

February 3, 2025

Representative Nathan Sosa
900 Court St., NE
H-280
Salem, OR 97301

Re: House Bill 3177 – Oppose

Dear Chairman Sosa,

Insurance Auto Auctions, Inc. (“IAA”) is one of the leading North American salvage auto auctions. Our exclusive focus on the automotive total-loss industry through over 180 facilities across the United States provides sellers and buyers with the best solution to process and acquire total-loss, recovered-theft, and collision damaged rental vehicles.

IAA is a licensed used vehicle dealer and has four auction facilities in the state of Oregon. With regards to House Bill 3177, IAA wishes to provide the following information:

- The auto auction industry has two main segments: “whole car” auctions and salvage auctions.
- The auto auction industry provides an efficient and productive mechanism for the distribution of damaged and undamaged used cars.
- A very high percentage of the sales by auto auctions are wholesale sales. These sales are to knowledgeable businesspeople, such as dealers, dismantlers and scrap processors.
- A very high percentage of sales by salvage auctions are of vehicles titled with salvage titles, junk titles or the like. Purchasers are very aware that the vehicles have been damaged.

House Bill 3177 would prevent IAA from advertising or selling a vehicle with an unrepaired safety recall. This would impose unwarranted repairs for the totaled vehicles, the majority of which are purchased to be dismantled for their usable parts.

Salvage vehicles generally require significant repair if they are to be put back on the road. Many salvage vehicles are dismantled for their usable parts instead. Remedying a recall issue before sale of a salvage vehicle will typically be wasteful and often impractical. (For example, a front-end collision vehicle with a recall issue inside the crushed front-end.)

As a company that provides storage services for these types of damaged vehicles pending sale, IAA is concerned that there will be no lawful way of selling these vehicles. Permanent storage is not a viable option. For the above reasons, IAA opposes this bill.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me at kdotzeva@iaai.com or at (708) 710-6054.

Sincerely,

Katerina Dotzeva

Insurance Auto Auctions, Inc.
Director, Government Affairs

Cc: Members of the House Commerce and Consumer Protection Committee