



California New Car Dealers Association

April 14, 2011

The Honorable Curren Price
Chairman, Senate Business, Professions and Economic Development Committee
State Capitol – Room 2057
Sacramento, California 95814

Re: SB 869 (Yee), As Introduced – Airbag Replacement Fraud
Position: SUPPORT
Hearing: Senate Business, Professions and Economic Development Committee,
April 25, 2011

Dear Senator Price:

The California New Car Dealers Association (CNCDA) is a statewide trade association that represents the interests of over 1100 franchised new car and truck dealer members. CNCDA members are primarily engaged in the retail sale and lease of new and used motor vehicles, but also engage in automotive service, repair and part sales. We are writing to support SB 869 which would require establish misdemeanor penalties for failure to properly replace a discharged airbag. The airbag fraud provisions of this bill were contained in SB 427 (Negrete McLeod) of last year, which was vetoed by Governor Schwarzenegger.

It is already fraud (intentional misrepresentation) to disclose on an estimate that the repair dealer will put OEM parts on a car, not do so, and then itemize that he or she did so on the invoice. Unfortunately, proving fraud is difficult and the practice of parts switching victimizes new car dealer that supply parts to fraudulent shops, as well as unsuspecting consumers.

CNCDA would proudly have supported last year's measure if it was limited to the airbag penalty provisions and we have made that clear on numerous occasions to the author and sponsor. Fortunately, Senator Yee has narrowed the focus of SB 869 to cover just airbag fraud. The bill narrowly and specifically provides that any automotive repair dealer who prepares a written estimate for repairs that includes replacement of a deployed airbag and who fails to repair and fully restore the airbag to its original operating condition, as paid for by the customer pursuant to the written estimate, is guilty of a misdemeanor. For years we have expressed an interest in curbing the nefarious practice of parts switching and this bill narrowly targets the most egregious example of such conduct concerning a critical vehicle safety component.

The Honorable Curren Price
April 14, 2011
Page 2

Based upon the foregoing, we urge your "AYE" vote when the bill is heard in the Senate Business, Professions and Economic Development Committee. Should you or your staff have any questions or comments, please do not hesitate to give me a call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brian Maas", with a large, stylized initial "B" and a long, sweeping horizontal stroke extending to the right.

Brian Maas
Director of Government Affairs

BWM:ef

cc: The Honorable Leland Yee
Members of the Senate Business, Professions and Economic Development Committee
Candace Choe, Consultant, Senate Business, Professions and Economic Development Committee
Amber Alexander, Senate Republican Caucus
Ralph Simoni, California Advocates, Inc.

The Honorable Curren Price
April 14, 2011
Page 3