



ISRI is the voice of the recycling industry, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy and education.



**Written Statement of
Justin Short, Manager of Government Relations**
On behalf of the
Institute of Scrap Recycling Industries, New England Chapter
to the
Joint Standing Committee on Transportation
Hearing on LD 796
April 6, 2021

Chair Diamond, Chair Martin, and members of the Committee, I respectfully submit this statement on LD 796 on behalf of the Institute of Scrap Recycling Industries (ISRI) New England Chapter, representing its member companies in the state of Maine as well as Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont.

The Institute of Scrap Recycling Industries, Inc. (“ISRI”) is the voice of the recycling industry, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy and education. As a trade association headquartered in Washington, D.C. with 20 regional chapters nationwide, ISRI represents approximately 1,300 companies that process, broker, and industrially consume recyclable commodities including metals, paper, plastics, glass, textiles, rubber, and electronics. The ISRI New England Chapter represents 67 member companies, of which 10 facilities are located in Maine.

In Maine, the recycling industry supports more than 1,900 jobs, with annual wages over \$92 million. As an essential and green sector of the manufacturing supply chain, the recycling industry has a total economic impact in Maine of \$ 326.61 million per year (see attached).

This statement follows discussions in recent days with the sponsor, Senator Timberlake, about concerns with LD 796 as introduced. ISRI members in Maine fully support the goals of LD 796 and ensuring that law enforcement has the information necessary to identify and prosecute violators of the state’s scrap metals theft laws. ISRI looks forward to further discussions with the Sponsor on how to strengthen the state’s scrap metals theft laws to reinforce existing requirements on catalytic converters and help prevent thefts.

Nationally, ISRI is monitoring legislation proposed in more than 20 states aimed at cracking down on catalytic converter theft. ISRI member companies are working with state legislators and law enforcement on ways to prevent catalytic converter theft while ensuring there is a regulated, legal pathway for the metals within to be reclaimed and returned to the manufacturing supply chain.

To address the increasing problem, ISRI is partnering with various stakeholders to share expertise and resources as we collaboratively work together to curb the rise in these thefts. For example, recently ISRI and the International Association of Auto Theft Investigators (IAATI) teamed up to issue [a joint statement](#) on ways that consumers can protect their property. ISRI members fund the [ScrapTheftAlert.com](#) online system so it is a free tool for property owners and law enforcement to alert the scrap recycling industry of scrap material thefts in their area, and ISRI maintains a [State Metals Theft Law Database](#) that allows policymakers, law enforcement, and the public to easily check and compare current scrap metals theft requirements and restrictions on purchases and sales between the states.



The Problem

The market for stolen catalytic converters is fueled by illegal buyers claiming they are not subject to state metals theft laws because they purchase “cores” or parts, and not scrap metal. However, catalytic converters are very rarely sold for reuse as parts, and are not “core” parts like a transmission or engine. Catalytic converters are detached from scrap vehicles for the recycling of the valuable nonferrous metals within those devices. Any purchaser of a detached catalytic converter is a scrap metal processor and should not be allowed to evade metals theft laws by saying otherwise.

Thieves target catalytic converters because they can steal them with ease and there is not much law enforcement can do absent catching thieves in the act. Once a catalytic converter is detached from its vehicle, there are typically no ownership markings to create a chain of custody that links the thief to the crime. Particularly in hard economic times, thieves are eager to harvest the valuable nonferrous metals inside the catalytic converters, including platinum, palladium, and rhodium, for which commodity market prices are currently skyrocketing. It is a crime of ease and opportunity.

Unfortunately, this is not a new crime, but the Internet now makes it easy for thieves to quickly and easily offload the stolen devices. Once a catalytic converter is removed from the vehicle, it looks like any other catalytic converter and can easily be traded to a mobile vendor advertising online that it purchases any catalytic converter for cash and the black market flourishes with no records to be found.

Catalytic converter thieves are quick to evade the law and rarely try to sell their stolen loot to responsible recyclers operating facilities in Maine. Existing scrap metal processor sales and purchase restrictions under Maine Revised Statutes 30-A § 3771 to 3778 (2019) require records of scrap metal purchase transactions (including catalytic converters) to be kept and made available for inspection by law enforcement, ban cash transactions, and provide for 7 day holds on materials law enforcement suspect are stolen or related to criminal activity.

It is important to keep this problem in context as we look to solutions. While there are certainly too many converters being stolen, this number is a tiny fraction of the converters being legitimately recycled each year. Catalytic converters were mandated for vehicles in 1975, and, except for fully electric vehicles, every vehicle manufactured since has one or more converters. While the annual number of vehicles scrapped fluctuates, more than 10 million per year are recycled by scrap metal processors, and have been for decades. These businesses are helping the environment while supporting the economy, and should not be harmed by unintended consequences of well-intentioned laws aimed at stopping the thieves.

The problem that urgently needs to be addressed is breaking the theft chain at the first point buyer, which for the most part involves the itinerant buyer advertising on Facebook Marketplace, etc., or operating mobile units who set up “shop” out of a van in a parking lot somewhere. It would also include those few occasions where small auto repair shops or mechanics, for example, who may purchase catalytic converters but do not identify themselves as scrap metal processors, and do not follow – and claim to not be required to follow – the Maine scrap metals theft laws.

Conclusion

Maine metals theft laws provide the tools law enforcement needs to identify sellers of scrap materials and would logically serve as the place to insert stronger provisions aimed at stopping catalytic converter thefts. ISRI welcomes the opportunity to share its industry experience and expertise with the Sponsor and stakeholders to further the goals of LD 796 and ensure there is a regulated, lawful path to purchase that will deter thefts. If you have any questions or comments, please contact Matthew Applebaum, ISRI New England Chapter President at mapplebaum@framinghamsalvage.com; or Justin Short at JShort@ISRI.org.