

# Policy Manual

As of January 19, 2023

## Table of Contents

<b>Article 1 Governing &amp; Operating the Association .....</b>	<b>8</b>
<b>1.1 Membership.....</b>	<b>8</b>
1.1.1 Associate Members .....	8
1.1.2 Approval of Members.....	9
1.1.3 National Dues .....	9
<b>1.2 Chapters.....</b>	<b>9</b>
<b>1.3 Divisions .....</b>	<b>11</b>
1.3.1 Division Membership .....	11
1.3.2 Division Elections .....	11
1.3.3 Organization .....	11
<b>1.4 Board of Directors .....</b>	<b>12</b>
1.4.2 Job Description for ISRI ASSOCIATE MEMBER DIRECTOR .....	12
<b>1.5 Committees and Councils .....</b>	<b>12</b>
1.5.1 Standing Committees .....	13
1.5.4 Committee Functions .....	13
1.5.11 Division Committees .....	14
1.5.12 Councils .....	15
<b>1.6 Board Committees .....</b>	<b>15</b>
1.6.1 Audit Committee .....	15
<b>1.7 National Officers .....</b>	<b>15</b>
1.7.1 National Officer Elections .....	15
<b>1.8 Past Chairs/Past Presidents .....</b>	<b>16</b>
<b>1.9 Special Organizations .....</b>	<b>16</b>
1.9.1 Compensation Committee .....	16
1.9.2 Recycling research Foundation (RRF) .....	17
1.9.3 ISRI Pension Committee .....	17
1.9.4 ISRI Insurance Trust .....	17
1.9.5 ISRI Resources, Inc. ....	17
1.9.6 ISRI PAC Leadership Council .....	18

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

<b>1.10 Staff .....</b>	<b>18</b>
<b>Article 2 General .....</b>	<b>19</b>
<b>2.1 Antitrust Policy .....</b>	<b>19</b>
2.1.3 <i>Gathering and Reporting of Information .....</i>	<i>19</i>
2.1.4 <i>Industry Standardization .....</i>	<i>20</i>
2.1.5 <i>ISRI Meetings.....</i>	<i>20</i>
<b>2.2 Media Access to Information about ISRI Meetings .....</b>	<b>23</b>
<b>2.3 Policy Regarding Ethical Conduct .....</b>	<b>23</b>
<b>2.4 Policy on Travel and Entertainment .....</b>	<b>24</b>
<b>2.5 Policy Regarding Sharing Costs in Either National/Chapter or State Activities or with Individual ISRI Members .....</b>	<b>26</b>
<b>2.6 Policy to Prohibit Large Equipment Displays and the Size of Exhibit Spaces at Chapter Events or State Activities .....</b>	<b>27</b>
<b>2.7 ISRI Code of Conduct .....</b>	<b>27</b>
2.7.1 <i>Preamble .....</i>	<i>27</i>
2.7.2 <i>Member Values .....</i>	<i>28</i>
2.7.3 <i>Business Conduct .....</i>	<i>29</i>
<b>Article 3 Programs &amp; Services .....</b>	<b>30</b>
<b>3.1 Convention.....</b>	<b>30</b>
<b>3.2 Education &amp; Training .....</b>	<b>31</b>
<b>3.3 Roundtables.....</b>	<b>32</b>
<b>3.4 Risk Management .....</b>	<b>32</b>
3.4.2 <i>“Right-to-Know” Programs.....</i>	<i>32</i>
3.4.7 <i>Risk Management Staff .....</i>	<i>32</i>
<b>3.5 Communications .....</b>	<b>33</b>
3.5.2 <i>Communications Staff.....</i>	<i>33</i>
3.5.3 <i>Marketing .....</i>	<i>34</i>
<b>3.6 Membership Services .....</b>	<b>34</b>
3.6.2 <i>Membership Acquisition .....</i>	<i>34</i>
3.6.3 <i>Membership Retention .....</i>	<i>35</i>
3.6.4 <i>Membership Management Approach .....</i>	<i>35</i>
<b>3.7 In-House Legal Services .....</b>	<b>40</b>

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

3.7.2 Advice.....	40
3.7.3 Representation.....	40
<b>3.8 Government Relations .....</b>	<b>41</b>
<b>3.9 Commodities .....</b>	<b>43</b>
<b>3.10 Scrap.....</b>	<b>44</b>
3.10.2 Editorial Content .....	44
3.10.3 Sales and Marketing .....	44
3.10.4 Role of ISRI Staff .....	44
<b>3.11 ISRI Electronic Services.....</b>	<b>44</b>
3.11.2 Members Only .....	44
3.11.3 General Public .....	44
3.11.4 Electronic Services Task Force.....	45
3.11.5 Editorial Content .....	45
<b>Article 4 Administration.....</b>	<b>45</b>
<b>4.1 Minutes of the Board of Directors' Meeting .....</b>	<b>45</b>
<b>4.2 Policy for Distribution of ISRI Mailing Labels .....</b>	<b>46</b>
<b>4.3 Policy Regarding Identification of the Association .....</b>	<b>46</b>
<b>4.4 Pricing Policy for ISRI Publications and Other Material Available for Sale .....</b>	<b>46</b>
<b>4.5 Dues Pro-Rating Policy .....</b>	<b>48</b>
<b>4.6 Policy on Industry Representation .....</b>	<b>50</b>
<b>4.7 Procurement and Payment Policy.....</b>	<b>50</b>
<b>4.8 Policy on Reprinting ISRI Specifications .....</b>	<b>51</b>
<b>4.9 ISRI PAC Fundraising .....</b>	<b>53</b>
<b>4.10 Policy on Reimbursement of Speakers and Panel Members at ISRI Functions .....</b>	<b>53</b>
<b>4.11 Rules Governing the Procedures for the Addition, Amendment or Withdrawal of Scrap Specifications .....</b>	<b>54</b>
<b>4.12 Reserve Funds Policy .....</b>	<b>55</b>
4.12.1 Definition and Purposes .....	55
4.12.2 Organization's Objectives of the Reserves .....	55
4.12.3 Contribution to the Reserves.....	56
4.12.4 Use of the Reserves .....	56

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

<b>4.13 Tax Law Requirements for Billing and Solicitations .....</b>	<b>58</b>
<b>4.14 Criteria for Staff Participation at Events Sponsored by Members .....</b>	<b>58</b>
<b>4.15 General Counsel Availability for Chapter Meetings .....</b>	<b>59</b>
<b>4.16 Retention of Records .....</b>	<b>59</b>
<b>4.17 Limitations on Use of ISRI Publications .....</b>	<b>59</b>
<b>4.18 Field Trips/Tours During Board Meetings/Convention .....</b>	<b>59</b>
<b>4.19 Use of Recycled Paper .....</b>	<b>59</b>
<b>4.20 Policy for Purchases and Refunds .....</b>	<b>59</b>
<b>4.21 Policy on Expedited Mailing Requests .....</b>	<b>59</b>
<b>4.22 Reimbursement for Special Meeting Attendance .....</b>	<b>59</b>
<b>4.23 Criteria for Staff Participation at Events Sponsored by Chapters.....</b>	<b>60</b>
<b>4.24 ISRI Representation on Outside Committees, Councils, Panels, Boards, and Forums .....</b>	<b>60</b>
<b>4.25 ISRI's Non-Discrimination Policies .....</b>	<b>60</b>
4.25.1 <i>ISRI's SEXUAL HARASSMENT POLICY.....</i>	<b>60</b>
<b>Appendix A .....</b>	<b>67</b>
<b>Appendix B .....</b>	<b>70</b>
4.25.2 <i>ISRI's NON-DSICRIMINATION POLICY.....</i>	<b>71</b>
<b>4.26 ISRI Chapter Websites.....</b>	<b>72</b>
<b>4.27 ISRI Social Media Policy for Chapters/Committees Pages/Accounts .....</b>	<b>73</b>
<b>Antitrust Checklist for ISRI-sponsored Programs .....</b>	<b>73</b>
<b>4.28 ISRI's Anti-Fraud Policy .....</b>	<b>75</b>
<b>4.29 ISRI Investment Policy.....</b>	<b>78</b>
4.29.1 <i>Introduction .....</i>	<b>78</b>
4.29.2 <i>Role of the Investment Sub-Committee .....</i>	<b>78</b>
4.29.3 <i>Investment Objective and Spending Policy .....</i>	<b>78</b>
4.29.4 <i>Reserve Investment Policies .....</i>	<b>79</b>
4.29.5 <i>Diversification Policy.....</i>	<b>79</b>
4.29.6 <i>Rebalancing .....</i>	<b>81</b>
4.29.7 <i>Monitoring Long Term Reserve Investments and Performance.....</i>	<b>81</b>
4.29.8 <i>Total Reserve – Guidelines and Restrictions .....</i>	<b>82</b>

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

4.29.9 Reporting .....	82
<b>4.30 Duties and Responsibilities.....</b>	<b>83</b>
<b>4.31 Investment Consultant Performance Evaluation .....</b>	<b>85</b>
4.31 (A) Authority.....	86
Exhibit A: Cash Withdraw Flow Chart.....	87
Exhibit B: Organizational and Workflow Chart.....	88
<b>4.32 Unbudgeted Funding Requests .....</b>	<b>89</b>
<b>4.33 ISRI Policy on Refunds for Program Registrations .....</b>	<b>89</b>
<b>4.34 Chapter Voucher Process .....</b>	<b>90</b>
<b>4.35 ISRI Conflict-of-Interest Policy .....</b>	<b>93</b>
<b>Conflict of Interest Disclosure Statement.....</b>	<b>94</b>
<b>4.36 ISRI Document Retention and Destruction Policy .....</b>	<b>96</b>
<b>4.37 Assessment and Policy: Federal Trade Commission Red Flags Rule .....</b>	<b>98</b>
<b>4.38 DATA BREACH RESPONSE POLICY.....</b>	<b>100</b>
<b>Article 5 ISRI Position Papers and Policies.....</b>	<b>103</b>
<b>5.1 ISRI’s Position on Design for Recycling – Promoting Environmental Sustainability .....</b>	<b>103</b>
<b>5.2 ISRI’s Position on Flow Control .....</b>	<b>104</b>
<b>5.3 ISRI Position on Recyclable Materials Theft.....</b>	<b>105</b>
<b>5.4 ISRI Position on Reporting Recycling Activities.....</b>	<b>107</b>
<b>5.5 ISRI Policy on Free and Fair Trade .....</b>	<b>110</b>
<b>5.6 ISRI Position on Scrap Tire Design for Recycling.....</b>	<b>111</b>
<b>5.7 ISRI Transportation Policy .....</b>	<b>112</b>
<b>5.8 ISRI Railroad Transportation Policy Statement .....</b>	<b>114</b>
<b>5.9 ISRI Position on the Export of Used Electronics .....</b>	<b>115</b>
<b>5.10 ISRI’s Position Statement Concerning the Use of Rubberized Asphalt in Road Construction .....</b>	<b>117</b>
<b>5.11 Guidance to ISRI Staff on Critical Federal Legislative Elements for Used Electronics Equipment &amp; Components (UEE&amp;C) Exports.....</b>	<b>118</b>
<b>5.12 ISRI One-Bin Collection Policy.....</b>	<b>120</b>
<b>5.13 ISRI Scrap Tire and Rubber Division Artificial Turf and Rubber Infill Policy Statement .....</b>	<b>121</b>
<b>5.14 ISRI Right to Reuse Position .....</b>	<b>122</b>

<b>5.15 ISRI Position on Electronic Reporting .....</b>	<b>123</b>
<b>5.16 ISRI PAC Policy.....</b>	<b>124</b>
<b>5.17 ISRI Position on Accelerated or Bonus Depreciation Tax Allowances.....</b>	<b>125</b>
<b>5.18 ISRI Position on the Use of Degradable Additives in Plastic Packaging .....</b>	<b>126</b>
<b>5.19 ISRI Position on the Appropriate Regulation, Registration, Permitting, or Licensing of Sellers of Vehicles for Scrap or Parts Only .....</b>	<b>127</b>
<b>5.20 Guidance to ISRI Staff on the North American Recycling Agenda for the North American Free Trade Agreement .....</b>	<b>128</b>
<b>5.21 ISRI Position on Orphaned Radioactive Sources .....</b>	<b>131</b>
<b>5.22 ISRI Position on Product Stewardship .....</b>	<b>132</b>
<b>5.23 ISRI Position on Plastic Bags.....</b>	<b>133</b>
<b>5.24 ISRI Position on Paper Bags.....</b>	<b>134</b>
<b>5.25 ISRI Position on Minimum Recycled Plastic Content Legislation.....</b>	<b>135</b>
<b>5.26 ISRI's Policy on Chapter Officers .....</b>	<b>137</b>
<b>5.27 Environmental Justice and The Recycling Industry's Commitment to Our Communities .....</b>	<b>138</b>
<b>5.28 ISRI Position on Chemical Recycling .....</b>	<b>139</b>
<b>5.29 ISRI Position on Legislation Addressing the Theft of Catalytic Converters .....</b>	<b>140</b>
<b>Chart of Retired ISRI Positions .....</b>	<b>142</b>

## **Article 1     Governing & Operating the Association**

### **1.1 Membership**

#### **1.1.1 Associate Members**

There are three categories of Associate Membership.

