

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Eightieth Session  
March 13, 2019**

The Committee on Commerce and Labor was called to order by Chair Ellen B. Spiegel at 1:33 p.m. on Wednesday, March 13, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/80th2019](http://www.leg.state.nv.us/App/NELIS/REL/80th2019).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Ellen B. Spiegel, Chair  
Assemblyman Jason Frierson, Vice Chair  
Assemblywoman Maggie Carlton  
Assemblyman Skip Daly  
Assemblyman Chris Edwards  
Assemblywoman Melissa Hardy  
Assemblywoman Sandra Jauregui  
Assemblyman Al Kramer  
Assemblywoman Susie Martinez  
Assemblyman William McCurdy II  
Assemblywoman Dina Neal  
Assemblywoman Jill Tolles  
Assemblyman Steve Yeager

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblyman Richard Carrillo, Assembly District No. 18

**STAFF MEMBERS PRESENT:**

Patrick Ashton, Committee Policy Analyst  
Wil Keane, Committee Counsel



Earlene Miller, Committee Secretary  
Olivia Lloyd, Committee Assistant

**OTHERS PRESENT:**

Gil Grieve, Private Citizen, Reno, Nevada  
Matt Gondini, Chairman, Southern Chapter, Nevada Collision Industry Association  
Jose Rivera, Extern, Nevada Hispanic Legislative Caucus  
Tim Waldren, President, Nevada Collision Industry Association  
Alfredo Alonso, representing Alliance of Automobile Manufacturers  
Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association  
Alison Brasier, representing Nevada Justice Association  
Lisa Foster, representing Allstate Corporation; and American Family Insurance  
Joseph Guild, representing State Farm Insurance Companies  
Ray Colas, Director of Government Affairs, LQK Corporation, Chicago, Illinois  
Jeanette Belz, representing American Property Casualty Insurance Association; and  
Liberty Mutual Insurance  
Mark Ryan, District Manager, East Penn Manufacturing Company, San Jose,  
California  
Roy Foster, President, Roy Foster's Automotive, Reno, Nevada  
Greg Doyle, Owner, Greg's Garage, Reno, Nevada  
Thomas Tucker, Director, State Government Affairs, Auto Care Association,  
Bethesda, Maryland

**Chair Spiegel:**

[The roll was called.] We will open the meeting with a work session on Assembly Bill 25.

**Assembly Bill 25: Makes various changes to provisions governing contractors.  
(BDR 54-234)**

**Patrick Ashton, Committee Policy Analyst:**

Assembly Bill 25 changes licensing requirements related to contractors. The bill authorizes a serving member of the United States Armed Forces, its reserves, or the Nevada National Guard to apply to the State Contractors' Board for reinstatement of a suspended contractor's license while on active duty, without fee for renewal, penalties, or other disciplinary action. This bill repeals the ten-year period during which an applicant for a contractor's license must have acquired certain experience before applying for licensure. The bill also makes various changes concerning disciplinary actions by the State Contractors' Board. It allows the Board to delegate hearings related to the denial of a license to a hearing officer or panel ([Exhibit C](#)).

There was one amendment to the bill. Margi Grein, Executive Officer of the State Contractors' Board, has proposed the following amendments to A.B. 25:

1. In section 2, subsection 7 (page 5 of the proposed amendment), instead of repealing provisions relating to the period during which certain experience must be acquired by an applicant for licensure, increase the period from 10 years to 15 years;
2. In section 4, subsection 4 (page 8 of the proposed amendment), instead of repealing provisions relating to the period during which a license may remain inactive, increase the period from 5 years to 8 years;
3. In section 5, subsection 5 (page 10 of the proposed amendment), remove the word “Nevada” in reference to the National Guard. This change is recommended in order to make the provisions in this section applicable to all licensees serving in the National Guard—not just those serving in the Nevada National Guard; and
4. Add a new section, section 7, (page 13 of the proposed amendment) requiring the Board to adopt regulations establishing the qualifications of hearing officers.

**Chair Spiegel:**

Are there any questions from the Committee about the bill or the amendment?

**Assemblywoman Carlton:**

Is allowing the designation of the responsibilities for the hearing officer to be developed in regulation something we do very often? I am not familiar with that. Are there parameters they need to follow to be sure they get the right direction on what they are supposed to do?

**Wil Keane, Committee Counsel:**

I am not familiar with other boards that have a provision like this; however, the regulations would, of course, have to be reviewed by the Legislative Commission, and if the Commission thought they were inappropriate, they could not approve them as not being consistent with legislative intent.

**Assemblyman Daly:**

When I spoke with the Contractors' Board, the criteria they read to us on the record is what they are planning on adopting in the regulations so that it is spelled out and they cannot delegate their authority to anybody. It would have to be a qualified person.

**Assemblywoman Neal:**

In section 1, subsection 4, it says "The Board may delegate to a hearing officer." We are saying this criteria is now going to be in the regulations. I need more understanding about how the process of delegating may go. This is now going to be permissive. What are the triggers to make that work? I also have a question about section 4, subsection 4 related to the switch from 5 to 8 years.

**Assemblyman Daly:**

The Contractors' Board has been using hearing officers; they have used administrative law judges in the past. They are trying to get into statute what they already do. I said there has to

be some criteria, and that is why I asked for the amendment they have. They read what they do now in their policy, and I said we would like to see it in the regulations. The 5 to 8 years was a compromise that we came up with on the inactive contractors' license period. They wanted to abolish it completely, but most of the stakeholders were not entirely comfortable with that so we compromised and extended it.

**Patrick Ashton:**

In the last bulletin of the Sunset Subcommittee, under general findings and recommendations, they brought up certain issues across all boards. One was that in many instances the *Nevada Revised Statutes* (NRS) provides that a board may delegate its authority to hear complaints made against licensees. It would appear that the NRS does not provide for qualifications of hearing officers who receive the delegated authority from licensing boards. That is an issue the Sunset Subcommittee recommended to be addressed.

**Assemblywoman Neal:**

Is that supposed to be done through the *Nevada Administrative Code* or should it be in statute?

**Wil Keane:**

Something could be added to statute to set forth the qualifications. Currently, the Department of Administration has hearing officers who are available for various boards. I would have to look into what sort of qualifications we have in statute for them. Qualifications for hearing officers are not something boards have in Title 54 at this time. Delegating powers to hearing officers is something that is fairly common in Title 54.

**Assemblywoman Neal:**

I will vote for the bill, but I will reserve my right to change my vote on the floor.

