

wakai2-Daniel

From: Dave Rolf [drolf@hawaiiidealer.com]
Sent: Tuesday, February 09, 2010 10:20 AM
To: CPCtestimony
Subject: HADA testimony opposed to HB1890 Re Motor Vehicles (airbag) for joint CPC-JUD hearing 2 pm. 2-9-10 Rm325
Attachments: image001.wmz; image002.png; oledata.mso

Testimony in OPPOSITION to HB1890
RELATING TO MOTOR VEHICLES

Presented by the Hawaii Automobile Dealers Association
Hawaii's franchised new car dealers
For the hearing by the joint committee House Committee on Consumer Protection and
Commerce / Committee on Judiciary
2 p.m. Tuesday, February 9, 2010
in Conference Room 325, Hawaii State Capitol

Chairs Herkes and Karamatsu and members of the joint committee:

Re: Concerns about "INOPERABLE (AIRBAG) IS KNOWN..." provision

Among many provisions, this bill establishes penalties if a person selling a vehicle does not disclose that an airbag is inoperable if the fact is known.

Such provisions may have the inadvertent consequence of discouraging inspections of used cars taken in trade. To establish workability of an airbag that is not of the make the dealer sells may require equipment or technical knowledge not possessed by the dealer or the dealership's employees.

A dealer, to protect the dealership, may have to opt for the NO INSPECTION disclosure option under the disclosure requirement in HRS481-J4.

The safety of the drivers and passengers of vehicles is of paramount concern for auto dealers, but requirements to validate and certify the operability of airbags in vehicles for which the dealership is not the factory-trained and authorized service facility for the vehicle is problematic. A BMW dealer taking a Nissan vehicle in trade may have to send the vehicle to a Nissan facility with factory-trained technicians to have a comfort level that the Nissan airbags are operable.

RE: HADA opposes installation of ANY salvage airbag

Further, we support the position of the Alliance of Automobile Manufacturers who oppose the installation of ANY salvage airbags.

RE: HADA proposes alternative language for "affidavit"

HADA also feels that the Repair Order (if it contains the part number for the new airbag) or the

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HB1890

Chair Herkes, Vice-Chair Wakai and members of the Consumer Protection and Commerce Committee.

My name is Van Takemoto and I am the owner of Island Fender, a collision repair facility in Honolulu. I am here on behalf of the Automotive Body and Painting Association of Hawaii and we are here to testify against the passage of HB1890.

The Automotive Body and Painting Association of Hawaii is in agreement with the intent of HB1890 to protect the consumer from airbag system fraud and in protecting the safety of the consumer.

Our Association strongly feels that this bill in its present form does exactly the opposite by creating a process to use salvaged airbag system parts. This will open the door for airbag fraud.

The Association recommends that there be a total ban on all salvaged airbag system parts.

Allowing salvaged airbag parts usage creates many opportunities for fraud.

There really is no way to secure the delivery process or the verification process on a salvaged airbag. A repair facility would have no way to verify that the vehicle identification number of the donor vehicle or that the part number from that donor vehicle part was actually from that car. Even with this information, it does not give us any guarantees that the part will work properly.

There would be no way to verify that the salvaged airbag system part was disassembled and handled properly to insure that it will perform correctly when needed.

There is no way to test airbags. The only way to test a salvaged airbag is to deploy it.

Because of the seriousness that the airbag perform correctly to the safety of the passengers, our Association recommends that all salvaged airbag components that cannot be independently tested be banned from use.

By using only new oem airbags, you will have the financial strength of the manufacturer in case of a failure that creates a liability. New oem airbags come in sealed packages. A professional would never use a new oem airbag that came in an opened package.

By allowing salvaged airbags, you will only have the financial strength of small independent used parts dealers or independent individuals to be held liable.

If there is a failure in a salvaged airbag, it would be difficult if not impossible to determine the person liable. Was it the person who disassembled the salvage part, the guy who put it away for storage, water leaking onto a part in inventory, the delivery person, or the installer?

In summary, the best way to prevent airbag fraud is to ban all use of salvaged airbag system parts that cannot be independently tested to be in good working order.

Submitted by:

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