Institute of Scrap Recycling Industries, Inc.

November 21, 2008

Mr. James Landon
935 Pennsylvania Ave., NW
Washington, D.C. 20535

Re: Docket No. FBI 117; AG Order no. 3000-2008; RIN 1110-AA30; National Motor Vehicle Title Information System (NMVTIS)

Dear Mr. Landon,

The Institute of Scrap Recycling Industries, Inc. ("ISRI") is pleased to submit the following comments in response to the invitation of the Department of Justice ("DOJ") for public comment on its Proposed Rule on the National Motor Vehicle Title Information System (henceforth, "NMVTIS") published in the September 22, 2008 issue of the Federal Register (Docket No. FBI 117; AG Order No. 3000-2008)(henceforth, "NMVTIS Rule" or "Proposed Rule").

ISRI is the "Voice of the Recycling Industry," a non-profit organization providing education, advocacy, and compliance training, along with promoting public awareness of the value and importance of recycling to the production of the world's goods and services. With 21 chapters nationwide and headquarters in Washington, DC, ISRI represents more than 1,650 companies that process, broker, and industrially consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics, and textiles. As the first link in the recycling chain, our industry plays a critical role in directing end-of-life and obsolete vehicles and materials to the manufacturing sector to become raw materials for new products. In 2007, the latest year with complete figures, our $72-billion industry employed more than 50,000 people and processed more than 150 million tons of scrap materials, including 81.6 million tons of iron and steel. Relative to the use of virgin materials, recycling greatly reduces consumption of natural resources, energy, and their associated environmental emissions, including greenhouse gases.

First and foremost, ISRI would like to commend the DOJ for its efforts this year under impracticable external pressures to implement a 16-year old congressional mandate requiring the states to coordinate their department of motor vehicle (DMV) records in a manner that the DMVs themselves have not yet come to grips on how to accomplish.[1] The complexities of coordinating and facilitating the cooperation of 50 different state DMVs is an enormous hurdle in itself, let alone doing so in a manner that considers the practicability and needs of the industries facing the reporting burdens. As such, ISRI appreciates this opportunity to provide comment and suggestions on the proposed rule.

ISRI fully supports the goals underlying the NMVTIS rule. There is a great need for a simple federal system designed to deter trafficking in stolen vehicles by strengthening law enforcement's efforts against auto theft and combating automobile title fraud. Not surprisingly, however, as a result of an artificially imposed demand[2] to implement a national reporting system by January 30, 2009, the goal of NMVTIS will falter for lack of supporting infrastructure. The suggested benefits of the NMVTIS database are grossly overstated because, to achieve its law enforcement goal, NMVTIS must be fully implemented in all 50 states. As the proposed rule acknowledges, there are currently only 13 states participating fully in NMVTIS. [3] ISRI suggests that the only logical way to ensure the success of NMVTIS is to first lock in full participation of the state DMVs who control the collection process of vehicle titling information in the first place.[4] The reporting industries will follow suit accordingly because

[1] In fact, as the rule's preamble states, "to date, the implementation of NMVTIS has focused on establishing access by the states and not on providing access to other authorized users." See NMVTIS Rule, 73 Fed. Reg. 54544 (Sept. 22, 2008) (to be codified at 28 C.F.R. pt. 25). The referred to implementation period that has focused solely on developing state access is presumably the past 16-year period, in which all the while the state DMVs have been unable to figure out how to share their information in a manner that is to needed to support the NMVTIS program.

[2] ISRI is referencing the court proceedings, and subsequent ruling on September 30, 2008, initiated by Public Citizen, Inc. (Public Citizen, et. al. v. Mukasey, No. CV 08-0833 (Cal. Dist. Ct. App. 2008)).

[3] NMVTIS Rule, 73 Fed. Reg. at 54544.

[4] It is simply unfair to punish private industry – which has been willing to report and in many states is already reporting – simply because the state DMV's have failed to date to develop an

they will then already be submitting the required information to the state DMVs, thereby avoiding the duplication of effort required by reporting to NMVTIS and to the state DMVs.

I. The Terminology and Definitions Need Clarification to Appropriately Reflect the Applicability of the Rule

The scrap metal recycling industry fully supports the reporting requirements established under the Anti-Car Theft Act ('ACTA')[5], but questions whether the DOJ entirely understands the distinctions between an end-of-life vehicle (ELV) and vehicle scrap, along with the differences among those who handle them respectively. The definitions in the proposed rule indicate the likelihood that neither Congress nor the DOJ totally understands the nature of the vehicle recycling process. ISRI believes that a simple clarification in the proposed rule will not only enhance the effectiveness and efficiency of the rule, but will go a long way in helping reduce reporting errors by eliminating unnecessary transferring and handling of information on vehicles whose only value is as scrap.

