



May 19, 2021

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

**RE: HB 6325, AN ACT RELATING TO INSURANCE -- MOTOR VEHICLE REPLACEMENT PARTS**

Dear Chairman Solomon:

As the Government Affairs Manager for LKQ Corporation in the Northeast I respectfully ask you to **oppose and vote NO on HB 6325** which is set to be heard before the House Committee on Corporations on May 20, 2021. HB 6325 creates a definition for “used parts” and creates standards for when they can be used in insurance paid repairs. **The standards being proposed are a direct attack on the recycled used parts industry without any rational reasoning. If passed they will do nothing more than increase the cost of vehicle repair and put hard working Rhode Island used parts dealers out of business.**

LKQ has 40 employees at 2 facilities in Rhode Island which this legislation puts at risk. They are located in Cumberland and Johnston. LKQ Corporation, an S&P 500 company, is a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles. We offer our customers a broad range of replacement systems, components, equipment, parts and services to repair, calibrate, and accessorize automobiles, trucks, and recreational and performance vehicles. We employ 20,000 people nationwide and operate more than 460 facilities in more than 44 states.

The recycled used parts industry is a green and sustainable industry and HB 6325 negatively impacts it and its employees in Rhode Island. Specifically, the bill:

- Creates an unlevel playing field against the recycled used parts industry in favor of the new car company parts. Without competition from lower cost alternative parts, manufacturers are free to charge more for their parts making repairs more costly.
- Tremendously limits Rhode Island consumers’ access to a lower cost alternative to new parts and harms the entire used parts industry and its’ employees in the state.
- Would severely limit and restrict the use of recycled used parts to having to be from a vehicle of the same year or newer and having to come from a vehicle of the same or less miles than the vehicle being repaired. Recycled used parts in the same vehicle model

series should always be allowed as they are all the same parts. A newer part does not always mean a better part as even some “new” parts may be older than the car a consumer is having repaired.

- Would limit recycled used parts suppliers to a 50-mile radius of a shop needing the part. Recycled used part supplier networks are very efficient and their services should not be limited to such a restriction. New car company parts suppliers are not restricted to a 50-mile radius so why should recycled used part suppliers be singled out.
- Increases insurance premiums through increased repair costs; less competition in the automotive parts market means higher prices, which eventually lead straight to the consumers’ pockets.

As Chairman of the House Committee on Corporations, I hope you will recognize the problems HB 6325 creates and the detriments it poses to used parts industry and to consumers in Rhode Island. While we agree that a quality repair is paramount for the safety of the driver and passengers when repairing a vehicle, the standards outlined in this legislation only benefit the repair shops and increase the cost of vehicle repair and put hard working Rhode Island used parts suppliers out of business. On behalf of LKQ Corporation I ask you to **oppose and vote NO on HB 6325.**

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