400 Putnam Pike, Suite J 503, Smithfield RI 02917

February 13, 2024

The Honorable Joseph Solomon, Jr.
House Committee on Corporations
Rhode Island State House
82 Smith Street
Providence, RI 02903

Dear Chairman Solomon,

Re: HB 7264– Aftermarket Parts Restriction

I hope this letter finds you well. I am writing on behalf of the Automotive Body Parts Association (ABPA), whom I serve as Executive Director, and as a lifelong Rhode Island resident to express our respectful opposition to the current language within HB 7264. This bill, scheduled for a hearing before your Committee on Wednesday, February 14th, proposes a further restriction against the use of aftermarket collision repair parts by requiring insurance companies to use only OEM parts on repairs to vehicles aged greater than 48 months and less than 72 months from the date of manufacturer. This extends the already stringent four-year restriction on aftermarket parts currently in place, which is the longest such restriction in the country. This will only further impact the wallets of Rhode Island drivers with higher vehicle repair costs, increased insurance premiums, and longer repair times.

Allow me to provide some background on who we are. The ABPA, comprised of over 135 nationwide member companies including members with a presence in Rhode Island, operates across more than 400 distinctive locations, including collision parts distribution centers, manufacturing facilities, and parts recycling plants. Our members play a crucial role in distributing over 80 percent of independently produced aftermarket crash replacement parts to the collision repair trade within the United States.

Our opposition to HB 7264 stems from concerns about the potential consequences it may have on consumers and the automotive industry in Rhode Island. HB 7264, as currently written, would not achieve its intended goal. By limiting consumers to car company branded parts, it would result in higher costs for consumers. The absence of aftermarket parts reduces competition, allowing car companies to set pricing without incentive for affordability. Studies have shown that the availability of aftermarket parts in the marketplace can lead to a significant reduction in car companies' list pricing, benefiting consumers with lower costs.

Furthermore, aftermarket parts are typically priced between 25-60% less than car company branded parts, providing consumers with more affordable options. In light of rising inflation, especially in motor vehicle parts costs, this becomes particularly crucial for Rhode Island state drivers. According to the Bureau of Labor Statistics, motor vehicle parts costs have increased over 23% year-over-year in January, outpacing other key metrics of inflation.

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Safety concerns often raised by car companies are not supported by evidence. Both the National Highway Traffic Safety Administration (NHTSA) and the Insurance Institute of Highway Safety (IIHS) have concluded that aftermarket parts are cosmetic in nature and do not compromise vehicle safety. The only significant difference highlighted is the considerable price variance between aftermarket and car company parts.

Finally, the warranties supplied by ABPA member distributors usually exceed the warranties provided by car company branded parts, which further protects Rhode Island consumers.

Considering the aforementioned reasons, we respectfully urge you to oppose and vote NO on HB 7264. A vote against this proposal would protect consumer choice, preserve the aftermarket parts industry, and prevent legislation that solely benefits car companies, their franchised dealers, and repair networks.

Best Regards,

Edward Salamy

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