**Assemblywoman Carlton:**

The last thing we would want to see is one licensee sitting in judgment of another licensee. I think we need to be very careful. We want to make sure that everybody who has a license has a fair opportunity. Those regulations will come before the Legislative Commission for us to review to be sure they are appropriate. I hope the Contractors' Board gets it right the first time around and we do not have to send them back and that they are fair.

**Chair Spiegel:**

I will entertain a motion.

ASSEMBLYMAN DALY MOVED TO AMEND AND DO PASS  
ASSEMBLY BILL 25.

ASSEMBLYMAN McCURDY SECONDED THE MOTION.

THE MOTION PASSED.

The floor statement will go to Assemblyman Daly.

I will open the hearing on Assembly Bill 173.

**Assembly Bill 173: Revises provisions relating to the repair of motor vehicles.  
(BDR 57-835)**

**Assemblyman Richard Carrillo, Assembly District No. 18:**

This bill is not intended to convey an idea or a belief that aftermarket parts are inferior. In many instances, aftermarket parts are the preference of the owner. I have and will continue to use aftermarket parts on many of my vehicles. However, A.B. 173 is a consumer protection bill. It is the intent of the bill that an insured has the right to know and choose whether they want their vehicle's body damage after a crash repaired with original equipment manufacturer (OEM) parts or aftermarket body parts. Automobile vehicles are becoming more and more sophisticated. Carmakers are constantly adding more and more safety features, oftentimes in both front and rear bumpers and fenders. I have submitted a GM Service Information memo (Exhibit D) from June 2018 which clearly indicates that they do not approve of the use of aftermarket, reconditioned, or salvage bumpers/fasciae on GM vehicles equipped with advanced driver-assistance systems (ADAS). Some examples of the ADAS technology include ultrasonic blind spot detection, rear cross-traffic alert, and automatic collision preparation.

Replacing a bumper in a particular vehicle using aftermarket parts could affect the vehicle's performance in a future crash. This is not just an issue for the current owner of the vehicle, but subsequent owners as well. It is important to point out that this bill is about body parts of the vehicle. It does not impact other parts such as radiators, spark plugs, water pumps, et cetera.

I will play a video from Honda regarding airbag systems (Exhibit E) and a second brief video also from Honda (Exhibit F).

For me, this bill is about safety and ensuring consumers are protected during and after the repair process. The second video demonstrates how critical 0.07 seconds can be. A car becomes much more than a car when you are relying on it to keep you and your family safe. Most consumers have an expectation that the purpose of insurance is to ensure that after an accident, their property will be made whole and be as safe as it was before the accident.

Section 2 of the bill lays out that insurance companies may not require the use of aftermarket parts for repair of physical damage to the vehicle if the vehicle is less than five years old before the date of damage without written consent of the owner. If the insurer intends to use aftermarket parts to repair other damage beyond the physical damage, they need to provide notice in writing to the owner. In addition, the insurer cannot require a body shop or garage to repair a vehicle in a manner that is contrary to the recommendations of the car's manufacturer. Section 1 of the bill makes not complying with the provisions in section 2 an unfair practice in settling claims and punishable under *Nevada Revised Statutes* (NRS)

686A.187. Section 3, subsection 2 adds language requiring body shops and garages to identify each aftermarket part intended to be used for a repair, its origin, and informing the owner in writing that warranties on the parts are provided by the manufacturer of the part and not the manufacturer of the vehicle. And again, the garage or body shop would need written consent of the owner to use those parts in the repair.

**Gil Grieve, Private Citizen, Reno, Nevada:**

I am a former 40-year collision repairer. I owned a repair shop for 33 years. I am here in support of A.B. 173. The year 2012 was a defining time in the automobile manufacturing industry when structural engineering, computer technology, and creature comforts merged into a consumer taxpayer's comfort and safety never before seen in the auto industry. The new auto manufacturing process using exotic materials to produce the automotive marvels is not of old technology or materials. Automobiles have never been safer, more comfortable, and dependable at any other time due to the new manufacturing techniques.

With the safety, dependability, and consumer convenience comes cost. As of 2016, the average cost of a car was \$30,900. The average truck/sport utility vehicle was \$48,300. After an automobile accident, consumers have become more challenging, to say the least. Their fear of devaluation of property, warranty concerns, and inherent diminished value is their first concern. A lot of Nevadans are challenged to be able to afford a modest means of transportation. With the high sales values, insurance rates are relevant to the repair or replacement cost. The average period of financing a car is 68 months. Auto manufacturers tell the collision repairer what they must do to make quality, safe, guaranteed repairs. The demands come from the manufacturer, financier, and the citizens of Nevada to ensure the value is restored. Original equipment manufacturer parts, materials, and repair procedures must be used. Every manufacturer uses their own patented way of manufacturing these vehicles and their parts.

We are here to discuss the insurance policy the consumer purchases to protect the property value after losses occur. Most consumers do not understand, at the point of sale, the product they are purchasing to protect their property. The insurance agents who either sell it online or in person do not explain the product in detail so the consumer bases his decision strictly on cost. Assembly Bill 173 does nothing more than shift the responsibility. If the insurer has a contract with the insured or a third-party claimant and it only covers aftermarket parts, so be it. At that time, they can discuss the options with a policyholder or third party and may come up with a solution. It becomes their obligation to require the necessary signatures to allow the repairer to proceed with aftermarket parts. The repairer does not have the answers.

The opposition wants this to be about cost and potential time delays, but time is already being wasted on questions the repairer cannot answer. The insurer can answer those questions up front. Additional costs are between the insurer and the insured at the time the policy is issued. All insurers have a necessary matrix to value premiums to do a quality repair on a consumer's property. Additional insurance products may be necessary to cover the additional collision repairs on encumbered, leased, or under-factory-warranty vehicles to be removed once the time value has expired. At that time, the property owner can make

conscious decisions on which parts to use in the repair process. Aftermarket parts are inferior by design due to the manufacturers' proprietary process, as you saw in the video. This conversation should be about restoring the safety and value back in a vehicle which is under 60 months old so the owner can be made whole after the loss.

**Assemblyman Richard Carrillo:**

We are available, along with Matt Gondini in Las Vegas, for questions.

**Chair Spiegel:**

What would the process be for a consumer to have that discussion after they have had a car accident? When could they have that conversation with their insurer about what parts are going to be used? Where would the consumer be able to convey their wishes in writing?

