



Automotive Recyclers Association Statement on
“Examining Ways to Improve Vehicle and Roadway Safety”

House Commerce, Manufacturing and Trade Subcommittee
of the
U.S. House Energy and Commerce Committee

Wednesday, October 21, 2015

Chairman Burgess, ranking member Schakowsky, members of the Subcommittee, thank you very much for the opportunity to testify today. I am Michael Wilson, CEO of the Automotive Recyclers Association (ARA).

The ARA is dedicated to the efficient removal and reutilization of genuine original equipment (OE) automotive parts, and the proper recycling of inoperable motor vehicles. ARA represents the interests of over 4,000 automotive recycling facilities in the United States who each day sell over 500,000 recycled original equipment parts directly to consumers, mechanical/collision repair shops and automobile dealers.

These quality, recycled original equipment parts are designed by automakers and built to meet their requirements for fit, finish, durability, reliability and safety. These parts are often subsequently reutilized in the repair and service of motor vehicles throughout their lifespan and these replacement parts continue to operate as they were originally intended in terms of form, function, performance and safety.

I come before you today to urge Congress to add language to the subcommittee's draft legislation that would provide the automotive recycling industry access to critical original equipment parts data on all vehicles. The critical data includes motor vehicle part numbers, names and descriptions tied to each motor vehicle's specific Vehicle Identification Numbers (VIN).

The straight forward reason that this information is necessary is because manufacturers and dealers in the automotive industry speak a totally different parts language than those in the automotive recycling community. Automakers and dealers utilize original equipment part numbers while automotive recyclers have historically utilized Hollander Interchange numbers.

The Hollander Interchange enables automotive recyclers, enthusiasts and parts suppliers to identify and find parts they need to keep their vehicles running and in original condition. The Hollander Interchange indexes millions of auto parts and their interchangeable equivalents from other vehicles, i.e. a specific part that is in a Ford F-150 is also interchangeable with that same part in a Ford Expedition, Mercury Mountaineer, or Lincoln Navigator.

It is only through the utilization of both original equipment part numbers and the Hollander Interchange parts that automotive manufacturers and automotive recyclers can come together to enhance overall motor vehicle safety, help improve recall remedy rates and comply with the federal recall remedy statute for used equipment enacted 15 years ago in the Transportation Recall Enhancement, Accountability and Documentation Act (TREAD Act).

First, I would like to address the challenge automotive recyclers' face in identifying automakers' non-remedied defective parts in their current inventory. Regrettably, the TREAD Act, MAP-21 and their respective rulemakings did not compel the automakers to provide essential parts data making it functionally impossible for "used" replacement part stakeholders to comply with the federal statute.

Automakers are fully aware that the life-cycle of their parts can go beyond the initial utilization in a motor vehicle from the factory. This recognition was underscored in August 2014, when General Motors (GM) contracted with a third-party supplier to "coordinate the purchase and return of certain used parts, which are subject to a product safety ignition switch recall, from salvage yards [automotive recycling facilities]."

In a notice from this third-party supplier, on behalf of GM, to automotive recycling facilities, the correspondence not only included the make, model and year of the vehicles subject to the recall but also detailed the specific part numbers, which the notice stated, "are provided so the manager can identify the parts being recalled." It also included the Hollander Interchange numbers for the ignition switches. Clearly GM understands that specific part numbers are vital to correctly and efficiently locate the affected parts. Also clear is that only when it is in their best interest will this information be shared.

In NHTSA's current www.SaferCar.gov site, individuals or companies who sell a significant number of vehicles or parts do not have multiple VIN lookup capability to necessary information and are severely limited by objections to allowing electronic integration of important data to enhance safety. Just as problematic is that the data provided by the automakers through www.SaferCar.gov is many times a recall narrative rather than actual part numbers, names or descriptions, making it all but impossible to identify specific recalled parts electronically.

It is essential that the professional automotive recycling community be able to electronically identify those parts associated with VINs which have been recalled and not remedied before vehicles are potentially purchased at auction or acquired from the general public. Under an automated system with access to this critical data, the recalled parts on vehicles can be identified early in the recycling process and properly addressed in the marketplace. This action - if the automakers provide access to parts data - will allow the recycling community to comply with its obligations under the TREAD Act, and can help protect our nation's drivers from the manufacturers' defective parts.

While some automakers may concede to the need for providing the original equipment data for their defective parts, it is important to understand that this is not enough. The number of defective automotive parts in today's marketplace is increasing at alarming rates, in fact some 100 million vehicles have been recalled since the beginning of 2014 in the United States alone. These recall campaigns create multiple challenges for our members who provide safe and quality recycled original equipment parts to the marketplace.

How about original equipment parts that professional automotive recyclers sell today and are subject to a recall at some future date. If professional automotive recyclers don't have access to all the original equipment parts data, there is no part number to track it going forward if there is a subsequent recall on that part.

Most agree that the private sector has developed or has the potential to develop highly effective solutions to the vehicle/part identification and remedy tracking problem. However, these systems would only be as good as the data the companies have access and are able to provide to effected stakeholders. Unfortunately, Information Handling Services (IHS) and other automotive data providers currently do not have access to part numbers, descriptions and other important data needed to track recalled parts and to significantly increase remedy recall rates.

Automakers are accountable for the safety of all original equipment parts throughout their life-cycle and should be required to share whatever parts information is necessary to identify and locate recalled defective parts within the recycled original equipment parts population. This practice of sharing original equipment parts numbers with professional automotive recyclers should not be an anomaly, rather it should be a standard automotive industry practice,

especially in light of the new "safety norm." Consumer demand for a safe and vibrant replacement parts market makes it imperative that Congress include language that would require automakers to remove the barriers they have constructed so that all of the parts data is available to the professional automotive recycling industry.