



August 25, 2017

To: Yao Mengyin and Dai Xiang
Department of Soil Environment Management
Ministry of Environmental Protection
E-mail: swmd@mep.gov.cn

From: Robin Wiener, President
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Re: Comments to the Draft *Environmental Protection Control Standards for Imported Solid Wastes as Raw Materials (GB 16487.1-13)*

Thank you for the opportunity to comment on the Ministry of Environmental Protection's draft ***Environmental Protection Control Standards for Imported Solid Wastes as Raw Materials (GB 16487.1-13-2017)***. We regret that the time frame given for the submission of these comments was narrow, but we hope they will be taken into consideration, including through direct dialogue with your ministry at an early time convenient to your leadership.

Background on ISRI and the Recycling Industry

ISRI is the Voice of the Recycling Industry™, promoting safe, economically sustainable and environmentally responsible recycling on behalf of our more than 1,300 member companies located in the United States and around the world that process, broker, and industrially consume scrap commodities.¹ Figures from the U.S. Census Bureau and the U.S. International Trade Commission (ITC) show that the United States exported 37 million metric tons of commodity grade scrap metal, paper and plastic commodities in 2016, worth \$16.5 billion.² Of that amount, more than 16.2 million tons, valued at \$5.2 billion, was imported by China from the United States.³ This includes:

- Ferrous: 890,000 tons, \$661 million
- Copper: 670,000 tons, \$1.36 billion

¹ ISRI member companies operate at over 4,000 facilities located primarily throughout the United States, but also in 34 other countries around the world, including China.

² Total volume of scrap processed within the United States in 2016 exceeded 129 million metric tons valued at more than \$54 billion.

³ This data is specific to mainland China and does not include exports from the United States into Hong Kong. Should the ban also impact exports into Hong Kong, an additional 783 million metric tons of scrap would be impacted, worth \$352.4 million.

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- Aluminum: 692,000 tons, \$918 million
- Paper: 13.2 million tons, \$1.91 billion
- Plastics: 776 million tons, \$282 million

Scrap is a world traded commodity that moves according to demand needs. As such, scrap recyclers are the first link in the global manufacturing supply chain, transforming obsolete, off-spec and end of life products and materials into valuable commodities that meet 40% of manufacturers' raw material needs around the world. It is estimated that approximately 180 million metric tons of recyclable materials, valued at \$86.5 billion, are traded globally each year.

With \$5.2 billion in scrap commodities exported from the United States to China last year alone, the trade in specification-grade commodities between the United States and China is of critical importance to the health and success of both the U.S.-based recycling industry and China's manufacturing sector. It is for this reason that ISRI is pleased to be able to have the opportunity to comment on the changes being considered to the GB Standards governing the import of scrap.

Specific Comments to the Proposed Environmental Control Standards

ISRI supports the general approach used within the proposed GB standards to help control and manage potential environmental concerns related to the import into China of scrap as raw materials. However, we are concerned about two specific provisions contained within the proposed standards, as follows:

- The "Carried Waste" Threshold. ISRI is extremely concerned with the reduction of the control requirement for "carried waste" to 0.3% for all commodities. The application of this standard will effectively result in a ban on the importation of all these commodities. It is simply not possible to achieve such a control level, nor is it possible to even measure it with such accuracy.

The current standards followed globally by the recycling community and our industrial consumers are found in *ISRI's Scrap Specifications Circular* (www.isri.org/specs) and vary depending upon the specific commodity. For example, for paper, "outthrows" (the equivalent term for "carried waste") generally varies between 1% and 5%, depending upon the grade of paper. Similar levels are found in the plastic specs. These numbers were determined through an open and deliberative process within the global recycling community, and reflect manufacturing standards and needs. The same open process is utilized for all the other commodities as well.

As the predominant source of scrap specifications, *ISRI's Scrap Specifications Circular* contains several hundred specifications covering ferrous scrap, nonferrous scrap, glass cullet, paper stock, plastic scrap, electronics scrap, and tire scrap. These specifications are used by industry members to facilitate the buying and selling of their materials and by customs officials for customs clearance purposes.⁴ They provide the control mechanism to ensure that only legitimate scrap materials used by manufacturers as raw materials are being imported.

⁴ ISRI's Scrap Specifications Circular has been used globally for more than 80 years, promoting consistency and quality in the trade of scrap around the world. In fact, the Government of India references the ISRI Specifications within their own rules concerning the import of scrap. The specifications are used by both India Customs and the Indian Directorate of Foreign Trade (DGFT) as a reference point for determining what materials are acceptable for import into India.

- The 80% weight Requirement for “Metal and Electrical Appliance Scraps.” GB 16487.10-2017 contains a specific requirement within paragraph 4.5 that “the content of recyclable metal shall be no less than 80% of the total weight of metal and electrical appliance scraps.” In the United States, a 50% threshold is used when defining what is considered legitimate scrap metal for recycling. For consistency in the global trade, we would respectfully request that a uniform standard of 50% be used within China as well.

We agree and support the need to add in controls related to allowable radiation levels, but we need more time to evaluate the proposed threshold values. We hope to be able to do so within the next week. Unfortunately, we were not able to obtain a complete English translation of the proposed changes to the standards until yesterday. Thus, we respectfully request an additional two weeks (until September 8, 2017) to fully analyze the proposed draft standards and provide you with our final comments.

We look forward to working directly with your ministry as you finalize the standards. And if there is any way we can be helpful in the overall development and implementation of these, and other regulations impacting scrap imports, please let us know. We are very happy to do so.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin K. Wiener". The signature is fluid and cursive, with the first name "Robin" being the most prominent part.

Robin K. Wiener
President