

TESTIMONY
OF
THE UNITED ILLUMINATING COMPANY

Regarding Raised Senate Bill 1128

**An Act Concerning Interruption of Telecommunications Service, Scrap Metal
Processors and Motor Vehicle Recyclers**

**JUDICIARY COMMITTEE
LEGISLATIVE OFFICE BUILDING
HARTFORD, CT**

MARCH 19, 2009

Good morning, Senator McDonald, Representative Lawlor and members of the Judiciary Committee. My name is Wendy Ardizzone and I am the Manager of Security Services for The United Illuminating Company (UI). Thank you for the opportunity to appear before you today to offer UI's comments regarding **Raised Senate Bill 1128 - An Act Concerning Interruption of Telecommunications Service, Scrap Metal Processors and Motor Vehicle Recyclers**

Raised Senate Bill 1128 would extend, to electric distribution companies, current requirements that are in place for the telecommunications industry for scrap metal processors to comply with state and local licensing and registration requirements; and allow law enforcement to enforce the same penalties currently in place for the telecommunications industry for this type of criminal activity.

UI supports Raised Senate Bill 1128 with the proposed modifications that extend the requirements currently in place on scrap metal processors to equipment, wires and cable that could be used for the transmission and distribution of electricity by electric distribution companies.

UI operations utilize copper as a critical part of the electric infrastructure. As a result of the increased price of copper, along with the worldwide problem of metal theft, theft of copper has increased nationwide to include Connecticut. Copper theft has increased to a level where the US Congress is considering two pieces of legislation to address this issue on a National basis (see attached). There have been many incidents of copper theft from electric utilities throughout the country, including instances where copper has been removed from live services and individuals have been injured and even killed in the process. Criminal activity related to the theft of copper places the thief in jeopardy of losing his/her life, it compromises the integrity of the flow of electricity, and it places our employees in grave risk of electrocution when cable is compromised or stolen from an energized facility. Some incidents in Connecticut include:

- Theft of copper cable from the Easter Seals sponsored "Fantasy of Lights", a holiday exhibit in New Haven (see attached article)
- Attempted theft of transformers from a substation in Litchfield (see attached article)
- Theft of copper cable and bushings from transformers in New Haven resulting in oil loss
- Theft of copper ground grid from substation yards
- Attempted theft of ground grid from a substation in New Haven
- Attempted theft of copper from transformers in New Haven
- Theft of copper wire from reporting site in New Haven
- Theft of copper wire from scrap bins and line trucks from an operations center in North Haven
- Theft of copper wire from a job site in Stratford
- Theft of copper ground wires at utility poles

We appreciate the Committee's consideration to take action before the situation becomes more critical. Relative to UI's sense of urgency is the fact that due to the current economic situation, this type of criminal activity will likely increase. Many of UI's thefts have occurred late at night at operations facilities where employees are on site working. It is not only a concern for our critical infrastructure; it is also a concern for our employees' safety. Raised Senate Bill 1128 can assist with closing the gap that currently enables those who engage in the theft of electrical copper wire and equipment to elude law enforcement.

The law should treat those engaged in the theft of scrap metal, and scrap metal processors the same for both the telecommunication industry and the electric industry. Today, individuals who are caught stealing wire, cable or other equipment used in the transmission and distribution of electricity by electric distribution companies are not charged with larceny in the second degree. Today, scrap metal processors are not held to the same standard for both the telecommunication and electric industries. The current process allows a criminal to steal copper wire, cable and equipment, jeopardize the electric infrastructure and sell the copper to a scrap metal processor at a lower risk of being caught and punished by law enforcement. The more stringent processes of identification and reporting included in Raised Senate Bill 1128 discourages this type of criminal activity because it increases the likelihood of apprehension by law enforcement. UI encourages the Judiciary Committee to extend the identification and reporting requirements applicable to scrap metal processors to the electric industry. We believe that the provisions of this bill will not impose additional requirements on scrap metal processors as they already have a process in place.

Conclusion:

UI supports Raised Senate Bill 1128. The increased demand and economic times have led to increased copper theft for quick sale. Copper is part of the electric industry's critical infrastructure; therefore, increased theft poses a risk to the transmission and distribution of electricity and the safety of our employees unknowingly working on facilities that may have been damaged by the theft. UI believes that by extending the requirements currently in place for the telecommunications industry to the electric industry, the legislation can improve the process by which copper sales are tracked, reduce theft of copper and increase the apprehension rate by law enforcement.

Thank you for this opportunity and I will try to answer any questions you may have.



