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Chinese-made ATVs add threat to unregulated industry

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Hazardous imports? Chinese-made ATVs are of poor quality and are unsafe, critics say.

Tougher regulations Congress passed new legislation holding all ATVs to U.S. safety code.

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BROWNSTOWN, Ill. — On the last Saturday in April, Amber Donnals was sitting on her porch when she heard an explosion, followed by screams.

She turned to see her son, Bryan, 6, running toward her, his clothes on fire, and flames shooting up at the rear of the Donnalses' mobile home.

He'd been riding his newly minted, Chinese-made ATV — sold "to be used by children age 6 to 12" — when suddenly it sped up and raced out of control, according to an account by the boy and his family.

The red, 110cc four-wheeler barely missed a propane tank before crashing into the trailer and catching fire. Bryan spent five weeks in a pediatric burn unit at Shriners Hospital for Children in Cincinnati after he was transferred by jet from St. Louis Children's Hospital. The family was told that he would need skin grafts and regular treatment for many years.

The accident with the all-terrain vehicle was one of many occurring in the United States almost every day — nearly 150,000 accidents involving injuries yearly.

But the Donnalses' accident in Illinois' Fayette County, about 80 miles east of St. Louis, represents a new threat: the arrival of hundreds of thousands of cheaply made Chinese-made ATVs, an import flood transforming a \$3.5 billion industry and challenging an overburdened U.S. regulatory system that relies on voluntary standards for safety.

By year's end, sales of Chinese ATVs could reach 500,000 yearly and account for half of ATV sales in the United States, according to industry watchers. Five years ago, just 30,000 or so of the Chinese vehicles reached U.S. shores.

ATVs are generally legal for off-road use without licensing requirements; Illinois is among states with few restrictions on ATV use. In Missouri, no one under 16 can operate an ATV without a helmet and must be accompanied by a parent or riding on a parent's land.

The imports are presenting new headaches for regulators and potentially hard decisions for parents. Why?

— Few foreign manufacturers and importers have subscribed to voluntary safety standards adopted by the U.S.-based ATV industry. That would change later this year under legislation passed by Congress last week that also makes those industry-drawn standards mandatory. But enforcement problems are likely, and the new rules won't apply to Chinese ATVs already in the United States.

— Chinese models that may be too big and fast for children are easily obtainable over the Internet, in retail outlets other than established dealers and even at flea markets. One Internet ad displays a photo of a 7-year-old atop a 400-pound, 150cc four-wheeler with a top speed of 50 mph.

— The Consumer Product Safety Commission has failed to finish new rules governing ATV safety, partly as a result of vacancies that have left it without enough commissioners to proceed. The new legislation directs the commission to resume rule-making, but there is no guarantee what the commission will come up with, or when.

ATV safety is of special concern in rural areas, home to many of America's 16 million ATV riders. For that reason, 4-H clubs have joined consumer groups in pressing Congress to get involved.

Sheila Chaconas, the National 4-H Council's ATV specialist, said her organization got phone calls and e-mails from members complaining that many of the new Chinese four-wheelers "are not well-made and don't have safety features."

She added: "Basically, we are just telling people to buy brands that are safe."

Dennis Toaspern, a former ATV dealer in New York, testifies for both plaintiffs and defendants in accident cases. He said many of the Chinese vehicles were copies of Japanese-designed models made in the United States — but with lower-quality metal and parts.

"They (the Chinese) are improving — slowly," he said. "But their ATVs are knockoffs, that's what they are. I have no particular ax to grind. I just hate to see some of these things foisted off on the American public."

'WILD WEST'

Roy Deppa's duties during a 27-year career at the Consumer Products Safety Commission included being chairman of an ATV task force. "I've spent more of my life looking at why people got killed on ATVs than anybody walking," remarked Deppa, who retired in 2005.

Deppa, an engineer and a consultant now for the ATV industry and others, referred to China's fledgling industry with its dozens of new manufacturers and subcontractors as "the Wild West." He pointed to tests that he and his partner had performed in 2006 on four youth-model Chinese ATVs on behalf of U.S.-based manufacturers, that turned up an array of shortcomings from a shortage of braking capacity to failures to control speed.

"There's a huge disconnect between what's happening in China and the expectation that what they send here is safe," said Deppa, interviewed recently at his sheep farm in Maryland.

As with many Chinese imports, ATV sales in the United States rose exponentially a few years ago, more than doubling in 2005. China had been known for its motorcycles and scooters, but its ATV industry is relatively new, centered primarily in the eastern coastal provinces of Chongqing and Zhejiang and concentrated initially on youth-model four-wheelers.

The industry's swift rise is rooted in the now-familiar story of Chinese government subsidies and inexpensive labor combining to turn out products at prices that American manufacturers can't match.

"They've been able to turn ATVs into commodities, reaching people who wouldn't have been able to get into the market," said Matthew Camp, an analyst at Power Products Marketing, an authoritative industry source based in Minneapolis.

'WE SELL TIMEXES'

Bryan Donnals' four-wheeler was produced by the Zhejiang Tao Tao Industry Co. and sold at a car dealership in Illinois for \$695. A comparable American-made ATV would have cost hundreds of dollars more.

"You know how it is," said Tim Donnals Jr., Bryan's father. "You see a cheaper price. What are you going to do?"

Donnals said he had no qualms letting a 6-year-old ride the Tao Tao because of his family's long familiarity with ATVs. He said he had adjusted a "throttle-limiter screw" so the import would creep along at less than 5 mph.