Individuals, firms, and corporations, or the division, subsidiary or department thereof, whose principal business is for profit as manufacturers and distributors of processing machinery or equipment or supplies to the recycling industry, dealers in used recycling machinery and equipment, or providers of specialized service to the recycling industry.

##### **1.1.1.1     *Associate Members* – Manufacturers of Processing Machinery or Equipment or Supplies**

Manufacturers of processing machinery or equipment or supplies shall be permitted to include as part of their memberships franchised, licensed or authorized dealers or distributors (hereinafter “authorized dealers”) of their processing machinery or equipment or supplies.

Such authorized distributors shall be treated as branches of Associate Members and treated accordingly with respect to the rights and privileges of any other branch of an Associate Member, including being listed in the ISRI member directory as a branch of such Associate Member. Such listings may include the actual name of the authorized dealer as the Branch Name.

Notwithstanding the provisions of the previous paragraph, the Board of Directors may establish a fee for each authorized distributor or authorized distributor location that the Associate Member shall pay for the privilege of including authorized distributors under its “parent” membership. The Board of Directors may also establish a fee to be paid by the Associate Member to the respective Chapter(s) in which its authorized distributor(s) is(are) located. The Board of Directors may delegate to the Chapters the right to establish such Chapter based fees.

Authorized dealers who are branches of an Associate Member shall be entitled to participate in exhibit booths and displays with the Associate Member. An authorized distributor, who is a branch of an Associate Member, may license a separate booth or display however, such authorized dealer wishing to exhibit processing machinery or equipment or supplies manufactured by someone other than the “parent” Associate Member shall be charged the non-member rate for such exhibit space.



An authorized distributor may be treated as a branch of more than one Associate Member. In such circumstance, each such Associate Member shall pay in full the authorized dealer branch fees for such authorized distributor.

Nothing in this section shall prevent an authorized distributor from maintaining its own Associate Membership in ISRI and also being treated as an authorized distributor of another ISRI Associate Member.

1.1.1.2 **International** (other than Canadian and Mexican) processors and brokers of scrap metal, paper, textiles, rubber, glass, or plastics.

1.1.1.3 **Consumers of non-metallic scrap** that choose not to become active members of the Association.

1.1.2 *Approval of Members*

All Active and Associate membership applications must be approved in accordance with Article III of the Bylaws of the Association. Active and Associate members (other than International Associate members described in Section 0) are approved by the Chapters. International Associate members (as described in Section 0) require approval of the Association's Executive Committee. It is ISRI's policy that applications for membership shall be reviewed in accordance with objective criteria that are reasonably related to the organization's purposes, and that those criteria will be fairly and impartially applied.

1.1.3 *National Dues*

National dues are set annually by the Board of Directors.

## 1.2 Chapters

1.2.1 The Association is organized into Chapters. Currently, 20 Chapter are in existence as follows:

1.2.1.1 **Empire:** The entire state of New York, except for New York City, Rockland County, Putnam County, Westchester County, and Long Island. The provinces of Quebec and Ontario, Canada, except for the section of Ontario from London west.

1.2.1.2 **Gulf Coast Region:** The entire states of Texas, Louisiana, Arkansas, Mississippi, Oklahoma, New Mexico, Kansas, and all of Mexico excluding Baja.

1.2.1.3 **Indiana:** The entire state of Indiana.

1.2.1.4 **Michigan:** The entire state of Michigan and the southwest section of Ontario from London, Ontario west.

1.2.1.5 **Mid-America:** The entire states of Missouri and Illinois.

1.2.1.6 **Mid-Atlantic:** The entire states of Delaware and Maryland, the District of Columbia, and the eastern half of Pennsylvania (the western border extends from the northern border at Bradford down through Altoona to the southern border near Bedford).

1.2.1.7 **New England:** The entire states of Maine, New Hampshire, Rhode Island, Vermont, Massachusetts, Connecticut, and the Maritime Provinces.

- 1.2.1.8 New Jersey:** The entire state of New Jersey.
- 1.2.1.9 New York:** New York City, Long Island, Putnam County, Rockland County, and Westchester County.
- 1.2.1.10 Northern Ohio:** Northern Ohio bordered by the state line on the west, north, and east. The southern border is marked 30 miles north of I-70 across the state.
- 1.2.1.11 Ohio Valley:** The state of Ohio 30 miles north of I-70, the entire state of Kentucky, and all of West Virginia except for Northwest West Virginia with the Ohio/West Virginia state line as the western border from Pennsylvania to St. Marys and then down State Rt. 16 to I-79 north as the southern border then State Rt. 250 west as the eastern border.
- 1.2.1.12 Pacific Northwest:** The entire states of Washington, Oregon, Alaska, and the Province of British Columbia.
- 1.2.1.13 Paper Stock Industries:** Nationwide. All companies involved primarily with scrap paper recycling.
- 1.2.1.14 Pittsburgh:** Western Pennsylvania with the eastern border from Bradford in the north, through, and including Altoona through Bedford to the state line. Northwest West Virginia with the Ohio/West Virginia state line as the western border from Pennsylvania to St. Marys and then down State Rt. 16 to I-79 north as the southern border then State Rt. 250 west as the eastern border.
- 1.2.1.15 Rocky Mountain:** The entire states of Colorado, Utah, Idaho, Wyoming, Montana, Arizona, the western section of Saskatchewan with the Provincial Highway 35 as the eastern border, and the Province of Alberta.
- 1.2.1.16 Upper Midwest:** The entire states of Minnesota, Wisconsin, Nebraska, North Dakota and South Dakota, the entire state of Iowa with the exception of the northeast corner east of Iowa State Rt. 61 starting in the south at Davenport and continuing north to Dubuque, the eastern portion of the province of Saskatchewan with a western border of Provincial Highway 35 and the entire province of Manitoba.
- 1.2.1.17 Southeast Region:** The entire states of Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Virginia.
- 1.2.1.18 West Coast:** California, Hawaii, Nevada, and Baja Mexico.
- 1.2.2 Chapters may be added, deleted or geographically redefined only by a 2/3 vote of the Board of Directors of the Association.
- 1.2.3 Chapters shall be governed by their individual bylaws so long as those bylaws do not conflict with the Articles of Incorporation, the Bylaws or the Policies of the national Association.
- 1.2.4 Chapter Officers are determined by the Chapter and may include a President, not more than three Vice Presidents, Secretary, Treasurer, Chairman of the Executive Committee, or an Executive Committee.
- 1.2.5 Chapter organization and powers are set forth more fully in Article IX of the Bylaws of

the Association.

- 1.2.6 Chapter dues shall not exceed the amount set forth in Article IX, Section 9.2 of the Association's Bylaws. Mandatory chapter assessments may be made by a chapter only in accordance with Article IX, Section 9.3 of the Association's Bylaws. Additional voluntary payments for specific purposes are permitted.
- 1.2.7 Chapter dues and assessments are billed and collected by the National Headquarters. The sums collected on behalf of the chapters are forwarded to the chapters on a monthly basis.
- 1.2.8 ISRI Officers and ISRI Staff are available to participate at Chapter programs at the request of the Chapter. Participation by ISRI Officers shall require the advance approval of the Association's Chair and participation by ISRI staff shall require the advance approval of the Association's President.
- 1.2.9 All expenses of ISRI Officers and ISRI staff participating in a Chapter function are for the account of the chapter extending the invitation. The reimbursable costs include travel, lodging, and food related to the trip.
- 1.2.10 Each Chapter shall file with ISRI's Managing Director of Finance, on or before February 28 of each year, a full and accurate set of financial records for the immediately preceding year. Such records shall include all information requested in the ISRI Chapter Treasurer's Manual or in any supplemental request from ISRI national. Any Chapter failing to submit a full and accurate set of financial records by February 28 shall pay a fee to ISRI national in the amount of one thousand dollars (\$1,000.00) to defray the additional expenses incurred by ISRI national with such late filing. This fee shall be automatically assessed and shall be non-appealable.

### **1.3 Divisions**

#### **1.3.1 *Division Membership***

All Active Members must affiliate with at least one Division. The basis for Division affiliation shall be the "Significant Lines of Business Test" which means that the member should select the division(s) representing the commodity(ies) that comprise(s) the most significant portion(s) of the member's business.

#### **1.3.2 *Division Elections***

Each candidate shall be limited to one mailing per election.

1.3.2.1 Promotion material will be limited to one sheet of paper, printed on one side only.

1.3.2.2 ISRI will, upon request by the candidate, provide each candidate with one set of mailing labels for the one approved mailing to the membership.

1.3.2.3 Candidates are expected to handle all printing, stuffing, labeling and postage for their mailing. All mailing expenses are for the account of the candidate; notwithstanding the foregoing, chapters that choose to do so may pay the mailing expenses.

#### **1.3.3 *Organization***

Organization and operation of Divisions are set forth more fully in Article X of the Bylaws of the Association.

#### **1.4 Board of Directors**

1.4.1 The powers, duties, and election procedures for Directors are set forth more fully in Articles V and VI of the Bylaws of the Association.

1.4.2 Job Description for ISRI Associate Member Director

##### *1.4.2.1 Job Description for ISRI ASSOCIATE MEMBER DIRECTOR*

1.4.2.1.1 The Associate Member Director provides a voice for all ISRI Associate Member firms to the National Board. The Associate Member Director should network with as many Associate member firms as possible to hear issues they have and assure those issues are raised and addressed when necessary. The Associate Member Director should expect to be contacted by Associate Member firms during their regular work week as well. The Associate Member Director will have assistance from an ISRI staff member and consultation from an Executive Committee Board Member.

1.4.2.1.2 Conversely, the Associate Member Director is the voice to communicate issues from the Board to Associate Member firms. The Associate Member Director is expected to join and contribute on additional committees as well, including attendance at the Convention Committee.

1.4.2.1.3 The Associate Member Director serves on the ISRI National Board and is expected to attend all board meetings. The cost associated with serving in this capacity is borne by the member or his firm.

1.4.2.1.4 At a minimum, there is the National Convention and Board Meeting in the spring, followed by a summer and fall Board Meeting. If the situation dictates there could be an additional winter Board Meeting.

1.4.2.1.5 There will be pre-Board conference calls on upcoming issues that will require the participation of the Associate Member Director.

1.4.2.2 The Associate Member Director may be appointed as the chair of the Exhibitor and Service Providers (ESP) Council at the Board Meetings. Serving as Chair of the Council has been tradition. This council is a forum to address issues brought forth from ISRI associate member firms. The Associate Member Director should strive to bring as many Associate Members into the Council for participation and comment on issues relevant to Associate Members.

1.4.2.3 The Associate Member Director should also attend the pre-show exhibitor safety inspection with ISRI staff and the show contractor to serve as a voice for the Associate Members. The Associate Member Director should expect interaction with Associate Member firms during the convention.

#### **1.5 Committees and Councils**

1.5.1 The Standing Committees are:

1.5.1.1 *Communications*

1.5.1.2 *Convention*

1.5.1.3 *Education & Training*

1.5.1.4 *Finance*

1.5.1.5 *Government Relations*

1.5.1.6 *Membership*

1.5.1.7 *Safe Operations*

1.5.1.8 *Shredders*

1.5.1.9 *Trade*

1.5.1.10 *Leadership*

1.5.2 Committee membership represents a commitment to participate in the deliberations of the Committee. A key criterion for appointment and re-appointment is attendance and participation at meetings. All committee members serve at the pleasure of the Association Chair. A committee chair may request that a committee member be removed from a committee roster if the committee member fails to attend two out of any three consecutive regularly scheduled committee meetings.

