



February 8, 2022

The Honorable Chairs Senator Winter and Senator Pettersen
Colorado Senate Transportation & Energy Committee
200 East Colfax Avenue
Denver, CO 80203

I. SUMMARY:

The Automotive Recyclers Association (ARA) appreciates the opportunity to submit testimony on SB22-09. ARA has 18 direct members in the state of Colorado. ***ARA respectfully requests that the Committee amend SB22-09 to include Auto Parts Recyclers¹ as a member of the commodity metals theft task force.² ARA also respectfully requests that the Committee amend SB22-09 to permit vehicle owners and victims of catalytic converter theft to purchase EPA Compliant Used Original Equipment Manufacturer (OEM) Catalytic Converters.*** EPA Compliant Used OEM Catalytic Converters are cost effective and operationally effective alternatives to new OEM and California Air Resources Board (CARB) Certified Aftermarket Catalytic Converters.

ARA greatly appreciates Senator Ginal and the Committee's concern and interest in combatting catalytic converter theft. As the price of the precious metals contained within catalytic converters has skyrocketed over the recent years, catalytic converters have become a primary target of thieves and organized crime. Over the past few years, many of our members have fallen prey to catalytic converter thieves who break-in to their facilities and steal catalytic converters from vehicles. Catalytic converter theft has also put negative pressure on the business model of automotive recycling because automotive recyclers are purchasing vehicles with the expectation that a catalytic converter will be present on a vehicle only to discover the catalytic converter has been stolen and removed from a vehicle. ***Automotive recyclers do not generally purchase detached catalytic converters but purchase entire vehicles with the catalytic converters still attached.***

II. AUTOMOTIVE RECYCLERS NEED TO BE INCLUDED ON THE COMMODITY METALS THEFT TASK FORCE.

As an identified industry in SB22-09, ARA believes that it is necessary for automotive recyclers to be provided a seat on the commodity metals theft task force. Professional automotive recyclers are the largest collective fleet owners of end-of-life vehicles and are subsequently the largest generator of source material for scrap metal dealers. Each year, automotive recyclers recycle over

¹ "Auto parts recycler" means any person who purchases motor vehicles for the purpose of dismantling and selling the components thereof and who complies with all federal, state, and local regulations. "Auto parts recycler" includes a vehicle dismantler. Colo. Rev. Stat. § 42-9-102(1).

² Colo. Rev. Stat. § 42-9-102(9).

25 million tons of materials each year.³ Automotive recyclers are deeply committed to curbing catalytic converter theft and have been involved with other state working groups and metals theft prevention efforts. ARA is also a member of the International Association of Auto Theft Investigators' Subcommittee on Catalytic Converter Theft Prevention. *As a result, automotive recyclers are a natural and necessary industry whose knowledge and experience can positively contribute to the prevention of metals theft.*

III. VEHICLE OWNERS NEED TO BE ABLE TO REPLACE STOLEN/MISSING AND WORN-OUT CATALYTIC CONVERTERS WITH EFFECTIVE EPA COMPLIANT USED OEM CATALYTIC CONVERTERS.

As a part of the Committee's work, the Committee should also consider allowing EPA Compliant Used OEM Catalytic Converters to be used in motor vehicle repairs. A vast majority of states within the U.S. permit EPA Compliant Used Catalytic Converters to be used as a vehicle replacement part. However, Colorado and only three other states follow California's lead in only permitting vehicle owners to replace missing/stolen or worn out catalytic converters with new OEM catalytic converters or CARB Certified Aftermarket catalytic converters. *By restricting the ability for vehicle owners to purchase EPA Compliant Used Catalytic Converters, vehicle owners are forced to replace missing/stolen or nonfunctioning catalytic converters with CARB Certified Aftermarket catalytic converters that average \$1,200.00.*⁴ Under Colorado regulations, which only permit catalytic converters to be replaced with CARB Certified Aftermarket Catalytic Converters or new OEM catalytic converters, a vehicle owner may pay \$2,400 for a set of CARB Certified Aftermarket Catalytic Converters – this does not even take into account labor costs for replacing the part. *Victims of catalytic converter theft should not become a double victim by being limited in purchasing only expensive replacement catalytic converters that could cost several thousand dollars.*