A) End-of-Life Vehicles Don't Necessarily Include Scrap Vehicles

ISRI respectfully suggests that the proposed rule be amended to clarify that the intended source of the reported information to NMVTIS is actually a vehicle and not vehicle scrap. The entire concept behind NMVTIS and goal of ACTA is to ensure that consumers would be able to instantly check the validity of a vehicle's title, verify its mileage, and learn whether it had been stolen or

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information-sharing system among them that can then be easily incorporated into the NMVTIS database. The cost burdens decried by DMVs as an insurmountable obstacle to full implementation of NMVTIS are no greater than the cost burdens placed in industry in a failing economy as a result of the DMVs inability or unwillingness to utilize technology to link-up their own systems. As observed by James H. Burch, II of the DOJ, the entities which are primarily affected by the NMVTIS rule (i.e. businesses in the auto salvage industry) have no existing connections or mechanisms for reporting their data to the NMVTIS other than what is already reported to individual state DMVs. (See Second Declaration of James H. Burch, II, Aug. 29, 2008, at ¶ 3). The proposed rule now places an additional cost burden on portions of the industry who will be required to spend funds they may not have

[5] Anti-Car Theft Act of 1992 (Pub. L. 102-519); Anti-Car Theft Improvements Act of 1996 (Pub. L. 103-272)(codified at 49 U.S.C. 30501-30505).

deemed a junk or salvage vehicle. An object that once was a vehicle but no longer holds any possibility of reentering the stream of commerce in that capacity has zero potential for being manipulated by thieves or fraudulent rebuilders to defraud consumers. ISRI does not believe there is any legitimate law enforcement benefit within the scope of ACTA for requiring the reporting of information on vehicles that have been purchased from an entity(ies) already obligated to report under ACTA and which are essentially "dead" for all practical purposes other than their value as scrap.

Scrap vehicles do not have the components or characteristics of a motor vehicle or automobile as defined by ACTA. When first mandated by Congress, lawmakers sought to combat the growing problems of auto theft and auto fraud by requiring the federal government to establish the NMVTIS as a means to provide public access to critical information about the reliability and safety of used automobiles. The reporting of information such as the vehicle's title brand and theft or damage history was intended to prevent and deter the practice of "title-washing," whereby damaged or stolen cars from one state are re-titled in other states and sold to unsuspecting consumers. Once a vehicle has lost all value except as scrap, however, the vehicle simply becomes scrap metal that cannot be resold, rebuilt or restored as a vehicle in any capacity or form.

While scrap vehicles are moved and handled by several different entities that are in the business of vehicle recycling in one capacity or another, they all ultimately end up as small fist-sized pieces of scrap metals that are melted and used as raw material for the manufacturing industry. ISRI clearly understands that when a vehicle initially begins its end-of-life cycle as a junk or salvage vehicle, it is essential that this very fact is reported to the appropriate authorities. However, to ensure the effectiveness of the proposed NMVTIS rule, it is imperative that DOJ instruct the reporting industries and state DMVs on what it considers to be a reportable vehicle so the parties have a clear understanding with regard to who must report and at what point is it a reportable event.

To avoid confusion and redundancy that would likely lead to reporting errors, ISRI strongly recommends that the DOJ add a

definition for the term "Scrap Vehicle" to the proposed rule in order to clarify at what point in the end-of-life cycle a vehicle is no longer reportable under the proposed rules because its value is only for scrap metal. A suggested definition is provided at the end of this section of our comments.

ISRI further suggests adding the following language to §25.53–RESPONSIBILITIES OF THE OPERATOR OF NMVTIS

> (g) The operator shall not require a business or individual to report a Scrap Vehicle under this rule when purchased from an entity that is obligated to meet the reporting requirements of this rule.

B) The Rule Mischaracterizes the Intended Reporting Industries Posing Increased Risk of Reporting Errors

On behalf of the entire scrap metal recycling industry, ISRI respectfully objects to the presumption in the rule that vehicle recyclers operate only one of two things, a "junk yard" or a "salvage yard." While ISRI understands that the language used in the proposed rule is directed by ACTA, the apparent mischaracterization of the industry by Congress, and subsequently the DOJ, confuses the identities of those segments of industry the rule is intended to cover. It is vitally important that the NMVTIS rule distinguishes the various entities within the vehicle recycling process in order to ensure proper and timely reporting of the required information with the least amount of opportunity for reporting error.