1.5.3 Only Committee members may vote at committee meetings.

1.5.4 *Committee Functions*

The ISRI standing committees have specific goals and objectives, which form the basis for creating and maintaining the individual efforts. Those purposes are subject to modification by Board action and in any particular year or committee meeting session, certain undertakings may dominate the committee's activities. However, unless changed by Board action, the following general approaches define the goals and objectives of the ISRI standing committees:

1.5.4.1 *Communications*: Provides strategic and tactical advice on key industry communications and public relations issues, along with editorial guidance to *Scrap* magazine.

1.5.4.2 *Convention*: Provides guidance and oversight for ISRI's Annual Convention and Exposition, including identification of future locations, educational programming, and general session speakers.

1.5.4.3 *Education & Training*: Oversees the development, production, and implementation of ISRI education and training programs for all levels of employees in the scrap recycling industry workforce.

1.5.4.4 *Finance*: Address all ISRI financial matters including approval of ISRI budget, financial statements, and member dues activities. . The Committee shall, at least annually, review the dues and other revenues of the Association.

- 1.5.4.5 *Government Relations*: Develops strategic guidance on key industry issues and public policy positions at the federal, state, and local levels.
- 1.5.4.6 *Membership*: Provides guidance and oversight on ISRI membership recruitment and retention strategies, affinity programs, and other benefits of ISRI membership.
- 1.5.4.7 *Safe Operations*: Address issues affecting members' day-to-day operations, including, but not limited to safety, quality, technology, transportation, insurance, and environmental compliance.
- 1.5.4.8 *Shredders*: Sets policies and procedures affecting all aspects of shredder operations.
- 1.5.4.9 *Trade*: Address issues relating to the international trade of scrap materials, including development of advocacy positions or addressing compliance issues related to international trade.
- 1.5.4.10 *Leadership*: makes nominations for candidates for the Board of Directors and the Officers of the Association, identifies future leaders of the Association, and provides leadership development.
- 1.5.5 Committee Chairs are appointed based upon their knowledge in the areas of the committee's jurisdiction and their administrative skills in conducting and completing committee business. Committee Chairs are expected to submit written reports to the Board on the activities of their committees and to obtain Board approval as required.
- 1.5.6 Committee Chairs are encouraged to appoint a committee member, other than the committee chair, to record the minutes of each committee meeting. Written reports are due within 10 days of each committee meeting.
- 1.5.7 An officer liaison or Board representative will be appointed by the Association Chair for each standing committee; there will be a staff liaison to each committee announced to the chairman early each term.
- 1.5.8 A committee chair who completes the unexpired term of the prior committee chair shall still be eligible to serve for two full terms as provided in Article VII, Section 7.10.
- 1.5.9 There shall be no proxy voting at committee meetings. All appointments to committees are by named individual only; not by member firm. Accordingly, in the absence of the committee member, that committee member's vote shall not be tallied.
- 1.5.10 Participation at standing committee meetings is open to all Association members subject to the restrictions set forth in Article 8, Sections 8.5 and 8.5.1 of the Association's Bylaws. Any representative of a member in attendance at a standing committee meeting may be recognized by the committee chair and heard.
- 1.5.11 *Division Committees*
  - 1.5.11.1 Make decisions only within the strict framework of ISRI policy and operating guidelines as defined by the Board actions and the ISRI Policy Manual. Division Committees make recommendation to the Board of Directors who shall be solely

responsible for authorizing any action to be taken on behalf of the Association.

1.5.11.2 Recommendations that would require funding in order to be implemented should be brought to the Finance Committee prior to be presented to the Board of Directors.

**1.5.12 Councils**

1.5.12.1 Members from any division who have an interest in the activities of any Council may participate in a Council.

1.5.12.2 Councils are officially created by the Board of Directors however, Council members organize themselves and select spokespeople, if needed.

**1.6 Board Committees**

**1.6.1 Audit Committee**

1.6.1.1 The Committee is composed of the Division Chairs, the Chair of the Chapter Presidents, and the immediate Past Chair of ISRI, who will act as the Committee Chair.

1.6.1.2 The Committee is responsible for recommending an auditor to the Board of Directors, ensuring that a proper accounting system is in place and ensuring the security of the association's assets.

**1.7 National Officers**

**1.7.1 National Officer Elections**

1.7.1.1 Each candidate for national office shall be limited to one mailing per election.

1.7.1.2 Promotion materials will be limited to one sheet of paper, printed on one side only.

1.7.1.3 ISRI will, upon request by the candidate, provide each candidate with one set of mailing labels for the one approved mailing to the Board by each candidate.

1.7.1.4 Candidates are expected to handle all printing, stuffing, labeling, and postage for their mailing. All mailing expenses are for the account of the candidate; notwithstanding the foregoing, chapters that choose to do so may pay the mailings expenses for a candidate.

1.7.1.5 A poster size photo for each candidate will be on display in the Exhibition Area. The poster will be prepared at the Association's expense from a print provided by each candidate. The poster will indicate only the name of the candidate, the company affiliation and the office being sought.

1.7.1.6 Individual promotional material may be distributed at the convention, but must not exceed 3" x 5". No other promotional material will be permitted.

1.7.1.7 At the election meeting, each candidate will have an opportunity to address the Board, have their nomination seconded by another member, or do both so long as the total presentation for each candidate does not exceed five (5) minutes.

1.7.1.8 The powers, duties and election procedures for the officers are discussed more

fully in Article IV and V of the Bylaws of the Association.

### **1.8 Past Chairs/Past Presidents**

- 1.8.1 Except for the Immediate Past Chair of the Association, all Past Chairs of the Association, Past Presidents (who served prior to March 16, 2000) of the Association, and Past Presidents of the Institute of Scrap Iron and Steel or the National Association of Recycling Industries are Ex-Officio Members of the Board.
- 1.8.2 A current attendance roster for all Past Chairs and Past Presidents shall be maintained and available at each Board meeting should any question arise about an individual's right to vote.
- 1.8.3 Past-Chairs and past-presidents (for those who served prior to 2000) of the Association shall have, for the remainder of their respective lifetimes, a non-transferable complimentary registration each year to ISRI's annual convention and exposition.

### **1.9 Special Organizations**

#### **1.9.1 Compensation Committee**

- 1.9.1.1 The Compensation Committee is composed of the current officers plus the two immediate Past Chairs.
- 1.9.1.2 The committee mission is to review the salary schedule in effect for the association and to recommend, in the form of a single salary number for the budget deliberations, the salary schedule for each year.
- 1.9.1.3 All deliberations of the committee are confidential; individual salary data are not to be divulged to the committee.
- 1.9.1.4 In order to evaluate employee compensation levels in a professional manner, the following procedures are established:
  - 1.9.1.4.1 The staff shall conduct a formal annual review and semi-annual review to discuss the status of agreed upon goals. All employee reviews shall be concluded by December 15 of each year;
  - 1.9.1.4.2 An annual review of job descriptions shall be accomplished by staff;
  - 1.9.1.4.3 Staff shall present to the compensation committee an annual review of what other associations are accomplishing in the area of employee salaries and benefits;
  - 1.9.1.9.4 The committee will conduct an annual review of the ISRI benefit package;
  - 1.9.1.4.5 Staff shall present an updated organizational chart to the Compensation Committee each year;
  - 1.9.1.4.6 The committee will annually review a three-year history of employee salaries;
  - 1.9.1.4.7 ISRI's Chair, with input from other officers, will complete the President's



review by December 15 of each year, along with a review of compensation;

1.9.1.4.8 Employee performance appraisals shall include a review of job descriptions, a measurement of performance against the description, and listing of goals;

1.9.1.4.9 The deliberations of the Compensation Committee shall be documented in the form of minutes maintained by the ISRI VP of Human Resources.

1.9.2 *Recycling Research Foundation (RRF)*

1.9.2.1 The foundation is a 501c(3) organization, independent of the sponsoring ISRI.

1.9.2.2 The foundation is governed by a Board of Directors appointed by the ISRI Chair and confirmed by the Board of Directors of ISRI. The officers are appointed and confirmed in the same manner. The term is for a two-year period. The President of any chapter which sponsors a scholarship fund that is administered by the RRF shall be an ex-officio member of the RRF Board of Directors.

1.9.2.3 The Board of Directors is the final decision making body of the Foundation.

1.9.2.4 The Foundation relies on individual and corporate contributions for funding. Sales of Foundation publications contribute to the overall financial situation.

1.9.2.5 The Foundation is administered by ISRI staff pursuant to agreements between the Foundation and ISRI.

1.9.2.6 The Foundation meets in conjunction with ISRI Board Meetings. The ISRI President, or his or her representative, will be present at each such meeting to report on administrative details and programming activities.

1.9.3 *ISRI Pension Committee*

1.9.3.1 ISRI's Chair-Elect, Vice Chair, and President are ex-officio members of the committee. The committee shall include one additional staff person elected by the ISRI staff for a two-year term.

1.9.3.2 The committee is responsible for overseeing the Employee Pension Fund and assuring the fund is in compliance with applicable ERISA guidelines.

1.9.4 *ISRI Insurance Trust*

The Insurance Trust is responsible for negotiating with insurance carriers, as well as the implementation and administration of group property, casualty, environmental impairment, health, life, disability, and other types of insurance programs that benefit ISRI members as well as the Association.

1.9.5 *ISRI Resources, Inc.*

ISRI Resources is a Nevada for-profit corporation formed in 2000 to implement and administer group property, casualty, environmental impairment, health, life, disability, and other types of insurance programs that benefit ISRI members as well as the Association.

1.9.5.1 The Officers and Directors of ISRI Resources are nominated and appointed by ISRI's

Chair with the approval of the ISRI Board of Directors.

1.9.5.2 Administrative services are provided to ISRI Resources by ISRI on a reimbursement basis.

**1.9.6 ISRI PAC Leadership Council**

1.9.6.1 There shall be a PAC Leadership Council, the mission of which is to have a viable and sustainable PAC that adequately supports the legislative goals of ISRI.

1.9.6.2 Each ISRI chapter shall appoint at least one person, but may appoint as many as it deems appropriate, to serve as a liaison to the PAC Leadership Council. The liaison(s) shall be charged with educating chapter members about the existence of ISRI-PAC and with increasing the number of members that are authorized to be solicited by ISRI-PAC. The liaisons shall also work with the Leadership Council in developing and implementing educational and fundraising programs.

**1.10 Staff**

1.10.1 The staff implements the decisions of the Board of Directors subject to the ongoing coordination with the Officers in the interim between meetings of the Board.

1.10.2 The staff is headed by the President and the staff reports to the Board via that position.

1.10.3 The functions and duties of the individual staff members may change to reflect the needs of a particular time, and the titles of specific staff functions may also change to reflect needs.

1.10.4 The current functional groups within the national office and their respective areas of responsibility are:

1.10.4.1 *Executive Office* - includes President, Director of Human Resources/Office Manager and necessary support staff; provides overall management, guidance and supervision of the staff. All public statements and presentations are cleared through this office. The President is the key contact with the public, including all levels of government.

1.10.4.2 *Finance* - includes the Managing Director of Finance and Account Payable and Accounts Receivable clerks. This department is responsible for all finance activities of the Association as well as the processing of all publications orders and meeting registrations.

1.10.4.3 *Membership* - includes the Managing Director of Member Services, Director of Information Services, Meetings Manager, Membership Manager, and Chapter Relations Specialist and necessary support staff. The office is responsible for development and implementation of education and training efforts, the planning and supervision of all ISRI meetings including the annual convention, membership recruitment and retention, maintenance of membership records and management of information services for the entire office.

1.10.4.4 *Communications* - includes the Managing Director of Communications/Publisher, Director and Assistant Director of Communications, Newsletter Editor,

Director of Commodities, Web Administrator, Scrap magazine editorial and production staff, and necessary support. The office publishes Scrap magazine, maintains press and public contacts, advises staff and the Board on public relations matters, produces The Friday Report and is responsible for compiling and analyzing commodity data of interest to the membership, is responsible for marketing all ISRI programs and services to the membership and public at large, coordinates and produces other ISRI publications and public relations materials, ISRI Digest and the membership directory.

- 1.10.4.5 *Government Relations* - Includes the Counsel/Managing Director of Government Relations, Manager of Legislative and International Affairs, Director of Environmental Compliance, Director of Risk Management and Transportation, Director of Federal and State Policy, Associate Counsel/Director of State and Local Programs and necessary support to represent the membership before Congress and federal regulatory agencies, to represent the interests of members before international bodies, to provide strategic assistance to members in their interactions with state and local legislative bodies or regulatory agencies, to provide members with guidance in complying with laws and regulations. Counsel and Associate Counsel provide direct legal advice to the Chair, the President and the Board on matters relating to the business of the Association and its Chapters. Counsel manages work performed by outside counsel on behalf of the Association.
- 1.10.5 The current staff organization chart is available from ISRI headquarters.

