

PA13-282

SB1040

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VETO
SESSION**

**VOL.56
PART 31
10451 - 10795**

law/gbr
HOUSE OF REPRESENTATIVES

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June 5, 2013

Representative Aresimowicz will be placed on the
Consent Calendar. Will the Clerk please call Calendar
591.

THE CLERK:

On page 22, Calendar 591, favorable report of the
joint standing Committee on Judiciary, substitute
Senate Bill 1040, AN ACT CONCERNING COUNTERFEIT AND
NONFUNCTIONAL AIRBAGS.

SPEAKER SHARKEY:

Representative Anthony Guerrero.

REP. GUERRERA (29th):

Good evening, Mr. Speaker. I move acceptance of
the joint Committee's favorable report and passage of
the bill in concurrence with the Senate.

SPEAKER SHARKEY:

The question is acceptance of the joint
committee's favorable report and passage of the bill
in concurrence with the Senate. Will you remark, Sir?

REP. GUERRERA (29th):

Yes. This is a good bill and I would ask
everyone to vote for it. Thank you.

SPEAKER SHARKEY:

Thank you, Sir. I believe there's an amendment.

REP. GUERRERA (29th):

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Yes. I'm sorry, Mr. Speaker. The amendment LCO 6718 designated Amendment A.

SPEAKER SHARKEY:

Will the Clerk please call LCO 6718 previously designated Senate Amendment A.

THE CLERK:

Senate Amendment A, LCO 6718 as introduced by
Senator Witkos.

SPEAKER SHARKEY:

The Gentleman seeks leave of the Chamber to summarize. Is there objection? Seeing none, please proceed, Sir.

REP. GUERRERA (29th):

Thank you, Mr. Speaker. This is just to make sure that we don't have any counterfeit airbags and I just -- and I move for acceptance.

SPEAKER SHARKEY:

Will you move for adoption?

REP. GUERRERA (29th):

Adoption.

SPEAKER SHARKEY:

The question is on adoption of Senate Amendment A. Will you remark? Will you remark? If not, let me try your minds. All those in favor of Senate

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Amendment A please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay. The ayes have it. The
amendment is adopted.

REP. GUERRERA (29th):

Thank you, Mr. I move to put it on the Consent
Calendar.

SPEAKER SHARKEY:

Is there objection to moving this item on the
Consent? Seeing none, so ordered. Will the Clerk
please call Calendar 623.

THE CLERK:

On page 25, Calendar 623, favorable report of the
joint Committee on Environment, Senate Bill 326, AN
ACT CONCERNING CONSUMER PROTECTION.

SPEAKER SHARKEY:

Representative Gentile.

REP. GENTILE (104th):

Mr. Speaker, I move for acceptance of the joint
committee's favorable report and passage of the bill
in concurrence with the Senate.

SPEAKER SHARKEY:

1040, 326, 803, 886, 1065, 983, 190 and 158 on the
Consent Calendar.

SPEAKER SHARKEY:

Representative -- Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I move adoption of the Consent
Calendar.

SPEAKER SHARKEY:

Staff and guests to the well of the House.

Members take your seats. The machine will be opened.
Open the board, Mr. Clerk. Open the board for the
Consent Calendar. Staff and guests to the well of the
House. Members take your seats. The machine will be
opened for the Consent Calendar.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will
members please come to the well of the Chamber please.
The House is voting immediately.

SPEAKER SHARKEY:

Have all the members voted? Have all the members
voted? Members please check the board to make sure
your vote is properly cast. If all the members have
voted the machine will be locked and the Clerk will

take a tally. Will the Clerk please announce the tally.

THE CLERK:

On the Consent Calendar, Mr. Speaker.

Total Number Voting	146
Necessary for Adoption	74
Those voting aye	146
Those voting nay	0
Absent and not voting	4

SPEAKER SHARKEY:

The bill -- or the Consent Calendar passes.

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Mr. Speaker.

SPEAKER SHARKEY:

Mr. Majority Leader.

REP. ARESIMOWICZ (30th):

Mr. Speaker, I move we adjourn sine die.

SPEAKER SHARKEY:

The motion is to adjourn sine die. Seeing no objection, so ordered.

(On motion of Representative Aresimowicz of the 30th District, the House adjourned at 12:02 o'clock a. m.,

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VOL. 56
PART 7
1827 - 2152**

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May 14, 2013

On Calendar Page 47, Number 241, Substitute for Senate Bill Number 1040, AN ACT CONCERNING COUNTERFEIT AND NONFUNCTIONAL AIRBAGS, Favorable Report from the Transportation Committee.

THE CHAIR:

Good evening, Senator Maynard.

SENATOR MAYNARD:

Good evening, Mr. President, lovely to see you.

Mr. President, I move the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

On acceptance and passage, will you remark, sir?

SENATOR MAYNARD:

Yes, thank you, Mr. President.

This bill would increase the fines for sale, manufacture, use and installation of counterfeit airbags. It's an important issue that is becoming more problematic throughout the country. There have been seizures of thousands of these airbags that are basically counterfeit and often nonfunctioning and this bill would raise the penalties for that, \$5,000 for a fine and up to five years in prison.

THE CHAIR:

Thank you, Senator.

Will you remark further? Senator Boucher.

SENATOR BOUCHER:

Thank you, Mr. President.

Mr. President, I rise to support this bill. This is no question that the counterfeiting of various products is widespread and oftentimes it is associated with the cartridges of a copying machine that

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oftentimes if it's a brand name is sometimes marketed under a different name and it might not have the kind of damage, however, that something like an airbag which is so much more important and can mean the life of an individual, a passenger in an automobile, and so it raises the risk level and the concern for public safety at a much higher level.

So this is definitely a good bill, should be supported and a good consumer protection bill.

Thank you, Mr. President.

THE CHAIR:

Thank you.

Senator Witkos.

SENATOR WITKOS:

Thank you, Mr. President.

I believe the Clerk as an Amendment, LCO Number 6718. I ask that it be called and I be allowed to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 6718, Senate Amendment "A", offered by Senator Witkos.

THE CHAIR:

Senator Witkos.

SENATOR WITKOS:

Move adoption.

THE CHAIR:

On adoption, will you remark, sir?

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SENATOR WITKOS:

Thank you, Mr. President.

I -- I want to thank Senator Maynard for allowing me to -- to put this Amendment on -- on a Transportation bill. I had a standalone bill in the Transportation Committee. It had to do with parking in a handicapped parking spot and I had a constituent who serves on the Disability Commission in the Town of Simsbury come up and he's confined to a wheelchair and he brought in stories and actually photos he submitted with his testimony wherein he would park in a -- in a handicapped spot and there are parking spots adjacent to the handicap spots which are striped basically delineating a no -- a no parking zone so folks that are confined to a wheelchair that have a handicap ramp can extend the ramp so they can get in and out of their vehicle.

And what's happened so often is he would either have to wait for somebody to remove their illegally parked vehicle or he would come out of a -- a store or a location and somebody would be parked next to his van and he couldn't get access to his van because somebody was parked improperly.

And time, after time, after time he would call the police department, they would come and he would watch and most often the person would have a conversation with the -- with the police officer, they'd get in their car and they would just drive away and why should somebody that already has a struggle in life be inconvenienced. It's not fair for them to be treated like second class citizens.