**Gil Grieve:**

Once a loss has occurred, claims processing must be initiated by the policyholder. It is at that time that I believe the obligation from the carrier to the policyholder or third-party claimant is to have the discussion on what type of parts they will be using on a car that is less than 60 months old, under factory warranty, and/or encumbered with debt. That is when the conversation needs to happen. If the policyholder or claimant has any questions about why we are going to use inferior parts, they can be answered at that time.

**Chair Spiegel:**

I did not see anything in the bill that said encumbered by debt. Did I miss it?

**Gil Grieve:**

No. You have a manufacturer who makes the car, warranties the car, and finances the car. The car is damaged, poor quality repair is done, and the owner loses confidence in the car so what do they do? If the car is repossessed, the manufacturer cannot recoup their loss because of the inferior repair.

**Chair Spiegel:**

If a claim is initiated by phone because you are at the scene of the accident, when will the consumer be able to provide something in writing to their insurance company if they need to have their car taken to a body shop?

**Gil Grieve:**

The first conversation usually only includes the date, time, initiation of the loss, and where the vehicle is going to go. The second conversation is usually about what happened and liability. I believe it is then that the insurer is obligated to inform the claimant about the coverage. They sell the products, but they do not educate the consumer about what they are buying. The burden falls on the body shop to get the waiver for aftermarket parts. The consumer asks the body shop, why are certain parts going to be used? The body shop does not have the answers. We believe it is the obligation of the insurance carrier to explain about aftermarket parts.

**Matt Gondini, Chairman, Southern Chapter, Nevada Collision Industry Association:**

This is for insured-paid claims. The person who owns the vehicle outright can take the deficiency on that claim at the point of the sale. If they decide to use an aftermarket part on their vehicle, they are taking the discount and the depreciation on the vehicle at that time. An insured policy is written an estimate of physical damage appraisal. That is the point where the parts are described and the insurer, who is requiring the use of the parts, should give the option to the owner or lessee of the vehicle. This bill is to protect these people. The first 60 months will likely protect lessees who are required to return the vehicle in a particular condition. If a leased vehicle is returned with aftermarket parts, a penalty will be imposed at the end of the lease. This is to protect the consumer and allow him or her to make the decision on the repair of his or her vehicle.

**Chair Spiegel:**

Are there any questions from the Committee?

**Assemblywoman Tolles:**

In section 2, subsection 4, it says, "An insurer shall not require any body shop or garage to repair a motor vehicle in a manner which is contrary to the recommendations of the manufacturer of the motor vehicle." I think the manufacturer would be biased towards using their own parts. Is it analogous to saying a pharmacist has to make the patient who picks up a prescription go through extra steps to ask for a generic drug?

**Gil Grieve:**

The analogy is not comparable. The generic drug may affect me differently than another person. The car is physical. The body shop industry is very subjective. The first impression of the final repair is the true test; it is everything. Aftermarket parts are marginal at best. We are talking about cars that are 60 months old or less. When something happens to a new car, the owner is distraught. As the car gets older, it becomes just transportation, the encumbrance goes away, the warranty starts to go away, and the owner starts to incur maintenance expenses. When it becomes the owner's property, then it is up to them to determine how it is repaired. While the vehicle is under warranty and encumbered with debt, it is different. When aftermarket parts are used on late model cars, the value is diminished for a sale in the first five years. The analogy does not work because one is medical and one is visual.

**Matt Gondini:**

I think the drug analogy is a great example. It is a scientific study that is going to tell if it is going to react the proper way. As we all witnessed in the video, the scientific study that was done independently on the aftermarket part compared to the OEM part failed and would not have passed. I think it is a good example. If a generic drug failed, it would not be sold to the general public.

**Assemblyman Yeager:**

Are aftermarket parts less expensive than original equipment manufactured parts?



**Gil Grieve:**

Ninety-nine percent of the time they are more expensive.

**Assemblyman Yeager:**

In the video, I got the impression that aftermarket parts could be used in a way that would potentially hamper the safety features of the vehicle. Section 3, subsection 1, refers to *Nevada Revised Statutes* (NRS) 487.688, and it says, "the body shop or garage shall perform the repairs in accordance with any specifications of the manufacturer." Would the specifications of the manufacturer require the body shop or garage to perform it in such a way that those safety features would continue to exist and be effective?

**Matt Gondini:**

It absolutely affects the safety of every automobile. When we talk about the recommendations of the manufacturer of the motor vehicle, it is not just about parts usage. It is about repair procedures and how parts will be installed—how welded-in parts and structural parts will be installed. All the parts that are crash-tested independently are re-crashed and restudied. The manufacturer gives us documentation on how these vehicles should be put back together.

**Assemblyman Yeager:**

Would the specifications of the manufacturer require that the vehicle be repaired in such a way as to maintain the safety features? I thought we were trying to avoid parts that could potentially jeopardize the safety of the vehicle. Do the specifications of the manufacturer go to that level of detail where the auto body shop or garage would need to repair it to maintain those safety features?

**Matt Gondini:**

Yes, they do. They go as far as requiring certain weld types, plug welds, or gluing of panels as per the manufacturers' recommendations. There is also the usage of parts that can change, as we witnessed in airbag timings.

**Gil Grieve:**

The example that Honda had was on just the front bumper reinforcement bar. It is truly the bumper for the car. What you see is the fascia. The true structural integrity is behind the fascia. In the video there was a good example of how materials made by a manufacturer are welded and pressed in a specific manner, compared to an aftermarket part which would not hold up to the stress and pressure of an impact in comparison.

**Assemblywoman Neal:**

The key to this is what you are trying to prevent the insurer from doing. What is the insurer doing that is causing the safety issue?

**Matt Gondini:**

This is to inform the consumer that they have a choice in what part is being installed in their vehicle. It is to keep the consumer involved in the process.

**Gil Grieve:**

The obligation from the insurance carrier to the policyholder should be to explain the parts usage when they purchase the policy; that does not happen. We want the insurance company to have the discussion with the policyholders. That way the insured will have a better explanation of what the policy covers. They have the right to use an alternative part source at the insured's expense. The carrier can put a new part on a car if they so choose, or they can put the burden onto the policyholder to pay the difference between the original equipment part and a generic part if he or she insists on having that part. The owner has to give the consent, but it should be the obligation of the insurance carrier to explain what they purchase.

**Assemblywoman Neal:**

I agree with consent and individuals knowing what goes in their car. Statistically, how many cars that receive aftermarket parts end up either with significant damage or safety concerns versus the car repaired with OEM parts? Do you have data or statistics so we can judge safety? If the issue really is consent, then we need to deal with consent.

