



Institute of
Scrap Recycling
Industries, Inc.

June 29, 2010

Dear Representative:

Our firm represents the Institute of Scrap Recycling Industries that includes scrap processors and recyclers from all over the state. Collectively our member companies recycle over eight million tons of metal, paper, plastic and other commodities annually in Michigan alone.

Recently, two bills (HB 6060 and HB 6061) were introduced in the House and referred to the House Regulatory Reform Committee, that we believe are detrimental to both our member companies and the citizens of Michigan. The legislation would allow out-of-state persons to buy salvage and scrap vehicles and transport them out of the state, all without the regulatory oversight that currently exists.

Under the current statutory framework, any out-of-state person who conducts business in Michigan and purchases salvage or scrap vehicles in Michigan must be licensed by the State, just like Michigan citizens are required to do. The licensing process is detailed, requiring a thorough investigation of the applicant's qualifications by the Secretary of State including finger printing and complete criminal background checks. The license, once granted, is subject to suspension or revocation for a number of stated reasons. Additionally under current law, out-of-state persons licensed in Michigan, as well as Michigan licensed companies must maintain detailed records of their purchase and sale transactions of these vehicles. **As proposed in HB 6060 and HB 6061, all of the regulatory and consumer protections currently in place would be removed for only out of state vehicle buyers.**

The removal of the current regulatory requirements and oversight place the public at risk to unlicensed, unaccountable foreign buyers. It also puts Michigan businesses at a competitive disadvantage in the acquisition and disposal of these vehicles and threatens the jobs that are supported by these Michigan businesses. We are asking that you oppose both HB 6060 and HB 6061.

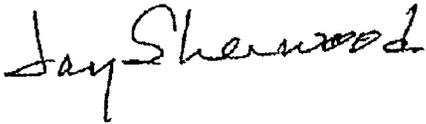
Michigan's scrap processors believe that foreign buyers should operate on the same playing field as in-state buyers of salvage vehicles. We question the rationale for treating out-of-state buyers more favorably, and with less consumer protections, than Michigan-based companies.

Michigan's scrap processors employ literally thousands of Michigan citizens and pay millions of dollars in state and local taxes. The deep economic recession has drastically limited the amount of salvage and recyclable material entering our facilities. This legislation will further deplete the supply of distressed automobiles that are processed in Michigan by Michigan residents into various grades of metal and sold to steel mills and foundries thus creating even more local jobs.

Under the proposed legislation more salvage automobiles will be shipped out of state by foreign buyers hurting both Michigan's auto recycling business and our scrap processors. Now is not the time to put more Michigan businesses at risk.

Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in black ink that reads "Jay Sherwood". The signature is written in a cursive style with a large, prominent "J" and "S".

Jay Sherwood
President, ISRI-Michigan Chapter