

My name is Mike Lambert and I am the co-owner of Buddy Automotive Innovations LLC, established in 2003. Buddy creates inventory and bidding tools for the automotive recycling industry. I was employed by Hollander and later ADP from 1989 to 1997. Buddy is a licensee of the Hollander Interchange.

I agree that Audatex should never have purchased ASA and agree with the recent FTC ruling.

My major concern however is with Interchange. I can only purchase Interchange from Audatex or Car-Part; my biggest competitors. I believe that if any company creates a tool that uses the Interchange, they need to pay for it. But, it needs to be fair because currently whenever my company creates a new tool I have to discuss it with Audatex so they can come up with a price. Why does the price differ so much depending on what I do with it? I believe the price depends on how it affects their core products. My current contract forbids me from producing a Yard Management System or a yard-to-yard locating tool like Eden. Interchange is the largest hurdle I face when introducing a new product and though Buddy is a small company, I have paid Audatex over \$170,000 annually.

Car-Part has a sweetheart of a deal from the last FTC ruling and now it appears that ASA will have a ten year deal. I am alarmed that all of my biggest competitors have secret back-door deals on the Interchange. Interchange is a small obstacle for them but a huge one for me.

Why does the price vary so much? Does it cost Audatex more to create Interchange to be used in a web-based locator [vs. an](#) inventory handheld product? Of course not! I believe that Audatex is restricting new and innovative products to our industry by manipulating the Interchange prices.

I was employed by Hollander during the first FTC intervention into the automotive recycling industry and I felt that their handling of the Interchange was flawed. I don't think the intent of the first divestiture was to give Car-Part universal control over the Internet to use on web, insurance and a host of other products and then sell it to anyone. (They are just as bad, if not worse than Audatex in pricing the Interchange). Both companies are financially motivated to keep other companies from entering the industry. In 1996, I thought a better solution was to separate Hollander Publishing from the computer division and create two companies. If the Interchange Company was responsible for creating and selling the Interchange to anyone, it would add competition and make a level playing field for everyone.

Though I disagreed with the way the first FTC agreement handled Interchange, the one positive that emerged from that ruling was reducing the two separate interchanges into one. Having one interchange was a huge boost to this industry. Buddy products, Car-Part, Eden and a host of insurance products would not have been possible under the two interchange system. Now, however only a select few control this single interchange.

I believe that a more workable solution is to introduce a third party, like the Automotive Recycling Association (ARA), have them serve as stewards of the Interchange and sell it in a blind trust for Audatex. Since the ARA benefits the entire recycling industry, discussion of new products and ideas would not be prohibitive or proprietary. The Interchange is a vital tool for all of the automotive recycling industry and should be easy to purchase. If the Interchange offered

uniform pricing it would encourage competition and accessibility to many more products and companies.

Thank you,

Mike Lambert