



American Honda Motor Co., Inc.
1001 G Street, N.W. Suite 950
Washington, D.C. 20001
Phone (202) 661-4400
Fax (202) 661-4459

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The Honorable Floyd Prozanski
900 Court St. NE, S-413
Salem, Oregon 97301
Sen.FloydProzanski@OregonLegislature.gov

Re: Support for Senate Bill 256

Dear Chairman Prozanski,

Thank you for the opportunity to express Honda's strong support for Senate Bill 256, which will prohibit counterfeit airbags in Oregon. Honda is aware of several instances across the country where these products have seriously injured or even killed motorists. CBS news did a news story highlighting one such fatality in Texas¹. 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 who 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 a number of 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 the 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 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 replicating the technology. Instead, they chose to fill airbags with sawdust, newspaper, paper towels, Styrofoam or other debris that is not intended to provide vehicle occupants with protection during a crash.

The automotive industry is working closely with federal authorities in Homeland Security, Customs and Border Protection and the FBI to identify counterfeit airbags and prosecute those responsible when possible. Unfortunately, despite their best efforts, federal agents have limited authority to combat this problem. Federal authorities are only able to prosecute counterfeiters when they violate federal trademark law. This occurs when a registered trademark or a mark substantially similar to a registered trademark is used on an airbag without approval. Because the majority of legitimate airbags and airbag components do not contain trademarks, those

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>

trafficking in fakes cannot be prosecuted under trademark law. Even when these fakes are discovered by authorities they are often released and can eventually find their way back into the marketplace. Additionally, in some cases counterfeiters are shipping airbags without an affixed trademark in order to avoid confiscation and prosecution. Once in the country, the manufacturer's insignia is attached and the counterfeit is sold.

Because of these shortcomings, Honda has worked with a coalition of stakeholders to push for legislation in states across the country to supplement federal law. This coalition has grown to include automakers, auto dealers, insurers, automotive recyclers and local safety groups. Over the past several years, our coalition has enacted similar laws in thirty-one states with overwhelming bipartisan support. This legislative effort has also been adopted as model legislation by the Council of State Governments in their 2015 "Suggested State Legislation" docket and was endorsed by the National Foundation of Women Legislators in November of 2017. Honda respectfully asks for your support in enacting this important consumer safety legislation in Oregon as well.

We appreciate your attention to this important safety issue. Customer safety has always been at the core of Honda's philosophy, which is why all fully tested Acura and Honda vehicles earn top U.S. government crash-test ratings. In 2022, three Acura models and six Honda models earned the Insurance Institute for Highway Safety's TOP SAFETY PIC rating or better, with eight achieving the pinnacle TOP SAFETY PICK+. Honda is considered a safety leader in the industry and has set a goal to realize zero traffic collision fatalities involving Honda automobiles and motorcycles by 2050.

Honda is proud of our relationship with Oregon, which is home to authorized Honda and Acura dealerships that employ more than 2,500 people and provide Oregon consumers with a wide range of products that utilize the latest environmental and safety technologies. For more information on Honda's presence in the United States or our safety leadership, please visit www.hondainamerica.com or follow us on Twitter at @HondainAmerica.

Thank you for your time and attention on this very important consumer protection issue. If you have any questions, or if Honda can otherwise be a resource for you, please do not hesitate to contact me.

Sincerely,



Craig Orlan
Director of State and Local Government Affairs
American Honda Motor Company, Inc.