What the Amendment basically does it mirrors that of somebody who passes a school bus that has their red flashing lights. It says that the police must give either a written warning or the ticket and takes away the verbal warning portion of it because we need to have documentation of the repeat offenders so that way they can look it up on their database and say you know what you've been given three written warnings already, obviously you're ignoring the law, you're parking inappropriately and now they can held -- be held accountable through a financial means and maybe that's

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the only way that we can respect our handicap parking statutes in our state and I ask for the Chamber's adoption.

Thank you, Mr. President.

THE CHAIR:

Thank you.

Senator Maynard.

SENATOR MAYNARD:

Yes, Mr. President, I would regard this as a friendly Amendment and thank Senator Witkos for directing it to us.

THE CHAIR:

Thank you.

Senator Boucher.

SENATOR BOUCHER:

Thank you, Mr. President.

Mr. President, I rise to support the Amendment. We have even one of our own in our House Chambers that is mobility impaired and does have a van that unfortunately has a -- a handicapped spot and we were able to see through a photograph that our good Senator Witkos took of another vehicle pulling right up along side of it so that they couldn't even get out of their vehicle and did not consider the fact that someone would need the space right here in the Legislature.

So I think it is a really good Amendment and I'm glad he brought it forward and should be supported. Thank you.

THE CHAIR:

Thank you.

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Will you remark further on the Amendment? On the Amendment?

If not, I'll try your minds. All those in favor please signify by saying aye.

VOICES:

Aye.

THE CHAIR:

Those opposed Nay. The ayes have it. Senate "A" is adopted.

Will you remark further on the bill as amended?
Senator Frantz.

SENATOR FRANTZ:

Thank you, Mr. President, I appreciate that.

Through you, a quick question to the Senator Maynard.

THE CHAIR:

Please proceed, sir.

SENATOR FRANTZ:

Thank you, Mr. President.

Senator Maynard, it looks like a -- a very good bill. Not having any background on the Committee with respect to this particular issue, is this -- is this a -- a big problem? Is this a -- a problem that affects the entire country or perhaps even beyond our -- our borders? I know nothing about it.

THE CHAIR:

Senator Maynard.

SENATOR MAYNARD:

Thank you. Thank you, Mr. President.

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Through you, yes this is a significant problem and an increasing problem. There has been seizures in up to eight states now of many thousands of these counterfeit airbags. They are being imported. The industry supports it for obvious reasons. They regard these airbags, which are designed for specific vehicles with very specific components and parts to be, you know, specialized equipment with the requirements to meet very stringent federal safety standards and the idea that they're being counterfeited, imported and installed, you know, is -- is an increasing problem and -- and potentially deadly with potentially deadly results.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Thank you.

And through you, I find it mind-boggling that this practice even is in existence. Obviously there's a fair amount of cost involved with the other technology that fools a car into thinking that it has a legitimate airbag in it. Why not go the extra 75 cents or whatever it is to put a legitimate airbag in there.

But nonetheless this is something that is of great concern. If you think that you're going to be protected by seatbelts which may not be worthy of a more than a 2G crash or airbags that may not in fact contain airbags, that's a deplorable situation and -- and I thank you for the information that you've given the Circle here tonight because this is something that I don't think any of us would have even suspected before.

And looking back at my own experiences I remember coming across a few incidents in life rafts where life rafts have to go off annual to get recertified, repacked and put back into their containers and, in several instances, they found that they were putting in, you know, dirty laundry or -- or whatever it was in the place of a life raft to save \$300 or something

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like that which is just absolutely inhuman and unacceptable and, you know, you hear -- you heard the old stories about parachutes.

You know I don't know if they're true or not but, you know, being -- being packed with, you know, dirty laundry you just -- you just can't believe that these things actually happen. So this is a -- obviously a -- a great bill and as far as I'm concerned, Mr. President, it falls -- Madam President, it falls into the category of no-brainer.

Thank you, thank you.

(President in the Chair)

THE CHAIR:

Thank you.

Will you remark? Senator Kane.

SENATOR KANE:

Thank you, Madam President. I saved my questions for when you returned.

THE CHAIR:

I feel very special.

SENATOR KANE:

All kidding aside, I do have a -- one quick question, through you, to the proponent of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR KANE:

Thank you, Madam President.

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And -- and I too agree with the underlying bill and -- and agree with Senator Frantz in -- in his assumption of what is taking place in the bill but, through you to Senator Maynard, I just want to make sure that this does not include aftermarket companies, so counterfeit is one thing, aftermarket being another.

So we're not just saying that people have to use factory or what we call OEM parts. They can still use aftermarket.

Through you.

THE CHAIR:

Senator Maynard.

SENATOR MAYNARD:

Thank you, Madam President.

Yes to the distinguished Senator Kane. The definition of counterfeit means a motor veh -- I -- I'll cite the language in the bill, it means a motor vehicle inflatable occupant restraint system including all component parts including the cover sensors, controllers, inflators, wiring and displaying a mark identical or similar to the genuine mark of a motor vehicle manufacturer without authorization of such manufacturer.

And then secondarily the nonfunctional airbag means replacement motor vehicle inflatable occupant restraint system including all component parts such as those just mentioned which was previously deployed or damaged, has an electric fault that is detected by a diagnostic system or includes any part or object but not limited to a counterfeit or repaired airbag cover installed in a motor vehicle to mislead the owner or operator of such a vehicle into believing that the functional airbag has been installed.

So it is -- it permits aftermarket but it -- it constrains it to des -- to -- for deceptive purposes. So that -- that's the key here that these things are not marketed as something other than what they are

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which is either the original market or a fully-functioning and tested airbag.

THE CHAIR:

Senator Kane.

SENATOR KANE:

Thank you, Madam President.

And I thank the good chairman of the Transportation Committee for giving me such a thorough answer.

Thank you.

THE CHAIR:

Thank you.

Will you remark? Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President, and welcome back.

THE CHAIR:

Thank you.

SENATOR MCLACHLAN:

Through you, Madam President, a brief question to the proponent of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR MCLACHLAN:

Thank you, Madam President.

Senator Maynard, there -- once recently I came across what appeared to be a rash of burglaries of automobiles where they're stealing airbags. I had no idea that that would -- that ever happened. I mean I

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remember the radios and GPS units and laptops and purses and all kinds of things being stolen out of cars but to think that someone would grab airbags apparently there is a market for that and I wonder does this bill address the use of stolen airbags?

Through you, Madam President.

THE CHAIR:

Senator Maynard.

SENATOR MAYNARD:

Well it -- it -- I guess indirectly it does, Senator, through you, Madam President, it imposes the same increased penalty on someone who sells, installs or reinstalls a device that causes a vehicle's diagnostic system to inaccurately indicate that it is an original and functioning airbag. So -- but it limits it to those who know or reasonably should have known that they were doing something that was deceptive.

It becomes a matter of enforcement obviously in these circumstances but if there's a reasonable consideration -- I mean reason to believe that someone is intentionally trying to deceive by the -- the theft and -- and reinstallation of these, then the law would apply.

