



June 28, 2017

Joint Committee on Ways and Means
Subcommittee on Natural Resources
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Senator Frederick, Representative Witt and Subcommittee Members:

On behalf of LKQ Corporation, we would like to submit comments on the newest amendment to Senate Bill 1008 (B-Engrossed), which has been scheduled for a hearing on June 29th before your Subcommittee.

As the global leader of auto recycling, LKQ is particularly concerned with the new language that requires rulemaking for the "scrapping" of motor vehicles that qualify under the Volkswagen Environmental Mitigation Trust Agreement grant program.

It is our understanding that SB 1008 has been amended to eliminate the original provisions that intended to phase out medium and heavy duty trucks powered by pre-2007 diesel engines. Since the new version of the bill now only provides for the replacement, repower, or retrofit of school buses, we believe the new language needs to be amended to limit the scope of rulemaking to the scrapping of a motor vehicle diesel engine and not the motor vehicle as a whole.

More specifically, we would like to **request an amendment to clearly state that motor vehicles under the Volkswagen grant program will not be required to be "scrapped" but only their diesel engines.** Please find below proposed language for consideration:

Page 9, lines 10 -13 and Page 11, lines 12 -15

“(3) The commission by rule shall establish standards for the methods of recycling used for scrapping a motor vehicle *diesel engine*, a piece of equipment powered by a nonroad diesel engine or a nonroad diesel engine after a qualifying replacement or repower.

LKQ promotes the environmental benefits of the automotive industry by properly recycling used and salvage vehicles. This process includes dismantling the vehicles and harvesting useful parts to serve customers who opt for safe and cost-effective repair alternatives. Buying auto parts from LKQ means customers have the opportunity to repair their vehicles with inexpensive, original fit and function, recycled auto parts, which are covered under the most competitive warranties in the automotive industry. All parts are carefully dismantled, cleaned, and tested in one of LKQ's state-of-the-art dismantling plants.

Even though the Volkswagen grant program gives priority to school buses, we ask that all vehicles are properly “recycled” and their parts harvested rather than “scrapped.” All vehicles that enter the program in the future should receive the same treatment (“Recycle” rather than “Scrap”) to fully reap the environmental benefits of auto recycling.

LKQ is the nationwide leading provider of alternative and specialty automotive parts. LKQ offers its customers a broad range of replacement systems, components, equipment and parts for automobiles, trucks, recreational and performance vehicles. Globally, LKQ has just under 40,000 employees and operates over 630 facilities.

In Oregon, LKQ has 461 employees, pays taxes on a payroll of over \$14.7 million dollars and operates ten (10) facilities located in the following cities: four (4) in Portland, one (1) in Redmond, one (1) in Salem, one (1) in Tualatin, two (2) in Wilsonville, and one (1) in Woodburn.

We appreciate the opportunity to provide industry input and work with you, committee members, and stakeholders to advance sound policy related to the automotive industry. We look forward to your feedback as we request the above mentioned amendment to ***limit the scope of rulemaking to scrapping of motor vehicle diesel engines under the Volkswagen grant program.***

Please do not hesitate to contact me if you have any questions, comments or input. I can be reached at ebenezersdg@outlook.com and 754-248-9796.

Respectfully,

Catalina Jelkh Pareja
Government Affairs Representative
LKQ Corporation