## **Article 2 General**

### **2.1 Antitrust Policy**

- 2.1.1 ISRI has always been vigilant, and has consistently implemented a policy, of ensuring conformance with, antitrust laws and regulations. In order to expressly state the policy of ISRI to comply with the antitrust laws and to provide guidance for its members and staff, ISRI has adopted this antitrust statement and guide.
- 2.1.2 The principal antitrust laws that relate to Association activities are Sections 1 and 2 of the Sherman Act, which prohibit every contract, combination or conspiracy in restraint of trade or commerce; and Section 5 of the Federal Trade Commission Act, which bans unfair methods of competition and unfair and deceptive acts or practices. Because trade Associations by their very nature provide constant opportunities for their members to meet, discuss and otherwise communicate with respect to their industry activities, the actions of trade Associations and their members are regarded as particularly vulnerable from an antitrust point of view. A charge of antitrust violation, or even being the subject of an antitrust investigation, no less a consent decree or conviction, is a most serious and costly matter. Therefore, it is vital not only that the action and activities of ISRI and its members engaging in Association functions be in compliance with all antitrust laws, but that their perception and appearance to others be above reproach.
- 2.1.3 *Gathering and Reporting of Information*
- 2.1.3.1 The gathering and dissemination of trade information is an important function of

ISRI, as with any Association. This function, however, will not be used by ISRI for any purposes, which could be considered a violation of antitrust laws. Accordingly, the following principles are adhered to:

- 2.1.3.2 Supplying of business statistics by members and non-members is on a voluntary basis and is not subject to audits.
- 2.1.3.3 All published data pertains to past transactions, is in composite form and does not indicate the names or identity of the sources other than by groups or general descriptions. From time to time, ISRI publications may discuss projections of future market conditions by industry analysts. These discussions shall in no way reflect, predict or seek to influence the intentions or actions of ISRI members in regard to participation in any marketplace.
- 2.1.3.4 Except to the extent data is published in accordance with Section 1.3.2 above, data received from individual sources is kept confidential.
- 2.1.3.5 The compiled data is made available to members and, non-members having a legitimate interest in it.
- 2.1.4 *Industry Standardization*
  - 2.1.4.1 ISRI provides a forum for the establishment of industry specifications. In performing this function, ISRI's purposes are positive, i.e., to assist members, their suppliers and their customers in the marketing and utilization of their material and products. ISRI will not, however, use standardization as a means of lessening price or product competition. All standards set are believed to be reasonable and are periodically reviewed and updated.
- 2.1.5 *ISRI Meetings*
  - 2.1.5.1 It is an ISRI policy to avoid at any meetings any discussions that might violate or appear to violate antitrust laws or regulations. To implement this policy, all meetings of the Association, of the Board of Directors and of the Executive Committee are conducted pursuant to a written agenda, which has been prepared in advance and reviewed by an attorney. An attorney attends all meetings at which such presence is or may be advisable; and he or she may terminate any discussion or veto any proposal, which he or she believes is inconsistent with the Association antitrust policy. All other ISRI meetings, roundtables and seminars, including chapter meetings, are conducted pursuant to a written agenda prepared in advance. All meetings sponsored by ISRI headquarters are attended by an experienced ISRI staff member, who may terminate any discussion, which he or she believes to be inconsistent with Association antitrust policy. Accurate minutes will be kept of any ISRI meeting. The person who presides over the meeting is responsible for preparing the agenda and the minutes.
  - 2.1.5.2 Particular attention is given to the avoidance at meetings of discussion concerning pricing or policies with respect to factors affecting pricing, such as discounts, freight allowances, or advertising subsidies, restrictions on output, or efforts to injure actual or potential competitors. Recognizing the ongoing relationships of some ISRI members with particular suppliers or customers, there is also special attention given to avoid

any discussions, which might appear to involve allocation of customers or sources of supply.

- 2.1.6 This guide states general ISRI policy undertaken to protect its members as well as the Association itself. The conduct of member representatives participating in Association activities is a most important element in assuring compliance with antitrust laws and regulations and avoiding any action, which might even appear to violate them.
- 2.1.7 The antitrust laws are complex and no attempt is made here to comprehensively describe the various types of conduct, which are to be avoided. Member respect for, and adherence to, the policies established by ISRI are the best means of assuring compliance and avoiding even an inference of violation.

Particularly, at Association meetings, members are urged to:

- 2.1.7.1 Respect the agenda. Participants in discussions should remember the basic purpose of Association activity and avoid any statements, which depart from that purpose or could be inferred to represent a self-serving objective.
- 2.1.7.2 Observe the direction of meeting chairmen, ISRI staff members and attorneys if discussion at a meeting is limited or otherwise constrained to assure antitrust policy compliance.
- 2.1.7.3 Remember that each member's conduct at a meeting involves ISRI and its members, and if improper, may implicate them. Therefore, each member representative has a responsibility to the Association and its members. To eliminate potential problems, ISRI meetings are held pursuant to an approved agenda, which will be closely adhered to.
- 2.1.7.4 In an effort to ensure compliance with ISRI's antitrust policy, the "Antitrust Checklist" is distributed at all ISRI sponsored events.
- 2.1.8 ISRI may undertake research, development or information-gathering activities from time to time. Any such activity will be reviewed by Counsel in advance for consistency with the antitrust laws.
- 2.1.9 Pursuant to the provisions of Section 2.1.5, the following "Antitrust Checklist for ISRI Sponsored Events" shall be distributed to all persons in attendance at all meetings of members of the Association, including educational or training sessions:

#### **Antitrust Checklist for ISRI-sponsored Events**

This checklist states ISRI policy to ensure compliance with antitrust laws and regulations during ISRI-sponsored events - including meetings, roundtables, seminars, and social gatherings. The Federal antitrust laws prohibit *combinations in restraint of trade*, which occur whenever competitors within a field of business exchange information which has the purpose or effect of fixing, raising, maintaining, or stabilizing prices (or otherwise limiting competition). Should such a conspiracy in restraint of trade be found to occur at an ISRI-sponsored event, **ISRI, its directors, its officers, and its participating members** would be held liable for substantial damages (including treble damages).

Thus, at ISRI-sponsored events, members are urged to meet the following requirements:

1. Do not, in fact or appearance, discuss or exchange **present or future price-related information**, including:<sup>1</sup>
  - Individual company prices, price differentials, markups, discounts, credit terms, marketing strategies, etc.;
  - Individual company data on costs, production, capacity, inventories, sales, etc.;
  - Transportation rates (particularly contract rates) for individual shipments;
  - Company bids on contracts for particular materials, company procedures for responding to bid, etc.; and
  - Matters relating to actual or potential individual suppliers or customers that might have the effect of excluding them from any market or influencing the business conduct of firms toward them.
2. In the event that any such improper discussion or exchange occurs at an ISRI-sponsored event, ISRI and its participating members may be held personally liable for substantial damages if the association does not actively and aggressively police its ranks on this issue. ISRI thus requires all members to be sensitive to the risks of potential antitrust abuses where ISRI-sponsored events are concerned. If you believe that illegal activities may be occurring, please advise ISRI Counsel or an ISRI staff member immediately.
3. Observe the direction of meeting chairmen, ISRI staff members, and Counsel at ISRI sponsored events to assure antitrust policy compliance.
4. Remember that the conduct of each member at an ISRI event involves ISRI and its members and, if improper, implicates them. Therefore, each member has a responsibility to the Association, other members, and themselves. To eliminate potential problems, all ISRI-sponsored events are held pursuant to an approved agenda which must be adhered to.

ISRI-sponsored events have always been valuable to its members and they will continue to be so. Your awareness of the need to observe ISRI's antitrust policies is the best way to assure the continuing success of ISRI and its programs.

---

<sup>1</sup> Although one can discuss historical pricing information, such as that published in the *Wall Street Journal*, *American Metal Market*, or other widely circulated publication available to all interested members of the industry (as well as possible entrants to the market), all other discussion of price related information should be discouraged, even historical pricing. This is because price fixing conspiracies are typically proven by circumstantial evidence and the possibility is strong that a particular statement may be misinterpreted at a meeting or poorly remembered by a fellow member, who may then relate his "best recollection" to a jury.

## **2.2 Media Access to Information about ISRI Meetings**

- 2.2.1 Attendance at all meetings of ISRI, its chapters, divisions, committees, board or members is regulated by Article VIII, Sections 8.5 and 8.5.1 of ISRI's Bylaws.
- 2.2.2 ISRI staff members who are involved in the publication, editing, or preparation of ISRI's commercial magazine, *Scrap*, may be required to attend ISRI meetings in their capacity as ISRI employees. Attendance by any such staff member shall be for the purpose of (1) participating in the proceedings, (2) preparing a report of the meeting for publication in ISRI's non-commercial member newsletters, or (3) preparing a press release or similar report for distribution to the media.
- 2.2.3 ISRI press releases may be reproduced or published, in whole or in part, in any print or broadcast medium, without prior authorization by ISRI. Reproduction or publication of text or information from an ISRI newsletter requires ISRI's prior permission, which will be freely granted, absent a compelling reason to the contrary.
- 2.2.4 Reports on the proceedings of ISRI meetings may be published from time to time in *Scrap* magazine, or on *Scrap's* website. No such article or report shall include any information, unless the meeting was open to the press, which has not already been published in either (1) an ISRI press release or (2) an ISRI newsletter (provided, however, that there shall be no restriction on the magazine's publication of information about a meeting at which the relevant media attendance were advised in advance would be open to media representatives). To ensure that all media representatives have ready access to such information, ISRI will provide copies of all press releases to representatives of the media, upon request.
- 2.2.5 ISRI staff will respond promptly to any request by a media representative for a copy of an ISRI press release or for permission to publish material from an ISRI newsletter. ISRI staff will cooperate fully with media representatives to assure a timely and appropriate response to any such request.

## **2.3 Policy Regarding Ethical Conduct**

- 2.3.1 ISRI officials, members and staff may, at times, be offered free provision of accommodations, goods or services by suppliers or prospective suppliers. ISRI policy precludes acceptance of such offers that exceed \$50.00 in value, except under the following circumstances:
  - 2.3.1.1 The accommodations, goods or services are directly related to a business relationship of importance to the Association. For example, a visit to a hotel being considered for an ISRI program.
  - 2.3.1.2 Each such accommodation, good or service accepted must be reported by the recipient to the ISRI Audit Committee in detail, providing a description of the accommodation, good or service and the grantor. The report is due no later than one week after its receipt.
  - 2.3.1.3 Any item, not included under the above designations, other than token gifts such as a calendar or pen, must be returned to the grantor if received or refused if offered.

- 2.3.1.4 Violations of this policy by ISRI officials, members or staff constitute a serious breach of ethical conduct. Violation of this policy by ISRI staff may result in dismissal from employment; violation by ISRI officials or members may result in action by the Board of Directors as recommended by the Audit Committee.
- 2.3.2 The “ISRI Policy Statement Regarding Outside Counsel and Consultants” as set forth in Section 4.25 shall, to the extent feasible, be included in each contract entered into by the Association. If it is not possible to formalize the policy within the contract as executed, the supplier should be informed of the policy in writing no later than the time the contract is signed.
- 2.3.3 Conflict of Interest - when the interests of efficiency and economy so require, ISRI may develop Requests for Proposals (RFP) seeking contract services to augment internal staff. Such contract work could be provided by ISRI members. However, an ISRI member might have participated in discussions relating to the development and terms of the RFP. To avoid potential conflicts of interest, any ISRI member, including subsidiaries of ISRI members, wishing to respond to an RFP from the Association will not be permitted to participate in the development of such RFP. ISRI members serving on any committee, subcommittee, or ad hoc committee and participating in discussions concerning a potential RFP, will not be considered as qualified potential contractors for the project at issue.

