarket crash parts carry better warranties than their corresponding OEM crash part.
- This act requires consent each time a non-OEM part is offered, creating an uneven playing field in favor of the auto manufacturers
- Consumers will be negatively affected by the implementation of this Model Act because:
  - They will be forced to repair their vehicles with high priced car company parts, losing their right to choose from a variety of alternative repair parts
  - They will be forced to pay higher repair costs since car manufacturer's parts are considerably more expensive than aftermarket parts
- During these difficult economic times, neither consumers nor aftermarket parts providers need restrictive legislation that create additional burdens and challenge their financial viability.