There are four various paths a vehicle may go once it has been reported as a junk or salvage automobile pursuant to a state law, regulation or insurance definition. While the proposed rule clearly identifies that junk and salvage yard operators must report the required information to NMVTIS, the rule's ambiguity in the definitions of these two types of yards leaves to question whether vehicle shredding operations or scrap metal processors would be drawn in needlessly under the rule. There are very clear distinctions between scrap vehicle shredders and scrap metal processors on the one hand versus the operations of a junk or salvage yard, yet all may

at some point come into contact with what currently is characterized as a junk or salvage vehicle under the proposed rule. This fact necessitates a clarification in the proposed rule to reduce redundant and error-prone reporting.

ELVs have monetary value as scrap metal even after they cease to have the necessary operating components and/or form to be an automobile or motor vehicle as defined in the rule. Unlike the value a junk or salvage yard can derive from an ELV for its component parts, scrap metal processors do not engage in the resale, rebuilding or restoration of junk or salvage automobiles.[6] For example, scrap vehicle shredders only derive value from a scrap vehicle after it is mechanically shredded and then sold as raw material to steel mills and foundries. Once the scrap vehicle enters a shredder, crusher or flattener, there is no going back to its former life in any capacity or form, and a shredding operation is not in the business of purchasing anything other than material to feed the shredding machine.

ISRI believes that a straightforward clarification in the proposed rule will not only enhance the effectiveness and efficiency of the rule, but will go a long way in helping reduce reporting errors by eliminating unnecessary transferring and handling of information on vehicles whose only value is as scrap.

C) Suggested Language for Clarifying the Proposed Rule

ISRI respectfully suggests to the DOJ the simple addition of a new section to the proposed rule that clarifies the responsibilities of scrap vehicle processors. ISRI offers the following suggested language:

[6] The rule defines "junk yard" and "salvage yard" as being engaged in these activities. While a scrap metal processor does not engage in resale, rebuilding or restoration, a processor without a vehicle shredding machine may be in the business of crushing scrap vehicles for the sole purpose of delivery to a processor that operates a shredder. In no case, however, is a scrap metal processor in the business of the resale of rebuilt or restored vehicles and/or parts.

Add the following to § 25.52–DEFINITIONS

Scrap Vehicle means a motor vehicle that has:
(1) been processed by mechanically flattening or compacting;
(2) been otherwise processed such that it is not the motor vehicle described in the certificate of title; or
(3) its only value is as scrap metals.

Scrap Vehicle Shredder is one who, from a fixed or satellite location, utilizes machinery and equipment for shredding automobiles, iron, steel or nonferrous metallic scrap into prepared grades and whose principal product is scrap iron, scrap steel or nonferrous metallic scrap for sale for remelting purposes.

Scrap Metal Processor is one who, from a fixed or satellite location, utilizes machinery and equipment for processing iron, steel or nonferrous metallic scrap into prepared grades and whose principal product is scrap iron, scrap steel or nonferrous metallic scrap for sale for remelting purposes.

Add the following new section:

§ 25.57–RESPONSIBILITIES OF SCRAP VEHICLE SHREDDERS AND SCRAP METAL PROCESSORS

(a) *Scrap Vehicle Shredders*. A Scrap Vehicle Shredder who purchases Scrap Vehicles from a supplier otherwise defined in this rule is exempt from the reporting requirements under this rule.

(b) *Scrap Metal Processor*s. A Scrap Metal Processor who purchases a vehicle other than a Scrap Vehicle must report that vehicle's required information to NMVTIS in the same manner and under the same

conditions as that required under §25.56(b) of this rule.

(c) Scrap Vehicle Shredders and Scrap Metal Processors are not required to report this information if they already report the information to the state and the state makes that information available to the operator.

II. The Rule Should Strictly Adhere to the Statute and Include Safeguards to Protect and Secure the Information Collected

ISRI applauds the DOJ for publishing a proposed rule that adheres to the specifically enumerated categories of information required to be reported by ACTA, but believes the rule provides too much latitude for the NMVTIS operator to add to the list of information it will require of the reporting industries. ISRI also requests that additional safeguards be incorporated into the rule to guarantee the information collected is used only for the law enforcement purposes of NMVTIS.

