



March 22, 2021

The Honorable Tina Kotek
Speaker of the House
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Re: HB 3372 – DEQ Chronic Violator Designation

Dear Speaker Kotek:

On behalf of LKQ Corporation, we would like to thank you for your leadership as you have actively responded to the unfortunate fire incident that took place in your district in 2018. LKQ continues to be committed to working with your office, government agencies, and stakeholders to improve the operation and compliance of the auto dismantling industry in Oregon.

We appreciate your legislative efforts to address the pressing threat of unscrupulous auto dismantling operators and chronic violators of environmental laws. Their actions harm consumers, businesses and the community as a whole. These operations typically lack the training and equipment necessary to comply with federal, state, and local auto recycling environmental guidelines. As such, **we applaud and support your efforts to protect your constituents, safeguard our industry, and better serve Oregon communities.**

LKQ was an active industry contributor during the SB 792 stakeholders meetings and would like to be invited this session to provide industry input in a similar manner. Regarding HB 3372, we have reviewed the introduced version and the -1 amendment and identified sections of concern. Unfortunately, we oppose these two versions as currently drafted and respectfully ask your office to grant us the opportunity to discuss the language in further detail.

LKQ Corporation is a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles. LKQ offers its customers a broad range of replacement systems, components, equipment and parts for automobiles, trucks, and recreational and performance vehicles. LKQ recently became the largest U.S. provider of mobile, on-site vehicle services to automotive collision repairers, mechanical repairers and national fleets. LKQ provides a full array of repair solutions including diagnostics and calibration, re-flashing, programming, pre and post collision repair diagnostics and other mechanical services. LKQ has a global industry leading team of over 51,000 employees and operates over 1,700 locations in 31 countries. **In Oregon, LKQ operates 14 facilities and pays taxes on payroll of more than \$14.6 million.**

As the largest recycler of automobiles in the world, LKQ is committed to high standards of environmental compliance, corporate governance, and business practices. We focus on providing affordable auto parts for consumers and reducing the environmental impact of these products. LKQ has set the standard for environmental practices and continues to raise the bar by exceeding Federal and State guidelines. We have standardized our best management practices for managing used vehicles and hazardous wastes. LKQ employs a staff of environmental compliance professionals to ensure our facilities impact the natural environment in as minimal a manner as possible. We believe our North American auto recycling operations maintain the highest standards in the industry with a natural minimal footprint on the environment.



HB 3372 creates burdensome requirements for law-abiding auto dismantlers such as LKQ because of the negligence of a single, one-man operation business. The current draft imposes additional layers of regulation on businesses that are currently in compliance and grants subjective authority to the Oregon Department of Environmental Quality (DEQ) over our industry. The bill lacks clear and specific definitions of how DEQ plans to evaluate criteria to deny permits.

Additionally, HB 3372 requires applicants to provide information on corporate officers, members of the board of directors, parent or subsidiary corporations or other business entities similarly related to the applicant. This particular requirement would present logistical challenges for a corporation with multiple locations in Oregon and a global presence if senior officers are mandated to be listed and responsible for site-level daily operations. Involving corporate officers and related parties into local operations could result in unintended logistical problems such as missing permit deadlines. **We urge you to reconsider these provisions that hold “good actors” such as LKQ to an unobtainable standard.**

LKQ appreciates the opportunity to provide industry input and look forward to continuing the conversation in order to advance sound public policy related to Oregon’s auto dismantling industry.

Please do not hesitate to contact us if you have any questions, comments or input.

Respectfully,

Catalina Jelkh Pareja
LKQ Government Affairs - West Region