



Eugene Water & Electric Board

500 East 4th Avenue/Post Office Box 10148
Eugene, Oregon 97440-2148
541-685-7000
www.eweb.org

EWEB Opposes Reinstatement of Cash Payments for Non-Ferrous Metal in HB 2403

EWEB and other Oregon utilities were staunch supporters of SB 570, passed in 2009. This legislation was a comprehensive package of measures that addressed both metal theft deterrence and improved investigation and prosecution. All signs and input from utilities and law enforcement indicate that this law is working well and is having an impact. We believe that the prohibition on cash payments for non-ferrous metals has been key to SB 570's deterrent effect on metal theft and we urge the committee to amend HB 2403 and keep in place the current requirement to make payment by mailed check for non-ferrous metals.

For utilities, the property damage and replacement costs are just one element of metal theft. Power outages disrupt local economies. Dangerously exposed live wires and ungrounded substations can kill or harm innocent utility employees or passersby. Metal theft can mean for utilities tens of thousands of dollars in damages for just a few dollars that a metal theft yields the perpetrator. It is critical for the utility sector that deterrents are placed so that metal theft is discouraged from happening in the first place – the prohibition on cash payment for non-ferrous metals like copper has had a substantial impact in making metal theft less attractive to criminals and we urge you to preserve this centerpiece of the comprehensive 2009 legislation.

EWEB and other utilities made inquiries in 2009 with the state of Washington which had two years earlier passed a metal theft bill which required payment for metal to be made by check for amounts over \$50. The number one regret that we heard from Washington law enforcement and utilities was that they wished in hindsight that they had prohibited cash altogether. This is because when a dollar threshold for cash is present, metal thieves can “structure” sales of nonferrous metal under the threshold and avoid the paper trail of a mailed check.

Restoring cash transactions of any kind in Oregon would again make “structuring” possible and otherwise again provide quick cash to those metal thieves looking for an instant way to support drug addictions. Oregon's current requirement that payment for nonferrous metals be made by mailed check negates the instant gratification element of metal theft that makes it attractive to drug offenders.

EWEB urges the committee to amend this legislation to preserve Oregon's prohibition on cash payments for nonferrous metal transactions.

Jason Heuser
Government Relations Liaison
Eugene Water & Electric Board