

May 25, 2023

The Honorable Maria Cantwell
Chair
Committee on Commerce, Science, and
Transportation
U.S. Senate
Washington, DC 20510

The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science, and
Transportation
U.S. Senate
Washington, DC 20510

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chair Cantwell, Chair Rodgers, Ranking Member Cruz and Ranking Member Pallone:

We, the undersigned organizations representing a cross-section of industry and interested stakeholders are writing in strong support of the “Preventing Auto Recycling Theft” (PART) Act (H.R. 621/S. 154), a bill to combat the growing national problem of catalytic converter theft. This bill gives law enforcement additional tools to fight catalytic converter theft which has risen over a thousand percent since 2019.

As you may be aware, catalytic converters are being stolen at increasingly higher rates because they contain valuable metals, such as rhodium, platinum and palladium. Rhodium is particularly lucrative, peaking at almost \$30,000 an ounce in May of 2021. Thieves can easily steal catalytic converters from vehicles, and since they are not readily traceable, there is a lucrative market for these stolen parts. These thefts are costing millions of dollars to businesses and vehicle owners alike. In addition, replacing a catalytic converter is costly and often difficult due to the part’s skyrocketing demand and supply chain shortages.

The National Insurance Crime Bureau estimates that these thefts increased by 1,215% between 2019 and 2022.¹ The lack of traceable identifying marks on a catalytic converter allows criminals to launder the parts by selling to local middlemen, often referred to as “core buyers,” who buy stolen parts to then sell to scrap yards or smelters. Stolen catalytic converters can garner anywhere up to \$350 each on the black market, while the replacement cost to vehicle owners can be as high as \$2,500. Repair costs are often higher because thieves regularly damage other parts of the vehicle when removing the catalytic converter.

H.R. 621/S. 154 provides a national framework to help law enforcement combat rising catalytic converter theft. Because this crime frequently involves trafficking stolen parts across state lines, a federal framework is needed to aid the efforts of local law enforcement.² The bill also provides that catalytic converter transactions are recorded and made readily accessible to law enforcement officials to ensure bad actors are caught within the chain of commerce.

¹“As Catalytic Converter Thefts Continue to Increase Nationwide, NICB Partners With Local Businesses to Help Protect Consumers,” *National Insurance Crime Bureau*, Jan. 27, 2023, <https://www.nicb.org/news/news-releases/catalytic-converter-thefts-continue-increase-nationwide-nicb-partners-local-0>

²“Justice Department Announces Takedown of Nationwide Catalytic Converter Theft Ring,” *U.S. Department of Justice*, Nov. 2, 2022, <https://www.justice.gov/opa/pr/justice-department-announces-takedown-nationwide-catalytic-converter-theft-ring>

Additionally, the legislation requires new vehicles to have unique, traceable identifying numbers stamped on catalytic converters at the time of assembly. It is important to clarify that H.R. 621/S. 154 requires new vehicles to have a traceable identifying number stamped on the catalytic converter that is traceable back to the vehicle's VIN. Currently, unless a thief is caught in the act of stealing a catalytic converter, there is no way to tie the stolen part to a specific vehicle.

Parts marking is an effective deterrent to theft and a vital tool for prosecutors, as it ties a stolen catalytic converter back to a victim's vehicle.³ A Department of Transportation report analyzing the efficacy of vehicle parts marking laws in 1998 concluded, "it appears that parts marking and other provisions of the 1984 and 1992 Acts have given the law enforcement community tools they can use to deter thefts, trace stolen vehicles and parts, and apprehend and convict thieves."⁴ A follow-up report commissioned by the Department of Justice corroborated this finding and went further by stating that "parts marking is cost-beneficial."⁵

According to law enforcement, marking catalytic converters would preserve their resources and give local law enforcement the tools they need to prosecute thieves while also acting as a theft deterrent. The bill also establishes a federal criminal penalty for the theft, sale, trafficking or known purchase of stolen catalytic converters of up to five years in jail.

The bipartisan PART Act provides local law enforcement the necessary support needed to combat rising catalytic converter theft. We urge Congress to enact H.R. 621/S. 154 to address this growing national problem which is affecting consumers and small businesses alike. Thank you for your consideration.

Sincerely,



National Automobile Dealers Association



American Car Rental Association



American Property Casualty Insurance Association



American Rental Association
American Rental Association



American Truck Dealers



American Trucking Associations

³ Vehicle parts marking was first enacted by Congress in the Motor Vehicle Theft Law Enforcement Act of 1984 [P.L. 98-547]. This law gave the Department of Transportation authority to prescribe by regulation a "vehicle theft prevention standard" which would require that manufacturers and importers of new passenger car models mark the major components of "high theft vehicles" with an identification number to help prevent their theft for "chop shop" operations. This program was expanded eight years later in the Anti-Car Theft Act of 1992 [P.L. 102-519]. See "Motor Vehicle Theft Prevention Statutes -- General Overview." *U.S. Department of Justice*, Jan. 17, 2020, <https://www.justice.gov/archives/jm/criminal-resource-manual-1359-motor-vehicle-theft-prevention-statutes-general-overview>

⁴"Auto Theft and Recovery: Effects of the Anti Car Theft Act of 1992 and the Motor Vehicle Theft Law Enforcement Act of 1984." *National Highway Traffic Safety Administration*, July 1998 <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/808761>

⁵"Evaluation of the Effectiveness of Automobile Parts Marking and Anti-Theft Devices on Preventing Theft." *Abt Associates Inc.*, Sept. 2003, <https://www.ojp.gov/pdffiles1/nij/grants/208800.pdf>



Automotive Recyclers Association



Major Cities Chiefs Association



NAFA Fleet Management Association



National Association of EMTs



National Auto Auction Association



National Automatic Merchandising Association



National Consumers League



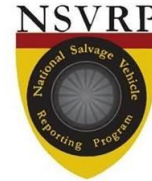
National Insurance Crime Bureau



National Private Truck Council



National RV Dealers Association



National Salvage Vehicle Reporting Program



National Tank Truck Carriers



NTEA — The Association for the Work Truck Industry



Truck Renting and Leasing Association

Cc: The Honorable Jim Jordan, Chairman, House Judiciary Committee
The Honorable Jerry Nadler, Ranking Member, House Judiciary Committee
The Honorable Sam Graves, Chairman, House Transportation and Infrastructure Committee
The Honorable Rick Larsen, Ranking Member, House Transportation and Infrastructure Committee