

Certified Automotive Parts Association  
Washington, D.C.

DATE: July 16, 1991  
TO: Stan Rodman  
FROM: Jack Gillis  
RE: CPJ Article on TABPA

Thanks for the chance to review and comment.

1. I made the conscious decision not to publicize the return from probation for two reasons, both of which were designed to consider the sensitivities of the companies involved. First, to publicize the return from probation would only bring attention to the fact that they were, in fact, on probation. Second, any such publicity would have, by it's nature, required me to restate the fact that CFC was still suspended. John Chen, and others in Taiwan, have impressed upon me the sensitive nature of business attitudes in their country. Thus, to bring public attention again to this matter would have clearly been counter to his concern that we "put the issue behind us and look forward to improving our quality."

2. Regarding the licensing fee. First of all the licensing fee cost is \$3,000 and, as Mr. Chen knows, we have discussed CAPA possibly waving this fee in the case of CFC. No final decision has been made on that issue.

However, it is important to point out to ABPA members that the fee doesn't even come close to covering the cost of approving a factory for CAPA certification. In fact, licensing fees and seal sales barely place a dent in the overall cost of operating CAPA. Last year, for example, our costs were approximately \$2.5 million and seal sales and licensing fees amounted to around \$600,000.

This huge discrepancy could be reduced considerably if ABPA members insisted on CAPA certified parts with seals. Unfortunately, nearly every single supplier of CAPA certified parts has indicated that ABPA members are quite satisfied with non-certified parts. As long as ABPA members continue the policy of accepting substitutes for CAPA parts and the ordering of CAPA parts with out seals, they the program will run in the red. What

most ABPA members don't realize is that their attempts to save themselves the extra .50 cents per part may cost them far, far more as Congress focuses their attention on the quality of these parts.

It is clear, as the debate again heats up here in Washington, that the best insurance policy that an ABPA member can have to protect his or her business is to fully support the CAPA program, not just give it lip service. Fully supporting the program means insisting on CAPA certified parts and refusing to accept substitutes.

I am deeply concerned about anonymous comments from ABPA board members who claim that implementing CAPA procedures and attempting to make CAPA financially self-sufficient are "counter-productive." I can only hope that this attitude is not shared by the rank and file ABPA member and that the majority of members want a strong, viable and respected certification program -- not a white wash over poor quality.

Thanks again for the opportunity to comment.

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