**Matt Gondini:**

In the Honda video, there were statistics that showed more costs to insurers and the possibility of injuries that can come from secondary damage. There needs to be written consent and there are safety concerns.

**Assemblywoman Carlton:**

I understand the safety concerns. I do not understand the 60-month level. What I am taking from this bill is, if a car that has a loan on it and is involved in an accident, the dealer wants to make sure that manufacturer parts are used so when it comes back to him, he can sell it. If there are aftermarket parts, he wants a list of those parts so he knows the real value of the car. As Assemblyman Yeager pointed out, in NRS 487.688 it basically says the part has to meet a certain specification. I believe this is more about making sure the car is repaired to the dealer's standards in case it ends up back with the dealer.

**Matt Gondini:**

It is to repair the vehicle, not for the dealer, but for the manufacturer.

**Assemblywoman Carlton:**

When I hear manufacturers' parts, I hear dealers' parts because that is where you get them. When I have had car repairs, if I bought the dealers' parts, I paid two or three times more than if I got the other part. This bill does not say that it is only for cars that have a loan, it applies to every car that is under 60 months old. If I were to buy a new car, this would apply to me and I would have to pay more for repairs, even if I paid cash for the car. I have concerns that the bill is not getting where you want it to be, and I think you have encompassed more people than you intended. I think we are giving consumers a take it or leave it choice to get their car repaired. This seems to be more about the dealer or the manufacturer getting the car back in its original shape.

**Gil Grieve:**

I believe it is about keeping the value in the car. If a late model car which is under warranty is damaged, is taken to the dealer, and a part used to repair the damage is not an OEM part, the warranty would be voided. I do not believe that is a true statement, but it is one of those arguments that happens every day on the level of consumer satisfaction and consumer value. It is the obligation of the carrier to get the consent for these parts, not the body shop industry. In a body shop, if we use anything other than an OEM part, we must have a waiver signed by the consumer to use the parts. The newer the car, the more heated the conversation is. The collision repair industry is the business that fixes damaged property. The conversation for policy reading and what a consumer purchases needs to come from the insurance carrier, not the body shop. We do not have the information and we have disgruntled consumers.

**Assemblywoman Carlton:**

It seems that this bill may be getting in the middle of existing insurance contracts. What if all the insurance policies have to be changed? What will the rate change be for every consumer in the state to pay extra on their insurance because every repair will have to be done at a certain level? This is an insurance issue.

**Gil Grieve:**

When you consider an average repair, there is about a 20 percent difference between an aftermarket part and an OEM part.

**Assemblywoman Carlton:**

I am talking about the conflict that this piece of legislation could have between the consumer and the insurance company, and the possibility of having to amend insurance policies to comply, and the increase in insurance rates.

**Gil Grieve:**

Currently, the conversation is happening between the repairer and the policyholder. It should happen between the insurer and the policyholder. If the policy does not cover it, so be it. At that point in time, the carrier could explain the options the insured would have and get the repairer out of the middle of the conversation. It becomes a conscious decision by the policyholder as to what parts they want to use. It does not mandate in the bill that they must use those parts. It says that the carrier must explain to them and have them sign a waiver for the use of these parts. If the car is going to be diminished in value, the insured will know what the expectation of the finished product would be.

**Matt Gondini:**

There was an independent study done by Property Casualty Insurers Association of America which said if non-OEM competitive replacement parts were no longer used, it would result in an additional \$2.34 billion in insurance costs per year. On average this means that about \$24 per car will be added to premiums annually.

**Chair Spiegel:**

Are there any questions from the Committee?

**Assemblyman Kramer:**

In section 2, subsection 4, it says, "contrary to the recommendations of the manufacturer." When we look at NRS 487.688, it talks about manufacturers' specifications and I would like to see consistency. I would like both to say manufacturers' specifications. Specifications are more factual. If specifications were used instead of recommendations, then the safety factor would go away.

**Gil Grieve:**

If the collision repair industry can prove that the part that they specify and want to use is not acceptable, the insurance industry as a whole does not make the collision repair industry use it. The challenge there lies in the time spent on purchasing an inferior part, getting that part, proving that it is inferior, which stalls the repair for the customer, and reordering the OEM part because it was proven to be specific to that car. Most aftermarket parts are appearance parts. Many aftermarket parts companies will not sell the parts because they know they are inferior and they know what the outcome will be. An aftermarket headlight does not have the same illumination as an original equipment light. The specifications cannot be duplicated by the aftermarket company.

**Assemblyman McCurdy:**

In section 3, it appears there are already guidelines to which the repairer is supposed to adhere. Is that correct?

**Gil Grieve:**

That is correct.

**Assemblyman McCurdy:**

Because you have guidelines, would you be providing the best quality part?

**Gil Grieve:**

That is correct.

**Assemblyman McCurdy:**

How do we start the hearing talking about inferior parts if you have in statute a mandate to provide the best part possible?

**Matt Gondini:**

Those parts are not currently being used and consumers are being left deficient in their property because insurers will call for a certain part to be used and the consumer will not have a choice. This is giving them a choice about what part can be used. This bill will give consumers more choices, which I think the consumer needs.

**Assemblyman McCurdy:**

It says that within the 60 months, they can only use the manufacturer's part. Is that more of a choice?

**Matt Gondini:**

It is giving the consumer the choice of using aftermarket parts or OEM parts. It gives the consumer the choice, not the insurer, and not the shop.

**Assemblywoman Neal:**

I am trying to distinguish between what is fact and what is opinion. You are talking about things that are not just dealing with consent. If I need knowledge of what was placed in my car, this bill needs to be written differently. I need facts to help me make a decision about the policy in this bill.

**Matt Gondini:**

In the Honda video, there was a description of tensile strength. If we slowed the video, we could see that there are numerous scientific facts shown that the parts are substandard to an original equipment manufacturer part. They measure thickness of the metal and corrosion resistance of those metals. There is scientific proof that shows that the aftermarket parts are not the same quality.

**Assemblywoman Neal:**

I saw the Honda video. It is not a comparison of several manufacturers. It is not a side-by-side comparison between aftermarket parts and original parts in regard to safety, incidences, and occurrences. I want to know if the value or consistency of the product is the same or not? The Honda video is not enough for me to evaluate or come to a conclusion. Maybe you can submit to the Committee some actual data that helps us do the comparison to the arguments made in this hearing other than consent. I will need some actual data and comparisons for the data around safety.

