



May 2, 2017

The Honorable Paul Holvey  
Chairman of the House Committee on Business & Labor  
Oregon House of Representatives  
900 Court St. NE  
Salem Oregon 97301

**Re: SB 980 - OPPOSE**

Dear Representative Holvey:

The Alliance of Automobile Manufacturers (Alliance) must respectfully oppose SB 980, regarding reimbursement to auto dealers for recalled used vehicles. While the Alliance agrees that dealers should be compensated for the vehicles in their inventory that require lengthy repair times, we have concerns with several of the bill's provisions. The Alliance opposes SB 980 for the following reasons:

- The compensation rate of 21% (1.5% per month) of the vehicle value is excessive and is 50% higher than the comparable federal law rate of 1% per month for the repairs of recalled new vehicles.
- Within the past year, dealer organizations in six states around the country have agreed to the 1% compensation rate. It has not been demonstrated to us that costs to dealers in Oregon are 50% higher than those in these other states and thus do not warrant the higher compensation rate.

The Alliance respectfully asks you to vote no on SB 980 in your May 3 Business and Labor Committee hearing. Thank you for your consideration.

The Alliance of Automobile Manufacturers is a trade association of 12 car and light truck manufacturers including BMW Group, FCA US LLC, Ford Motor Company, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche Cars North America, Toyota, Volkswagen Group of America, and Volvo Car USA.

If you have any questions or comments regarding the Alliance position, please contact me at (916) 447-7315 or Paul Cosgrove, the Alliance's legislative representative at 503-291-6700. Thank you for your consideration.

Sincerely,

Curt Augustine  
Senior Director of Policy and Government Affairs  
Alliance of Automobile Manufacturers