Republican American

Tuesday
January
13, 2009
3:12 AM
ES

Thomaston man arrested after police said he tried to steal transformers

BY MEGAN BRODERICK | REPUBLICAN-AMERICAN

LITCHFIELD -- Police found a Thomaston man hiding under a blanket inside a Jeep at his home Monday after he fled into the woods from an officer who suspected he was trying to steal transformers from a CL&P station.

Thomaston police arrested Jay Crump, 19, of 55 Old Smith Road, and charged him with attempted larceny, interfering with an officer, possession of burglary tools, criminal trespass, engaging police in pursuit and several other charges.

An officer was conducting a routine check of the CL&P substation on Electric Avenue in Thomaston about 3 a.m. Monday when he spotted a white Mazda travelling the wrong way down the one-way street. The officer turned on his lights and siren, but the car sped off. He later spotted the car, wrecked on the side of the road with the front bumper ripped off, and saw a man run into the woods, according to court documents. The officer gave chase on foot, but lost his suspect.

At the substation, officers found a 200-pound transformer on top of a piece of wood that appeared to have been dragged through the snow, and a second transformer that had also been dragged, about 20 feet from where it belonged. They're each worth about \$1,600, and were likely targeted because of the copper inside, police said.

Police said the Mazda belongs to Crump's girlfriend, who told officers he had taken the car without her permission. When officers went to Crump's house, they found him in his hiding spot, according to the police report.

Judge Charles D. Gill set Crump's bond at \$50,000 Monday in Bantam Superior Court, citing Crump's addictions to cocaine, marijuana and alcohol, and the fact that he ran from the police.

Crump's case was continued to Feb. 10.

New Haven Register

Serving New Haven, CT



News > New Haven

Cable theft darkens Fantasy of Lights

Wednesday, November 12, 2008 5:34 AM EST

By Rachael Scarborough King, Register Staff

NEW HAVEN — The annual Fantasy of Lights at Lighthouse Point Park could shine a little less brightly this year, after someone stole thousands of dollars' worth of electrical cables from the display area Monday night.

The attraction is still scheduled to open Nov. 22, but about a dozen of the 68 light displays most likely will be dark at first, said Edwin V. Selden, director of development and external relations for Easter Seals Goodwill Industries, which sponsors the show as a fundraising effort.

Selden said workers who were "putting the finishing touches" on the exhibits discovered the theft Tuesday morning. About 1,400 feet of power cable and about 400 feet of feeder cable — worth \$8,000 to \$10,000 — were missing from the park's holiday lights.

Workers also found carts that had been used to move the cable from the exhibits to the park's entrance, which was locked to vehicles. Selden said that organizers do not hire security for the festival until it opens to the public, but may revise that policy in the future.

The theft was reported to police Tuesday. Sean Matteson, chief of staff for Mayor John DeStefano Jr., said the city has seen an increase in thefts of copper and other wire in recent months. He added that the New Haven Police Department is working to combat the problem.

"It's a real shame and it's a sign of the financial times we're in," Matteson said of the Fantasy of Lights theft.

The Fantasy of Lights will run from Nov. 22 to Dec. 31. Selden said he thinks it is unlikely that workers will be able to repair the damage from the thefts by opening day, since it could take time to reorder the wire. Volunteers from the International Brotherhood of Electrical Workers were on the scene Tuesday to assess the loss. An estimated 100 volunteers from five trade organizations in the state donated the work to install the display.

"We do need to find cable to put the displays back together," Selden said. "Quite frankly, I would hope that there is a good Samaritan out there who might have some cable that they could loan. ... It's not something that most electrical shops have in stock."

If no donations are forthcoming, Selden said Easter Seals Goodwill will reorder the wire.

While there has been some vandalism and theft at the Fantasy of Lights in the past, Selden said there has never been an incident of this magnitude.

The holiday tradition is in its 14th year and typically attracts between 12,000 and 15,000 carloads of people, Selden said. Groups drive through the lighted displays in what is thought to be the largest holiday light show in the state.

"This is a family fun night," Selden said. "It's a fundraiser for us and it's a community institution, and the revenues that we generate go to provide services to 1,000 clients that we serve annually, most of whom are mentally and physically challenged."

Easter Seals Goodwill Industries and PSEG Power Connecticut LLC are the event's main sponsors. The displays are open 5 to 9 p.m. Sunday through Thursday and 5 to 10 p.m. Fridays and Saturdays. The cost is \$10 for passenger cars, \$25 for 15-passenger vans or minibuses and \$50 for full-size buses.