## **2.4 Policy on Travel and Entertainment**

- 2.4.1 Travel is an essential part of the job responsibilities of many ISRI staff members. Policies regarding travel and related expenses apply to ISRI officials, members, consultants, and staff involved in Association business. All travel is to be conducted only to the extent required and staff travel is subject to the approval of the President.
- 2.4.2 Officer and Member Travel. For elected national officers, official ISRI business travel includes the scheduled board and committee meetings and the convention. For members who are not national officers, the board and committee meetings are not covered. Where it is unclear whether a trip is or is not official ISRI business, the determination will be made by the Chair in consultation with the President. When officers or members travel on ISRI business they are reimbursed for room and intercity transportation only, and in accordance with policy subsections 2.4.3, 2.4.4, 2.4.5, 2.4.7, 2.4.8, 2.4.12, 2.4.14 and 2.4.15 below.
- 2.4.3 Air travel - ISRI officials, members, consultants and staff shall travel on the lowest possible coach fare for travel within North America, and the lowest possible business class fare for travel outside North America. Discounted fares are to be used to the maximum. While use of discounted fares is encouraged, the purpose of the trip will determine the days and times of travel. Lowest possible air travel means: (in order of priority) (1) special discounted tickets via carriers under contract with ISRI; (2) lowest available fare via connecting hub; (3) lowest available direct fare. For departure from (1) above, a written explanation for the choice of a higher priced ticket is required for reimbursement other than at the ISRI discounted fare.
- 2.4.4 Auto rental - rental car use is permitted only when the business or lodging location(s)



in the destination city are not economically or adequately served by taxi or airport bus. Unless a group is involved and a larger vehicle is required, rentals should be limited to the minimum size vehicle that can provide the needed service. The Association maintains collision and liability insurance coverage for rental cars used by staff or volunteers on official ISRI business thus, it is not necessary to purchase the collision damage waiver or liability waiver from the rental car company.

- 2.4.5 Personal auto use - at the option of the traveler, personal auto use is permitted in lieu of rental. Reimbursement is made on the basis of the Substitute Standard mileage rate set by the Federal Government. Travelers using personal autos are required to carry, at the traveler's expense, public liability and property damage insurance at least equal to the minimum required by the state in which the vehicle is registered.
- 2.4.6 Travel to/from airports – cabs, subway, or hotel courtesy cars are acceptable forms of conveyance.
  - 2.4.6.1 At the option of the traveler, private auto use is authorized (subject to the provisions of section 2.4.5) so long as the cost to do so (including parking) is less than the commercial alternative.
- 2.4.7 Lodging - standard rooms are the approved lodging basis. The room fee acceptable for reimbursement is the single rate unless the traveler's companion is also traveling on Association business.
- 2.4.8 Living expenses - The Association reimburses all actual, reasonable costs of meals and other business related expenses while on business travel. Laundry and dry cleaning expenses are reimbursed if the trip duration is of one week or longer. While traveling on Association business, one personal phone call per day to the traveler's home will be accepted as a legitimate expense; entertainment costs are limited to food and beverages purchased on Association related matters with full disclosure of the names of those involved and the purpose of the meeting or gathering. One room movie per evening or its equivalent will be reimbursed. Personal services such as haircuts, shoeshines, and the like are not appropriate business expense items.
- 2.4.9 An employee in travel status may stopover while en route to or from the business destination only when the stopover has been approved by the appropriate supervisor. All expenses incurred as a result of a personal stopover are borne by the traveler.
  - 2.4.9.1 In the case of personal air travel combined with business air travel, the traveler is responsible for obtaining a copy of the cost of the trip without the personal portion by the ISRI-designated travel agent for comparison with the total airfare. If the combined expense is greater than the business portion only the traveler is required to pay the difference. If the cost is less than the business portion no adjustment is made.
- 2.4.10 An employee in travel status may make a personal weekend side trip if such a trip is authorized by the appropriate supervisor and provided that the weekend occurs following commencement and prior to conclusion of the business for which the trip is being made. The employee is reimbursed for the actual expenses of lodging and meals up to the rate for such expenses incurred in the city in which ISRI business is being

conducted. The employee is reimbursed for only one lodging in a given day. Expenses incurred by an employee during a personal side trip prior to, or following the conclusion of, the business portion of a trip are not reimbursable.

- 2.4.11 Annual charges for one personal credit card will be paid (up to \$75 per year) by the Association for employees who are required to travel. Fees for travelers' checks or currency conversion are appropriate expenses for those requiring them.
- 2.4.12 Receipts for all travel related costs are required. While it might be difficult to always obtain such receipts, it is up to the traveler to explain the absence of a receipt unless the sum is minimal, e.g. and employee's cab fares is less than \$25.
- 2.4.13 Expense reports, on forms approved by the Managing Director of Finance, should be filed at least once per month; if heavy travel was involved, such forms may be filed more often. Expenses turned in more than 60 days after they are incurred will be treated as salary to the employee and reported to the IRS as such. If an employee receives a travel advance and fails to use the full amount of the advance, the balance must be returned to ISRI within 120 days or such sum will be treated as income and ISRI will withhold all appropriate taxes. Notwithstanding the foregoing, even where ISRI must treat the balance of an expense advance as income to the employee and withhold all appropriate taxes, the employee is still required to return the unused balance of the travel balance.
- 2.4.14 Expense reports for staff must be approved by the immediate supervisor. The Chair of the Association must approve expense reports for the President and Officers other than the Chair. The Chair of the Audit Committee approves the expense reports of the Association's Chair. Expense reports of all non-officer members must be approved by the President or, when appropriate, by the staff liaison to the meeting.
- 2.4.15 Copies of all expense reports are forwarded on request to the Chair of the ISRI Audit Committee for review and comment on a monthly basis. All expense reports are subject to review by the Association's independent auditors.
- 2.4.16 ISRI recognizes the need for business-related expenses occurring in town and reimburses those expenses. Such activities as business luncheon meetings are considered appropriate. Related cab, metro, and phone expenses will be covered. Staff entertaining other staff (and excluding members, vendors, etc.) is not considered a reimbursable expense without advance approval of the President or a Managing Director. Such "all staff" events must have an explicitly stated business purpose and comply with IRS guidelines on allowable expenses.

## **2.5 Policy Regarding Sharing Costs in Either National/Chapter or State Activities or with Individual ISRI Members**

- 2.5.1 The ISRI Chair will determine the role of cost sharing in joint national/chapter or state programs.
- 2.5.2 The Chair may specify requirements for provision of data to support any cost sharing program. Included among the requirements could be a demonstration of chapter/state commitment of time and funds, the extent of funds available to the chapter/state the importance of the issue to the industry at large, the record of

success on the matter in other jurisdictions, etc.

- 2.5.3 Any cost sharing arrangement developed between the Chair and the chapter/state involved, must be presented to the Board of Directors for review and approval.
- 2.5.4 Individual ISRI members who, with Chapter and/or state support, seek financial assistance from ISRI regarding litigation expenses or legislative expenses shall describe, in writing, how their request meets the following recommended guidelines. Requests should be made to the President, at least 10 days prior to the Board of Directors meeting at which the applicant wishes consideration. The President will copy and distribute the request to all Board members prior to the meeting to allow advance consideration of the matter. The Board must approve such a request. The recommended guidelines are:
  - 2.5.4.1 The issue involved should be one of law rather than fact.
  - 2.5.4.2 The request must precede the expenditure of funds for which any contribution is sought.
  - 2.5.4.3 The issue of law involved must be one with general effect on the scrap recycling industry.
  - 2.5.4.4 If litigation is involved, the court of jurisdiction must issue a written opinion.
  - 2.5.4.5 If litigation is involved, the individual company affected, as well as its home Chapter must be able to demonstrate participation in funding the case.
  - 2.5.4.6 Strategies, briefs, written materials, etc. must be reviewed by ISRI legal staff for consistency with national policy.
  - 2.5.4.7 Those requesting funds must agree to keep ISRI current on the matter as it develops, including providing to ISRI copies of all relevant documents, so that the result can be useful to other members in the future.

## **2.6 Policy to Prohibit Large Equipment Displays and the Size of Exhibit Spaces at Chapter Events or State Activities**

- 2.6.1 ISRI recognizes the need for Chapters to have exhibitors at chapter events and/or state sponsored activities. However, Chapters shall be prohibited from having large equipment displays and shall be limited in the size of exhibit spaces for sale at such Chapter events to a 10-foot booth space, or multiples thereof. Any existing contracts would be grandfathered in under this section 2.6.1.<sup>1</sup>

## **2.7 Institute of Scrap Recycling Industries Code of Conduct**

*Adopted by the ISRI Board on June 19, 2009*

### **2.7.1 Preamble**

The Institute of Scrap Recycling Industries (ISRI) represents both small and large scrap recycling businesses worldwide. ISRI members (Members) are critical partners in the manufacturing chain, unparalleled collaborators in the initiative towards sustainability, and economic drivers for local communities and the global economy. ISRI's goal is to maintain an ethical, safe, professional and environmentally responsible climate to

assure continued public and business confidence in the scrap recycling industry.

Therefore, ISRI recommends that members adopt this Code of Conduct (Code) to guide and govern their operations. The standards set forth in the Code are not new, but rather, they reflect the commitment to professionalism and community service to which ISRI Members have long adhered, and they serve as a renewed promise that ISRI Members will continue to embody these ideals as their leadership role in local and global commerce continues to grow. Ultimately, this Code is designed to assist Members in acting responsibly, ethically, and in a manner that fosters the highest level of professionalism in the provision of recycling services.

#### **2.7.2 Member Values**

- 2.7.2.1 **To Our Customers.** We value open, honest, and fair transactions, conducted by trained and knowledgeable staff who will ensure integrity, accuracy and safety at our facilities.
- 2.7.2.2 **To Our Employees.** We value a safe and healthy workplace, and equal opportunity for employment, development, and advancement for all employees.
- 2.7.2.3 **To Government and Law Enforcement.** We value working with local, state, and federal law enforcement to ensure the safe and secure operation of our facilities, and to continuing to lead the effort to identify, report, and prevent materials theft.

---

<sup>1</sup> Adopted at the April 2006 Board Meeting.

**2.7.2.4 To Our Communities.** We value our role as critical partners in finding sustainable economic and environmental solutions, to operating as good corporate citizens, and to supporting the social welfare and economic development of the communities in which we live and work.

### **2.7.3 Business Conduct**

#### **2.7.3.1 Business Practices**

- Members are committed to conducting business honestly, ensuring that their weighing and buying practices are fair and accurate, and ensuring that materials shipped conform to agreed-upon contract specifications.
- In addition, Members are encouraged to consider further measures to continually assess and improve their business practices, such as by participating in ISRI-sponsored programs or attending other business training and certification programs.

#### **2.7.3.2 Safety**

- Members are committed to providing a safe and healthy workplace for their employees and the public.
- In addition, Members are encouraged to consider further measures to continually assess and improve safety practices in their workplace, such as by participating in ISRI's Scrap Safety Blueprint Action Plan or similar safety training and certification programs.

#### **2.7.3.3 Materials Theft**

- Members are committed to cooperating with local, state and federal law enforcement to identify, report and prevent materials theft.
- In addition, Members are encouraged to consider further measures to train employees on how to identify suspicious transactions, how to respond when stolen or suspicious materials are offered for sale, and how to utilize materials theft notification programs such as ISRI's Metals Theft Alert System and similar local or regional materials theft notification programs.

#### **2.7.3.4 Compliance with Applicable Laws**

- Members are committed to complying with all local, state, and federal laws and regulations applicable to their businesses and facilities.
- In addition, Members are encouraged to consider further measures to continually assess and improve their practices to ensure compliance with applicable laws and regulations, such as by participating in ISRI-sponsored programs or similar programs addressing laws and regulations relating to the scrap recycling industry.