ISRI is concerned that the reporting industries face a compliance dilemma under the proposed rule because ACTA does not account for the subsequent enactment of federal privacy laws. Moreover, even if the law enforcement purposes of the NMVTIS program allow for the reporting of such personally-identifiable information, the proposed rule lacks the inclusion of specific security safeguard requirements to assure the protection and proper use of the data. These security safeguards are absolutely essential and should be formalized publicly in the final rule so the reporting industries are not put in the untenable position of being unable to comply with all applicable laws.

A) Reporting Requirements

While ISRI challenges the inclusion of personally-identifiable information in the reporting requirements, we acknowledge and commend the DOJ for writing a rule that adheres closely to the requirements of the statute. There are numerous for-profit market

participants, both within the reporting industries and outside of them, who stand to gain from an expansive NMVTIS reporting requirement. In this context, even the state titling agencies can be considered market participants because, admittedly, their sale of the collected DMV records is a major source of revenue.[7] ISRI contends that the law does not give the DOJ the authority to expand the scope of the data to be collected by NMVTIS simply to further the interests of a select group of stakeholders. The DOJ must resist the exhortations of certain stakeholders who promise smooth and easy implementation of the rule if the DOJ simply expands the scope of the data that may be collected under NMVTIS.

1) §25.53(c) Discretionary Authority is Problematic

The NMVTIS operator should not be given discretionary authority to seek and accept additional information not specifically enumerated in ACTA. The operator selected by the DOJ to operate the NMVTIS database is a trade organization that specifically represents the interests of the state DMVs.[8] While representation of the interests of the states is precisely the criteria the governing statute envisions for the operator, it also presents a conflict of interest that ISRI argues is not permitted by the statute. The public comments of the respective DMVs to this proposed rule clearly identifies the fact that the DMVs derive significant revenue from the sale of the motor vehicle data they collect. Presumably, the greater the scope of data they can collect, the more revenue derived. There is no doubt that the ability to generate revenue is of paramount importance to the DMVs, and *ipso facto*, their trade association as well. It is not inconceivable, in fact is actually quite plausible, that the NMVTIS operator will seek to require additional data for the sole benefit of its membership. Indeed, given the opportunity, most stakeholders would probably try to do the same.

[7] A review of the public comments submitted by various state titling agencies reveals a seemingly common concern among them with regard to ownership of the data collected and their concerns about probable losses of revenue if the NMVTIS operator is able to re-sell the data.

[8] The NMVTIS operator chosen by the DOJ is the American Association of Motor Vehicle Administrators (AAMVA) whose stated mission is to represent member interests in various forums. See http://www.aamva.org.

The Anti-Car Theft Act did not authorize the NMVTIS database to be used as a revenue generator for any particular stakeholder, and the DOJ should assure that the operator does not misuse the data or abuse its authority to unjustly enrich itself or its members. There is no law enforcement purpose set forth in ACTA that mandates the operator be given the discretion to collect additional data. It is impossible to ignore the operator's conflict of interest in this particular context. This conflict, however, can be mitigated by limiting the discretionary authority of the NMVTIS operator. Therefore, ISRI urges that the DOJ eliminate from the final rule the language granting such discretion as set forth in §25.53(c).

2) Personally-Identifiable Information Should Not be Considered as Reportable Data

As reflected in numerous other public comments on this matter, there is great and legitimate concern that the proposed rule violates federal privacy laws. Section 204(a)(1)of the Act requires the reporting industries to turn over the name of the person or entity from whom they obtained the vehicle. Inclusion of this personally-identifiable information in the NMVTIS database would, in many instances, very likely conflict with the Federal Drivers' Privacy Protection Act and analogous state privacy laws.[9] While ISRI acknowledges that this requirement is in ACTA, the subsequent enactment of federal and state privacy laws during the past 16 years now creates a compliance dilemma for the reporting industries. The enactment of these privacy laws makes it clear that the protection of personally-identifiable information is of paramount importance and concern in the modern era of electronic data transfer. As such, ISRI strongly urges the DOJ to yield to privacy statutes and remove this provision from the proposed rule or craft some methodology of protecting this information from public disclosure.

[9] The Federal Drivers Privacy Protection Act (FDPPA), enacted in 1994 between enactment of the initial ACTA and its subsequent amendment in 1996, stipulates that the name and address of a vehicle owner is protected and is only required to be disclosed for use in connection with "matters of motor vehicle or driver safety and theft…" Without adequate safeguards in place to prevent the misuse of the information, reporting to NMVTIS could violate the FDPPA.