THE CHAIR:

Senator McLachlan.

SENATOR MCLACHLAN:

Thank you, Madam President.

Thank you, Senator, for that answer and I'll be supportive of this bill.

Thank you, Madam President.

THE CHAIR:

Thank you so much.

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Will you remark further? Will you remark further?
Senator Maynard.

SENATOR MAYNARD:

Well if there's no objection, Madam President, I would ask that the item be placed on Consent.

THE CHAIR:

Seeing no objection, so ordered, sir.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Madam President, good evening.

THE CHAIR:

Good evening, sir.

SENATOR LOONEY:

Madam President, having placed that item on the Consent Calendar, I would mark several additional items, the first of which is on -- under Matters Returned, Calendar Page 43, Calendar 129, Senate Bill 898, followed -- to be followed also by Calendar Page 43, Calendar 153, Senate Bill 928.

And then, Madam President, moving -- moving back a little earlier, on Matters Returned, Calendar Page 41, Calendar 107, Senate Bill 917. In addition, Madam President, on Calendar Page 48, under Matters Returned, Calendar 270, Senate Bill 1007. Calendar Page 49, Calendar 286, Senate Bill 1113, also Calendar Page 49, Calendar 293, Senate Bill 814 and on Calendar Page 50 under Matters Returned, Calendar 304, Senate Bill 1019 and on Calendar Page 53, Calendar 408, Senate Bill 461.

Wanted to mark those additional items, Madam President. Thank you.

THE CHAIR:

The bill passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if the Clerk might now call the items on the Consent Calendar before proceeding to a vote on that Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 1, Calendar 545, Senate Resolution Number 27; also on Page 1, Calendar 546, Senate Resolution Number 28. On Page 2, Number 547, Senate Resolution Number 29. On Page 2, Number 549, Senate Resolution Number 31. On Page 5, Number 184, Senate Bill 1026. On Page 7, Calendar Number 253, Senate Bill Number 763. On Page 16, Calendar Number 412, Senate Bill Number 962. On Page 17, Calendar Number 436, Senate Bill Number 673. On Page 18, Calendar Number 438, Senate Bill Number 761. Also on Page 18, Calendar Number 443, Senate Bill Number 1056. On Page 19, Calendar Number 449, Senate Bill Number 828. On Page 20, Calendar Number 461, House Bill Number 6540.

On Page 21, Number 469, House Bill Number 6574. On Page 23, Number 480, Senate Bill Number 238. On Page 25, Calendar Number 501, House Bill Number 5799. Also on Page 25, Number 507, House Bill Number 5117. On Page 26, Calendar Number 508, House Bill Number 6571. On Page 26, Calendar Number 509, House Bill Number 6348. Also on Page 26, Calendar Number 510, House Bill Number 6007 and on Page 26, Calendar Number 512, House Bill Number 6392.

On Page 40, Calendar Number 48, Senate Bill Number 519. On Page 40, Calendar Number 60, Senate Bill Number 859. Also on Page 40, Calendar Number 104, Senate Bill Number 833.

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On Page 41, Calendar Number 107, Senate Bill Number 917. On Page 42, Calendar Number 123, Senate Bill Number 434. On Page 43, Calendar Number 129, Senate Bill Number 898. Also on Page 43, Calendar Number 139, Senate Bill Number 158. On Page 43, Calendar Number 167, Senate Bill Number 879.

On Page 45, Calendar Number 195, Senate Bill Number 816. Also on Page 45, Calendar Number 204, Senate Bill 652. On Page 47, Calendar Number 241, Senate Bill 1040. On Page 48, Calendar Number 269, Senate Bill 1003. Also on Page 48, Calendar Number 270, Senate Bill Number 1007.

On Page 50, Calendar Number 304, Senate Bill 1019. Also on Page 50, Calendar Number 310, Senate Bill 903. And finally on Page 53, Calendar Number 399, Senate Bill 1069.

THE CHAIR:

Mr. Clerk, will you call for a roll call vote. The machine will be open on the Consent Calendar.

THE CLERK:

Immediate roll call vote has been ordered in the Senate. Immediate roll call vote has been ordered in the Senate. Senators please return to the Chamber. Immediate roll call vote in the Senate.

THE CHAIR:

If all members have voted, if all members have voted the machine will be locked. Mr. Clerk, will you please call the tally.

THE CLERK:

On Consent Calendar Number 1.

Total Number Voting	36
Necessary for Adoption	19
Those Voting Yea	36
Those Voting Nay	0
Those Absent and not Voting	0

THE CHAIR:

Consent Calendar is passed.

Are there any points of personal privilege?

Senator Doyle.

SENATOR DOYLE:

Thank you, Madam President.

Yeah for a point of information for the Chamber.

THE CHAIR:

Please proceed, sir.

SENATOR DOYLE:

Yes, thank you, Madam President.

Tomorrow the General Law Committee will be meeting at 11:15 outside the Hall of the House. The bulletin said 15 minutes before the early session so now we're making it definitive. Tomorrow at 11:15 outside the Hall of the House the General Law Committee will be considering one bill that was referred to us.

Thank you, Madam President.

THE CHAIR:

Thank you.

Senator Duff next.

SENATOR DUFF:

Thank you, Madam President.

For the point of announcement please.

THE CHAIR:

Please proceed, sir.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**TRANSPORTATION
PART 6
1641 - 1952**

2013

Commissioner on that and I think we're all looking for that same solution so hopefully we can. We -- we don't want to simply dismiss it and you know disappoint the great many of auto enthusiasts who are quite attached to it.

DAVID BAJUMPA: Kind of passionate about it.

SENATOR MAYNARD: Yeah. That's a fact. Yes indeed. Thank you.

Any other questions for our witness today?

Thank you very much, Sir. Appreciate it.

DAVID BAJUMPA: Thank you.

Paul Scullion. Is Paul here? Paul Scullion -- Scullion?

PAUL SCULLION: Mr. Chairman, members of the committee. Thanks for the opportunity for coming today to show our support for S.B. 1040. My name is Paul Scullion. I'm a Safety Manager with the Association of Global Automakers. We're a Washington, D.C. based trade association representing a number of international automobile manufacturers including Honda, Nissan Hyundai, Toyota, Subaru.

Our members market share both U.S. sales and production is roughly 40 percent, nearly half of the vehicles sold in America by international automobile manufacturers are manufactured in U.S. production facilities. And I would like to sort of mention at this time with regards to the -- to the bill in question.

We do have an amendment which we're planning to submit to the committee in the next couple of

days just to make sure that we have support from all members of the auto industry, dealers as well as automotive recyclers. So we'll submit that to you in the next couple of days.

And the issue that I'm here to talk to you today about is counterfeit and nonfunctional replacement airbags. That's a serious safety issue that's potentially affecting thousands of drivers on the U.S. roads today. Now just to sort of put this in sort of a national perspective, in October 2012 the National Highway Traffic Safety Administration issued a consumer advisory to alert vehicle owners and repair professionals to the dangers of counterfeit airbags. And if you have the opportunity I would encourage you to go to the NHTSA website safecar.gov.

They have a lot of advice for consumers, repair professionals and they show some very impelling videos showing these counterfeit airbags in operation. Some of the characteristics that are show in the video are airbags that would severely under -- under deploy providing little or no protection to the occupant.

