

March 24, 2021

Representative Dylan Roberts
Chair, Colorado House Business Affairs and Labor Committee
200 East Colfax Ave.
Room 307
Denver, CO 80203

Re: Support for House Bill 1193 (Prohibiting Counterfeit Airbags)

Dear Chairman Roberts and Members of the Committee,

Thank you for the opportunity to express Honda's strong support for this legislation to prohibit the knowing and intentional trafficking of counterfeit supplemental restraint systems and nonfunctional airbags. Honda is aware of several instances across the country where these products have seriously injured or even killed motorists. CBS News recently did a story highlighting one such fatality in Texas.¹ To combat this problem, Honda is taking a holistic approach and has spent the past several years working with a broad coalition of stakeholders to raise awareness of this problem, remove internet listings of these products, support federal law enforcement investigations and prosecutions, and supplement federal law with state laws to protect consumers from these dangerous knockoffs.

While counterfeit parts are not new to the industry, automakers have seen a dramatic rise in the number of counterfeit and otherwise "nonfunctional" critical safety components entering the marketplace in recent years. These products primarily originate in China and are imported to the United States. Here they are sold online to unscrupulous repair shops, which install these products in the vehicles of unknowing consumers. While consumers may not be able to tell the difference between real and fake airbags, there are several physical tells and other red flags that are obvious to sellers and repair professionals.

Hundreds of these imitation airbags have been tested over the years and, in every case, these knockoffs have failed to meet federal crash worthiness standards, often catastrophically. In 2012, the National Highway Traffic Safety Administration (NHTSA) issued a consumer advisory warning to the public about this problem and released a now famous video showing just how dangerous these products can be.²

Because of the cost and precision involved in replicating airbag technology, many counterfeiters do not even bother to try. Instead they chose to fill airbags with sawdust, newspaper, paper towels, Styrofoam, or other debris that were never intended to provide vehicle occupants with protection during a crash.

¹ <https://preview.msn.com/en-us/tv/golden-globes-video/counterfeit-airbag-found-in-deadly-north-texas-crash/vp-BBU5IQM>

² <https://www.youtube.com/watch?v=TSk2JUuQ3j0>

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Chair, Colorado House Business Affairs & Labor Committee
200 East Colfax Ave.
Room 307
Denver, CO 80203
dylan.roberts.house@state.co.us

Re: Support for House Bill 1193 (Prohibiting Counterfeit Airbags)

Dear Chairman Roberts and Members of the Committee,

On behalf of the Automotive Anti-Counterfeiting Council, Inc. (A2C2), and our membership, I write to express our strong support for House Bill 1193, which prohibits the trafficking of replacement counterfeit and nonfunctional airbags and supplemental restraint systems (SRS), and imposes a penalty for these violations in Colorado.

The A2C2 is a collaborative industry group comprised of Daimler IP, Ford, General Motors, Honda, Hyundai, Kia, Nissan, Stellantis, Subaru, Toyota, Volkswagen Group of America, and their subsidiary brands. Our mission is collaboration among automakers and their partners that strives to eliminate counterfeit automotive components that could harm U.S. consumers. A2C2 is a platform for member companies to collaborate with federal and state authorities in response to increasing trends in automotive counterfeiting.

The emergence and increase of counterfeit airbags and other critical safety parts in the marketplace is extremely troubling, as they jeopardize the safety of vehicle occupants. In October 2012, the National Highway Traffic Safety Administration (NHTSA) and multiple federal law enforcement agencies issued a consumer advisory¹ alerting vehicle owners and repair professionals to the dangers of counterfeit airbags and their prevalence in the marketplace. Airbags are a key component of vehicle supplemental restraint systems, which are credited with saving countless lives nationwide over the course of their history. A single counterfeit airbag or SRS component part can disrupt an entire SRS system and put occupants at risk for serious injury. Because of the complexity of such parts and the need for effective quality control, many counterfeiters refrain from attempting to replicate the life-saving technology contained in SRS systems. For example, many of the counterfeit airbags that have been recovered and examined in recent years were filled with newspaper or other debris.

¹ NHTSA / ICE Safety Advisory Alerting Consumers to Dangers of Counterfeit Air Bags:
<https://www.ice.gov/news/releases/nhtsa-ice-alert-consumers-dangers-counterfeit-air-bags>



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TOYOTA

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GROUP OF AMERICA

While federal law addresses counterfeiting in a broader sense, the A2C2 feels that state legislation prohibiting the trafficking, sale or installation of counterfeit and nonfunctional airbags and supplemental restraint systems is important because it provides an additional disincentive to would-be counterfeiters and unscrupulous repair shops. While Colorado has laws prohibiting the installation of bad airbags, it does nothing to protect consumers against the truly bad actors who knowingly and intentionally manufacture, import and offer these products for sale en masse.

A2C2 commends the 26 states that have already enacted similar legislation to address this problem and urges Colorado to join them. If you have any questions, or if the A2C2 can otherwise be of assistance to you, please do not hesitate to let me know.

Thank you for your time and consideration.

Sincerely,

Teena Bohi

Teena Bohi
President
Automotive Anti-Counterfeiting Council, Inc.
www.a2c2.com



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GROUP OF AMERICA



March 18, 2021

Chair Dylan Roberts and Members of the Committee
Committee on Business Affairs and Labor
Colorado House of Representatives

RE: Support for HB21-1193 – Counterfeit Airbags

Dear Chair Roberts and Members of the Committee:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Colorado. Working hand-in-hand with our member companies and law enforcement, we investigate organized criminal conspiracies dealing with insurance 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 HB21-1193 which would make it a deceptive trade practice for a person to knowingly or intentionally manufacture, import, distribute, sell, offer for sale, install, or reinstall a counterfeit or nonfunctioning vehicle airbag, or an airbag not intended for a particular vehicle.

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

Sincerely,

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

Howard Handler, MPPA
Senior Director, Government Affairs