



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

Tuesday, June 6, 2023

Honorable Robert Matzie, Chair,  
Honorable Jim Marshall, Republican Chair  
House Consumer Protection, Technology, & Utilities Committee  
202 Irvis Office Bldg.  
Harrisburg, PA 17120-2016

**Re: HB 791, an Act amending the Scrap Material Theft Prevention Act**

Dear Chairman Matzie, Chairman Marshall, and Members of the Committee:

On behalf of the Institute of Scrap Recycling Industries (ISRI) Mid-Atlantic and Pittsburgh Chapters representing its member companies in the Commonwealth of Pennsylvania, ISRI respectfully opposes the catalytic converter transaction restrictions proposed in House Bill 791 and asks to work with the sponsors and this Committee on solutions that will give law enforcement and prosecutors the tools they need to combat catalytic converter thefts.

While ISRI commends the sponsors of HB 791 for seeking policy to combat this crime, the additional recordkeeping requirements and holding periods proposed are used in states where transactions with individuals are allowed. **Since 2008, the Scrap Material Theft Prevention Act has required scrap processors and recycling facility operators only purchase detached catalytic converters from commercial enterprises with existing commercial accounts, and to maintain detailed records of each transaction with an enterprise for at least 2 years.**

Instead of further restricting transactions with established commercial enterprises with requirements that will prove burdensome or impossible for many legitimate businesses to comply with, **ISRI believes the enforcement of current scrap theft prevention laws should be prioritized.**

**The Problem**

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 offload the stolen devices quickly and easily.** Once a catalytic converter is removed from the vehicle, it looks like any other catalytic converter and can effortlessly be traded to a mobile vendor advertising online asking few, if any, questions. This allows the black market to flourish with no records to be found. Furthermore, catalytic converter thieves are quick to evade the law so they rarely try to sell their stolen loot to responsible recyclers. **A major problem plaguing law enforcement involves the buyer of these unmarked catalytic converters advertising on Facebook Marketplace, etc., or operating mobile units who do business in a parking lot.** They pay in cash and take no records in blatant violation of the law.



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 used catalytic converter should not be allowed to evade metals theft laws by saying otherwise.

### **The Solution**

HB 791 proposes requirements for information from the vehicle a catalytic converter was removed from and holding periods for payment and material that are used in other states to restrict transactions with non-commercial sellers. **The Act already bans processors and operators from purchasing detached catalytic converters from individuals, making the proposals in this bill duplicative. Instead, this would impose unnecessary administrative burdens on motor vehicle dealers, fleet owner / operators, and other businesses selling catalytic converters removed from vehicles that they legally possess and maintain records of in the regular course of legitimate business.**

Since the Act already restricts sellers to a "commercial enterprise", the sponsors and this Committee should seek out solutions to best enforce the laws already on the books in Pennsylvania by educating law enforcement about the tools they have access to that combat theft. **Responsible recyclers are partners with law enforcement as part of the solution to metals theft with tools such as ScrapTheftAlert.com, a tool for law enforcement that allows you to alert the scrap industry of significant thefts of materials in the United States and Canada.**

### **Conclusion**

ISRI supports laws that give law enforcement the tools they need to ensure that every buyer of catalytic converters complies with the state metals theft law and sellers are legal owners with authority to recycle the converters for the critical minerals this nation needs. These businesses are helping the environment and ensuring recovery of rare critical minerals essential for national security while supporting the economy.

ISRI is the trade association that represents approximately 1,500 companies that are an essential and renewable sector of the manufacturing supply chain. **The recycled materials industry has a total economic impact in Pennsylvania of \$ 4.67 billion per year.**

ISRI is eager to provide industry experience and expertise to further the goals of combatting metals theft. If you have any questions or comments, please feel free to contact us.

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