In other circumstances shrapnel was actually projected towards the occupant in the -- in the case with the counterfeit airbag installed. So it's quite -- quite compelling video and I'd urge you to -- to have a look at it.

SENATOR MAYNARD: Just for the record it was safe cars --

PAUL SULLION: Safecar.gov.

SENATOR MAYNARD: Safecar.gov. Thank you.

PAUL SULLION: Yeah. I will provide you with the materials as well.

During that time we worked closely with NHTSA to provide guidance for vehicle owners that may be concerned that such a device had been installed in their vehicle. Now although the issue of counterfeit airbags is a counterfeit issue safety is of paramount concern to automobile manufacturers. And despite the unauthorized use of manufacturer trademarks to exploit the trust that -- that consumers place on OEM airbags and equipment, we believe that the bill is required first and foremost to address the serious public safety issue of nonfunctional replacement airbags that have been installed in vehicles.

When manufacturers design vehicles to meet or exceed strict government safety standards as well as earn high safety ratings in consumer information tests. And a vehicles structural design and restraint system play a key role in achieving this. Now just as an overview in a collision the vehicle structure and restraint systems including the airbag and the seat belts perform in unison to effectively manage the crash forces that the occupant is exposed to.

Each of these systems is calibrated to a specific make, model and model year vehicle and minor changes to one aspect of the overall system including the installation of a -- a counterfeit airbag could implement the potential injury outcome in a crash. And we believe that those in -- those facilitating the installation of counterfeit nonfunctional airbags are deliberately compromising the protection afforded to occupants as well as Connecticut residents in the event of a crash and exposing them to a higher risk of injury.

We believe that it is wrong for an individual to intentionally make, distribute, sell,

install, misrepresent or otherwise encourage the use of nonfunctional counterfeit airbags without serious consequences. Therefore we would urge the committee and the Legislature to pass S.B. 1040. Thank you for your time and if you have any questions.

SENATOR MAYNARD: Thank you. I did have one question. I'm -- I'm distinguishing a slight accent and I'm going to ask one question that will determine whether I'm correct or not. Do you prefer Oban or Talisker?

PAUL SULLION: I'll say Talisker.

SENATOR MAYNARD: Am I correct is there a Scottish -

PAUL SULLION: Of the two I would say Talisker but I'm a Jameson's man. I'm from Belfast, Ireland.

SENATOR MAYNARD: Oh, Belfast. Thank you very much.

PAUL SULLION: Close enough. It's all the same.

SENATOR MAYNARD: I knew it was north. I knew it was north. Sorry. Not far enough.

No. I had one question seriously if -- would there be an objection to nondeployed -- I mean any fully intact airbags that were for reuse? Are they -- are they -- would you have the same attitude about any kind of reuse?

PAUL SULLION: Well global -- global automakers doesn't support the use of reused airbags. But the target of this particular bill is aimed solely at the counterfeiters essentially manufacturing these airbags that will not perform.

SENATOR MAYNARD: Questions from the committee?

Well thank you, Sir. Thank you for --

PAUL SULLION: Thank you.

SENATOR MAYNARD: -- your testimony.

Next is -- is Paul Garland here? Just giving him one more shot at the moment and then Bill Denya. Bill?

Again I don't know bill if you were here before. Apologies for the sparse turnout. The weather obviously is playing a role and some of our colleagues are coming and going to other hearings but appreciate your testimony.

WILLIAM DENYA: Well I feel if you had the blue dot on the 187 license plates and allowed the snow mobiles on the State roads we'd be good. So with that said thank you and good afternoon, Maynard and members of the transportation committee. There's certain sections in House Bill 6495 which -- I'm from the Auto Body Association.

My name's Bill Denya. I've been with the association for many years. But 48 through 53 we have a concern -- our members have a concern because we -- it's given a -- a misdemeanor and fines put on the auto body shops and repairers in the State if we don't do the paperwork right to the T. So the first concern that I have is what's in place now is -- is still working. What Mr. Parese said from our legal council is still true.

None of us want to be put in front of DMV or when anything does happen we have a major concern of course his phone rings. So we take the matter very seriously. What I did do and I

Thank you, Rafi.

RAFI PODOLSKY: Thank you very much.

REP. SCRIBNER: Jim Fleming.

Good afternoon.

JAMES FLEMING: Good afternoon, Representative Scribner, members of the committee. My name is Jim Fleming. I am President of the Connecticut Automotive Retailers Association and I represent the 265 franchised new car dealers in the State of Connecticut.

SB1040

I'm here today to testify on House Bill 6495, AN ACT CONCERNING REVISIONS TO THE MOTOR VEHICLE STATUTES. This bill has a number of provisions. You've already heard some of the concerns but the -- the dealers in Connecticut have concerns with respect to the penalty designations in certain sections of the bill that would take a lot of paperwork, infractions and turn them into class B misdemeanors.

For 30 years if you look back at the legislative history, this Legislature has been decriminalizing these types of activities rather than create a separate criminal -- almost criminal code within the Department of Motor Vehicle. And in return for that beginning in 1981 fines and penalties were increased and quite significant additional authority was given to the Department and the Commissioner of Motor Vehicles to make sure that motor vehicle laws are in fact enforced.

And attached to my written testimony you'll find a copy of a very important section that you ought to read and that's section 14-64 of the General Statutes. And probably one of the

follow up with the Department as we progress.
But I thank you for your --

JAMES FLEMING: Representative, if I just might --

REP. SCRIBNER: Yeah. Sure.

JAMES FLEMING: -- indulge for one second. The Senator wanted to see a copy of what one of these forms looked like. I happen to have one. I'll leave that with the Clerk.

REP. SCRIBNER: Please.

JAMES FLEMING: And if I might just very quickly you know oftentimes dealers fight with manufacturers on issues but the manufacturers and the dealers are onboard on a bill which is 1040 which deals with counterfeit airbags. The legislation that's before you the dealers of this State fully support it and support the manufacturers on that issue. So I just wanted to let you know. Sometimes we do agree on a few things. So thank you.

REP. SCRIBNER: We like it when you do. Thank you.

Any questions for -- Senator McLachlan.

SENATOR McLACHLAN: Thank you, Mr. Chairman.

Thank you, Jim, for your testimony. Although this was not one of your topics today I can see why you were more focused on the issues you were focused on. I had a question for the Commissioner about spot delivery of used cars. And obviously new car dealers sell a lot of used cars. Can you share with us any of your concerns about that proposal?

HB 6495

JAMES FLEMING: Yes. The Commissioner very generously shared the legislative package with

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law/gbr TRANSPORTATION COMMITTEE

March 8, 2013
10:00 A.M.

coming to testify.

KEVIN MALONEY: Thank you all for your attention.

REP. GUERRERA: Thank you.

KEVIN MALONEY: Appreciate it.

REP. GUERRERA: Steve Osborne. Good afternoon. And you're testifying on was it 1040?

STEVEN OSBORNE: My name is Steve Osborne. I'm with America Honda Motor Company in Torrance, California. I appreciate your time today. More importantly I appreciate your stamina today. That's quite an attribute. Two of the other speakers have already spoken about the subject I'm going to talk on so I'm going to cut to the chase. It's counterfeit -- it's counterfeit airbags.