The inclusion of personally-identifiable information in the NMVTIS database also opens the door to market abuse. By collecting the names of the individuals supplying the vehicles, the NMVTIS database will incorrectly direct users to the data source itself and not the source of the motor vehicle records (*i.e.* state DMV records). The data source is extremely valuable information to market competitors. If one company is able to retrieve information regarding a competitor's supply chain or information on the number of vehicles purchased by the competitor during any one day, week or other period, that company can derive a significant market advantage by using that otherwise confidential business information ("CBI") belonging to the competitor. The very possibility of gaining a competitive edge, especially in today's faltering markets, could lead to serious abuse or misuse of the NMVTIS database. While this may sound a bit far-fetched, it is for reasons just like these that federal protections for CBI have been established in almost every regulatory reporting mechanism. The potential new owner of a vehicle only needs to gather from the NMVTIS database knowledge of any damage to the vehicle or whether the vehicle has been stolen, not who owned it in the past.

3) Timely Reporting

The DOJ should clarify the proposed rule in a manner that will encourage the timely reporting of automobiles destined to become Scrap Vehicles. ISRI questions whether §25.56(b)(4) actually hinders the timely reporting to NMVTIS simply because disposition of the automobile, information on which is required in this section, may not occur within the prescribed monthly reporting period. ISRI finds no requirement in the proposed rule for the subsequent reporting of motor vehicles after the initial monthly report for when the motor vehicles were added to the inventory of the reporting entity. Accordingly, if the information required under §25.56(b)(4) is not available within the first monthly reporting cycle the automobile is added to the inventory, the automobile could possibly go unreported.

This potential loophole can be mitigated with a simple clarification to the proposed rule allowing for the intended

disposition of the automobile to be reported in compliance with §25.56(b)(4). ISRI suggests there should be a mechanism to assure that those entities that both scrap some vehicles and resell others will report those VINs of automobiles that are ultimately scrapped. An entity that never resells an automobile except as a Scrap Vehicle should be able to report the VIN as "to be crushed/scrapped" at the time of that initial report, attesting to the fact that the automobile will be scrapped within a brief time. The VIN, once reported, should be in the database, so as to never be issued a new title even if at the time of reporting the automobile has not yet actually been scrapped. The simple clarification to achieve this goal would be the inclusion of an option to declare the reported automobile will be crushed/scrapped and never available again as an automobile. Alternatively, if this is not the situation, it should be clear that the entity obligated to report under the rule must report that vehicle as crushed/scrapped or otherwise disposed of, in the monthly report following such action.

B) There Must be Safeguards to Protect the Data

ISRI is extremely troubled by the apparent lack of security requirements the NMVTIS operator must have in place to protect and limit access to the reported data. The proposed rule cites to various assumptions and conclusions offered by select stakeholders,[10] leaving open to question the interest of those stakeholders in–and the means for protecting the security of–the data collected by the NMVTIS operator. Given the lack of detail with regard to such interests, the proposed rule is unnervingly devoid of specifics and detail for the operator's proposed system. ISRI believes that specific security requirements and access limitations need to be included in the final rule to assure the integrity of the NMVTIS database.

[10] Some of these stakeholders are identified by DOJ in its court pleadings. They include the Consumer Federation of America, private counsel active in consumer protection litigation, local law enforcement groups, and auto sales industry officials. See Burch Declaration, supra note 4 at ¶ 13.

1) Data Transfer Protection

The safest and most effective means of reporting the required data is through direct data transfer from the reporting entity to the NMVTIS operator. The DOJ makes a faulty assumption that allowing third parties to report the statutorily required information will minimize the impact of the rule. In fact, the use of third parties to transfer the reportable information creates a significant risk of a security breach by allowing access to the NMVTIS database by market participants. The DOJ's assumption that "many companies are already reporting much of the required data to independent third parties" is grossly misguided. The third parties referred to are inventory tracking services that currently service only a portion of those obligated to report information under the rule. Additionally, while there is no doubt that these third parties would likely agree to service all those facing reporting burdens, their agreement would most certainly come at a cost not currently budgeted for by many with a reporting burden, and offer a corresponding profit opportunity for the third party service provider. The most straightforward and least complicated method of reporting–absent a process of reporting directly to the state DMVs under existing law–is to allow the data to be directly transferred to the NMVTIS operator from the reporting entity.