**Assemblyman Carrillo:**

We will get that data for you, Assemblywoman Neal.

**Chair Spiegel:**

That would be helpful for the whole Committee.

**Assemblywoman Hardy:**

How would notification work with people who are not fluent in English? What happens if they do not understand it, they are uncomfortable to sign it, or if they sign it and it comes back, and they did not understand what they were agreeing to?

**Gil Grieve:**

That is an everyday occurrence in the collision repair world. You must remember the emotions and trauma of an auto accident. At that moment a lot of things get convoluted. The example you stated is why it needs to be the obligation of the insurance industry to communicate with their policyholders. Currently, we are the buffer between the carrier and the consumer. We are doing a poor job of it because we do not know what policy they own. Many times we will get an insurance estimate from a carrier which says aftermarket parts front to back. At the end of the repair, someone will say, On my policy, I signed up for OEM

parts. There was a rider on the policy, but no one from the insurance side knew that until after the car was repaired. The consumer did not understand what they were signing for at the body shop. The conversation has to happen at the initiation of the claim so everyone knows what they need to know.

Aftermarket parts are not crash-tested. These are reproduction parts manufactured by someone who builds and sells them. If all parts were manufactured the same, they would have the same value. Aftermarket parts are a visual problem. The insurance industry expects the safety be put back into the vehicle. The challenges are in the cosmetic/appearance items. Aftermarket parts do not fit or finish to the same standard as an OEM part. The success in painting an aftermarket bumper is about 50 percent that the paint will stay on. When the paint falls off, it reflects on the body shop. The policyholder does not understand the product they are purchasing, and that is why the collision repair industry feels that the waiver signing for the use of these parts and the conversation needs to happen on the insurer's level.

**Assemblyman Carrillo:**

Insurance companies are not providing their policies in language that is necessarily easy to understand for the consumer. They are not required to provide policies in the native language of the insured. If the insurer provided the information in native languages, which would hopefully eliminate the problem.

**Chair Spiegel:**

Are there testifiers in support of [A.B. 173](#)?

**Jose Rivera, Extern, Nevada Hispanic Legislative Caucus:**

On behalf of the Nevada Hispanic Legislative Caucus, we are in full support of this bill. The average consumer is uneducated when it comes to automobile parts. This bill creates essential protections for those consumers so they may come out of a repair shop knowing that their vehicle is in the same condition as before they got into an automobile accident. While we recognize there are aftermarket part companies that manufacture decent car parts, there are also aftermarket car part companies that manufacture substandard car parts. Insurance companies have a responsibility to ensure that the integrity of the vehicle is still the same when it leaves a repair shop.

**Tim Waldren, President, Nevada Collision Industry Association:**

The Nevada Collision Industry Association is in support of [A.B. 173](#). This bill will allow insurance policies in Nevada to be congruent with the vehicle manufacturers' recommendations of repair, the current laws in Nevada governing those repairs, and the insurers' advertising of making their policyholders "whole." According to a study done in 2012 by Property Casualty Insurers Association of America ([Exhibit G](#)), the additional premium cost would be a nominal \$24 per year. This is a consumer protection bill that will protect the motoring public in Nevada for years to come. It is about safety. There is a safety regulation that is placed upon the collision repairers, but there is not a provision to protect consumers when they buy an insurance policy that the safe repairs will be paid by their policy.

**Alfredo Alonso, representing Alliance of Automobile Manufacturers:**

We are a trade association of the 12 largest automobile companies, excluding Honda and including the Big Three [General Motors, Ford, and Fiat Chrysler Automobiles]. We have dealt with this issue throughout the country. This is not an attempt to use only OEM parts. There are plenty of good aftermarket parts. Rhode Island just addressed this issue with a very similar bill. The issue brought up by Assemblyman Kramer with respect to specifications is very important. It is not just about parts. There is a recent case, *Seebachan v. State Farm Mutual Automobile Insurance Company*, 4:17-CV-00694 (E.D. Tex. dismissed Oct. 3, 2018) where the auto shop was sued because there were supposed to be welds on the roof, and instead it was glued on. That was against the specifications of not only the manufacturer, but also the glue manufacturer. That automobile ended up in another accident in which the individuals in the car were severely burned. It turned into a \$42 million dollar lawsuit. They found that the insurance company had actually directed the auto shop to ignore those specifications. It is not just the parts. The specifications, especially with respect to the safety matters, have to be followed. The individual needs to be informed that some of these parts could, in fact, affect their safety mechanisms. These are incredibly sophisticated automobiles. It is a much more complicated matter than just if an aftermarket part is adequate.

**Andy MacKay, Executive Director, Nevada Franchised Auto Dealers Association:**

We are the trade association which represents all of the new car dealers in Nevada. This bill is nothing more than a notice bill. It is a notice bill that the consumer, vis-à-vis the insured, has the right if this bill were to become law to be provided notice that he or she can get aftermarket parts or original manufactured parts on the repair. It is nothing more, nothing less. It does not prevent the use of aftermarket parts; it only provides notice. The manufacturer of the automobile is not required to provide a warranty on an aftermarket part. For example, a customer comes into a dealership and says the rain-sensing wipers do not work. They expect a warranty repair by a dealer, and it is an aftermarket part. The customer is upset because the warranty on that specific part is not covered. Just because it voids the warranty on a specific part, it does not void the warranty on the vehicle. We are in support of this bill. It adds transparency for the insured, and clarity is a good thing. We believe that the parts manufactured by the members of the Alliance of Automobile Manufacturers are better.

**Alison Brasier, representing Nevada Justice Association:**

We are here in support of this bill because it is good and just for consumers in Nevada. It places people back in the same position they were before their vehicle was damaged. It does that by giving them information about aftermarket parts, and it gives them the option to choose them. This information and choice is important because aftermarket parts can have varying levels of quality and can have safety implications depending on the vehicle and the part. It can negatively impact the value of the person's vehicle. Without the addition of the proposed section in the bill, as the law currently stands, you could pay cash for a new car and get hit while you are driving off the lot and through no fault of your own be forced, without your knowledge, to have aftermarket parts placed in your car. That could potentially decrease the safety and the value of your vehicle. You would have no choice or rights in the matter. That is not right nor fair for the consumer in Nevada because the insurance company

chose to save money by using the aftermarket parts. We think these are necessary protections for the citizens of Nevada.

**Gil Grieve:**

I am here solely as a consumer protection advocate knowing what the citizens of the state of Nevada get as a product when there is an insurance loss.

