



March 5, 2019

Honorable Matt Lesser
Legislative Office Building
Room 2800
Hartford, CT 06106-1591

LKQ Opposes HB 7266, An act concerning deviations from motor vehicle collision repair guidelines, procedures, recommendations and service bulletin

Dear Chairman Lesser:

As a Government Affairs Manager for LKQ Corporation in the Northeast, I ask you to **oppose and vote NO on HB 7266** which is set to be heard before the Insurance and Real Estate Committee on March, 7 2019. **HB 7266 is a direct attack on the alternative parts industry and has the potential to create a monopoly for the car companies which would hurt the Connecticut Consumer by greatly increasing the cost to repair their vehicles.**

HB 7266 negatively impacts our industry and its employees in Connecticut. Specifically the bill:

- Would enable auto manufacturers to change all of their guidelines, procedures, and recommendations to only recommend the use of their parts. LKQ is not opposed to a body shop performing proper repairs and receiving just compensation, but the proposal falls short of defining/outlining the OEM guidelines and recommended repair procedures. The OEMs have a financial interest and there is nothing to stop them from changing all of their guidelines and procedures to only recommend the use of new OEM parts.
- Allows the motor vehicle manufacturer to monopolize the parts industry by allowing them to dictate which parts be used in repairs. As part of some OEM guidelines and procedures, the manufacturer recommends the use new OEM parts when making a repair. Motor vehicle manufacturers will never recommend using an aftermarket or recycled part over their own new parts.
- Will likely lead to higher insurance premiums for Connecticut consumers as more expensive car company parts are required to be used. Aftermarket and recycled parts help keep insurance premiums lower and prevent cars from being totaled – thus making repairs more cost-effective.

While Advanced Driver-Assistant Programs (ADAP) are complex, the underlying challenge is not technical in nature. Rather automakers, through mystification and often via monopolistic business practices, create barriers to servicing and repairing their own products.

Aftermarket parts often provide consumers the benefit of better warranties, better prices and better availability. Limiting their use creates an unlevel playing field against the alternative parts industry in favor of the car manufacturers who without competition are free to charge more for their parts making repairs more costly.

LKQ Corporation, an S&P 500 company, is a leading provider of alternative, specialty parts, replacement systems, components, equipment and parts to repair and accessorize automobiles, trucks, and recreational vehicles. LKQ has operations in North America, the United Kingdom, the Netherlands, Belgium, France, Italy, Germany, Australia and Taiwan. Globally, LKQ has over 30,000 employees and operates over 630 facilities.

LKQ employs 20,000 people nationwide and operates more than 460 facilities in more than 44 states. LKQ has 77 employees at 5 facilities in Connecticut which are located in Bridgeport, Manchester, West Hartford and two in Milford, and pays taxes on payroll of more than \$3.4 million.

As Vice-chair of the Insurance and Real Estate Committee, I hope you will recognize the problems HB 7266 creates and the detriments it poses to the alternative parts industry and to consumers in Connecticut. While we agree that a quality repair is paramount for the safety of the driver and passengers when repairing a vehicle, we believe that blindly following OEM guidelines and procedures can be detrimental to the alternative parts industry. The use of aftermarket and recycled parts plays a valuable role in Connecticut offering consumers a lower cost alternative to new OEM parts while creating thousands of jobs in the state. On behalf of LKQ Corporation I ask you to **oppose and vote NO on HB 7266.**

Please do not hesitate to contact me if you have any questions. I can be reached at (305) 720- 1877.

Respectfully,

A handwritten signature in black ink, appearing to read 'Andreas Heiss', written in a cursive style.

Andreas Heiss
Government Affairs Representative
LKQ Corporation