#### **2.7.3.5 Further Measures**

- In addition to these standards, Members are encouraged to consider further measures to manage quality, environmental, and health & safety issues in their operations, such as by adopting ISRI's Recycling Industry Operating Standard

## **Article 3     Programs & Services**

### **3.1 Convention**

- 3.1.1 The goal of the annual convention is to provide educational experiences, social activities, a meeting place for members, an informative trade show and a vehicle to maintain industry camaraderie and esprit.
- 3.1.2 The objective of the registration fee is to complete the above goal and yield a surplus over cost of 10% of registration fees.
- 3.1.3 All functions shall employ the highest quality available, be it food, entertainment, or publications.
- 3.1.4 All reservations and registrations shall be processed on a first-come first-served basis. Preference in the form of advance mailing is granted to all members of the Board of Directors.
- 3.1.5 Negotiations for convention venues and hotels shall be conducted by ISRI staff in consultation with the ISRI Chair, and the Vice Chair of the Member Services Committee who has responsibility for the convention.
- 3.1.6 The goal is to have convention venues and hotels under contract at least five (5) years in advance.
- 3.1.7 Convention sites should be chosen by the Board of Directors with the desires of the membership in mind. To that end, a survey of the membership concerning location and content of the convention should be scheduled not less than every five years. In scheduling and planning future ISRI Conventions, as well as membership conferences, all reasonable efforts should be made to avoid conflicts with other significant meetings of interest to the ISRI membership (e.g., AF&PA's Paper Week).
- 3.1.8 All convention services should be obtained at competitive prices in accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual.
- 3.1.9 In accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual, all billings will be paid by check upon presentation of a detailed invoice.
- 3.1.10 Gratuities may be provided to selected service personnel in the form of a check.
- 3.1.11 To the maximum extent possible members are to be involved in presenting the programming.
- 3.1.12 The ISRI Chair will have the final decision regarding the selection of programs, participants and entertainers. The Member Services Committee and ISRI Staff will provide recommendations, outline the reasoning for the proposed choices, and implement the decisions of the ISRI Chair.
- 3.1.13 In the event changes in the Convention budget are proposed after the convention budget has been adopted by the Board of Directors as part of the ISRI budget, the following procedures will apply:

- 3.1.13.1 If the change is within a line item with no impact on the overall net income (or net loss) from the convention, the Chair will have the discretion to make the change.
- 3.1.13.2 If the change will result in the line item being exceeded but with no impact on the overall net income (or net loss) from the convention, the Chair will have the discretion to make the change.
- 3.1.13.3 If the change will result in the line item being exceeded and the overall net income will be reduced or the net loss increased, the proposed action will require concurrence by the Executive Committee.
- 3.1.13.4 If the change will result in the line item being exceeded but revenue is up so there is no impact on the net income (net loss) from the convention, the proposed action will require concurrence by the Executive Committee.
- 3.1.14 Notice of any changes made to the Convention budget pursuant to Section 3.1.13 above must be given to the ISRI Board of Directors as soon thereafter as possible.

## **3.2 Education & Training**

- 3.2.1 The goal is to provide quality education and training experiences at minimum expense to all members.
- 3.2.2 The experience should, to the extent practicable, have immediate application to the members' operations. Programs designed to provide overall management skills and more long-term returns should be identified as such in all promotional materials.
- 3.2.3 To the maximum extent possible, program leaders will be ISRI members possessing the necessary substantive and presentation skills.
- 3.2.4 Sites for the programs will be chosen from possible locations across the country. Programs will be placed in various geographic regions to provide access to all members over time.
- 3.2.5 Programs will be provided in conjunction with Chapter events when requested and if feasible.
- 3.2.6 Educational publications directed to the membership shall emanate from the committee.
- 3.2.7 Practical "hands on" experience will be employed to the maximum extent feasible. Plant tours will be part of as many programs as possible.
- 3.2.8 The registration fees will be set at a level that will recover all direct costs and a contribution to ISRI overhead.
- 3.2.9 All registrations will be handled on a first-come first-served basis.
- 3.2.10 The President or a designated staff person reporting to the President will conduct negotiations for all facilities and services.
- 3.2.11 In accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual all billings will be paid by check upon presentation of a detailed invoice.
- 3.2.12 Gratuities may be provided to selected service personnel in the form of a check.

- 3.2.13 The Chair will have the final input regarding the selection of sites, programs and participants. The Member Services Committee and ISRI Staff will provide recommendations, outline the reasons for the proposed choices, and implement the decisions of the Chair.
- 3.2.14 In accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual, competitive bids for services and products will be required.

### **3.3 Roundtables**

- 3.3.1 Roundtables will provide in-depth presentations and idea exchange possibilities dedicated to an issue, product or material.
- 3.3.2 The roundtables will be scheduled at a convenient location.
- 3.3.3 Roundtable panelists will, to the extent feasible, be industry personnel.
- 3.3.4 In accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual, all roundtable services should be obtained at competitive prices; all billings will be paid by check upon presentation of a detailed invoice; and gratuities may be provided to selected service personnel in the form of a check.
- 3.3.5 An Officer, or a designated representative, will be in attendance at each roundtable and will take an active part in the program.

### **3.4 Risk Management**

Reviews and evaluates relevant laws, standards and regulations. This function requires the monitoring of legislative and regulatory developments at the Federal and State levels, preparation of compliance instructions and guidelines, distribution of instructional materials to members and communication with appropriate regulatory personnel. The specific subject areas include:

- 3.4.1 Occupational safety and health (including identification of specific loss causation factors within the industry including information gained from insurance program records and distribution of loss control suggestions to members).
- 3.4.2 *"Right-to-Know" Programs.*
- 3.4.3 Radiation.
- 3.4.4 Other subjects as assigned.
- 3.4.5 Promote the safe use of processing equipment and safe work habits in the work place.
- 3.4.6 Liaison with the Safety & Operations Committee on the above subjects.
- 3.4.7 *Risk Management Staff:*
  - 3.4.7.1 Communicates with Federal and State regulatory personnel involved in the aforementioned subject areas.
  - 3.4.7.2 Acts as ISRI spokesmen on the listed subjects.
  - 3.4.7.3 Upon request performs research having general applicability to the operations of a



significant segment of the membership. Time allocated for such research is discretionary up to three (3) working days. Allocation of greater time periods for a single project requires the concurrence of the President.

- 3.4.8 Responses to member requests will be provided within five (5) working days, unless an alternate time period is agreed upon.

### **3.5 Communications**

- 3.5.1 The Department serves as communications vehicle and primary source of creative programs and material to enhance the industry's image and inform members and others about the industry and the activities of its trade association.
- 3.5.1.1 Exercising principal responsibility for informing the press and the general public about industry developments and perspectives on issues. Methods might include news releases, press conferences, press kits, and videos.
- 3.5.1.2 Seeking out and promoting interview opportunities (both print and electronic) for Association and industry executives. Offering media training and/or background briefing assistance if requested. Providing speech-writing assistance as requested on a time available basis.
- 3.5.1.3 Monitoring, selecting and maintaining representative samples of media coverage. Writing "Letters to the Editor" or op-ed pieces for members to submit to their local media. Working cooperatively with editors to showcase industry and Association principals on key legislative and regulatory topics.
- 3.5.1.4 Developing outreach programs and producing lasting tools from them to properly highlight the positive message describing the benefits the industry is providing by offering its services. Examples would be coordinating an issue-oriented conference, seminar, or media workshop in an area of the country facing a "hot issue." Providing videotaping of the "event" to use as a favorable example of the industry's sense of responsibility and to help frame the dialogue in the media.
- 3.5.2 *Communications Staff:*
- 3.5.2.1 Provides Communications support to legislative initiatives by creatively packaging industry positions on issues for dissemination to federal, state, and local levels as well as to major media outlets. The legislative "briefing book" approach could be augmented by establishing a follow-up telephone bank to answer questions after distribution of a kit has been completed as well as to encourage editors to write editorials supporting ISRI positions on regulatory and legislative issues.
- 3.5.2.2 On the Chapter level, the department offers to advise and assist in legislative or regulatory strategy to the extent feasible within time and resource limits.
- 3.5.2.3 Fosters and maintains contact with recognized public policy organizations, seeking to integrate industry objectives with other groups.
- 3.5.2.4 Serves as liaison to the Communications Committee, responding promptly to member requests for particular action: advising, managing, and implementing approved projects of the Communications Committee within budgetary guidelines.

3.5.2.5 Acts as screening vehicle for all press and public inquiries - both written and oral - to the Association. Often the initial discussion will prove satisfactory and complete to the reporter or individual calling. However, if more technical information is requested and deemed appropriate, the caller will be referred to a specialist.

3.5.2.6 Serves as editor and promotes ISRI newsletters.

3.5.2.7 Publishes the *ISRI Digest*.

3.5.2.8 Exercises managerial responsibility for contracting the services of graphic designers, printers, video consultants, etc., to produce approved assignments. Competitive bids for services and products will be required in accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual.

3.5.2.9 In accordance with the procurement policy set forth in Article IV, Section 4.7 of this Policy Manual all invoices will be paid by check upon presentation of a detailed invoice.

### 3.5.3 *Marketing*

3.5.3.1 ISRI's marketing function resides within the communications department, with oversight provided by the Communications Committee.

3.5.3.2 Specific programs that will be addressed through marketing efforts include the annual convention and exposition; seminars, roundtables, and special education and training initiatives; and product offerings, including insurance, publications, audio visuals, and long-distance phone programs.

3.5.3.3 When requested, Communications department staff will develop marketing plans for programs and products of other departments of the association, and work cooperatively with other staff to produce marketing materials that might include brochures, advertisements, flyers, order forms, and videos.

## 3.6 **Membership Services**

3.6.1 *Membership Services* provides assistance and direction on matters relating to membership acquisition and retention; dues billing (national and chapter dues); relationship between Association and chapter officers; chapter training programs; general chapter programs; information requests from membership.

### 3.6.2 *Membership Acquisition*

3.6.2.1 Provide specific information relating to membership application to potential member.

3.6.2.2 Place potential member in prospect file for follow-up to chapter Chair for local help.

3.6.2.3 When application is received, confirm for accuracy and completeness. Checks are not processed until application process is complete.

3.6.2.4 Letter is sent to applicant noting receipt of material.

3.6.2.5 Letter is sent to chapter President for chapter to consider application in accordance with Article 1, Section 1.1.2 of this Policy Manual.

3.6.2.6 After application is approved, letters are sent to applicant and chapter officials.

3.6.2.7 Each new member receives a member packet along with a membership plaque.

### 3.6.3 *Membership Retention*

3.6.3.1 All members receive an annual invoice for national and chapter dues. The billing cycle starts in October and an invoice is sent each month through December. Dues are payable in advance on January 15 of each year, or such other date as the Board may direct.

3.6.3.2 An identifying item, signifying that a member is in good standing, along with a thank you letter, is sent to every member upon receipt of the dues payment.

3.6.3.3 Follow up with all members not current commences no later than February 1; Chapter Presidents are involved in the process, as are all staff who have participated in providing support to the firm.

3.6.3.4 On May 1st, unless specific Board action changes the time, membership services are suspended to firms owing national or chapter dues.

### 3.6.4 *Membership Management Approach*<sup>1</sup>

Staff and volunteers each have a unique role to fulfill in the function and success of ISRI. Volunteers are those who serve to govern and those who govern and manage ISRI's chapters. They are experts in their respective industry, understand its challenges, and have a vision for how they need their association to meet their and the industry's current and future needs. They are not, however, experts in association management—the operational component to executing on strategic organizational goals.

The ISRI Board of Directors has voted to follow a member-led and staff-implemented structure for its membership operations that maximizes the value that volunteers and staff can each contribute to advance ISRI:

---

<sup>1</sup> As approved by the ISRI Membership Committee on January 30, 2008.

1. It compels governance bodies to focus on the direction they want the association to go and requires them to deliberate and act on strategic opportunities and challenges
2. Sets a vision for the organization and a clear direction for staff to follow
3. Utilizes staff insights for Board of Directors decision-making
4. Holds staff accountable for achieving goals

Volunteers focus on what they want to achieve and the staff focuses on how best to achieve it. It is an approach that prevents both parties from engaging in a function that is the domain of the other, while ensuring that both parties consult one another for effective decision-making and execution. It does not prevent chapter volunteers from acting in ways that will support member recruitment, engagement, and retention (as they historically have); it places accountability upon staff for achieving desired results without hindrance.

#### Member-led and Staff-implemented Approach in Practice

The Membership Committee and ISRI Board of Directors, while seeking staff consultation, is accountable for all strategic direction and goal setting related to membership, to include weighing the cost/benefit of strategic investments in dues revenue generation. Likewise, staff is accountable for determining how best to achieve membership goals as communicated by Leadership. Staff will develop and execute plans, communicate with members, and execute in the areas of member recruitment, membership activation, engagement, renewal, and termination, without need for any prior approval from Leadership (ISRI governance and/or chapter leaders). Staff consults with volunteers as appropriate to help guide their work just as Leadership seeks input from staff when making decisions—a helpful practice but not a requirement.

The one area that will continue to require volunteers to act in a way similar to staff is with chapter leaders engaging chapter members. As chapter programming, advocacy, and activities are developed and conducted at the direction of the chapter, chapter volunteers must engage their members in a way similar to how staff does at the national level.

#### Assignment of Accountability

Below are the key domains of accountability for each stage in the membership management cycle noting which are managed by staff, volunteers, or both. With notes providing greater details on how that will function.

