



7101 Wisconsin Avenue  
Suite 1300  
Bethesda, MD 20814  
www.autocare.org

T: 301.654.6664  
F: 301.654.3299  
info@autocare.org

The Honorable Matt Williams  
Chairman, Banking, Commerce, and Insurance Committee  
Nebraska Senate  
1445 K St, Room 1507  
Lincoln, NE 68508

Chairman Williams 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 L-602 – Aftermarket Insurance Coverage and Consumer Care. This bill is an unnecessary government mandate and sets an arbitrary time restraint on the use of aftermarket parts. This requirement would do irreparable harm to the aftermarket parts industry in the state and increase repair costs for consumers while limiting competition. Additionally, this bill promotes the use of OEM parts for repairs and requires disclaimers when using alternative parts. This would change the competitive balance in the repair industry. Not only would this legislation create higher priced repair costs for consumers but would threaten an industry that generates \$381B in annual sales and employs 4.6 million people across the country while contributing 2% to GDP. The aftermarket industry also contributes highly to the Nebraska jobs market as well as business and commerce. Employing nearly 20,000 jobs, representing \$4.0B in economic activity and average wages of \$123K from business outlets such as manufacturers, wholesalers, retailers, and related services will be affected in the state. 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. Such actions translates' into the ability of aftermarket parts to provide motorist with improved vehicle reliability and safety.

We respectfully urge you to **VOTE NO on L 602**, as the unintended consequences for consumers and the negative impact to Nebraska businesses would do more harm than good.

Sincerely,

Tom Tucker  
Senior Director, State Government Affairs