To contact Easter Seals about donations for the exhibit, call 777-2000, ext. 262.

Rachael Scarborough King can be reached at rking@nhregister.com or 789-5742.

110TH CONGRESS
2D SESSION

H. R. 6831

To require certain metal recyclers to keep records of their transactions in order to deter individuals and enterprises engaged in theft and interstate fencing of stolen copper, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2008

Mr. STUPAK (for himself and Mr. RAMSTAD) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To require certain metal recyclers to keep records of their transactions in order to deter individuals and enterprises engaged in theft and interstate fencing of stolen copper, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Copper Theft Preven-
5 tion Act of 2008".

6 SEC. 2. FINDINGS; PURPOSES.

7 (a) FINDINGS.—The Congress finds as follows:

1 (1) Since 2006, metal theft, particularly copper,
2 has been on the rise, largely due to a surge in the
3 global demand for scrap metal.

4 (2) The price of copper has risen from \$2 per
5 pound in mid-2006 to more than \$4 per pound in
6 early 2008.

7 (3) Theft of copper is jeopardizing this Nation's
8 critical infrastructure, through theft of copper in
9 transportation, electrical, and telecommunications
10 networks.

11 (4) From January 2006 through March 2007,
12 270 copper thefts from electric utilities in 42 States
13 were reported.

14 (5) Many arrests of copper thieves show a
15 growing connection between the thefts and illegal
16 drug activity, particularly methamphetamines.

17 (6) The National Drug Intelligence Center's
18 2008 Threat Assessment shows a growing threat of
19 methamphetamine use, especially in the western
20 United States where increased incidents of copper
21 theft are occurring.

22 (7) Law enforcement officials have testified that
23 legislation will help combat methamphetamine prob-
24 lems, as metal theft has become a favored method

1 of raising money to satisfy methamphetamine addic-
2 tion.

3 (8) Thefts are on the rise due primarily because
4 of the lack of pressure on the scrap and salvage
5 yards that pay for copper and other precious metal
6 without asking questions about where the material
7 came from.

8 (9) Combating the problem will take better
9 communications between metal businesses and law
10 enforcement agencies.

11 (b) PURPOSES.—The purposes of this Act are as fol-
12 lows:

13 (1) To protect consumers, businesses, the Na-
14 tion's critical infrastructure, and State and local
15 governments from the problem of copper theft as
16 well as the related adverse health and safety risks it
17 creates.

18 (2) To allow legitimate transactions to continue
19 to take place by establishing a system of docu-
20 menting the transactions between the seller and the
21 buyer while addressing the growing problem of cop-
22 per theft that facilitates illegal drug use and other
23 crimes.

24 SEC. 3. REQUIREMENTS ON COPPER RECYCLERS.

25 (a) RECORDS.—

1 (1) IN GENERAL.—A secondary copper recycler
2 shall maintain a legible record of all copper property
3 purchase transactions to which the secondary copper
4 recycler is a party. The record shall include all of
5 the following information:

6 (A) The name and address of the sec-
7 ondary copper recycler.

8 (B) The date of the transaction.

9 (C) The weight, quantity, or volume of
10 copper property purchased; the consideration
11 paid by the secondary copper recycler; and a de-
12 scription of the type of copper property pur-
13 chased in a purchase transaction, including a
14 general physical description (such as by describ-
15 ing the copper property as wire, tubing,
16 extrusions, or casting).

17 (D) The name and address of the person
18 delivering the copper property to the secondary
19 copper recycler.

20 (E) The distinctive number from a Federal
21 or State government-issued identification with a
22 photograph of the person delivering the copper
23 property to the secondary copper recycler, and
24 the type of such identification.

1 (F) The license tag number, State of issue,
2 make, and model, if available, of the vehicle
3 used to deliver the copper property to the sec-
4 ondary copper recycler.

5 (2) REPEAT SELLERS.—In the case of a person
6 who sells copper property to the same secondary
7 copper recycler more than once, such secondary cop-
8 per recycler may comply with this subsection by
9 maintaining a record relating to such seller and in-
10 cluding in such record for subsequent transactions
11 only the information relating to such seller that has
12 changed.

13 (b) PROHIBITION AGAINST CERTAIN CASH TRANS-
14 ACTIONS.—A secondary copper recycler shall not enter
15 into any cash transaction in excess of \$500 in payment
16 for the purchase of copper property. For any such pur-
17 chase—

18 (1) a secondary copper recycler shall make pay-
19 ment by check issued to the seller of the copper; and

20 (2) the check shall be payable to the name and
21 address of the seller or picked up in person by the
22 seller.

