

Recycled Materials Association Sustainable. Resilient. Essential.

## 

September 5, 2024

The Honorable Jack Reed Chairman Committee on Armed Services 228 Russell Senate Office Building Washington, DC 20510

The Honorable Maria Cantwell Chair Committee on Commerce, Science, and Transportation 254 Russell Senate Office Building Washington, DC 20510 The Honorable Roger Wicker Ranking Member Committee on Armed Services 228 Russell Senate Office Building Washington, DC 20510

The Honorable Ted Cruz Ranking Member Committee on Commerce, Science, and Transportation 512 Dirksen Senate Office Building Washington, DC 20510

## Re: S.Amendt. 2422 to S 4638: Prevention of Catalytic Converter Thefts

Dear Chairman Reed, Chair Cantwell, Ranking Member Wicker and Ranking Member Cruz:

On behalf of the Recycled Materials Association (ReMA) and the International Precious Metals Institute (IPMI), together the preeminent trade associations for the precious metals recycled materials industry, we are writing to express our strong opposition to <u>S.Amendt.</u> 2422: the Prevention of Catalytic Converter Thefts, originally introduced as the PART Act, being added to <u>S. 4638 – National Defense Authorization Act for Fiscal Year 2025</u> (NDAA).

While we share the amendment's goal of preventing catalytic converter theft, we believe the amendment as written will have unintended consequences that would be detrimental to industry. We have been actively collaborating with all relevant stakeholders to refine and improve the PART Act to better align with its intended goals. The original PART Act threatens to significantly disrupt the supply chain for critical precious metals recycled from catalytic converters. These metals are listed as "Critical Minerals" by the DOE and are essential to our nation's economy and defense – defined as such in Executive Orders 14051 and 14017, which emphasize the importance of maintaining resilient supply chains in America. As currently drafted, the amendment could deprive the domestic U.S. smelting industry of approximately 30 percent of the raw material inputs. Each year recyclers of used automobiles across the United States lawfully purchase and process over 30 million spent catalytic converters, returning \$3 billion of precious metals to the manufacturing supply chain.<sup>1</sup> These metals are crucial for manufacturing a wide range of products from biomedical supplies, capacitors needed for data center growth, to new catalytic converter manufacturing and more. This amendment, if passed without revision, risks disrupting supply chains and undermining this vital economic activity.

We believe that limiting purchase points, mandating traceable forms of payment, and clearly defining who may legally possess detached catalytic converters are the most effective ways to eliminate the black market that fuels this crime. Our industry is committed to working alongside law enforcement agencies as part of the solution to material theft. To further this effort, we are assisting with expanding the capabilities of **ScrapTheftAlert.com**, a resource with a proven history of aiding law enforcement with recovering stolen materials and preventing thieves from selling stolen goods by allowing real-time collaboration between law enforcement and industry.

Furthermore, our organizations have been working with the bipartisan Senate and House co-sponsors of the PART Act, the committees of jurisdiction, other relevant Members of Congress, law enforcement organizations, industry and other interested stakeholders for more than a year to make critical modifications to the PART Act that will be improve the effectiveness of the legislation and protect the supply chain of these precious metals. Those discussions are ongoing, but we believe we have made significant progress on key issues such as the requirement for traceable forms of payment in catalytic converter transactions and the deletion of the provision in the PART Act prohibiting the sale of partial or de-canned catalytic converters that would be devasting to the industry and prevent the crucial recycling of these precious metals. Adopting this amendment in its current form would negate the progress we have made and disregard the valuable input of those who are directly involved in this industry.

For these reasons, ReMA and IPMI oppose the inclusion of this amendment in the NDAA. We urge you to consider the broader implications of S.Amendt. 2422 on the precious metals recycling industry and to work with us to find a balanced solution that addresses the issue of catalytic converter theft without jeopardizing our industry's contribution to the nation's economic and defense infrastructure.

<sup>&</sup>lt;sup>1</sup> https://straitsresearch.com/report/platinum-group-metals-market/united-states

Thank you for your attention to this important matter. We look forward to continuing our discussions with legislators and other interested stakeholders to find an effective solution to prevent catalytic converter theft.

Sincerely,

Mack M.

Robin Wiener President Recycled Materials Association (ReMA)

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Larry Drummond Executive Director International Precious Metals Institute (IPMI)