



Automotive Body Parts Association - ABPA

400 Putnam Pike, Suite J #503
Smithfield, RI 02917
Office: 800-323-5832

Daniel Maffei
Chairman
Federal Maritime Commission
800 North Capitol Street, N.W
Washington, D.C. 20573

July 23, 2021

Dear Mr. Maffei,

The Automotive Body Parts Association (ABPA) commends your recent announcement regarding the implementation of the Vessel-Operating Common Carrier Audit Program. We are encouraged by your swift actions following the recent Executive Order released by President Biden.

With that said, we would still want you to be aware of the recent increases in “spot rates” that our members are being forced to pay by certain vessel-operating common carriers (VOCCs) to secure equipment and vessel space. The VOCCs actions are creating an economic threat to our members and creating market conditions that are both inhibiting their ability to compete and ultimately affecting consumers.

Who We Are: With more than 160 member companies the Automotive Body Parts Association (ABPA) occupies over 400 distinctive locations including collision parts, distribution centers, manufacturing facilities, and parts recycling plants. ABPA’s members are responsible for distributing more than 80 percent of the independently produced aftermarket replacement crash parts sold to the collision repair trade.

The Issue: The rising costs of freight are affecting our entire range of ABPA members from those that import over 100 containers per month to our smallest members that import one per year. Based on feedback we have received, **the spot rate per forty-foot equivalent unit (FEU) is ranging anywhere between \$5,000-\$20,000 USD.** While some feel forced to pay these rates to maintain their critical inventory levels, there is no guarantee that payment will ensure anything, only the possibility of “favorable treatment.” Members are being told the rates are due to “structural” blank sailings caused by port congestion here in the US and overseas with many vessels being removed from the shipping rotation and empty containers being stranded worldwide as the ocean freight carriers opt for moving full containers at excessive charges.

How Consumers Are Affected: In the end, consumers are being affected the most. As the costs of importing increases, ABPA members are forced to raise their pricing on their products which will undoubtedly create a situation where vehicle owners will be forced to pay more to get their vehicles repaired in the unfortunate event of a collision. Additionally, these importing increases will also impact



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the consumers on their insurance premiums as the cost to repair damaged vehicles will increase. Finally, the consumer can be overwhelmed should their vehicle be totaled due to the excessive cost of repair exceeds the value of the vehicle. When this occurs, the consumer may still owe thousands of dollars on the existing loan which must be paid off or rolled over into the financing of a replacement vehicle, limiting the consumer options.

The ABPA will support your investigation that would lead to a solution to this growing problem. Should you have any questions on our concerns or on the ABPA in general, please reach out to me directly either at the number above or at "info@autobpa.com".

Best Regards,

Edward Salamy

Ed Salamy

Executive Director, Automotive Body Parts Association (ABPA)