

**IPMI PACT**

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# IPMI Preventing Autocat Theft (PACT) Roundtable

Legislative Points Update

# Agenda

Review past and recent survey results

Review each legislative point and related discussion topics from the survey

Review roll-out strategy for press release

As we move forward

RESULTS	Requirements by Role in the Value Chain	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Weighted Avg
AGREE	We need federal regulation to override the different states laws.	0	0	2	6	9	1.4
NEUTRAL	Regulation should be the same for all roles in the value chain	6	2	4	2	3	-0.4
AGREE	Regulation should have different requirements for a) consumer to retailer than b) business to business transactions	1	1	2	5	8	1.1
STRONGLY AGREE	We should define standard roles (e.g. collector, processor, refiner) in the value chain for education purposes for legislators	0	0	1	5	11	1.6
AGREE	Licenses should be required to buy converters	1	0	2	5	9	1.2
AGREE	Licenses should be required to sell converters	2	1	2	5	7	0.8
NEUTRAL	The law should list which entity types can sell/obtain a license to sell catalytic converters (e.g. repair shop, salvage yard, recycler, etc.)	3	3	3	3	5	0.2

  

RESULTS	Method of Payments	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	RESULTS
AGREE	No cash should be allowed at federal level (includes purchases from consumers and exempt businesses)	0	2	1	1	13	1.5
AGREE	No cash should be allowed at state level (includes purchases from consumers and exempt businesses)	0	3	2	0	12	1.2
STRONGLY AGREE	For payments made by check to a seller who represents a business, the check must be payable to the business name.	0	1	2	1	13	1.5

  

RESULTS	Documentation Requirements / Record Keeping	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	RESULTS
NEUTRAL	Recording of VIN#s or unique identifiers should not be required.	3	2	6	1	5	0.2
AGREE	Require recording of VIN#s or unique identifiers on converter purchases from individuals ONLY (not business to business)	2	0	2	4	9	1.1
DISAGREE	Require recording of VIN#s or unique identifiers on converter purchases from individuals AND exempt businesses	8	1	3	1	3	-0.6
NEUTRAL	Any required VIN#s captured should be reported into a federal database that is free to access by all of law enforcement	3	1	3	8	2	0.3

  

RESULTS	Location of Physical Transaction	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	RESULTS
AGREE	Purchases must occur at fixed "brick and mortar" business location	0	2	2	2	11	1.3
AGREE	All consumer transactions must occur "in-person" (i.e., no shipping of converters unless "exempt b2b")	0	2	0	5	10	1.4
AGREE	Prohibit the sale of converters online	1	1	2	4	9	1.1
AGREE	Prohibit solicitation for purchase of converters through social media/3rd party sites	0	2	2	4	9	1.2
NETURAL	Close the "buy doors" to minimize outlets for thieves with converters (focus on b2b)	3	1	5	3	5	0.4

  

RESULTS	Law Enforcement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	RESULTS
NEUTRAL	Remove ability for an individual (not a business) to have in their possession a "catalytic converter not attached to a vehicle"	4	5	3	2	3	-0.3
NEUTRAL	Possession of a catalytic converter should be presumed illegally obtained unless documentation can be presented	2	5	1	5	4	0.2
AGREE	Clarify language to identify probable cause, allowing authorities to prosecute thieves	1	0	2	7	7	1.1

## Initial Point Development

- Converter Specific License (buy or sell)
- No cash across the board
- Increased penalties for legitimate theft
- No VIN reporting beyond initial entry
- Possible volume reporting
- Other (Fixed location, etc.)

		Scale					
		(2) - (1.01)	(1) - (0.01)	0	0.01 - 1	1.01 - 2	
RESULTS	Do you agree or disagree with these positions?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Weighted Avg
STR AGREE	Business buyers should have to be insured / bonded.	0	0	4	3	6	1.15
STR AGREE	Unlicensed business sellers require ID and ownership documentation	0	1	1	5	6	1.23
STR AGREE	We should set a limit for how many cats an individual can have before must be considered a business seller.	0	0	3	3	7	1.31
STR AGREE	Banning cash transactions is going to help prevent theft and we want to see it legislated.	0	0	4	2	7	1.23
STR AGREE	Business to business volumes should be recorded on a transactional basis.	1	0	0	7	5	1.15
AGREE	Business sellers must be licensed to include generators (e.g. repair shop, muffler shop).	1	0	6	2	4	0.62
AGREE	Require separate registrations for sellers and buyers for registry purposes.	2	0	6	0	5	0.46
AGREE	Licensed business sellers only require proof of license and documentation of the transaction.	1	0	4	3	5	0.85
AGREE	No cash is worth pursuing federally but not at a state by state level.	1	0	3	3	6	1.00
DISAGREE	Eliminate business sellers and only require buyers to have the license.	3	3	2	2	3	-0.08
DISAGREE	Business sellers should not have to be insured / bonded.	2	2	6	1	2	-0.08
DISAGREE	Record keeping makes up for the need to prohibit the use of cash.	5	0	3	2	3	-0.15
DISAGREE	The no cash position should be amended such that cash is allowed in business to business transactions for a licensed entity.	3	2	4	2	2	-0.15
DISAGREE	No cash is important for responsible sourcing but we can live without it being legislated (negotiable, back-burner).	4	0	5	3	1	-0.23
DISAGREE	Marking converters may help deter theft, and we support the initiative of marking within our communities.	5	2	4	1	1	-0.69
DISAGREE	We should be required to record the markings on converters when sold from individuals only (not business to business).	6	2	0	3	2	-0.54
DISAGREE	We should be required to report the markings on converters when sold from individuals only (not business to business) into a government database.	5	2	1	3	2	-0.38
DISAGREE	Business to business volumes should be reported into a government database.	5	1	4	2	1	-0.54