23 (c) MINIMUM PERIOD.—A secondary copper recycler
24 shall maintain or cause to be maintained the records re-

1 quired by subsection (a) for not less than 2 years from
2 the date of the purchase transaction.

3 (d) PENALTY.—

4 (1) CIVIL PENALTY.—A secondary copper recy-
5 cler who violates subsections (a), (b), or (c) shall be
6 liable to the United States for a civil penalty not to
7 exceed \$10,000.

8 (2) NO CRIMINAL LIABILITY.—A violation of
9 subsection (a), (b), or (c) does not constitute a
10 crime, and a judgment for the United States and
11 imposition of a civil penalty pursuant to paragraph
12 (1) shall not give rise to any disability or legal dis-
13 advantage based on conviction for a criminal offense.

14 (e) DEFINITION.—As used in this Act, the term “sec-
15 ondary copper recycler” means any person who is engaged,
16 from a fixed location or otherwise, in the business of pay-
17 ing compensation for copper that has served its original
18 economic purpose, whether or not engaged in the business
19 of performing the manufacturing process by which copper
20 is converted into raw material products consisting of pre-
21 pared grades and having an existing or potential economic
22 value.

1 SEC. 4. RULE OF CONSTRUCTION REGARDING STATE AND
2 LOCAL GOVERNMENT REQUIREMENTS.

3 Nothing in this Act or the amendments made by this
4 Act shall be construed to prohibit a State or local govern-
5 ment from adopting requirements in addition to those set
6 forth in this Act and the amendments made by this Act
7 to govern the purchase of copper property by a secondary
8 copper recycler.

9 SEC. 5. PROTECTION OF PERSONAL INFORMATION.

10 A secondary copper recycler or the agent, employee,
11 or representative of a secondary copper recycler shall not
12 disclose personal information concerning a customer with-
13 out the customer's consent unless the disclosure is made
14 in response to a request from a law enforcement agency.
15 A secondary copper recycler shall implement reasonable
16 safeguards to protect the security of the personal informa-
17 tion required under section 3(a)(1) and prevent unauthor-
18 ized access to or disclosure of such information.

○

110TH CONGRESS
2D SESSION

S. 3666

To require certain metal recyclers to keep records of their transactions in order to deter individuals and enterprises engaged in theft and interstate fencing of stolen copper, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 1 (legislative day, SEPTEMBER 17), 2008

Ms. KLOBUCHAR (for herself and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To require certain metal recyclers to keep records of their transactions in order to deter individuals and enterprises engaged in theft and interstate fencing of stolen copper, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Copper Theft Preven-
5 tion Act of 2008".

6 SEC. 2. FINDINGS AND PURPOSES.

7 (a) FINDINGS.—Congress finds that—

1 (1) since 2006, metal theft, particularly the
2 theft of copper, has been on the rise, largely due to
3 a surge in the global demand for scrap metal;

4 (2) the price of copper has risen from \$2 per
5 pound in mid-2006 to more than \$4 per pound in
6 early 2008;

7 (3) theft of copper is jeopardizing the critical
8 infrastructure of the United States through theft of
9 the copper in transportation, electrical, and tele-
10 communications networks;

11 (4) from January 2006 through March 2007,
12 270 copper thefts from electric utilities in 42 States
13 were reported;

14 (5) many arrests of copper thieves show a grow-
15 ing connection between the thefts and illegal drug
16 activity, particularly activity relating to meth-
17 amphetamine;

18 (6) the 2008 Threat Assessment of the Na-
19 tional Drug Intelligence Center shows a growing
20 threat of methamphetamine use;

21 (7) law enforcement officials have testified that
22 legislation will help combat methamphetamine prob-
23 lems, as metal theft has become a favored method
24 of raising money to satisfy methamphetamine addic-
25 tion;

1 (8) copper thefts are increasing primarily be-
2 cause of the lack of pressure on the scrap and sal-
3 vage yards that pay for copper and other precious
4 metal without asking questions about the source of
5 the metal; and

6 (9) combating the problem of copper theft will
7 require improved communications between metal
8 businesses and law enforcement agencies.

9 (b) PURPOSES.—The purposes of this Act are—

10 (1) to protect consumers, businesses, critical in-
11 frastructure, and State and local governments in the
12 United States from the problem of copper theft (in-
13 cluding any related adverse health and safety risks
14 caused by copper theft); and

15 (2) to permit legitimate transactions to con-
16 tinue to take place by establishing a system to docu-
17 ment metal transactions between sellers and buyers
18 while addressing the growing problem of copper
19 theft that facilitates illegal drug use and other
20 crimes.

