

Dear Kansas Legislatures,

Ray Maloney
Ray's Metal Depot, Inc.

On August 29, 2017, the industry scrap metal task force held a meeting in Topeka. Those who attended included: Kim Christiansen and Alex Orel, Kansas Electric Coop, Inc; Stephen Duerst, Kansas Cable Telecommunications Association; Mike Murray, Kansas Roofers Association & CenturyLink; Allie Devine, Farm Bureau; Mandy Roe, Kansas Cooperative Council; Daniel Prophater, Advantage Metals Recycling, Mr. & Mrs. Pfeifer, Ken Pfeifer Salvage; Ray Maloney, Ray's Metal Depot, Inc.

During this meeting the scrap industry representatives questioned the need of the central database, the additional fees, and fingerprinting of existing business owners, CEO's, or board members. Kim Christiansen stated that the theft of copper bearing cable and wire material has decreased significantly since the implementation of the Scrap Metal Reduction Act HB 2048 was passed.

The scrap metal dealers in Kansas (the legitimate ones) are currently collecting photo ID's, copy of driver's licenses, make and color of the vehicles bringing in the scrap, tag number, weight, type of scrap being sold, where the scrap came from, and the signature of the seller. By the groups own admission this is working and the AG database isn't even close to being in place or implemented yet. Again, I question the need for it.

Kim mentioned that she felt it would help save time for the prosecutors as they would not have to call so many scrap yards trying to locate the stolen material. We do not know how much time this will take or how many cases each prosecutor may have. Will they have one per day, one per week, one per month? Our goal is that they have zero.

What we do know is that if this database is in effect, each and every scrap metal dealer will be burdened with uploading every single ticket, every single day for as long as they are in business. This is real time and costs real money as we will have to pay an employee to do this or as a member from our industry said, "take it home and do it ourselves". Most of us are small and run our yards ourselves with a few employees. We are here, performing a much-needed service for our communities, counties, and state, 10 to 12 hours per day at least 6 days per week. We are really not looking forward to having additional work to do complying to a portion of this law, that honestly, is unnecessary.

The reason communities, contractors, industry, utilities and other victims of metal theft, felt stricter regulations were needed – thus house bill 2048- was because the rules of the existing laws, bill 2312 were not known to most of the law enforcement community and it was not being enforced. The same fate awaits the HB 2048, but with devastating consequences to the small recycling yards. We will be regulated right out of business. This not only kills the small remote scrap yards in Kansas, it will affect the large recycling facilities as well. The large scrap dealers receive as much as one third to one half of their material from the small scrap yards.

Not only are the recycling industries in Kansas going to be adversely affected by HB 2048, but the state of Kansas will be too. Kansas will lose revenue. Kansas will lose jobs. Kansas towns, rural areas, and counties will begin to accumulate unwanted and discarded

recyclable materials in their alleys, road ditches, hedge rows, and water ways as it was back in the 1970's, because people will not have close easily accessible places to take it. Kansas needs recycling, large and small. Recycling keeps Kansas clean. Recycling keeps Kansas safe. Recycling keeps Kansans employed. Recycling puts money in the Kansas treasury as well as the pockets of industries and the peddler who picks up aluminum cans along the road for a little extra cash to pay his/her utility bill.

Those of us in this industry realize that there can be a theft problem. I totally understand why big cities with several larger recycling companies, for a thief to sell to, pass laws that give rise to HB 2048. The city councils, local police and sheriff's departments are trying to protect their citizens. The scrap metal industry in these cities have brought these types of regulations on themselves. A few metal recyclers will buy anything from anyone, knowing in the back of their mind that the individual on their scales should not have this type of material or the quantity of material in their possession to sell. Instead of punishing those not complying to and ignoring existing laws regarding the purchase of scrap material (HB 2312), law makers convene and in a knee jerk reaction to the cries of insurance and utility companies put in place HB 2048 that punishes and penalizes the entire industry. HB 2048 has already lead to the closings of some Kansas recycling centers. Others are seriously considering it. Some have begun downsizing their work force expecting to no longer buy regulated scrap.

Most of the scrap yards in Kansas have been in place 20 years or more. We were required to have back ground checks, surrender tax information, etc., through page 1, section 1, of HB 2312. We have been thoroughly "vetted". We do not need the expense of going through this process again. You do not need the fingerprints of owners, CEO's, or Board of Director members. We are on a first name basis with our local law enforcement. They know who we are and where we are. We work closely together whenever a theft issue arises. We do catch and identify the "bad guys". We are doing this now. The state and attorney general's office does not have to be involved.

Oklahoma started to try this. They now require scrap metal recyclers to report to a local department within the jurisdiction of where the recycling yard is located. This does work. Last year the Pittsburg Police Department contacted me by phone about some material that had been stolen from a local salvage yard. They emailed me pictures and information when the owner thought the theft had occurred. We went through our tickets around that time period and discovered that we did have this material. I emailed back pictures and the ticket which had the weight and type of material sold, the thieves driver's license, color and make of the vehicle he was driving and the vehicles tag number. The Pittsburg Police Officer was amazed at all the information that I had available. No other business in his area collects this type of data. This is one example that the law set forth under HB 2312 are sufficient. Law enforcement agencies need to know that this information is being kept and is available to them. They need the email addresses and phone numbers of all the scrap metal recyclers and salvage yards in Kansas. This would give them all the resources they need to catch and prosecute thieves and violators. This system, which was already in place, would eliminate any involvement from the state of Kansas or the attorney general.

Like any business, most of the income we make goes right back in: payroll, equipment, maintenance, etc. Our business is set up solely for the purpose of handling and processing recyclable scrap material. Too often law makers get “tunnel vision” and do not consider the full impact a bill like HB 2048 will have. No one will be able to operate a scrap metal recycling facility in rural Kansas. It will cost too much to process what little material is generated in these areas.

HB 2048 if left as written will eliminate businesses in which lives and millions of dollars have been invested making them now worthless. The flame providing our livelihoods, our employee’s livelihoods, as well as any hope of retiring with anything from years of work and investment, will be extinguished.

Obviously, my opinion of this bill has not changed from when it was being discussed by legislators back in 2014. I am against the central database which in turn raises the annual renewal fees from \$50.00 to \$1000.00 or more, and I am against fingerprinting and re-vetting scrap metal dealers that are already in business. If we made these amendments to HB 2048 and added the ISRI scrap alert system, which is free, to the bill, I believe that this would be a more proactive approach to the theft issues.

By postponing the implementation of part of HB 2048, by passing SB 429 this session, we would have more time to engage in conversations about making permanent amendments to HB 2048 to address these issues.

Respectfully,

A handwritten signature in cursive script that reads "Raymond Maloney". The signature is written in black ink and is positioned above the printed name.

Raymond Maloney

Ray’s Metal Depot, Inc.