### Detailed Point Development

- Buyers should have to be insured/bonded
- Limit on individuals before license is required
- Licenses/registration for sellers & buyers should be separate

Questions on interpretation of a specific topic?

# IPMI ACT Committee Points

## 1. Transparency in the Value Chain

- a. Federal license(s), or similar mechanism, requires anyone in the business of dealing in detached catalytic converters or converter substrate for the purpose of recycling to obtain a singular, uniform license.
  - i. This license must serve as a nationally recognized form of proof for entities authorized to buy, sell, or otherwise deal in detached catalytic converters.
  - ii. Separate licenses for buyers and sellers suggested.
- b. Requirements for a licensees could include:
  - i. A fixed location(s);
  - ii. Insurance bond required;
  - iii. Listing authorized personnel who possess agency to buy/sell;
  - iv. Signed attestations to abide by federal AML/KYC guidelines; and
  - v. Contact liaison to assist law enforcement by reporting suspicious activities
- c. Individuals dealing over a certain threshold in catalytic converters should be required to license.

## Discussion Topics

- Recording shall be of sufficient enough, no matter the transaction type, for law enforcement to easily trace details

# IPMI ACT Committee Points

## 2. Penalties for Unauthorized Possession

- a. Strict criminal penalties for anyone in possession of a catalytic converter or converter substrate unless one of the following conditions for possession applies:
  - i. A business who would reasonably be expected to be in possession through their ordinary course of business “OCB” and can provide proof of the nationally recognized license proposed above; or
  - ii. An individual who can provide proof of their ownership interest in the vehicle from which the catalytic converter was removed.

## Discussion Topics

- Suggestions for specific penalties given

# IPMI ACT Committee Points

## 3. Recordkeeping

- a. Authorized entities shall record information related to each transaction of catalytic converters.
  - i. Transactions with “OCB” entities shall require business acceptance proof, such as the proposed federal license above, and a record containing the transaction date, place, and volume in accordance with the trade.
  - ii. Transactions with any other business or individual shall require more stringent data to be collected, such as a copy of government identification, donor vehicle information, transaction date and place, seller ownership attestations, and volume in accordance with the trade.

## Discussion Topics

- All legitimate businesses are already keeping detailed records and we should be willing to include more detailed records in legislation
- Which governing authority will manage and use this information?



# IPMI PACT Committee Points

## 4. Traceable form of Payment

a. Prohibit cash transactions for the purchase and sale of detached catalytic converters and require traceable forms of payment.

## Discussion Topics

- Agree at federal level, but state level creates issues (i.e. Sending business out of state, ambiguous interpretation)

# IPMI PACT Committee Points

## 5. Prevention

- a. Encourage anti-theft device installation through incentives provided by insurance providers.

## Discussion Topics

- Agree at federal level, but state level creates issues (i.e. Sending business out of state, ambiguous interpretation)

# IPMI PACT Committee Points

## 6. Supporting the Critical Mineral Executive Order

- a. Discourage additional local industry-related registrations, licensing, and/or permitting for purchases of wholesale catalytic converters in order to allow for an unburdened system of legitimate interstate movement.

## Discussion Topics

- Agree at federal level, but state level creates issues (i.e. Sending business out of state, ambiguous interpretation)

# IPMI PACT Committee Points

## Other Discussion Topics

1. How are we educating people in our industry?
2. Transporting decanned catalyst as DOT, 3<sup>rd</sup> party company should be recognized as authorized possession.
3. How long do federal bills usually take to pass / enact?

# Moving Forward – Seeking Volunteers

## Communications (Develop Language)

- Lead initiatives to firm our stance (e.g. develop the talking points to promote why we are considered “experts” in the industry;)
- Develop content to help explain why we do not support competing agendas

## Public Relations / Marketing (Share Out)

- Group Website
- Articles, Videos, Podcasts

## ESG Working Committee Liaison

- Data and Stats

## Share out of State Monitoring and Connections for Advocacy

- Examples of states with negative impacts
- Discuss how to stay ahead

## Point Person for Share Outs with other industry associations

- ISRI
- ARA
- Alliance for Automotive Innovation
- National Crimes Insurance Bureau (NCIB)