**Chair Spiegel:**

Is there any testimony in opposition?

**Lisa Foster, representing Allstate Corporation; and American Family Insurance:**

Both companies I represent are opposed to this bill. Insurers have allowed the use of aftermarket parts for decades, and there has been no widespread issue with it. We are not clear on the need to make this dramatic and expensive change. The bill is not really specific in regard to the type of parts that are being talked about, whether they deal with safety issues or not. The way some people read it, everything could be included and would need to be replaced by an OEM part. Insurers want their customers back in their vehicles quickly with assurances that they are repaired safely. They use electronic communications with both the consumers and the repair shops to more quickly complete the estimates and the needed work. Assembly Bill 173 does not clearly allow for this. Requiring the use of only OEMs and not aftermarket parts will drive up the cost of repairs tremendously and, therefore, the cost of insurance. Repair shops will need to charge more and consumers will have to pay for that through increased insurance rates. With regard to the extensive noticing requirements, although I think noticing is good, we think it will slow the repair process. If this bill is passed as written, Nevada would become the most restrictive state in the nation in terms of using aftermarket parts.

**Chair Spiegel:**

Are there any questions from the Committee?

**Assemblywoman Tolles:**

Can you provide data for the Committee from the insurance companies' perspective on the safety of OEM parts in comparison to aftermarket parts?

**Lisa Foster:**

There is an association which deals with aftermarket parts which the other speakers may present.

**Assemblywoman Neal:**

When would an insurance company mandate the body shops to use a certain type of part because the company wants to weigh the costs for the damage or the repair? Does that happen often?



**Lisa Foster:**

The companies I represent are specific that certain safety parts must be OEM parts and that other parts which are not considered safety parts may be replaced with aftermarket parts.

**Assemblywoman Neal:**

What is the reasoning behind dictating parts? Is it a cost savings?

**Lisa Foster:**

I think there are some parts that insurers feel need to be OEM and the remainder do not because they are as safe or structurally sound as OEM parts. Allstate is a huge company, and they repair many vehicles and pay for that.

**Assemblywoman Neal:**

Have you had any claims where alternate parts were used and there was severe damage to the car or people in the car? Do you have statistics about that?

**Lisa Foster:**

I do not have anything like that, but I will ask both of the companies I am representing and get the information for you.

**Chair Spiegel:**

Please get that information for the Committee. Would you also get information about what happened to premiums in the other states which have passed similar legislation?

**Lisa Foster:**

I will see what I can find.

**Assemblyman McCurdy:**

Would you agree that this is a disclosure bill?

**Lisa Foster:**

I think it goes above and beyond that. I think it is a disclosure bill, but I also see it as an expensive mandate.

**Assemblyman McCurdy:**

What expenses do you mean?

**Lisa Foster:**

The cost of OEM parts versus aftermarket parts.

**Joseph Guild, representing State Farm Insurance Companies:**

We have some concerns with the bill. We think the required consent provisions in section 2, subsection 1, to use aftermarket parts are problematic. When you go into a body shop and get an estimate, you will have an indication of what parts are aftermarket and which are OEM. We see that as a duplication. We are also concerned with the provisions in section 2,

subsection 3, which would have the owner of the vehicle require the insurer to pay for the OEM parts. That is a problem because these provisions conflict with the evidence that aftermarket parts are equal in quality to OEM in terms of fit and performance and the use of such parts in the repair of a car does not affect the safety of the vehicle. The Certified Automotive Parts Association, of which State Farm is a member, tests the parts with the same rigor as for OEM, including bumper crash tests. The current law says a body shop shall perform the repairs in accordance with any specifications of the manufacturer. Even in using an aftermarket part, you still have to repair the vehicle to the specifications for which that part is used. The written estimate or statement of the cost of the repairs must be provided by the body shop. That is the reference I made to the notice that the consumer has.

**Chair Spiegel:**

I would also request you to get information concerning changes in premiums in states that have passed similar legislation as well as any safety data that you could share with the Committee.

**Assemblywoman Carlton:**

I would like all of the representatives from the insurance companies to inform us of how many policies are actually written this way and whether they offer a rider about making sure you can get the OEM parts. I would like the insurance companies' actuaries to look at this change and see what it might do to insurance rates. We want to see the data. We know nine out of ten people do not read their car insurance policies so I would like to know how the policies are designed.

**Ray Colas, Director of Government Affairs, LQK Corporation, Chicago, Illinois:**

I am the Director of Government Affairs for LQK Corporation which is the world's largest distributor of automotive aftermarket and recycled car parts. The most important question asked here is, what does this bill attempt to accomplish? It specifically prohibits the use of aftermarket parts to repair certain damaged motor vehicles. It could not be any more apparent as to what they are trying to accomplish as it is written within the bill itself. Because we provide a lower cost alternative to the OEM parts, it creates competition. With competition, you will have attempts to restrict the use of these products. The products in this bill are aftermarket specifically and the restriction applies to 60 months. If these parts are unsafe, why would they agree to use these same parts after the 60-month period? Why are people with older vehicles not afforded the same protections as those with newer model vehicles? The safety record does not warrant a restriction.

Questions were asked in regard to safety. The aftermarket parts industry has been around for over 50 years, and we are not aware of a single case where the use of an aftermarket part has caused accident, injury, or death. The car companies cannot say the same. Car companies have had an average of about 40 million vehicles recalled in the last three years. Those recalls were conducted because vehicles had component parts that have caused accidents, injury, and death. You are aware of the Takata airbag issue which is a Honda airbag. That particular product has equated to about ten deaths and several other injuries. The solution is that the federal government has allowed them several years to resolve the issue. The

aftermarket industry would never be afforded that same opportunity if they were to have evidence of our parts causing accident, injury, or death. Toyota had an issue with gas pedals. People's vehicles were careening down the road, and they could not stop because of an OEM component part which led to death. Those are two examples of how car companies have killed people. These motor vehicle manufacturers are exempt from the requirements of this bill, yet the proponents are advocating on behalf of the consumer. They have no evidence of aftermarket parts having caused death. For these reasons, we cannot support this bill.