Domain	Staff	Volunteer	Both	Notes
Strategic	Staff	Volunteer	Both	Notes
Determine annual member recruitment goal (# of members)		X		Membership Committee establishes goal with staff consultation on feasibility and implications.

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

Determine annual member retention goal (percentage)		X		Membership Committee establishes goal with staff consultation on feasibility and implications.
Establish recruitment priorities (specific commodity focus; company \$ size; etc.)		X		Membership Committee establishes goal with staff consultation on feasibility and implications.
Remove and add member benefits		X		Membership Committee advises BOD of required changes to member benefits packages with input from members and staff.
Modify member/nonmember pricing differentials for member services		X		Membership Committee liaises with other committees to provide recommendations to the Finance Committee or vice versa.
Recruitment	Staff	Volunteer	Both	Notes
Identify and qualify member prospects	X			Staff takes the lead in consultation with chapter volunteers where appropriate
Develop top prospect target lists	X			Staff creates these lists based on Membership Committee and BOD-communicated strategic goals.
Build-out company and staff contact data for prospects	X			Staff administrative function; consultation with chapter leaders to obtain information.
Develop sales messaging	X			Staff takes the lead and may consult volunteers for message appeal.
Create/edit membership application	X			Staff administrative function guided by bylaws.
Determine marketing channels	X			Staff identify how best to market membership; consults volunteers for new opportunities.
Contact prospects to join	X			Staff accountable for contacting prospects; volunteers may contribute
Receive membership applications and dues	X			Staff administrative function.
Develop welcome and onboarding messaging	X			Staff takes the lead and may consult volunteers for messaging appeal.
Application Processing / Membership Activation	Staff	Volunteer	Both	Notes
Review applications for accuracy and completeness	X			Staff administrative function.
Approve membership		X		In accordance with ISRI Bylaws, only respective Chapter Presidents and the Executive Committee (for International Associate) may approve membership.
Process and apply dues	X			Staff administrative function.
Subscribe primary contact and others to core e-newsletters	X			Staff administrative function.
Send welcome/onboarding messaging	X			Staff administrative function; chapters may voluntarily participate
Send member plaque and directory	X			Staff administrative function.

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

Provide member orientation	X			Staff administrative function; chapters may voluntarily participate
Flow chapter dues to chapters	X			Staff administrative function.
Provide BOD, chapters, and staff with ongoing new member reports	X			Staff administrative function.
<b>Engagement</b>	<b>Staff</b>	<b>Volunteer</b>	<b>Both</b>	<b>Notes</b>
Develop member outreach plan post-join	X			Staff administrative function.
Call/email members with intention to inform and engage them in member services			X	While staff takes the lead, chapters have a vested financial interest in engaging members in chapter member services.
Request company profile and annual updates (locations, staff, commodities, equipment, etc.)	X			Staff administrative function.
Respond to inbound inquiries			X	Staff respond to calls to HQ and chapter leaders respond to chapter-directed inquiries.
Solicit feedback on member experience (surveys)			X	While staff takes the lead, chapters have a vested interest in obtaining feedback on chapter-specific member services.
<b>Renewal and Retention</b>	<b>Staff</b>	<b>Volunteer</b>	<b>Both</b>	<b>Notes</b>
Develop renewal communication plan	X			Staff administrative function.
Develop value messaging pieces	X			Staff takes the lead based on feedback obtained from members and benefit utilization data.
Develop checklists, scripts, and other tools for chapter leaders to pursue member renewals	X			Staff administrative function.
Develop renewal message	X			Staff takes the lead and may consult volunteer leaders.
Determine any increase/decrease in dues amount to assess for renewal		X		According to ISRI Bylaws, the BOD sets and modifies dues amounts in consultation with the Membership Committee.
Update dues information in AMS (database)	X			Staff administrative function.
Coordinate with mail house on renewal mailing	X			Staff administrative function.
Generate renewal pro-forma invoice batch	X			Staff administrative function.
Send renewal packets and subsequent notices	X			Staff administrative function.
Process renewal payments and PAC authorizations	X			Staff administrative function.
Provide chapters with ongoing status of chapter member renewals	X			Staff administrative function.
Flow renewal chapter dues to chapters	X			Staff administrative function.
Call outstanding members to pursue renewal/cancellation reason	X			Staff administrative function; chapter leaders may contribute

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

Place non-renewed members on "lapsed" status (benefits suspended)	X			Staff administrative function; chapter leaders informed of schedule in advance.
Provide chapters with ongoing lapsed member reports until April	X			Staff administrative function.
Membership Termination	Staff	Volunteer	Both	Notes
Notify member of pending termination	X			Staff administrative function.
Send cancellation notice	X			Staff administrative function.
Terminate membership and document termination reason	X			Staff administrative function.
Void pro-forma invoice	X			Staff administrative function.
Send chapters list of cancelled chapter members	X			Staff administrative function.

### **3.7 In-House Legal Services**

- 3.7.1 The primary function of the ISRI legal staff is to represent the Association on all corporate legal matters and to manage and coordinate the efforts of outside counsel working on behalf of the Association or its members. In addition, the ISRI legal staff advises and represents the association in matters of common interest to, or having a substantial impact on, the membership as a whole or members in an industry segment or in a given geographic area.
- 3.7.2 Advice: In order to advise the membership or groups of members on matters of common interest and impact, ISRI legal staff, in consultation with the Departments of Risk Management, Environmental Compliance, Legislative and International Affairs, Federal and State Policy and State and Local Policy, monitors legislative and regulatory developments and court decisions at the state and federal levels and advises members of those which appear significant. This service focuses on issues that have a unique impact on or importance to scrap processors because of the particular business they are in. Areas of concern include, without limitation, environmental and safety regulation, transportation and trade regulation, income and other tax laws, labor matters, and insurance. This advice is provided in the ISRI Digest, Scrap Magazine, on the ISRI website or if time is of the essence – in special reports.
- 3.7.3 Representation: ISRI legal staff represents the Association in regulatory or judicial proceedings before federal or state agencies and courts. The Association participates as a party in government proceedings for the adoption or amendment of regulations, tariffs, and similar actions, which could have a direct bearing on scrap recyclers, and/or in judicial proceedings for the review of administrative action. ISRI counsel, in consultation with members and staff, prepares pleadings and submissions in such proceedings.
  - 3.7.3.1 ISRI will become a party to litigation only upon the specific approval of the Board of Directors (or in exigent circumstances, the Chair). Legal staff will prepare a summary of the litigation, the issues involved, the likelihood of prevailing, and the estimated cost to ISRI for purposes of the Board's review in such cases.
  - 3.7.3.2 ISRI legal staff cannot, and will not directly provide legal representation to individual ISRI members or groups of ISRI members.
    - 3.7.3.2.1 ISRI does not provide legal representation to members, or groups of members, in specific controversies, such as administrative enforcement actions or court litigation, where there are no overriding national issues at stake. Upon request ISRI legal staff will provide preliminary assistance to members who are sued by government agencies. To the extent consistent with their other functions and duties, ISRI legal staff will consult with counsel for members involved in litigation and otherwise provide support on matters within their expertise. Continuing advice to or representation of members in such cases will be provided only at the direction of the Board of Directors.



3.7.3.3 Notwithstanding Sections 0 or 3.7.3.2.1, the Association may participate in its own name in specific controversies involving members in which legal precedents important to the industry as a whole may be established, e.g., as an amicus curiae. ISRI's participation in such cases shall be coordinated with the involved members, but shall be directed by ISRI legal staff.

**3.7.4** Subject to the limitations set forth in Sections 0 or 3.7.3.2.1, To the extent, time is available, the ISRI legal staff, in consultation with the Departments of Risk Management, Environmental Compliance, Legislative and International Affairs, Federal and State Policy, and State and Local Policy may provide assistance to individual ISRI members. Except by direction of the President, legal staff will devote no more than four (4) hours of time to analysis of an individual member's legal question and preparation of a response. Any response may be memorialized in writing, and all responses may be disclosed to the membership-at-large where the issue is one which may recur, provided that the original member's name and other identifying characteristics will not be disclosed. Assistance will be provided to an individual member only on a discrete legal problem or issue which arises because of the nature of the member's business, and on which competent local counsel may not be reasonably available to the member, e.g., federal regulatory laws. Normally, such assistance will be limited to preliminary analysis and advice; members will generally be advised to obtain local counsel. **It must be emphasized that this service is provided for general information purposes only and is not a substitute for the member's own counsel. Members should share the information provided to them by ISRI legal staff with their own legal counsel and seek their guidance on how best to utilize such information.**

3.7.5 From time to time, ISRI engages the services of outside counsel or technical consultants to assist in advising or representing the membership in matters requiring extraordinary legal or technical expertise, or where inside legal staff does not have sufficient time or resources to handle the matter in question. The President will approve all such engagements in advance, in consultation with the Chair and legal staff.

### **3.8 Government Relations**

3.8.1 ISRI maintains an active government relations program. This interdepartmental program is carried out by the Directors of Risk Management, Environmental Compliance, Legislative and International Affairs, Federal and State Policy, and State and Local Policy; under the supervision of Counsel, with assistance, as appropriate from the Communications Department. The purpose of the program is to secure state and federal government action. The State Program is the principal contact for ISRI members regarding proposed or pending state and local legislation and regulations. ISRI staff will consult with one or more of the affected state representatives and/or with local counsel on substantive issues relating to

- proposed or pending laws or regulations.
- 3.8.2 ISRI's program is both reactive and proactive. It identifies and responds to legislative and regulatory proposals -- federal and state -- which may have an adverse impact on members' businesses. It also initiates regulatory action or legislation to eliminate existing or future liabilities or impediments to recycling. Protection of the industry from unfavorable changes in the law and obtaining favorable changes in existing laws are the primary goals.
- 3.8.3 ISRI staff will rely on the chapters to monitor and provide initial information about pertinent legislation and regulatory agency action. Additionally, ISRI staff will monitor state legislative and regulatory activity through various resources available on a national basis. Based upon the information received from these resources, staff will notify, at least biweekly, the relevant Chapter President and/or state liaison(s) (designated by the Chapter President) of any legislative or regulatory activity that may affect the scrap recycling industry in a given state.
- 3.8.4 When ISRI staff identifies, or is advised of, an issue of potential concern in a given state, they will consult with the Chapter President and/or state liaison. Together, they will develop a plan for acting in the pending matter that is consistent with national ISRI policy. Staff participation may range from legal or technical support for chapter-based contacts with legislators or regulators to active participation by staff in organizing and attending meetings with officials or legislators. Active participation by ISRI staff will generally be limited to issues that may have national implications or an adverse effect upon the scrap recycling industry in other states. The level of effort and resources committed by the chapter will serve as an indicator of the importance attached to the pending matter by the chapter and consequently, the amount of association resources that may be committed to the pending matter.
- 3.8.5 A major goal of ISRI's government relations program is to develop Chapter-based government relations capabilities. ISRI will provide continuing education to Chapter officers in the legislative/regulatory processes through workshops, seminars, and similar programs. The objective of this effort is to create and institutionalize a knowledge and understanding of these processes in each Chapter.
- 3.8.6 ISRI staff is responsible for monitoring all proposed action by Congress and federal agencies which may affect the industry. Upon identifying situations where intervention may be appropriate, ISRI government relations staff determine, in consultation with the President, what steps should be taken to influence the proposed action. All contacts by ISRI staff with agencies, members of Congress, or legislative staff for this purpose will be coordinated by Counsel in consultation with the President. All written materials submitted or provided to Congress or a federal agency will be reviewed in advance by Counsel.

- 3.8.7 ISRI's government affairs program seeks not only to prevent unfavorable regulation and legislation, but to improve the existing regulatory/legal environment for recyclers. To this end, ISRI may from time to time identify selected state and federal laws and regulations that should be amended. For state laws or regulations, the criteria for an ISRI initiative will be strategic importance of the state as a trendsetter, the number of members affected, and the potential for success. ISRI staff will obtain the concurrence of the Chair and the Board of Directors before making a substantial commitment of resources to an initiative at the state level. No initiative will be undertaken at the state level except in consultation with the affected Chapter, nor in the absence of an appropriate commitment of resources by the Chapter to assist in the effort.
- 3.8.8 Initiatives at the federal level will be undertaken as may be directed by the Board of Directors. ISRI staff will regularly advise the Board of Directors and relevant Committees of federal laws or regulations which are unfavorable to the industry, together with strategies for seeking change, and the costs and likelihood of success.
- 3.8.9 Initiatives at the federal level will be undertaken as may be directed by the Board of Directors. ISRI staff will regularly advise the Board of Directors and relevant Committees of federal laws or regulations which are unfavorable to the industry, together with strategies for seeking change, and the costs and likelihood of success.
- 3.8.10 ISRI staff will report regularly to the Board of Directors and relevant Committees on all significant activities undertaken by the government relations program.

