

Direct Reply To: Robert L. Redding, Jr., Washington Representative
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AUTOMOTIVE SERVICE ASSOCIATION

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December 7, 2011

The Honorable Paul Opsommer
Chairman
Committee on Transportation
N-1197 House Office Building
Lansing, Michigan 48909

RE: ASA Opposes HB 4832 and 4833

Dear Chairman Opsommer:

The Automotive Service Association (ASA) requests that you oppose House Bill 4832 and 4833, changes in Michigan's Salvage Vehicle Statutes, which eliminate salvage vehicle agents and create an unregulated foreign vehicle buyer's definition. HB 4832 and 4833 allow bidders from anywhere in the country, with no defined license, to bid on vehicles located in Michigan without a license from the Secretary of State or reporting and recordkeeping requirements for law enforcement that Michigan salvage buyers must meet.

Michigan jobs, law enforcement capabilities, state and local revenues and Michigan consumers and small businesses will all be negatively impacted if Michigan's salvage vehicle auction sales amendments are not opposed. Consumers and small businesses will be harmed by this legislation which:

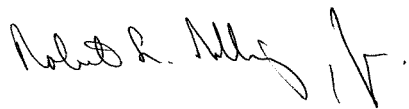
- Creates a foreign salvage buyers definition that eliminates the requirement to be a licensed dealer, but will simply need some undefined license from any state or jurisdiction and provides foreign buyers with a competitive advantage as they are not required to incur the same costs of compliance incurred by Michigan's licensed buyers.
- Threatens quality jobs in the auto recycling industry by allowing foreign buyers operating at lower costs to purchase vehicles and remove them from Michigan and negatively impacts in-state auto recyclers by sending jobs out of state to these foreign buyers.
- Opens up the state's salvage pools to internet with no regulations for reporting of title transfers as required by federal law.
- Makes no provision for collection or distribution of taxes or other fees on the sales of out- of-state vehicles through Michigan salvage auctions.

- Eliminates the Secretary of State's ability to suspend foreign salvage vehicle buyer's licenses for certain violations of Michigan law.
- Creates exception for the foreign buyer to apply for license, pay fees for operation or perform any recording on sales to law enforcement that other in-state Michigan salvage buyer must go through.
- Makes no provision for auctioning of vehicles located in other states that prohibit or restrict the auctioning of motor vehicles to unlicensed individuals.
- Eliminates the consumer protections against the criminal element that a licensed salvage auctioneer and the requirements that the salvage auction statutes currently provide to the general public.
- Creates an economic disadvantage for Michigan's responsible and licensed motor vehicle businesses that are required to pay Michigan's administrative and licensing costs by allowing the general public from any state to purchase vehicles located anywhere in the country through Michigan internet auctions.

The Automotive Service Association is the largest not-for-profit trade association of its kind dedicated to and governed by independent automotive service and repair professionals. ASA serves an international membership base that includes numerous affiliate, state and chapter groups from both the mechanical and collision repair segments of the automotive service industry.

I hope you will recognize the potential harm these amendments pose to the state of Michigan, law enforcement and Michigan's consumers and small businesses. ASA opposes HB 4832 and HB 4833 and asks your help to assure that this legislation does not move forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Redding, Jr." with a stylized flourish at the end.

Robert L. Redding, Jr.
Washington, D.C. Representative