



May 5, 2023

The Honorable Chairman Jason Kropf
Oregon State Legislature
House Committee on Judiciary

Re: Senate Bill 256 – An Act Relating to Automobile Supplemental Restraint Systems

Dear Chairman Kropf,

The Automotive Recyclers Association (ARA) appreciates the opportunity to submit the following comments on Senate Bill 256 (SB 256), which is a bill relating to automobile supplemental restraint systems. ARA appreciates your concern and interest in combatting the manufacture, import, sale, and installation of counterfeit airbags. The sale and installation of counterfeit airbags poses a substantial risk to vehicle owners and can result in injury and or death. Over the last decade, ARA has supported the passage of jointly agreed upon industry language prohibiting the sale and installation of counterfeit airbags. While ARA has supported legislation and laws prohibiting the installation and sale of counterfeit air bags in most jurisdictions, ARA has significant concerns with Section 1.(2)(a)(C) in SB 256 because it would interfere with the processing of end-of-life/total-loss vehicles for reuse and recycling. ***ARA respectfully requests that the Committee strike the language in Section 1.(2)(a)(C) so as not to prohibit the recycling of vehicles.***

I. The Provision in Section 1.(2)(a)(C) will interfere with the processing of end-of-life/total-loss motor vehicles.

In its current form, ARA has concerns that the language in SB 256 Section 1.(2)(a)(C) will have the unintended consequence of interfering with the commerce and recycling of end-of-life/total-loss vehicles. As currently drafted, SB 256 outlaws the sale or transfer of any vehicle with a nonfunctional airbag. Therefore, SB 256 would make it illegal for automotive recycling facilities to purchase crash-damaged vehicles that have had their airbags deployed – even though automotive recycling facilities are dismantling these vehicles for parts and the recycling of materials. This would have a tremendous impact on all commerce involving end-of-life motor vehicles and would have a serious negative impact on the automotive recycling industry and every industry engaged with the handling of end-of-life/total-loss vehicles. ***For the following reasons, ARA respectfully requests that the language in Section 1.(2)(a)(C) be struck from the final version of the bill.***

According to the Argonne National Laboratory, between 10 and 15 million vehicles are retired from service each year and enter the domestic recycling infrastructure.¹ Out of the 10 to 15 million vehicles retired each year, approximately 12 million² of those vehicles are processed by automotive recyclers. ARA and its members have long been leaders in creating a circular economy as it relates to the processing and recycling of critical materials for new manufacturing applications. For example, the American Iron and Steel Institute

¹ B.J. Jody et al., End-of-Life Vehicle Recycling: State of the Art of Resource Recovery from Shredder Residue, Argonne National Laboratory, Energy Systems Division, 1, (September 2010). <https://publications.anl.gov/anlpubs/2011/02/69114.pdf>.

² Maura Keller, *Globalization of Auto Sales Impacts U.S. Recyclers*, American Recycler.com, 2017. <https://americanrecycler.com/8568759/index.php/news/category-news-2/2249-globalization-of-auto-sales-impacts-u-s-recyclers>.



found that the recycling rate for automobiles is 96 percent³ and the U.S. Geological Survey found that 15 million tons of steel is recycled from automobiles annually.⁴ The Worcester Polytechnic Institute also found that automotive recyclers help to drive a circular economy in auto manufacturing and that the automotive recycling industry has a negative carbon footprint.⁵ By prohibiting automotive recyclers from purchasing vehicles with nonfunctional airbags, automotive recyclers would be unable to process vehicles for reusable parts and recycling.

II. Statutory language restricting the sale and transfer of motor vehicles with “Nonfunctional airbags” does not exist in most states and is contrary to the jointly agreed upon language incorporated in California.

The statutory language combatting counterfeit airbag sales and installations passed in California in Cal. Veh. Code § 27317 as a result of multi-industry negotiations. This successful statutory language, which has been incorporated in sixteen other states,⁶ does not include language restricting the sale and transfer of motor vehicles. *Therefore, ARA respectfully requests that the Committee amend SB 256 to not restrict the sale and transfer of vehicles, which is consistent with jointly agreed upon, and successful, statutory language.*

III. Conclusion

Since 1943, ARA has represented the professional automotive recycling industry. Professional automotive recycling facilities play an important role in the motor vehicle repair market by providing vehicle owners with affordable alternatives to more expensive new original equipment manufacturer (OEM) replacement vehicle parts. Professional automotive recyclers supply (ROE) - Recycled Original Equipment[®] motor vehicle parts to consumers around the world. In many cases, professional automotive recyclers are the only source for replacement vehicle parts. In addition to the critical role professional automotive recyclers play in the automotive supply chain and replacement parts market, professional automotive recyclers play a valuable role in the efficient and environmentally friendly recycling of end-of-life vehicles. Automotive recycling preserves natural resources, reduces the demand for scarce landfill space, and plays an important role in reducing air and water pollution.

Sincerely,

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³ American Iron and Steel Institute and Steel Manufacturers Association, *Technical Report: Determination of Steel Recycling Rates in the United States*, 6, July 27, 2021. <https://www.steel.org/wp-content/uploads/2021/08/AISI-and-SMA-Steel-Recycling-Rates-Report-Final-07-27-2021.pdf>.

⁴ U.S. Geological Survey, *Mineral Commodity Summaries: Iron and Steel Scrap*, 1, January 2021. <https://pubs.usgs.gov/periodicals/mcs2021/mcs2021-iron-steel-scrap.pdf>.

⁵ Muhammad Siddiq *et al.*, *Assessing the Environmental Impact of Automotive Recyclers of Massachusetts*, i, (April 27, 2017). <http://armmass.com/wp-content/uploads/2017/10/Full-Study.pdf>.

⁶ AL, CA, CT, DE, FL, IO, KS, LA, MD, NE, NJ, NY, OH, TX, VA, WA