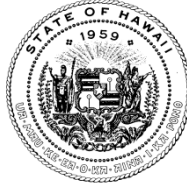


DAVID Y. IGE  
GOVERNOR



**LATE**

**TESTIMONY BY:**

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
LYNN A.S. ARAKI-REGAN  
DEREK J. CHOW  
ROSS M. HIGASHI  
EDWIN H. SNIFFEN

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 25, 2020  
12:00 P.M.  
State Capitol, Room 016

**S.B. 3158, S.D. 1**  
**RELATING TO MOTOR VEHICLES**

Senate Committee Judiciary

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The Department of Transportation **supports** S.B. 3158, S.D. 1 which prohibits a person from intentionally or knowingly manufacturing, importing, installing, reinstalling, distributing, selling, or offering for sale any counterfeit supplemental restraint system component, nonfunctional airbag, or airbag that does not meet federal safety requirements.

The purpose of the bill is to curtail the distribution of counterfeit airbags in Hawaii. Since air bags are an important safety device, vehicle owners who have them repaired expect the repair to be completed properly. This bill provides recourse for motor vehicle owners who have the misfortune of having an air bag replaced with a worthless counterfeit.

Thank you for the opportunity to provide testimony.



February 24, 2020

Chair Karl Rhoads  
Committee on Judiciary  
Hawaii Senate

RE: Support for Senate Bill 3158 – Counterfeit Airbags

Dear Chair Rhoads and Members of the Committee:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,300 property and casualty insurance companies including many who write business in Hawaii. Working hand-in-hand with our member companies and law enforcement, we investigate organized criminal conspiracies dealing with insurance fraud and vehicle crime.

Counterfeit airbags are a national and growing concern. The National Highway Traffic Safety Administration (NHTSA) states that counterfeit airbags have been shown to “consistently malfunction,” from non-deployment to the expulsion of metal shrapnel during deployment. John Morton, then-director of U.S. Immigration and Customs Enforcement warned: “These airbags don't work. They're not going to save you in an accident. They are a fraud and a danger from start to finish, and you don't want them in your car, period.”

How counterfeit airbags are procured varies, from consumer unwittingly purchasing them on eBay to unscrupulous body shops purposely installing counterfeit bags while billing consumers and insurers for genuine, original bags.

No matter how counterfeit airbags are obtained and installed in the vehicles of unsuspecting motorists, the results can be deadly. For this reason, the NICB urges your support for SB 3158.

Thank you for your review and consideration; if you have any questions or need additional information, please contact me at [hhandler@nicb.org](mailto:hhandler@nicb.org) or 847-544-7083.

Sincerely,

A handwritten signature in blue ink that reads "Howard Handler".

Howard Handler  
Director, Government Affairs



John Uekawa, President  
Dave Rolf, Executive Director

HADA TESTIMONY in SUPPORT of SB3158 SD1  
RELATING TO MOTOR VEHICLES

Presented to the Senate Committee on Judiciary  
At the Public Hearing, 12 p.m. Tuesday, February 25, 2020  
Conference Room 016, Hawaii State Capitol

*Hawaii's franchised new car dealers, who provide sales, warranty work and other factory-certified maintenance service for Hawaii's privately-owned and fleet-owned cars and light trucks*

Chair Rhodes, Vice Chair Keohokolole, and members of the committee:

HADA dealers are in support of SB3158 SD1, which proposes to prohibit a person from intentionally or knowingly manufacturing, importing, installing, reinstalling, distributing, selling, or offering for sale any counterfeit supplemental restraint system component, nonfunctional airbag, or airbag that does not meet federal safety requirements. Prohibits a person from intentionally or knowingly selling, offering for sale, installing, or reinstalling in a motor vehicle any device that causes the motor vehicle's diagnostic systems to fail to warn that the motor vehicle is equipped with a counterfeit supplemental restraint system component or nonfunctional airbag or that no airbag is installed, as applicable. (SD1)

The addition of the amended language in SD1 which specifies "intent" we feel, correctly places the responsibility on anyone who engages in the sale of such non-authorized products with the intent that such devices be used to replace the original equipment manufacturer (automaker) airbags.

Thank you for the opportunity to testify on this measure.

Respectfully submitted,  
David Rolf  
For the members of the Hawaii Automobile Dealers Association

**HADA**  
**Making Hawaii Better Together**





**SanHi**

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 25, 2020

TO: Senator Karl Rhoads  
Chair, Committee on Judiciary

FROM: Tiffany Yajima

RE: **S.B. 3158, S.D.1 – Relating Motor Vehicles**  
**Hearing Date: Tuesday, February 25, 2020 at 12:00p.m.**  
**Conference Room: 016**

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Dear Chair Rhoads, Vice Chair Keohokalole and Members of the Committee on Judiciary:

On behalf of the Alliance for Automotive Innovation we submit this testimony in **strong support** for S.B. 3158, S.D.1.

The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

This measure would prohibit a person from intentionally or knowingly manufacturing, importing, installing, reinstalling, distributing, selling, or offering for sale any counterfeit supplemental restraint system component, nonfunctional airbag, or airbag that does not meet federal safety requirements.

Airbags are one of the most important safety features of today's automobile. These devices have saved countless lives and reduced the severity of injury of those involved in automobile accidents an immeasurable number of times. Unfortunately, there has been a dramatic rise in the number of counterfeit or nonfunctional airbags in recent years. These products primarily originate overseas and are imported to the United States where they can be installed in the vehicles of unknowing consumers.

Counterfeit airbags present a serious public safety risk to consumers. Counterfeit airbags are known to malfunction by either failing to inflate or by inflating but expelling dangerous shrapnel. Regulation of counterfeit airbags will play an important role in maintaining the integrity of this life-saving device.

Current Hawaii law is silent on the topic of counterfeit airbags. This measure would bring Hawaii in line with at least 22 other states that have adopted similar legislation to address this critical consumer safety issue.

Thank you for the opportunity to submit testimony in strong support of this measure.