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TESTIMONY

**HEARING
JOINT COMMITTEE ON FINANCIAL SERVICES
SENATE BILL 476 / HOUSE BILL 1212
STATE HOUSE
BOSTON, MA
TUESDAY, OCTOBER 18, 2011**

Chairman Costello, Chairman Petruccelli and Members of the Committee.

My name is Rick Starbard. I am President of Rick's Auto Collision in Revere, President of the Alliance of Automotive Service Providers of MA, I am a former collision repair instructor at the Lynn Vocational Technical High School and I am an elected member of the Lynn School Committee. I would like to thank you for the opportunity to come before you today to testify in favor of Senate Bill 476, known as the Auto Body Labor Rate Bill.

S476 Provides for a much needed modernization of the collision repair industry. We as repairers are at a crisis point in our industry. We are faced with changing EPA regulations which will require us to spend in excess of one hundred thousand dollars to upgrade our refinishing equipment to be in compliance with these changes. In my town, I am being forced to replace my existing sprinkler system with a contained fire suppression system at a cost of twenty thousand dollars. How can I be expected to pay for these upgrades or any other improvements to my business when I am being reimbursed at rates that are not much different than what they were in the mid-eighties? We cannot afford to pay our employees reasonable wages or offer the same benefits enjoyed by their counterparts in other trade areas. In fact, Bureau of Labor Statistics figures show that wages paid to collision repair technicians has been sliding backwards in recent years. In my business, my top technicians have not had a raise in two years and we are in the process of transferring larger portions of our health care burden back to my employees, which may cause some to go uninsured. All this, while insurer profits soar. We can no longer afford to subsidize the profits of the auto insurance industry in Massachusetts.

This bill is fair. Through its strict classifications, it rewards repairers who invest in their businesses and are at the top of their game. It is fair to insurers, as they only have to pay the increased rates to the highest caliber of the industry and it is fair to consumers, as it allows them to know the classification of the repair facility that is repairing their vehicles. This bill has a mechanism for future rate increases based on national statistics, so that we don't have to keep running back here to fix the inequities, such as we have now.

Members of the Committee, I urge you to please support S476.

Respectfully Submitted,

Rick Starbard
President, AASP of Massachusetts