The proponents also make claims against warranties—the use of aftermarket parts may void your motor vehicle's warranty. Federal law prohibits the car companies from requiring the use of their parts and tying that to a motor vehicle's warranty. That is absolutely illegal. They are looking to the Legislature to circumvent by state law what federal law prohibits. A case came from the Federal Trade Commission (FTC) regarding BMW. It stated, unfortunately, you have violated this law and you must cease and desist immediately. If they truly feel that the use of aftermarket parts will void a motor vehicle's warranty and they have to use OEM parts, have them put it in writing for you and we will gladly take that to the FTC. What is not fair to consumers in the state of Nevada is the misinformation that the proponents are providing and what this bill seeks to accomplish. We ask that you oppose A.B. 173. [Mr. Colas submitted a letter in opposition to A.B. 173 ([Exhibit H](#)).]

**Assemblywoman Neal:**

Are aftermarket parts crash-tested?

**Ray Colas:**

The National Highway Traffic Safety Administration oversees motor vehicle component parts which apply to the motor vehicle's safety. There is no requirement, whether aftermarket or OEM, for individual component parts to be crash-tested. The OEMs do not crash-test individual component parts; they crash-test a motor vehicle as a whole.

**Assemblywoman Neal:**

Are you saying OEM and aftermarket parts are equally unsafe?

**Ray Colas:**

They equally have to adhere to the same standards.

**Assemblywoman Neal:**

What was the point of your citing the factual circumstances around Honda and your examples?

**Ray Colas:**

It is because they are using an unknown to say these parts should be restricted because they are unsafe. We have factual evidence that car company parts have failed and cause injury, yet they have not presented any restriction on those parts.

**Jeanette Belz, representing American Property Casualty Insurance Association; and Liberty Mutual Insurance:**

I want to address some questions that came up in regard to other states. Rhode Island passed their legislation only one year ago so there is no data that has come from there yet in terms of what the impact might be on premiums. Concerning the Property Casualty Insurers Association of America report on the \$24 increase in premium, that information is from 2012 and may not be relevant in terms of today's costs.

We provided a letter ([Exhibit I](#)) and I want to read a quote from the Consumer Federation of America.

The lack of competition for repair parts will result in high repair costs and more vehicles being 'totaled' because the price of repairing the damage exceeds the value of the vehicle. High repair costs will lead to higher insurance premiums. Furthermore, when faced with expensive repairs and a limited budget, consumers may simply not be able to replace their head light or a broken side mirror, items essential for safe driving.

The Advocates for Highway and Auto Safety wrote:

The bottom line: If automakers succeed in eliminating competition, the cost to the consumer would be profound.

The American Property Casualty Insurance Association's position is that using non-OEM parts can be the difference between a car that is deemed repairable and one that is considered a total loss. Most insurance companies offer their insured a choice to pay for OEM parts or accepting aftermarket parts. Consumers should not be pressured to use higher-cost OEM parts when parts of equal and sometimes better quality are available at a fraction of the cost. Original equipment manufacturer parts can cost up to 60 percent more than equivalent like, kind, and quality parts ([Exhibit J](#)).

**Chair Spiegel:**

Are there others to speak in opposition?

**Mark Ryan, District Manager, East Penn Manufacturing Company, San Jose, California:**

We are a lead battery manufacturer. As a North American manufacturer specializing in both aftermarket and OEM parts, I ask that you oppose this bill. Assembly Bill 173 prohibits the use of aftermarket parts impacting the nearly 18,000 jobs in the aftermarket industry in Nevada and an economic output of nearly \$2.5 billion. This bill creates a layer of restrictions against the use of alternative automotive crash parts, thus legislating a monopoly on OEM parts. It appears the proponents of this bill are making false claims by saying this is a consumer protection issue; however, they have not provided real-world evidence of accidents, injuries, and deaths. The bill's language would require a waiver to be signed to the consumer, which creates the surrounding fear about aftermarket parts and a perception that

they are inferior. The consumer has an inherent right to know the facts. The bill would require an insurer to repair motor vehicles utilizing the recommendations of the motor vehicle manufacturer. It is hard to imagine that a car company would ever recommend a part other than a new OEM part. For these reasons, East Penn cannot support this bill, and we would ask that you oppose it.

**Roy Foster, President, Roy Foster's Automotive, Reno, Nevada:**

We are a family automotive repair shop in Reno and have been in business for over 70 years. Our goal is to provide quality and safe repairs. We use aftermarket parts on many repairs. I agree with Assemblywoman Carlton that many of us have been included in this bill with unintended consequences. We are a general repair shop. We do insurance repairs, mostly undercar damage, which means if someone hits a curb, they come to us to replace a wheel bearing, a control arm, a ball joint, or steering components which come from the aftermarket. We install shocks and struts, which I am sure are supplied to the OEM and the aftermarket by the same manufacturers in most cases. We offer a 3-year/36,000-mile parts and labor nationwide warranty through NAPA AutoCare, which has 17,000 locations and which no manufacturer can come close to. We stand behind the quality of our parts and our repairs. I appreciate the opportunity to speak my voice in opposition to this bill.

**Greg Doyle, Owner, Greg's Garage, Reno, Nevada:**

I have been in business for almost 30 years and I am a member of the Transportation Committee for Truckee Meadows Community College. We do undercar mechanical repairs, and this bill affects our business. I can see where the body shop has a fit and finish for the consumer which is important to address. A written notice by the insurer is not a big issue for us because we do undercar repairs, and only about 10 to 20 percent of our work is paid by insurance. We do use aftermarket parts. Manufacturers do not release technology, whether it is sensors or crash parts. That puts it out another five years. We need technology available to us to repair the vehicle, and the dealership does not have the capability to do that. They do not have the capability to supply the parts for us nor the repairers to do the work.

**Thomas Tucker, Director, State Government Affairs, Auto Care Association, Bethesda, Maryland:**

The Auto Care Association is a national trade association comprising more than 3,000 member companies of product manufacturers, distributors, independent repair shops, and retail shops. We are the entire supply chain of the auto industry.

There was a lot of discussion about OEM parts versus aftermarket parts. Many of the same companies that make OEM parts also make aftermarket parts. Bosch makes brakes and filters, ZF Friedrichshafen makes electronic sensors, Tenneco Inc. makes exhaust systems, and Schaeffler Group USA Inc. makes clutches, rotors, and electronic and transmission parts. These companies make the products and sell them to the OEMs, but you can buy the exact same part at a repair shop or retail shop. It is a different brand, but it is the same part. If the proponents are saying that aftermarket parts are inferior, they must be saying that OEM parts are also inferior because many of them are made by the same company.