While ISRI does not object to the concept of allowing a reporting entity the *option* of using third parties for reporting the required data, we believe additional security protections must be required and formalized in the final rule to protect against misuse of the NMVTIS data. ISRI requests that the DOJ include in the final rule a prohibition on market participants acting as third party service providers accepting or transmitting the reportable data to the NMVTIS operator. Alternatively, if such market participants are allowed to act in such a role, the rule should require the market participant to make a full and complete disclosure of all its business interests to a reporting entity prior to accepting any data from that reporting entity.

The information collected by NMVTIS is of a sensitive nature. NMVTIS is intended to be a powerful tool for state titling agencies

allowing them to reduce the issuance of fraudulent titles and reduce odometer fraud. However, if not adequately protected with the necessary safeguards, the NMVTIS is susceptible to becoming a powerful anticompetitive tool if any given market participant is able to by-pass database security measures by labeling itself as a collector and transmitter or integrator of the reportable information. If the DOJ allows the NMVTIS operator to accept the data only from third-party data integrators, the DOJ should include the additional security safeguard in the final rule that specifically prohibits market participants from serving as third-party integrators and/or administrators or operators of such data collection and transmission services.

2) Restrictions on Use of the Data

ISRI believes the proposed rule needs stronger clarification of the rules governing use of the NMVTIS data. While ACTA is clear that the privacy of the data is to be protected, the proposed rule would benefit from additional language that unambiguously restricts the use of the data for commercial or other non-law enforcement purposes. Certainly, ISRI does not suggest there will be any intentional impropriety on behalf of the operator. However, given the value of the data, both commercial and non-commercial, there should be some clear guidelines provided by DOJ to the operator outlining the limitations on the purposes data may be exported from the NMVTIS database. For example, under no uncertain terms should a third party data mining company be able to export the NMVTIS database unless specifically engaged by law enforcement to do so for a legitimate law enforcement purpose related to ACTA.

The assumptions relied upon in the proposed rule pertaining to the security and limited use of the data do not account for the commercial value of the information in the NMVTIS database. While consumers may make inquiries of the NMVTIS database primarily only on a single transaction basis which yields very little information of value to anyone other than the inquiring consumer, commercial interests find value in obtaining VIN data in bulk transactions. Bulk data of this nature is easily manipulated by commercial data-mining companies to glean information such as

sensitive market trends and sources of supply. ISRI urges the DOJ to expressly prohibit the sale of bulk VIN data by the NMVTIS operator. To the extent that the information in the NMVTIS database is sought for commercial purposes, access should only be granted in those cases where permission has been granted for such uses by the operator and the entities that reported the sought after data along with payment of any agreed to compensation for the data.

3) Suggested Language for Security Safeguards

To assure the integrity of the NMVTIS database, ISRI respectfully submits the following suggested language:

§ 25.53 RESPONSIBILITIES OF THE OPERATOR OF NMVTIS

(d) The means by which access is provided by the operator to users of NMVTIS must be approved by the Department of Justice. The operator shall provide the Department of Justice with assurance that it has implemented adequate security measures and specifically-designed procedures that will, among other things, be imposed on all third-parties who may handle data that is reported by any entity required to do so under this rule, and that may be made available for public inspection. At no point, however, may a market participant serve as a collector and transmitter, data integrator or administrator of a third party data integrator and/or reporting service with access to the NMVTIS database, or as the operator. Furthermore, the operator will not permit access to the NMVTIS database for purposes of data mining, commercial gain or any other reason not specifically authorized by the Anti-Car Theft Act.

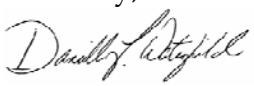
Conclusion

ISRI fully supports the concept of NMVTIS and its law enforcement goals. The NMVTIS system, however, will not work effectively unless all 50 states are fully participating. The proposed rule needs to be clarified by including distinctions for scrap metal processors and guidance for the reporting industries on what it

considers to be a reportable vehicle as opposed to simply scrap vehicles. Use of the data collected must be restricted and the data must be adequately protected with appropriate security safeguards.

ISRI welcomes the opportunity to work the Department of Justice as it develops the final NMVTIS rule. Should the DOJ find additional information regarding any of the suggestions contained within these comments valuable, ISRI would be pleased to address such requests. In addition, please feel free to contact the undersigned at (202) 662-8516 regarding any issue surrounding these comments or the proposed rule.

Sincerely,



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