



400 Putnam Pike, Suite J 503, Smithfield RI 02917

May 5, 2023

The Honorable Tom Oliverson
Room E2, 408
PO Box 2910
Austin, TX 78768

Re: Automotive Body Parts Association (ABPA) Opposes SB 1083 – OEM Repair Procedures and Parts

Dear Representative Oliverson and the House Insurance Committee:

The Automotive Body Parts Association (ABPA) respectfully opposes SB 1083 which is scheduled for hearing on Tuesday, May 9th at 8:00AM. As currently written, SB 1083 **will adversely affect Texas drivers as it would establish a 36-month restriction against the use of alternative parts including aftermarket, recycled, remanufactured, and refurbished parts when OEM repair procedures are mandated.** The ABPA is against any repair procedure that encourages monopolistic behavior that would solely benefit the OEM manufacturer as this would further burden the consumer. Based on the language of the bill, Texas vehicle owners will be given the false impression that alternative parts are inferior and unsafe compared to car company parts.

SB 1083 would not achieve its goal as consumers would be adversely affected should they be limited to having their vehicles repaired only with car company branded parts as stated in OEM repair procedures. Consumers will be affected financially by higher part pricing due to lack of competition and higher insurance costs due to the higher costs of parts. Consumers will also face delays in getting their vehicles repaired and more vehicles will be totaled due to interruptions in the supply chain.

Higher costs to consumers:

The rate of inflation for auto body repair and auto insurance has been at levels not seen since the late 1970s and early 1980s. In January 2023, US Bureau of Labor Statistics CPI data reports that the annual inflation rate for motor vehicle maintenance was 14.2%¹. Compared to the already elevated general inflation rate of 6.4% for all items in January 2023, the costs to repair a vehicle in the US is far outpacing inflation. This trend of outpacing general inflation has been ongoing for many years, and it is only getting worse.

Utilizing the same CPI data source, automotive insurance rates were up 14.7% in January 2023 which again is more than double the overall rate on inflation. The reasons for this is twofold; increases in part prices as well as the increased costs incurred by insurance

¹ US Bureau of Labor Statistics – Consumer Price Index -
<https://www.bls.gov/cpi/factsheets/motor-vehicle-insurance.htm>



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companies (rental cars) due to supply chain issues. In Q4 2022, Enterprise rental car reported an average of 18.7 days for insurance direct pay rentals. This is in comparison with Q4 2021 where the average was 17 days².

What the Experts Say:

The car companies and other proponents of these self-serving repair procedures will often cite safety concerns with aftermarket parts. The National Highway Traffic Safety Administration (NHTSA), the federal agency that oversees transportation matters, has concluded that aftermarket parts are cosmetic in nature and do not affect vehicle safety. The Insurance Institute of Highway Safety (IIHS) has come to similar conclusions on the safety of aftermarket parts after years of crash testing. They have also stated that the only major difference between aftermarket parts and car company parts is the high price variance. Meanwhile, the car companies have been under scrutiny over the past few years with the increased amount of safety recalls they have had to administer due to the faultiness of their own parts.

Who We Are:

The ABPA represents multiple collision parts distributors in Texas employing thousands of residents including LKQ Corp, Parts Authority, National Autobody Parts Warehouse, New World Auto Body Parts, APEX Auto Parts, AC Auto Panels, Alliance Auto Body Parts, Auto Body Warehouse, Capstone Auto Parts, Certifit Auto Body Parts, Meyer Distributing, National Auto Parts, Performance Radiator, Pacific Best, Pro Parts Center, Professional Parts Group, Simco Automotive, TYC Americas, TYG Products, & Texas Bumper Exchange.

With more than 140 member companies across the US, 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 crash replacement parts sold to the collision repair trade.

For the reasons listed above, we respectfully ask you to reject this proposal and please vote "NO" on SB 1083. Thank you for your time and consideration. Should you have any questions, please contact me at 800-323-5832.

Best Regards,

A handwritten signature in cursive script that reads "Edward Salamy".

Edward Salamy
Executive Director
Automotive Body Parts Association
800-323-5832

² Enterprise Rent-A-Car "US Length of Rental by State Q4 2022"