21 SEC. 3. DEFINITION OF SECONDARY COPPER RECYCLER.

22 In this Act, the term “secondary copper recycler”
23 means any person that is engaged, from a fixed location
24 or otherwise, in the business of paying compensation for
25 copper that has served its original economic purpose, re-

1 regardless of whether the person is engaged in the business
2 of performing the manufacturing process by which copper
3 is converted into raw material products consisting of pre-
4 pared grades and having an existing or potential economic
5 value.

6 SEC. 4. REQUIREMENTS ON COPPER RECYCLERS.

7 (a) RECORDS.—

8 (1) IN GENERAL.—A secondary copper recycler
9 shall maintain a legible record of all copper property
10 purchase transactions to which the secondary copper
11 recycler is a party that includes, for each trans-
12 action—

13 (A) the name and address of the secondary
14 copper recycler;

15 (B) the date of the transaction;

16 (C) the weight, quantity, or volume of cop-
17 per property purchased, including—

18 (i) the consideration paid by the sec-
19 ondary copper recycler; and

20 (ii) a description of the type of copper
21 property purchased in the purchase trans-
22 action, including a general physical de-
23 scription (such as by describing the copper
24 property as wire, tubing, extrusions, or
25 casting);

1 (D) the name and address of the person
2 delivering the copper property to the secondary
3 copper recycler;

4 (E) the distinctive number from a Federal
5 or State government-issued identification with a
6 photograph of the person delivering the copper
7 property to the secondary copper recycler, and
8 the type of the identification; and

9 (F) the license tag number, State of issue,
10 make, and model, if available, of the vehicle
11 used to deliver the copper property to the sec-
12 ondary copper recycler.

13 (2) REPEAT SELLERS.—In the case of a person
14 that sells copper property to the same secondary
15 copper recycler more than once, the secondary cop-
16 per recycler may comply with this subsection by—

17 (A) maintaining a record relating to the
18 seller; and

19 (B) including in the record for subsequent
20 transactions only the information relating to a
21 seller that has changed.

22 (3) MINIMUM PERIOD.—A secondary copper re-
23 cyclor shall maintain or cause to be maintained the
24 records required by this subsection for not less than

1 1 year beginning on the date of the purchase trans-
2 action.

3 (b) PROHIBITION AGAINST CERTAIN CASH TRANS-
4 ACTIONS.—

5 (1) IN GENERAL.—A secondary copper recycler
6 shall not enter into any cash transaction in excess
7 of \$250 in payment for the purchase of copper prop-
8 erty.

9 (2) REQUIREMENTS.—For any purchase of cop-
10 per property in excess of \$250—

11 (A) a secondary copper recycler shall make
12 payment by check issued to the seller of the
13 copper property; and

14 (B) the check shall be payable to the name
15 and address of the seller or picked up in person
16 by the seller.

17 (c) PENALTY.—

18 (1) CIVIL PENALTY.—A secondary copper recy-
19 cler who violates subsection (a) or (b) shall be liable
20 to the United States for a civil penalty in an amount
21 not to exceed \$10,000.

22 (2) NO CRIMINAL LIABILITY.—Subject to sec-
23 tion 5, a violation of subsection (a) or (b)—

24 (A) shall not constitute a crime; and

1 (B) in the event of a judgment for the
2 United States and imposition of a civil penalty
3 pursuant to paragraph (1), shall not give rise to
4 any disability or legal disadvantage based on
5 conviction for a criminal offense.

6 SEC. 5. RULE OF CONSTRUCTION REGARDING STATE AND
7 LOCAL GOVERNMENT REQUIREMENTS.

8 Nothing in this Act prohibits a State or local govern-
9 ment from adopting any requirement in addition to the
10 requirements under this Act to govern the purchase of
11 copper property by a secondary copper recycler.

12 SEC. 6. PROTECTION OF PERSONAL INFORMATION.

13 (a) IN GENERAL.—A secondary copper recycler or
14 the agent, employee, or representative of a secondary cop-
15 per recycler shall not disclose personal information con-
16 cerning a customer obtained under this Act without the
17 consent of the customer unless the disclosure is made in
18 response to a request from a law enforcement agency.

19 (b) SAFEGUARDS.—A secondary copper recycler shall
20 implement reasonable safeguards—

21 (1) to protect the security of the personal infor-
22 mation required under section 4(a)(1); and

23 (2) to prevent unauthorized access to or disclo-
24 sure of that information.

○