Taken together with the fact that Colorado does not require annual statewide emissions testing, it is likely that *Colorado's adoption of CARB's policy on EPA Compliant Used OEM Catalytic Converters is having a negative impact on air quality by inadvertently incentivizing vehicle owners to choose not to replace missing/stolen or worn out catalytic converters with cost prohibitive replacements.*

The problem of missing catalytic converters is even greater when catalytic converters are stolen off of older vehicles. The availability of newly manufactured catalytic converters for older cars is more limited. As a result, there is an increasing need for availability of EPA Compliant Used OEM Catalytic Converters to serve as replacements. Additionally, those who own older vehicles tend to be more economically disadvantaged. Therefore, it is particularly important that there is an availability of alternative solutions for replacement catalytic converters other than new OEM catalytic converters. The Environmental Protection Agency (EPA) recognizes the need for affordable alternative replacement parts.

³ 20 Auto Recycling Facts and Figures, <https://www.thebalancesmb.com/auto-recycling-facts-and-figures-2877933>.

⁴ Aaron Lowe, *U.S. EPA Request for Information Regarding 1986 Catalyst Policy*, AutoCare Association, February 12, 2021. <https://www.epa.gov/sites/default/files/2021-03/documents/commentsreceived-requestforinfocatalystpolicy.pdf>.

In 1986, the EPA published an enforcement policy⁵ regulating the resale of used original equipment manufactured catalytic converters (used OEM catalysts). The policy goal behind the creation of the 1986 Catalyst Policy was to allow consumers to have access to “*less expensive yet still effective aftermarket converters [which would] give owners more incentive to replace their worn-out converters, [thus] keeping our air cleaner.*”⁶ The reasoning behind the EPA’s policy to create a market of effective and financially accessible catalytic converters, including aftermarket and used OEM catalysts, was due to the fact that new original equipment manufactured catalytic converters are expensive and that state and local vehicle emissions testing program officials are reluctant to require vehicle owners to replace missing or worn-out catalytic converters due to the high cost.⁷ For example, the price of a new OEM replacement catalyst for a 2015 Chevrolet Silverado costs \$1,511.69 and the cost of only one catalyst (out of two) on a 2015 Ford F150 costs \$660.11. These prices do not even take into account labor costs. Therefore, for the past 35 years, the EPA has held to the position that vehicle owners need to have access to affordable replacement catalytic converters because it would be better for overall air quality if vehicle owners could replace missing or worn-out catalysts with, higher-functioning, used OEM catalysts rather than not replacing the catalyst at all. ARA currently has a member facility in Minnesota that is providing affordable EPA compliant used OEM catalysts to the public.

IV. ABOUT THE AUTOMOTIVE RECYCLERS ASSOCIATION

Since 1943, the Automotive Recyclers Association (ARA) has represented professional automotive recyclers, a vibrant and thriving part of the automotive supply chain. Professional automotive recycling facilities play an important role in the vehicle repair market by providing vehicle owners with cost-effective alternatives to the more expensive new original equipment manufacturer (OEM) replacement parts. Professional automotive recyclers provide vehicle owners with the ability to choose recycled automotive repair parts, ensuring competition in the replacement parts market and providing vehicle owners with the ability to repair their vehicles with OEM replacement parts. Every day, professional automotive recyclers supply Recycled Original Equipment (ROE) ® motor vehicle replacement parts to consumers around the world. In many cases, automotive recyclers are the only source for replacement vehicle parts. This is especially true for older model vehicles.

Sincerely,

Sandy Blalock

Sandy Blalock
Executive Director
(505) 228-0401
sandy@a-r-a.org
Automotive Recycling Association
9113 Church Street. Manassas, VA 20110

⁵ Sale and Use of Aftermarket Catalytic Converters, 51 Fed. Register 28114 (August 5, 1986).

⁶ U.S. Environmental Protection Agency, Office of Air and Radiation, EPA-420-F-00-101, *What You Should Know About Using, Installing, Or Buying Aftermarket Catalytic Converters* (September 2000).

⁷ Sale and Use of Aftermarket Catalytic Converters, 51 Fed. Register 28114 (August 5, 1986).