Connecticut already has statutes in place for airbag fraud and that's what we're talking about airbag fraud. So the bill before you today is going to increase the descriptions of that fraud so that you guys can better attack it and it's going to increase the penalties for what we think is a really heinous situation and that's people that knowing sell an airbag that doesn't work. And that's what we're here for today.

This situation was first brought to the attention of American Honda in 2010. We were contacted by U.S. Customs and Border Protection. They had seized a load of counterfeit airbags. At that time we told them they were crazy. There was no such thing as a counterfeit airbag. And that's probably what a lot of you guys think today. I assure you we were wrong and I assure you if you thought that was the case we would all be wrong.

Since 2010 we worked very closely with the federal government on seizures of counterfeit airbags. To date there's been five major raids, five arrests of some gentlemen that were responsible for selling over 12,000 counterfeit airbags in the United States, every single state obviously including Connecticut.

They've seized over 2,500 counterfeit airbags and they're not just Honda. It's every single manufacturer. You name the car you drive and I'll show you a counterfeit airbag that fits it. I'll show you where to buy it too. So now you have the background so let me tell you just a little bit about airbags why this is an issue.

Every airbag is specifically designed as a part of a supplemental restraint system for a car. It's not one size fits all. Each bag is unique and each component in that system is unique. And it's designed to deploy at a very specified rate in conjunction with the accident of a car. The sensors detect the speed of the car, the angle of the impact, the position of the impact, the weight of the driver, the weight of the passenger, the position of the seat.

All of these are factored into an algorithm that tells that airbag when to deploy. And if anything changes in that sequence the car will not work as proper -- you know as designed, as we designed it. And so that's why it's a concern for Honda. We've tested numerous counterfeit airbags, many counterfeit airbags. In fact our tests were used in the government prosecutions -- the five prosecutions to date.

We found paper towels stuffed into the canisters where the explosive charge should be. We found used cushions, and the cushion is the

pillow that deploys that actually -- excuse me. It actually deploys and it had either lipstick or some other human substance on the front face of the airbag where it had come from a used airbag.

We common -- commonly see these airbags that had been modified electronically to trick the computer, the diagnostic system into believing that the airbag in the car is actually good.

So the people that sell these things know what they're doing. It's fraud. That's just the bottom line. You may wonder how these things are sold. They're sold via the internet. We get -- you guys talked earlier today about the license plate law, people buying those things on the internet.

That's how airbags are trafficked. They're trafficked through EBay in the United States and they're trafficked through some other sites via China. Working with the FBI, the most -- the largest case to date was one in Charlotte, North Carolina. A gentleman was arrested. His house was seized.

He personally was responsible for over 7,000 sales of counterfeit airbags via EBay. So this is a big issue and it definitely affects customers here in Connecticut. So who are the customer's for these? So you think when does an airbag need to be replaced? It needs to be replaced after it deploys.

Why would it deploy? It deploys because of an accident and it's not a fender bender. It's a moderate to a severe accident. So you might think that it's a body shop that's using these counterfeit airbags but it's not. The people that usually use these and this is based on the FBI's investigations, are the types of body

shops that purchase cars that have been declared a total loss yet they return those cars to the roads of Connecticut.

And how could you possibly do that? How could you possibly return a car that the value of the repair is worth more than the cost of the car? You do it by scrimping on the labor and scrimping on the parts. And that's what these guys do. So you guys in Connecticut already have a pretty good statute in place for returning a salvaged car back to the road. And so that's where I think this law that we suggest today that we hope you guys will -- will agree with us is that's where these folks will be caught, in the inspection process when these salvaged vehicles are returned to the road. That -- that's my belief and I'm pretty sure you'll find that to be the case.

I know I'm running out of time so just in follow up we're going to provide you guys some information. A lot of people ask the question hey where -- who's been hurt by this? Well a lot of people have been hurt. We've sited five cases of fatalities due to airbag fraud and we certainly don't want that to happen. One was too many. Five is way too many. The next one will be too many. So we do ask your support. We do have a website. Honda's put together a website called airbagaware.com. I believe you have the URL in front of you.

I encourage you to look at that. It will provide the complete story in much greater detail and much better graphics. So we've tested some airbags and we'll actually show you the results of these airbags on the test. So I encourage you to do it. We do appreciate the support. We don't believe there is anybody that's a proponent of a counterfeit airbag.

As two other speakers have said today we have strong support. We've changed the wording of this bill. There will be an amendment coming through that nobody objects to. So -- so we think it will be pretty easy sailing. And we ask your support of it. And we thank you very much for your time.

REP. GUERRERA: Thank you, Steve. This is very interesting. I'm -- is there a process though that the airbags have to go through in regards to a certain stamp on it to make sure that it isn't a counterfeit or is it something that these guys are so good that they can just you know duplicate the stamp.

You know I'm surprised is -- the feds haven't come involved and said that every airbag that's sold after the car would have to have some type of you know something in there so it's not a, you know a fraudulent airbag.

STEVEN OSBORNE: An excellent question. Very astute. Actually there's two designations. There's one on the airbag assembly and one on the inflator assembly. And the inflator is the explosive charge. And every airbag sold in the United States has two explosive serial numbers. But as you said the guys over there in China have figured out to some extent the sequencing on those numbers. But that's how they've been caught to date.

No two airbags would be alike but we're finding Audi, Toyota, Lexus, Honda airbags all with the exact same serial number on it. And that's how these guys are being caught. Other than that -- in fact I brought an example of a counterfeit airbag. The airlines are a little bit concerned when we ship hazardous materials so I didn't bring the explosive piece but this is a counterfeit Honda airbag.

And when our people see it I can show this to any engineer in Honda and they'll all swear it's ours until we look very closely and compare it to our blueprints and drawings. And it's only at that level -- I mean these guys are good. It's only at that level can you determine it is counterfeit.

REP. GUERRERA: Let me pass that around. So are there after market airbags though that are out there that maybe aren't as good but are -- would qualify to be used in a car?

STEVEN OSBORNE: Once again a great question. I'll owe you a dollar after the meeting.

REP. GUERRERA: Okay. More than that.

STEVEN OSBORNE: There are no aftermarket airbags. When it comes to my business which is automotive parts there's kind of two classifications of parts. There's a part called a competitive part that you can buy anywhere. That's your oil filters and your brakes. And then there's the captive parts and these are mainly computers, ECUs, and airbags. The cost and expense to RND these things prohibit aftermarket from getting into it.

And the so the only source of original equipment, new airbags is the OEC supplier or the dealer. And then the only alternative source is the salvage airbag. We Honda do not support salvage airbag but we do recognize that's a large industry and that's not the purpose of this bill today. It says nothing about salvage.

REP. GUERRERA: Okay. So then again going to that point so this would have no effect on a salvage airbag?

STEVEN OSBORNE: That is correct. In fact the salvage industry supports our position on this.

REP. GUERRERA: Right.

STEVEN OSBORNE: We presented this similar legislation in Maryland two days ago. And the salvage industry was in support of our position.

