



November 9, 2016

Ms. Sheryl Barnhouse
News Director
WTVR TV
3301 West Broad Street
Richmond, VA 23230
sbarnhouse@wtvr.com

Dear Ms. Barnhouse,

The Automotive Recyclers Association (ARA) represents over 4,500 professional automotive recyclers across the United States and in 14 countries internationally. It is on their behalf that I express disappointment at the flawed reporting and gross mischaracterization contained in a broadcast airing on November 1, 2017 regarding the utilization of genuine, recycled original equipment manufacturer (OEM) parts. It is painfully obvious that WTVR's news and research team is unaware of the critical role that recycled original equipment manufacturer (OEM) parts play in a competitive automotive service and repair marketplace. ARA requests that WTVR retract the inaccurate and misleading statements made about recycled OEM parts in this broadcast.

It is disappointing that your news and investigative teams failed to even reach out to the stakeholder experts in the recycled (used) automotive parts industry, specifically the ARA or its affiliated state chapter in Virginia, the Virginia Automotive Recyclers Association (VARA) at any point during production of this broadcast. If your team had reached out, WTVR representatives would have learned the fact that industry data shows that "used rotors" on insurance estimates account for less than one tenth of one percent. The news personnel would have learned that an insurance company would not "demand" a specific part that is clearly unacceptable be installed. The body shop representative in your segment stated that, "an insurance company tried to demand Baugh install it". It is the responsibility of the collision repair shop to inspect and install any acceptable part option. If they determine a part is unacceptable, the shop has a process to return it for another or use a new replacement part.

In the report, the collision repair shop representative also indicated, "Bottom line they [insurance company] are saving them money." It is the consumer that is saving money due to lower repair costs and insurance premiums. The news team should also be aware that a biased compensation structure to provide the largest financial rewards to collision and service shops only when they utilize the most expensive replacement part option in repairs. The body shop representative should have disclosed their financial stake in not wanting to utilize quality, recycled parts.

ARA believes collision repairers should use their professional training and judgment to make repair decisions based on the individual circumstances surrounding the damaged vehicles, and that all stakeholders involved in the collision repair marketplace should recognize the genuine value, safety and benefits that each repair part option (recycled, new, aftermarket, remanufactured) may provide in a given repair.

If it took the time to reach out, WTVR representatives would have also learned that:

- Genuine recycled auto parts have been widely accepted for decades, with a long successful track record of their use;
- The reutilization of quality, OEM automotive parts is a \$32 billion dollar industry in the United States;
- Each day over 500,000 recycled OEM parts that were designed and built to meet the automakers original requirements for fit, finish, durability and safety are sold to consumers who are very well aware that recycled OEM parts are being used in the repair of their vehicle;
- Professional automotive recycling operations have robust product assurance and quality control procedures in place, high standards and operational safeguards to harvest only parts that operate as they were originally intended in terms of form, function, performance and safety;
- Genuine recycled parts are typically 30-70 percent less expensive than comparable new parts and are much better for the environment given that no additional energy or resources are utilized to create them;
- With increases in the total loss frequency rate for insurance claims up 19 percent over the past decade (68 percent of appraised insurance claim vehicles flagged "total loss" on vehicles seven years and older) at concerning levels, this campaign of only OEM standards would only exacerbate this situation;
- Most insurance policies include specific language pertaining to the utilization of recycled parts in vehicle repairs and educated consumers know that recycled OEM parts offer quality, safe parts at a fraction of the cost of new OEM parts.

ARA is also dismayed that your investigation chose not to take advantage of the obvious opportunity to promote the "green recycled" aspect of reutilizing quality OEM parts. Automobiles are among the most recycled commodities in today's marketplace, which is increasingly supporting all things "green."

Given the blatant factual errors stated in this segment and the many angles of the story left unexposed, ARA requests that WTVR retract much of this broadcast and after consultation with ARA and VARA air a new segment educating viewers about the automotive parts supply chain, the many different ways in which professional automotive recyclers meet market demand for quality OEM recycled parts

I can be reached at 571-208-0428 and look forward to talking with you about next steps to correct the record on the critical issue of the reutilization of recycled OEM automotive parts.

Sincerely,



Michael E. Wilson
CEO

cc: Rod J. Nydam, Esq.