

The Honorable Suzanne Geist
Nebraska State Legislature
Transportation and Telecommunications Committee
1445 K Street
Lincoln, NE 68508

Dear Committee Chair Geist and Members of the Committee:

The Auto Care Association is a national trade association comprised of more than 3000-member companies and affiliates that manufacturer, distribute and sell motor vehicle parts, accessories, services, tools, equipment, materials, and supplies. In short, we represent the entire supply chain of the auto industry. On behalf of the aftermarket industry, we are writing to express our concern and opposition to LB 782.

As currently written, LB 782 will adversely affect Nebraska drivers as it would restrict the use of alternative parts including aftermarket, recycled, remanufactured, and refurbished parts when OEM repair procedures are mandated. Specifically, the OEM procedures referenced in the bill restrict the ability to use any parts for a vehicle repair with the exception of newly manufactured OEM parts. If LB 782 were passed, consumers would be obligated to use newly manufactured OEM parts to repair their vehicles and would lose the choice to use recycled OEM and/or aftermarket replacement parts. This lack of choice will reduce competition and cause consumers to pay more for vehicle repairs.

Not only would this legislation create higher priced repair costs for consumers but would threaten an industry that generates over \$300B in annual sales and employs 4.6 million people across the country while contributing 2% to GDP. The aftermarket industry also contributes significantly to the Nebraska jobs market as well as business and commerce. Aftermarket businesses provide residents with affordable options for maintaining and repairing their vehicles. Additionally, there is no body of research, individual study, or any data to support the implication that aftermarket parts are inferior to OE parts. In fact, they are often produced by the same company that produced the original equipment (OE) part but may come in a different box. The only difference is the OE part often costs more than the non-OE branded equivalent, meaning increased repair and insurance costs for consumers. Further, since aftermarket companies can observe the OE part in use, aftermarket companies are often able to correct problems with the component that were discovered after the vehicle was on the road.

The Auto Care Association respectfully urges you to VOTE NO on LB 782, as the unintended consequences for consumers and the negative impact to Nebraska businesses would do more harm than good.

Sincerely,

Lisa Foshee

Lisa Foshee, SVP of Government Affairs and General Counsel