



June 12, 2023

The Honorable Chair Senator Dawn Euer  
The Honorable Vice Chair Senator Frank S. Lombardi  
Senate Judiciary Committee  
Rhode Island State House, Room 313  
82 Smith Street  
Providence, RI 02903

**Re: (Oppose) Senate Bill 926 – Relating to Insurance – Motor Vehicle Replacement Parts**

Dear Chair Euer,

The Automotive Recyclers Association (ARA) appreciates the opportunity to submit testimony in opposition to Senate Bill 926 (SB 926), which is a bill relating to insurance that will restrict the use of recycled original equipment (ROE) motor vehicle replacement parts in motor vehicle repairs. ***ARA and its eight member businesses located in Rhode Island strongly oppose SB 926, which would threaten the viability of the entire automotive recycling industry in Rhode Island. SB 926 also puts all Rhode Island motor vehicle owners at risk of losing the right to repair their vehicles with repair parts of their choice, which will substantially increase the cost of motor vehicle repairs and insurance premiums.*** SB 926 is contrary to the public interest and ARA respectfully requests that the Senate Committee on Judiciary vote against the passage of the bill.

ARA and its member businesses in Rhode Island oppose SB 926 because it will functionally ban ROE motor vehicle parts, defined as “used part[s],”<sup>1</sup> from being used in motor vehicle repairs. ***The bill restricts ROE/Used Parts by placing arbitrary requirements on the use of ROE/Used parts in repairs*** such as by requiring that an ROE/Used Part be from a “vehicle of the same year or newer and have the same or less mileage than the vehicle receiving the used part.”<sup>2</sup> This requirement places an unreasonable restriction on the use of ROE/Used Parts for repairs.

The requirement that ROE/Used Parts be from a vehicle of the same year or newer with the same or less mileage will unreasonably restrict the use of ROE/Used Parts. ***In most cases, mileage has no relevance in determining the condition of a motor vehicle component. For example, a replacement door or glass part is not affected by mileage.*** Mileage has no relevancy in determining the condition of most motor vehicle parts. Even for mechanical parts, mileage is a far less important factor than the level of maintenance done on the vehicle by the prior owner. ROE/Used Parts used in repairs need to be used based upon the individual and specific condition

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<sup>1</sup> Senate Bill 926, *An Act Relating to Insurance – Motor Vehicle Replacement Parts*, 27-10.2-1(3).

<sup>2</sup> *Id.* at 27-10.2-4(1).

of each part. Therefore, the restriction on ROE/Used Parts based upon mileage of the donor vehicle has no public benefit and will only serve to steer the market for replacement parts towards expensive and cost prohibitive alternatives to ROE/Used Parts. ***The restriction on the use of ROE/Used Parts in motor vehicle repairs unnecessarily hurts the public because it will cause vehicle owners to pay more for vehicle repairs, pay more for vehicle replacement parts, and pay more for motor vehicle insurance.***

Since 1943, ARA has represented professional automotive recyclers, a vibrant and thriving part of the automotive supply chain. Professional automotive recycling facilities play an important role in the vehicle repair market by providing vehicle owners with cost-effective alternatives to the more expensive new original equipment manufacturer (OEM) replacement parts. Professional automotive recyclers provide vehicle owners with the ability to choose recycled automotive repair parts, ensuring competition in the replacement parts market and providing vehicle owners with the ability to repair their vehicles with recycled OEM replacement parts. ***A study conducted by the Worcester Polytechnic Institute in Massachusetts found that automotive recyclers in Massachusetts help drive a circular economy in auto manufacturing and that the automotive recycling industry has a negative carbon footprint.***<sup>3</sup> For the abovementioned reasons, ARA strongly opposes SB 926.

Respectfully,

Emil Nusbaum  
Vice President of Government and Regulatory Affairs  
571-208-0428 x4  
[emil@a-r-a.org](mailto:emil@a-r-a.org)  
Automotive Recyclers Association  
9113 Church Street, Manassas, VA 20110

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<sup>3</sup> Muhammad Siddiq *et al.*, *Assessing the Environmental Impact of Automotive Recyclers of Massachusetts*, i, (April 27, 2017). <http://armmass.com/wp-content/uploads/2017/10/Full-Study.pdf>.