REP. GUERRERA: it's very interesting. I mean it's -- you know, it's amazing how these guys can do some of these things and just -- I mean I have to admit I'm looking at that, there's no way you know that I could --

STEVEN OSBORNE: If you look on the back of it that's the way -- that's the giveaway. When you look at the way the Honda crest is attached that's the single giveaway on that part along with the part -- the serial numbers -- you mentioned in the -- the serial number is the giveaway as well.

REP. GUERRERA: Representative Sayers.

REP. SAYERS: I just want to say thank you. It looks like Windsor Locks is in full force today being represented, for coming to testify.

STEVEN OSBORNE: We're pleased to be here. We -- and we really do appreciate your time.

REP. GUERRERA: No and we appreciate you bringing this to our attention. I mean this is a serious issue obviously and that you know we don't want somebody out there that has one of these items in there that doesn't work. And obviously you have some type of serious accident or a fatality on their hands.

STEVEN OSBORNE: And we're in the same position.

REP. GUERRERA: Now is the auto industry on -- obviously you go together with not just Honda but I would think GM and Ford and Chrysler. Would they -- they wouldn't oppose something like this would they?

STEVEN OSBORNE: No. In fact earlier today there's two associations of automobile manufacturers in the U.S. There's Global Auto Makers and we're a part of that group and the other one is the Alliance of Automobile Manufacturers and that's for Ford and GM and Chrysler and some other companies.

And Global testified this morning on behalf of this bill in support. And Alliance, I'm not sure if they'll testify but I know they have submitted and here's their testimony in support so.

REP. GUERRERA: Excellent. Any other comments for Steve?

STEVEN OSBORNE: Oh and I understand GM is going to speak on it. GM will speak later today or submit -- submit --

REP. GUERRERA: Testimony.

STEVEN OSBORNE: Testimony if you will.

REP. GUERRERA: Thank you very much. Very interesting. And you know I think it's something that this committee will have to look at very hard to make sure that we don't allow these type of incidents to happen.

STEVEN OSBORNE: We appreciate it. And should we be able to help you in anyway just please let us know.

REP. GUERRERA: And you said there's a video out there though that -- what was it?

STEVEN OSBORNE: Beautiful video. Write this down. Airbagaware.com. And it's -- it's in your testimony. And it's -- it's chocked full of information. It tells this complete story. It describes all of the federal arrests. It shows of these aftermarket videos. And then there's a great description of how an airbag system is supposed to make sense.

REP. GUERRERA: Excellent. I was a little worried today, Steve because I was out on the road while Representative Scribner was diving. And I thought he was -- he took a scene from a James Bond movie the way he was driving there but he did have a new care with a nice airbag in there so I felt reassured there.

STEVEN OSBORNE: Two airbags.

REP. GUERRERA: Thank you very much seriously. This was a very good explanation and we will look at this and look at this obviously as a committee to get this bill out because this is -- you know serious consequences that could occur here.

STEVEN OSBORNE: Truly -- truly is.

REP. GUERRERA: And Honda, I'll tell you. I could talk to you all day about cars but the airbag industry I mean are they -- are you seeing airbags into seatbelts pretty soon?

STEVEN OSBORNE: Already.

REP. GUERRERA: They are? So I'm saying a saying a seatbelt going across would explode rather than coming from the dash.

STEVEN OSBORNE: Correct. We've had that for several years now.

Oh you have.

STEVEN OSBORNE: And that -- and that -- and again I could also talk all day long but the supplemental restraint system contains many components. So there's the airbags that we know of, the ones that -- in front of you. But the seatbelt also has an explosive retractor. And the computer that detonates the airbag also hits the explosives to pull the seat back tight, to pull the seatbelt in tight.

REP. GUERRERA: And so does the airbag come out of the seatbelt in front of you?

STEVEN OSBORNE: No. No. It's down in the mechanism. It cinches up the seatbelt.

REP. GUERRERA: Okay.

STEVEN OSBORNE: It tightens it around the -- around the seat.

REP. GUERRERA: Okay. Interesting because --

STEVEN OSBORNE: And -- and that's a great question because now we're seeing counterfeit.

REP. GUERRERA: So now you owe me two dollars. Okay.

STEVEN OSBORNE: If you keep asking me questions we'll get up to five. But we're now seeing counterfeit seatbelts as well.

REP. GUERRERA: Really?

STEVEN OSBORNE: This is our concern because the airbags are the tip of the iceberg. It's

windshields, it's seat belts, it's disc brakes, disc brake pads. Investigations brought Honda Motors in China. We've seen all of these parts. We've actually seen counterfeit Honda cars.

REP. GUERRERA: Sure.

STEVEN OSBORNE: So we need to take a stand and we think this is a great place to do it.

REP. GUERRERA: Well this is a good start that's for sure. Thank you for your testimony.

STEVEN OSBORNE: Thank you folks.

REP. GUERRERA: Thank you.

Colleen Marren. Is that it?

COLLEEN MARREN: Close. Colleen Marren.

REP. GUERRERA: Okay.

COLLEEN MARREN: That's my sister is Maureen.

Mr. Chairman, members of the committee, thank you for this opportunity to provide to you the Connecticut Broadcaster's Association's comments concerning S.B.176. My name is Colleen Marren and I am the news director at WTIC TV also known as Fox Connecticut. The Connecticut Broadcaster's Association's membership comprises all of the FCC licensed radio and television stations in Connecticut.

I'm here specifically to speak to section four of Senate Bill 975 which would authorize the Commissioner of the Dot to establish a procedure for issuing permits for filming on State highway rights of way and State land controlled by the DOT. We understand that this

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HONDA

American Honda Motor Co., Inc
1919 Torrance Boulevard
Torrance, CA 90501-2746
Phone (310) 783-2000

WRITTEN TESTIMONY OF:
Steve Osborne
Assistant Vice President; Parts & Service Division
American Honda Motor Co., Inc.
On Raised Bill 1040

Submitted to the
Connecticut Joint Transportation Committee

March 8, 2013

Dear Co-Chairs Maynard and Guerrero and members of the Committee:

Thank you for the opportunity to submit testimony for the Committee's consideration and for allowing me to testify in person today.

My name is Steve Osborne and I am an Assistant Vice President with the Parts and Service Division of the American Honda Motor Company, Inc. I have been with Honda for twenty eight years. The issue of counterfeit airbags was first brought to the attention of my company in the summer of 2010. We were asked by U.S. Customs to confirm the authenticity of Honda-branded airbags seized as part of a criminal investigation. We were provided only six photographs and no additional detail. Knowing the complexity of airbag manufacture, our initial impression was that the products in the photos were certainly Genuine Honda parts. Needless to say, we were badly mistaken. When our airbag supplier received the photos he had the same initial reaction as Honda. When the photos were compared to the engineering drawings however, the problem became obvious. The airbags were visibly comparable in almost every physical attribute except for the labeling. The counterfeiters tried but failed to replicate Honda's identification system. Although close, we knew for the first time we had a problem with counterfeit airbags.

This initial incident resulted in the trial and prosecution of a gentleman from Guangzhou, China. More importantly it began a journey for Honda that has led to the seizure of over 2,500 counterfeit Honda airbags and the arrests of five gentlemen that together sold well over 10,000 counterfeit airbags to persons in every state in the country.