This bill has been branded a safety issue. How many aftermarket parts have been recalled? The answer is zero. The top ten automobile recalls for components and parts last year was 7 million. Examples of the recalls were 1.6 million for the Ford F-150, 1.3 million for the Lincoln LMZ, and 1.3 million for the Ford Focus. Our parts are not inferior, and you cannot say that safety is an issue because we have not had any recalls.

Section 3 of the bill, and NRS 487.688, is about original equipment procedures. Not all repairs have procedures that are readily available. The bill is asking this Committee to mandate that a collision shop follow the bible of collision repair, but if there is not a procedure available for that repair, what are they to do? I can offer an example of a 2018 GM Yukon that hit a concrete and metal structure a few weeks ago. It was a \$4,000 repair on the front of the vehicle. When they went to the repair procedure, they had to take off the entire front on both sides. When they talked to the vehicle manufacturer, they were told that there was no procedure for repairing the iron grill on the front. This is a part of a vehicle that they make and sell. Ultimately, they totaled the vehicle. It was a \$45,000 loss because there was no procedure available. That is a component of this bill. I ask that you oppose this bill because it is a solution looking for a problem. [Mr. Tucker submitted a letter in opposition to [A.B. 173](#) ([Exhibit K](#)).]

**Chair Spiegel:**

Are there any questions from the Committee? [There were none.] Is there anyone else to speak in opposition to [A.B. 173](#)? Is there anyone to testify in a neutral position? [There was no one.]

**Assemblyman Carrillo:**

This bill is about choice. It is about the consumer deciding what goes back in their car. It is not the insurance company. You can get multiple policies and you can decide if you want OEM parts or aftermarket parts. The Chair has given homework to the insurance companies to find more information and statistics. That is great because we, as consumers, need to be educated. This is a consumer protection bill and seeks to ensure that vehicle owners have the ability to give active consent to how the vehicle is repaired. I will concede that this may mean higher costs to the insurance companies to repair a vehicle. After many discussions, I have to come back to the same question—how much is a life worth? We have to weigh what a loss could mean if someone we love is permanently disabled or killed in an accident where an airbag is not deployed or the car did not crumple as designed by the manufacturer because decisions to repair the vehicle were made based solely on cost.

[All items submitted but not discussed will become part of the record: ([Exhibit L](#)), ([Exhibit M](#)), ([Exhibit N](#)), ([Exhibit O](#)), ([Exhibit P](#)), ([Exhibit Q](#)), and ([Exhibit R](#)).]

**Chair Spiegel:**

I will close the hearing on A.B. 173. Is there any public comment? [There was none.]

The meeting is adjourned [at 3:38 p.m.].

RESPECTFULLY SUBMITTED:

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Earlene Miller  
Committee Secretary

APPROVED BY:

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Assemblywoman Ellen B. Spiegel, Chair

DATE: \_\_\_\_\_

## EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is the Work Session Document for [Assembly Bill 25](#), presented by Patrick Ashton, Committee Policy Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit D](#) is a document titled "Bumper/Fascia Replacement with Advanced Driver Assistance Systems" by GM Service Information, presented by Assemblyman Richard Carrillo, Assembly District No. 18.

[Exhibit E](#) is a copy of a video titled "Can Body Parts Affect Safety?" produced by Honda Collision Information, presented by Assemblyman Richard Carrillo, Assembly District No. 18.

[Exhibit F](#) is a copy of a video titled "When Your Airbag is Late" produced by Honda Collision Information, presented by Assemblyman Richard Carrillo, Assembly District No. 18.

[Exhibit G](#) is a document titled "Aftermarket Parts: A \$2.34 Billion Benefit for Consumers," by Property Casualty Insurers Association of America, presented by Tim Waldren, President, Nevada Collision Industry Association.

[Exhibit H](#) is a letter dated March 1, 2019, in opposition to [Assembly Bill 173](#) to Assemblywoman Spiegel, authored and presented by Ray Colas, Director of Government Affairs, LQK Corporation, Chicago, Illinois.

[Exhibit I](#) is a letter dated March 13, 2019, in opposition to [Assembly Bill 173](#) to Chair Spiegel and Members of the Committee, authored by Mark Sektnan, Vice President, American Property Casualty Insurance Association, and presented by Jeanette Belz, representing American Property Casualty Insurance Association; and Liberty Mutual Insurance.

[Exhibit J](#) is a flyer titled "Higher Repair Costs Ahead" from American Property Casualty Insurance Association, submitted by Jeanette Belz, representing American Property Casualty Insurance Association; and Liberty Mutual Insurance.

[Exhibit K](#) is a letter dated March 13, 2019, in opposition to [Assembly Bill 173](#) to Assemblywoman Ellen Spiegel, authored and presented by Tom Tucker, Director, State Government Affairs, Auto Care Association, Bethesda, Maryland.



[Exhibit L](#) is a letter dated March 4, 2019, in opposition to [Assembly Bill 173](#) to Chairwoman Spiegel and Members of the Committee, authored by Sandy Blalock, Executive Director, Automotive Recyclers Association, Manassas, Virginia.

[Exhibit M](#) is a letter dated March 4, 2019, in neutral with suggested changes to [Assembly Bill 173](#) to Assemblywoman Ellen Spiegel and Members of the Committee, authored by Dick Mills, Reno Auto Wrecking, LLC, Airport Auto Wrecking, LLC, and Sparks Auto Wrecking, LLC, Reno, Nevada.

[Exhibit N](#) is a letter dated February 28, 2019, in opposition to [Assembly Bill 173](#) to Members of the Assembly Commerce and Labor Committee authored by Grover G. Norquist, President, Americans for Tax Reform.

[Exhibit O](#) is a letter dated March 8, 2019, in opposition to [Assembly Bill 173](#) to Chairwoman Ellen Spiegel, authored by Ann Wilson, Senior Vice President, Government Affairs, Motor & Equipment Manufacturers Association, Washington, D.C.

[Exhibit P](#) is a letter dated March 5, 2019, in opposition to [Assembly Bill 173](#) to Assemblywoman Spiegel, authored by David C. Finley, President, NAPA Auto Parts.

[Exhibit Q](#) is a letter dated March 12, 2019, in opposition to [Assembly Bill 173](#) to Chairwoman Spiegel and Members of the Assembly Committee on Commerce and Labor, authored by Rodney Pierini, President and CEO, California Automotive Wholesalers' Association (CAWA), Sacramento, California.

[Exhibit R](#) is a letter in support of [Assembly Bill 173](#) to Chairwoman Spiegel, authored by Ember A. Brillhart, Manager, State Relations, Honda North America, Inc., Washington, D.C.