

February 13, 2008

Robert A. Okuda, MGR
Okuda Metal, Inc.
1804 Kahai Street
Honolulu, HI 96819
(808)845-6856

House of Representatives
Committee on Judiciary

Testimony in support of HB 2589

To the honorable members of the Judiciary committee:

I am very grateful for the opportunity to testify on this bill. Since the passing of HB 1246 and putting Act 197 into effect in 2007, we have not experienced a decline in the theft of copper and other scrap metals with value. Scrap metal means copper, brass, aluminum, stainless steel and others with value. For example, there were highways that had underground insulated copper wire stolen in large quantities on two separate occasions in the last five to six months. Schools, churches, businesses and homes continue to suffer property damage and financial grief from this type of theft. Cemeteries have had many bronze (not copper) vases stolen from their plots. It is our understanding that this type of theft is very difficult to prosecute against.

The underlying reason why thieves steal copper is the access to "fast cash". Cash payments have been the norm in the scrap metal recycling business. There are only six recyclers who buy copper on Oahu and we compete with each other for business. Competition forces us to pay with cash. Most of our transactions are done with people and businesses involved with construction and demolition. "Cash" has always been our way of business and we only pay by check when it is requested by the customer. Thieves gravitate to "fast cash".

Please help us transform our industry into a more respectable one by making it unlawful to pay for *non-ferrous metal* in cash. Issuing checks will slow the payment process and also create more audit trails that could help law enforcement in their investigations. The current amendment that the CPC approved calls for check payments for copper only.

Please amend this bill to have this check payment requirement to apply to purchases of *all non-ferrous metals* and not only for copper. Non-ferrous means *no iron or steel content*. Non-ferrous includes but are not limited to copper, brass, aluminum, stainless steel, alloys and zinc. All non-ferrous metal prices have risen along with copper.

Payments by check will be a sufficient addition to the current requirements in HRS 445-233.

Thank you for this opportunity.

Sincerely



Robert A. Okuda

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JUDtestimony

From: Bruce Iverson [biverson@reynoldsrecycling.com]
Sent: Thursday, February 14, 2008 11:26 AM
To: JUDtestimony
Subject: FW: Testimony in opposition to SB 2589, Relating to Scrap Metal
Follow Up Flag: Follow up
Flag Status: Purple
Attachments: image001.png; image002.gif



To: Representative Tommy Waters, Chair
 Blake K. Oshiro, Vice Chair
 House Committee on Judiciary

Fr: Terry G. Telfer, President
 Reynolds Recycling

Date: Friday, February 15, 2008, Room 325, 2:00 PM

Re: Testimony against HB 2589 HD1, Relating to Scrap Metal

Reynolds Recycling respectfully opposes SB 2589, Relating to Scrap Metal in its current form.

Aloha. Thank you for the opportunity to testify on this bill.

Reynolds Recycling operates the largest network of redemption and scrap metal recycling centers in Hawaii. We believe that Reynolds, and other reputable recycling center operators have continued to insure that all purchases of non-ferrous (aluminum, brass, and copper) scrap metals follow all current laws and rules set forth by the DOH. The implementation of HB 1246 last year mandated notarized proofs of ownership. The new law is working. Reynolds has helped law enforcement officials catch several thieves over the past year.

Most of our customers are residential recyclers, bringing in small amounts of copper from home remodel projects. Most have still not heard of the new law regarding copper sale, and when they do, some already decide that getting a notarized form to prove ownership is odious and not worth their while.

While the current copper law has made an impact on copper sales, much of that burden has been born by the recycler. Recently, Reynolds helped local law enforcement to catch a copper thief. He was released the same day. The next day he came to another Reynolds Recycling location, our buyer there called the police and he was apprehended before he left our premise. Three days later, he was caught again at one of our competitor locations! In a weeks time he was *arrested three times* and *released 3 times*. Clearly, putting the thieves away is the only solution that will keep the thieves off the street, not new laws.

Reynolds has no problem with issuing checks for all copper purchases. Currently, all transactions over a set amount are paid by check, so many of our copper sales are already paid using checks. However, requiring all non-ferrous metal scrap purchases to be paid by check is not needed, additionally; holding copper purchase checks for 5 days is inappropriate and would cause an unnecessary burden on all of our customers and employees. Having to retain, track and monitor mailing times, addressing, stop payments for lost checks, sending people daily to the post office, dramatically adds to the cost of doing business. Our 14 field sites that purchase non-ferrous scrap, in addition to Deposit Beverage Container material, are working throughout the day, and would not even be able to reach the post office during business hours to post checks for customers.

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2/14/2008

We strongly oppose the requirement to pay for all non-ferrous metal scrap purchases by check, and the requirement to hold checks for copper purchases, of SB2589.

As a leader in Hawaii's recycling industry, Reynolds Recycling remains committed to protecting Hawaii's future by recycling today, and supports measures that increase public safety and confidence in the recycling system. We oppose SB 2589 in its current form. Please do not hesitate to contact me at 487-2802, if you have any questions or concerns.

Terry G. Telfer, President
Reynolds Recycling, Inc.

Committee on Judiciary
Feb. 15, 200 PM



Campbell Industrial Park
91-056 Hanua Street
Kapolei, Hawaii 96707
Telephone (808) 682-5810
Facsimile (808) 682-0604

February 14, 2008

The Honorable Tommy Waters, Chair
and Members
Committee on Judiciary
House of Representatives
State Capitol - Conference Room 325 - 2:00 PM
Honolulu, Hawaii 96813

TESTIMONY in SUPPORT of HB 2589, HD1
SCRAP METAL PAYMENT BY CHECK with AMENDMENT

Aloha Honorable Chair Waters and Members,

My name is James C. Banigan, General Manager of Schnitzer Steel Hawaii Corp., Hawaii's premier scrap metal recycling facility located in Campbell Industrial Park, testifying in support of HB 2589, HD1 which requires scrap dealers to pay sellers of scrap only by check and support the amendment to exempt ferrous metals such as iron and steel from the holding period.

Our company pays the customer for ferrous metals, such as iron and steel. We do not buy copper. Every customer who enters our facility, must provide proper identification, their loads are inspected, and our computer prints out a check to the customer instantaneously for the value of the total weight of their metal.

We strongly feel that the current language in HB 2589, HD1 would serve the purpose that you seek in deterring copper thieves by requiring payment by check.

Thank you for your consideration of our request. Please feel free to contact us if we can be of any assistance.

Sincerely,

James C. Banigan

James C. Banigan III
General Manager