I continue to work in conjunction with folks at *Homeland Security*, the *Federal Bureau of Investigations* and *Customs and Border Protection* to combat counterfeit airbag sales into the U.S. I personally have attended numerous seizures of airbags and visited numerous warehouses containing thousands of airbags from virtually all manufacturers.

Honda is so concerned about this issue that we have created a website (www.airbagaware.com) to educate consumers about the dangers of counterfeit airbags. We encourage you to visit the site and watch the videos of footage of the deployment of actual counterfeit airbags. We strive to be a leader in auto safety and have pioneered side airbags, launched an industry leading "Safety for Everyone Campaign" and runs the largest indoor crash test facility in the world. Honda is committed to safety in their products and offers technology such as Supplemental Restraint Airbag Systems, ACE body structure and crash avoidance and lane departure systems.

Counterfeit Airbags:

Federal law requires automobiles to be equipped with occupant crash protection systems. Vehicle manufacturers create intelligent control airbag systems unique to each vehicle. These systems contain multiple airbags for each vehicle and have sophisticated technology that determines what airbag to deploy, when and in what order to best protect the occupant. This all happens within milliseconds while taking into account all the details such as seat position, collision impact and the occupant's weight. However, in order to do the job of protecting the occupants, the entire system has to be working properly and as originally designed. Anything that changes the system can impact both the performance and the result.

These counterfeit airbags look nearly identical to original equipment airbags, so customers are deceived into thinking the replacement airbag will work just like the airbag being replaced, but they don't offer the performance of the original equipment manufacturer produced airbags. Honda has purchased and had independent third parties test some counterfeit airbags sold over the internet. The testing has shown that these airbags can malfunction in a variety of ways including late deployment, deployment with insufficient force and even non-deployment of the air bags. We've seen airbags that were filled with rolled up paper towels that clearly would not provide any protection to a consumer in a crash, even though the cover bore the trademark of an original manufacturer.

There has been a dramatic increase in recent years in the numbers of counterfeit airbags offered for sale on the internet. The tragedy is that an installer should know an airbag is counterfeit because the price is typically well below a legitimate original equipment manufacturer (OEM) replacement airbag. And yet even a fraction of a second difference will impact the safety protection designed to deliver, as was demonstrated in the "Use your melon" video.

National Highway Safety Association (NHTSA):

Thousands of counterfeit airbags have been confiscated in federal raids in multiple states including California, New York, North Carolina, North Dakota, Ohio, Tennessee & Washington. The problem of counterfeit airbags is so widespread and severe that NHTSA conducted their own

tests and on October 10, 2012 issued a consumer advisory alerting vehicle owners and repair professionals of their dangers. NHTSA testing showed these airbags malfunction and even demonstrated instances where the airbags never deployed. NHTSA warned owners who have been in an accident and had their airbags replaced in the last three years to go to their dealership to determine whether they have a counterfeit airbag in the car. We have a copy of a NHTSA video where there is shrapnel exploding on the passenger from the counterfeit airbag.

Counterfeit Laws Already Exist in Connecticut

We will likely hear testimony today that Connecticut already has laws prohibiting counterfeit airbags which make HB1040 unnecessary. Airbag systems are sophisticated and complex, similar to an orchestra where all pieces must work together in synch in order for maximum effect. They provide the ultimate function in occupant safety. They are so special that they deserve a unique recognition in the law. Unlike counterfeit songs or handbags, a consumer can suffer serious injuries or even die from counterfeit airbag use. The damage is sufficient to justify its own law and severe legal remedies for violations of the law.

Where is the Proof?

The problem of airbag fraud is relatively new and therefore the total impact is not fully known. Investigators are not documenting cases where fraudulent airbags have contributed to the injuries sustained in a crash so it is impossible to know what the full impact in Connecticut is. We have attached an article citing five cases involving fraudulent airbags as evidence of how deadly selling fake airbags is. In each case, the driver was unaware their car was repaired with "knockoff" airbags and each resulted in fatalities. No Connecticut consumer should be subject to vehicular Russian roulette, with losers suffering severe injuries or even death. It is for this reason that we urge you to take a proactive approach rather than a reactive one.

Salvage Airbags

There will likely be discussion today from others testifying about how this bill will limit a consumer's ability to use a salvage airbag. A salvage airbag is one that has been harvested from a car that was totaled but where the airbag did not deploy. Some of these donor cars may sit in a salvage lot susceptible to bad weather, some may have significant flood damage and some could have counterfeit parts themselves. We simply don't know the condition of these airbags. Salvage parts may be acceptable for some parts, but Honda feels that airbags are such a crucial part that we advocate only the use of original equipment manufacturer airbags. However, we purposely did not include prohibitions on the use of salvage airbags in this bill to accommodate the concerns of salvage yard owners in an attempt not to get diverted by the salvage fight and address this immediate highly dangerous situation.

For all of these reasons, we encourage the Transportation committee and the state legislature to proactively protect Connecticut consumers by passing HB1040.

Thank you for the opportunity to testify before you today. I welcome any questions you may have and welcome the opportunity to be a resource for you on this issue.

Testimony of the Alliance of Automobile Manufacturers
before the Joint Committee on Transportation
RE: Senate Bill 1040 – An Act Concerning Counterfeit and Substandard Airbags

March 8, 2013

The Alliance of Automobile Manufacturers can support Senate Bill 1040 – An Act Concerning Counterfeit and Substandard Airbags with the following amendments to the definition of "Substandard air bag" on page two, lines 15 – 21.

(3) ~~"Non-functional Substandard air bag"~~ means a replacement motor vehicle inflatable occupant restraint system, including all component parts, such as sensors, controllers, inflators and wiring, that has been previously deployed or damaged, or that has an electrical fault that is detected by the vehicle airbag diagnostic system after the installation procedure is completed. "Non-functional airbag" also means any object, other than the airbag system component, that is installed as part of an airbag system, as a result of its design, manufacture or condition, fails to provide the same or greater protection to occupants of the motor vehicle in which it is installed as the protection provided by the air bag originally installed in such motor vehicle.

With that change to the definition, all references to "substandard air bag" should then be replaced by the phrase "non-functional air bag."

Thank you for the consideration of the Alliance's position.

Laura Dooley
Director, State Affairs
Alliance of Automobile Manufacturers
Office: 202-326-5543
E-mail: ldooley@autoalliance.org



OEM Recycled • Aftermarket by Keystone

Connecticut Senate Transportation Committee Senate Bill 1040

LKQ Corporation Testimony

Senator Maynard, Representative Guerrero and Members of the Transportation Committee, my name is Ray Colas and I am a Government Affairs Representative for LKQ Corporation. I am submitting testimony today in opposition to SB 1040, An Act Concerning Counterfeit and Substandard Airbags.

SB 1040 is a great consumer protection bill that addresses a nationwide concern as it relates to the improper replacement of a motor vehicle airbag. LKQ has supported consumer protection issues across the nation specifically dealing with airbag replacement.