Tim Donnals Sr., who bought the Tao Tao for his grandson, said he knew he wasn't getting a deluxe model. "I figured that for 695 bucks, it would last a year or two," he said. "I didn't think it was going to blow up, or I wouldn't have bought it."

Tom Plouff, the family's attorney, said last week that he was having trouble tracking down the sellers and re-sellers of the Tao Tao as it made its way from China to Southern Illinois. He implied that a suit could be filed.

Plouff remarked: "To this family and others, 'made in China' meant 'made with danger.' Hopefully, the manufacturer will step up and meet its responsibility."

Neither Tao Tao in China nor a lawyer for the company in Texas responded last week to phone or e-mail messages.

Jeff Boudreaux is general manager for Dallas-based SunL Group Inc., a leading importer of Chinese ATVs and a company that agreed last month to recall some of its four-wheelers because of safety concerns.

Boudreaux said that he couldn't speak for what he described as hundreds of importers of Chinese ATVs but that his company was among those that complied with the U.S. industry's voluntary standards.

"If more people are getting hurt, is it the fault of the Chinese? Or is it that many more people now can afford power sports and, based on increased affordability and more sales, you have more accidents?" he said.

He added: "You have Rolexes, you have Timexes and both tell time. We sell Timexes. If they only sold Rolexes, there'd be a lot of people walking around without watches."

SUSPECT MOTIVES?

Watching their market share plummet has alarmed American manufacturers, who have complained to Congress about the shortcomings of their Far East competition.

Consumer advocates view those complaints skeptically. They argue that U.S. manufacturers criticize Chinese ATVs for competitive reasons while fighting to limit regulation of their own four-wheelers. The Consumer Federation of America and the American Academy of Pediatrics have pushed for prohibiting children under 12 from using any ATV with an engine bigger than 90cc.

Sue Rabe co-founded Concerned Families for ATV Safety after her 10-year-old son, Kyle, was crushed to death in 2002 in rural Oregon by a 500-pound American-made ATV.

"I think it's a huge excuse being made by U.S. manufacturers losing sales on these things," she said.

"There's no statistic that shows that they (the Chinese imports) are killing more kids than our machines."

Indeed, the origin of machines is not among the statistics kept in a Consumer Products Safety Commission database of 8,104 ATV deaths in America through 2006, obtained by the Post-Dispatch under the Freedom of Information Act.

A commission spokesman, Scott Wolfson, said: "We do our best to determine the make, model or origin, but it hasn't reached a level where we are doing our own tracking and are able to make our own estimates. ... We don't want to be accusatory toward any particular market."

Referring to the Chinese models, he added: "We have seen not only problems in marketing but also problems in the safety of their ATVs."

He added: "The key point here is that for the first time in our history, data shows that there are upwards of 850 deaths yearly for ATVs. It is essential that parents know that it is not just new (Chinese) ATVs but the old ATVs as well that are involved in tragic accidents. Every day."

INDUSTRY RECALLS

As part of the voluntary standards, the main North American manufacturers — American Honda Motor Co. Inc.; Polaris Industries Inc.; American Suzuki Motor Corp.; Arctic Cat Inc.; Kawasaki Motors Corp., U.S.A.; Yamaha Motor Corp., U.S.A.; and Bombardier Recreational Products Inc. — sometimes conduct "voluntary recalls" in cooperation with the commission. That has happened more than 20 times since last year for problems such as faulty parts.

A few importers also participate; four of the recalls dealt with Chinese-made machines. Last month, the commission and SunL announced that SunL would recall 144 of its SLA90 youth-model ATVs. The commission said its hazards — including lack of a front brake, no fuel shut-off switch and sharp edges on the handlebars — posed "the risk of serious injuries or death."

Last year, the commission took the unusual step of issuing a statement saying that a Chinese-made model, the Kazuma Meerkat 50, was "defective and dangerous." It added: "Children are at risk of injury or death due to multiple safety defects with this off-road vehicle."

Yet Kazuma continued selling the ATVs in question, underscoring the commission's powerlessness. A commission spokesman said the matter remained under investigation.

'EQUAL, NOT SAFE'

U.S.-based manufacturers pushed for the ATV provisions included in the broad revamp of the Consumer Products Safety Commission that President George W. Bush has promised to sign.

In addition to putting the Chinese four-wheelers under U.S.-industry rules, the legislation requires safety plans from foreign manufacturers and bans the import of three-wheelers, which have been creeping back into the market despite an agreement brokered 20 years ago by the Justice Department to stop producing them in the United States because of their danger.

The legislation gives the consumer commission more authority to regulate all ATVs and directs it to consider the weight and speed of the machines for youth models in new rules. Ultimately, industry officials say, success could be determined by how many illegal Chinese machines are seized at borders.

"The poor quality of many of these ATVs creates a danger for all ATV riders, particularly young riders, who are being targeted," asserted Ed Krenik, a spokesman for U.S. manufacturers.

Consumer advocates have mixed feelings about the newly passed legislation. The Consumer Federation of America's Rachel Weintraub noted that her organization had pushed for tougher regulations including an enforceable provision that ATVs more powerful than 90ccs — including the one Bryan Donnals rode — be designated for adult use only.

But, she argued, simply putting the Chinese four-wheelers under an umbrella of minimal standards doesn't go far enough and could give the illusion that the problem was solved, she said.

"The legislation creates an equal playing field but not necessarily a safe playing field," she said.

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