The only and most critical concern with the language in SB 1040 falls within the definition of "Substandard Airbag". As currently written, the standard for a "Substandard Airbag" is defined by an airbag originally installed in a motor vehicle. That implies that airbags originally installed in motor vehicles do not fail. In 2012, Honda and Toyota alone were responsible for over 1.5 million airbag recalls. Honda acknowledged that 14 months ago at least 2 deaths and 20 accidents resulted from airbag failure. In January of this year Honda and Toyota has already conducted airbag recalls that involves 750,000 and 900,000 vehicles respectively.

We would like to suggest strengthening the definition by redefining a "substandard airbag" to "An airbag that does not meet all applicable federal motor vehicle safety standards for an airbag designed to be installed in a motor vehicle of a particular make, model and year."

LKQ Corporation is the largest nationwide provider of aftermarket and recycled collision replacement parts and refurbished collision replacement products such as wheels, bumper covers and lights, and a leading provider of mechanical replacement parts including remanufactured engines, all in connection with the repair of automobiles and other vehicles. LKQ also has operations in the United Kingdom, Canada, Mexico and Central America. Globally, LKQ has just under 20,000 employees and operates more than 430 facilities, offering its customers a broad range of replacement systems, components and parts to repair automobiles and light, medium and heavy-duty trucks.

LKQ employs 14,000 people nationwide and operates more than 400 facilities in more than 43 states. LKQ has 128 employees at 4 locations in Connecticut found in the following cities: one (1) in Manchester, one (1) in Milford, one (1) in Sterling, and one (1) in Waterbury, and pays taxes on a payroll of over \$4.5 million dollars.

As a member of the Senate Transportation Committee, I hope you will recognize the many detriments this bill poses to consumers in Connecticut. On behalf of LKQ Corporation, I ask you to vote "**NO**" on **SB 1040** as currently written.

Please do not hesitate to contact me if you have any questions. I can be reached at (954) 492-9092.

Respectfully,



Ray Colas
Government Affairs Representative
LKQ Corporation



Connecticut Auto Recyclers Association
 PO Box 71
 Tolland, CT 06084

House Transportation Committee
 Connecticut General Assembly
 Legislative Office Building
 Room 2300
 Hartford, CT 06106

March 6, 2013

Dear Transportation Committee Members,

On behalf of the Connecticut Automotive Recyclers Association, I would like to express concerns with Senate Bill 1040 relating to the sale and installation of counterfeit and substandard airbags. The problem of counterfeit airbags is serious and professional automotive recyclers have long cautioned the automotive repair industry and consumers about the dangers of using counterfeit airbags.

However as currently written, we strongly oppose the use of the word "Substandard" in SB 1040. "Substandard" airbag is a subjective term and there is no widely-accepted definition of what constitutes a "substandard" airbag. The inclusion of this language in SB 1040 is simply unnecessary and would give those who seek only to increase their market share an unfair advantage in setting the standard -- an advantage they will likely use to disparage the use of recycled, original equipment, non-deployed airbags that have met specific industry standards and that our businesses provide to consumers as an effective and economic repair option. SB 1040 as currently written could result in consumers electing to forego the installation of an airbag in the repair process due to economic limitations, which could result in unsafe vehicles being returned to Connecticut's roads and highways.

We are requesting a revision to SB1040 to remove the word "Substandard" in order to not only protect the automotive recycling industry in Connecticut but also to protect the interests and repair options available to of automotive consumer.

The Connecticut Automotive Recyclers Association, () is an organization formed by a group of licensed, professional automotive recyclers dedicated to the efficient removal and reuse of automotive parts, and the safe disposal of inoperable motor vehicles in the state of Connecticut. We consist of approximately 40 direct member companies and our automotive recycling businesses employ hundreds of people in our state. We work in alliance with the national Automotive Recyclers Association () to increase public awareness of the industry's role in conserving the future through automotive recycling and to foster awareness of the industry's value as a high quality, low cost alternative for the automotive consumer. Thank you for your consideration in this matter.

Sincerely,
 Tara M Cesana
 President, Connecticut Automotive Recyclers Association

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Aston Martin • Ferrari • Honda • Hyundai • Isuzu • Kia • Maserati
McLaren • Nissan • Peugeot • Subaru • Suzuki • Toyota

WRITTEN TESTIMONY OF:
Paul Scullion
Manager, Safety
Association of Global Automakers, Inc.
On Raised Bill 1040

Submitted to the
Connecticut Joint Transportation Committee

March 8, 2013

Dear Co-Chairs Maynard and Guerrero and members of the Committee:

The Association of Global Automakers, Inc. ("Global Automakers")¹ appreciates the opportunity to provide comments in **support of HB 1040**. Global Automakers represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our members' market share of both U.S. sales and production is 40%. Nearly half of all the vehicles sold in America by international automakers are manufactured at U.S. production facilities. Our members operate more than 230 production, design, R&D, sales, finance and other facilities across the United States.

The issue of counterfeit and non-functional replacement airbags is a serious safety problem potentially affecting thousands of drivers on the road today. In October 2012, the National Highway Traffic Safety Administration (NHTSA) issued a consumer advisory to alert vehicle owners and repair professionals to the dangers of counterfeit airbags that have been installed in vehicles. We have worked closely with NHTSA to provide guidance for vehicle owners concerned that such airbags may have been installed in their vehicle.

Safety is of paramount concern to automobile original equipment manufacturers (OEMs). Despite the unauthorized use of manufacturer trademarks to exploit the trust that consumers place in OEM airbags and equipment, we believe this bill is required first and foremost to address the serious public safety issue of non-functional replacement airbags being installed in vehicles.

¹ The Association of Global Automakers represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our members include American Honda Motor Co., American Suzuki Motor Corp., Aston Martin Lagonda of North America, Inc., Ferrari North America, Inc., Hyundai Motor America, Isuzu Motors America, Inc., Kia Motors America, Inc., Maserati North America, Inc., McLaren Automotive Ltd., Nissan North America, Inc. Peugeot Motors of America, Subaru of America, and Toyota Motor North America, Inc. We work with industry leaders, legislators, regulators, and other stakeholders in the United States to create public policies that improve motor vehicle safety, encourage technological innovation and protect our planet. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and development of vehicles that can enhance Americans' quality of life. For more information, visit www.globalautomakers.org.

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Vehicle manufacturers design vehicles to meet or exceed strict government safety standards and earn high safety ratings in consumer information tests, and the vehicle's structural design and restraint systems play a pivotal role in achieving this. In a collision, the vehicle structure and restraint systems, including the airbag and seat belts, perform in unison to effectively manage the crash forces that the occupant is exposed to. Each of these systems are calibrated to a specific make, model, and model year vehicle, and minor changes to one aspect of the overall system can change the performance and potential injury outcome in a crash. Those facilitating the installation of a counterfeit or non-functional airbag are deliberately compromising the protection afforded to occupants in the event of a crash, exposing them to a higher risk of injury.

We believe it is wrong to allow an individual to intentionally make, distribute, sell, install, misrepresent, or otherwise encourage the use of non-functional or counterfeit airbags without serious consequences. Therefore Global Automakers urges the committee and state legislature to pass HB1040.

Respectfully,



Paul Scullion
Manager, Safety
Association of Global Automakers, Inc.