### **3.9 Commodities**

- 3.9.1 The Department collects, researches, analyzes, and reports on trends covering the metals, paper, plastic, glass, rubber, and textile industries. The Department also maintains historical statistical databases on aspects of supply, demand and price for various commodities. Data is drawn from outside sources and, where possible, from independent consulting firms, private companies and primary research.
- 3.9.2 Report examples include:
- 3.9.2.1 "The Friday Report." An email or faxed newsletter issued weekly as a complimentary service to member firms who receive it by email. The report utilizes outside published resources for statistical information as well as research obtained from industry contacts. Text is prepared by Commodities Department staff and by outside contributors. Specific information provided to Commodities Department staff is not attributed to individuals or companies. All primary data is confirmed by two or more contacts. Background notes and research material/information in each issue is kept for four weeks and then discarded.

3.9.2.2 "Scrap." Provides timely market research-oriented articles on various aspects of the recycling industry. More detailed than "Commodities" articles.

3.9.2.3 Statistical reports include monthly data on scrap exports and monthly domestic scrap activity.

3.9.3 Other functions: Department is also responsible for industry and Association surveys, specialized directories, and research projects supporting the departmental requirements.

### **3.10 Scrap**

3.10.1 In conjunction with the Publisher and the Associate Publisher, the Executive Committee of the Association will periodically review the "Statement of Purpose" of the magazine and the magazine's performance, editorially and financially, in light of that Statement.

3.10.1.1 The committee will review advertising and subscription rates with the Publisher on an annual basis and determine if adjustments are to be made.

3.10.1.2 The committee will review the annual editorial calendar proposed by the Publisher and Editor.

#### **3.10.2 Editorial Content**

3.10.2.1 The Associate Publisher and Publisher will be responsible for the editorial content of the magazine.

#### **3.10.3 Sales and Marketing**

Advertising sales and marketing will be the responsibility of the Publisher.

#### **3.10.4 Role of ISRI Staff**

3.10.4.1 Because of the importance of Scrap Magazine to the overall goals of the Association, professional staff will be involved as contributing editors.

### **3.11 ISRI Electronic Services**

3.11.1 ISRI's electronic services function aims to provide electronically—as a component of accomplishing the association's mission—products and services to ISRI members and the general public as follows:

#### **3.11.2 Members Only**

3.11.2.1 ISRI will electronically provide to members information and services that enhance the value of membership-specific news; policies; and marketing of association products, programs, and services. ISRI also will provide electronic communication links between staff and members to facilitate the conduct of association and industry business. Information delivery will be accomplished in a cost-effective manner, be restricted to current ISRI members, and be designed to diminish the need for additional resources.

#### **3.11.3 General Public**

3.11.3.1 ISRI will electronically make available to the general public selected

services and information that explain the role of the scrap industry and the association, enhances the public image of the industry and association, promotes the interests of the industry, and encourages, where pertinent, membership in ISRI. Information delivery will be accomplished in a cost-effective manner and be designed to diminish the need for additional resources.

**3.11.4 Electronic Services Task Force**

3.11.4.1 The task force will be appointed by the ISRI Chair. In conjunction with staff liaison(s) designated by the ISRI President, the Committee will periodically review the mission of ISRI electronic services, develop and recommend policies to further that mission, and review the financial information related to these services.

3.11.4.2 The task force will review fees or subscription rates associated with any electronic service and will make recommendations to the ISRI Chair for establishment of fees and rates.

3.11.4.3 The committee will review proposals for new products or services and will establish editorial policies that will enable ISRI staff to implement changes in the most timely and efficient manner possible.

**3.11.5 Editorial Content**

3.11.5.1 The President will be responsible for the review and approval of the editorial content of ISRI electronic services.

3.11.5.2 Information developed in print form, which is made available without charge to the general public upon request, should be developed for distribution via electronic services without charge.

3.11.5.3 The ISRI Scrap Specifications Circular will be made available to the general public via ISRI's electronic services.

## **Article 4 Administration**

### **4.1 Minutes of the Board of Directors' Meeting**

4.1.1 The proceedings of the Board are taped for subsequent development of a written summary.

4.1.2 The President is responsible for the preparation and distribution of Board and Committee Minutes. To the extent possible, Board minutes should be prepared and distributed no more than 6 weeks after the Board meeting.

4.1.3 Copies of Board and Committee minutes are distributed to Board Members and Committee Chairs via the members' only portion of [www.isri.org](http://www.isri.org). Printed copies will be mailed only upon request.

4.1.4 Copies of minutes of the respective Committee Meetings are posted on the members' only portion of [www.isri.org](http://www.isri.org). Printed copies will be mailed only

upon request.

#### **4.2 Policy for Distribution of ISRI Mailing Labels**

- 4.2.1 Chapters must use membership labels provided by the national office for mailing chapter announcements and other chapter information. These labels will be supplied at no charge to the Chapters provided requests are made in writing (e-mail, letter, or facsimile), addressed to the Membership Manager. Written requests must detail the intended use of the labels.
- 4.2.2 ISRI members may purchase membership mailing labels for a charge equal to ISRI's cost of providing the labels.
- 4.2.3 There will be no review of materials to be mailed by members or chapters for acceptability or propriety; mailing labels will be provided on request as outlined in Sections 4.2.1 and 4.2.2 above.
- 4.2.4 Pursuant to Article I, Sections 1.3.2.2 and 1.7.1.2, mailing labels are provided without charge to candidates for National Office or Division leadership.

#### **4.3 Policy Regarding Identification of the Association**

- 4.3.1 The Association will be referred to either as the Institute of Scrap Recycling Industries, or ISRI. This designation will be used in written presentations and in answering the phone.

#### **4.4 Pricing Policy for ISRI Publications and Other Material Available for Sale**

- 4.4.1 ISRI materials offered for sale will be available on a non-discriminatory basis, at a price to be established by the Chair of the Association. To assist in this effort, the ISRI Finance Committee recommended the following:

Service	Member price	Non-member price
Publications	2 × full cost	2 × member price
Films/Videos	2 × full cost	2 × member price
Seminars	Full cost	2 × member price except that, once in any three year period, a non-member that is eligible for membership may attend one seminar at the member price as an inducement to membership

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

		10 × member price otherwise
Roundtables	Full cost	2 × full cost
		Additional member reps same firm @ \$50
Studies	2 × full cost	10 × member price
Full cost means all direct and indirect costs.		
Order volumes over \$100 for publications, is subject to a 10% discount; orders for publications under \$25 are assessed a \$5 handling fee.		

- 4.4.2 All prices to members shall be set at a level to return the cost of the item plus a contribution to Association overhead; a higher price may be established for non-members consistent with appropriate tax laws.
- 4.4.3 The ISRI Directory of Members will be sold to non-member firms at a price to be set annually by the Chair.
- 4.4.4 The ISRI Directory of Members will be provided on a complimentary basis to Government officials making the request on official letterhead. The preferred response is to provide the relevant sections of the Directory, not the entire publication.
- 4.4.5 The number of non-members permitted to attend any seminar shall be limited to a maximum of ten percent (10%) of the estimated attendance. Notwithstanding the foregoing, upon a determination by the President that allowing a greater percentage of non-members will not result in a lack of adequate space for members to attend such seminars, the President may increase such ten percent (10%) limitation as he or she deems appropriate.
- 4.4.6 Each non-member that attends an ISRI seminar will be referred to the Membership Department who will forward appropriate materials and make contact with the prospective member.
- 4.4.7 The decision as to whether an individual seminar program is limited to members only, shall be made in consultation with the Chair of the Member Services Committee.

#### **4.5 Dues Pro-Rating Policy**

- 4.5.1 National dues will be pro-rated for the period of the year during which membership benefits will be enjoyed. Since dues billings for all members will be on a common anniversary date (January 1 of each year) the pro-rate need arises only for the initial (new member) membership year. Chapter dues are not pro-rated.
- 4.5.2 Membership dues for new members will be prorated as follows:<sup>1</sup>

---

<sup>1</sup> As adopted by the ISRI Board of Directors on April 24, 2017.



*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

If a member joins during the following months:	National dues shall be assessed in an amount equal to:
January through June <ul style="list-style-type: none"><li>- On or before the 14<sup>th</sup> of the month</li><li>- After the 14<sup>th</sup> of the month</li></ul>	<p>A monthly proration multiplied by the number of months remaining in the year, including the current month.</p> <p>A monthly proration multiplied by the number of months remaining in the year, excluding the current month.</p>
July through September	50% of annual dues
October through December	Member shall pay 100% of the annual dues for the following year at the current rate and receive full member benefits for the current year

#### **4.6 Policy on Industry Representation**

- 4.6.1 The official and exclusive spokespeople for the Association are the Chair and the President. In the absence of a specific grant of authority from the Chair or the President, no other elected or appointed official, or staff, is to speak on behalf of the Association.
- 4.6.2 All persons designated by the Chair or the President to speak on behalf of the Association must project the official ISRI policy on the subject matter being considered. There can be no departure from ISRI policy, for any reason, when a representation is being made on behalf of the Association.
- 4.6.3 If a situation should arise wherein an ISRI official is put in a position of representing the Association without previous grant of authority, prior confirmation of appropriate ISRI positions is in order. Since such confirmation with either the Chair or the President is not always possible, all ISRI officials should be fully cognizant of ISRI positions and be able to portray them accurately and completely. If doubt exists, referrals to the Chair or President or a response following verification of the position or checking with the Chair or the President is the preferred option.
- 4.6.4 Personal or individual business feelings or insight are not relevant to the matter of ISRI positions; any mixture of personal or private business postures and the ISRI posture is inappropriate and not acceptable.

#### **4.7 Procurement and Payment Policy**

- 4.7.1 ISRI is committed to securing goods and services at the most reasonable cost available without sacrificing quality considerations. To accomplish this goal, the following procedures are effective:
  - 4.7.1.1 For purchases of goods or services over \$10,000 a minimum of three competitive bids are required. If the lowest bid is not accepted, a written explanation must be attached to the purchase order. When vendors are used on an annual basis for the same service or good, competitive bids are only required every three years.
    - 4.7.1.1.1 Copies of competitive bids shall be attached to the purchase order or invoice submitted for payment.
    - 4.7.1.1.2 Where a Request for Proposal ("RFP") is issued a copy of the RFP and all responses thereto shall be filed with the Vice President--Finance.
    - 4.7.1.1.3 All RFP's for services shall include a copy of **ISRI's POLICY STATEMENT REGARDING OUTSIDE COUNSEL AND CONSULTANTS** as set forth in Section 4.26 below.
    - 4.7.1.1.4 Notwithstanding paragraph 4.7.1 above, purchases of services requiring highly sophisticated or unique skills, such as legal expertise in a discrete area of law, shall not be subject to the requirement for competitive bidding. In situations where time is of the essence and obtaining multiple bids

may have a significant detrimental impact upon the association or its membership, the requirement for multiple bids may be waived upon written consent of the Chair or the President.

- 4.7.1.2 All purchases of goods and services from \$0 to \$1500 require the signature of the Department Director on the applicable purchase order.
- 4.7.1.3 All purchases of goods and services over \$1500 require the signature of the Department Director and the signature of the Vice President for that Department.
- 4.7.1.4 Approval for a capital budget expenditure requires the signature of either the President or the Vice President--Finance. Necessary approvals for the purchase order must be obtained prior to committing to any capital expenditure (a capital expenditure is defined as any furniture, equipment, or computer software).
- 4.7.1.5 To the extent possible all accounts will be paid in accordance with appropriate commercial practice. In all cases when a discount is offered, the payment schedule will be adjusted to obtain the discount if fiscally favorable.
- 4.7.1.6 All checks will be signed by two officials, each of whom has been bonded to the levels established by the Board of Directors.
- 4.7.1.7 Complete documentation, including the evidence required by this Procurement Policy, must accompany the check and voucher and be retained in the file to demonstrate a total record of the transaction.

#### **4.8 Policy on Reprinting ISRI Specifications**

- 4.8.1 Permission to completely or partially reproduce copyrighted information in the ISRI Specifications Circular may be granted to government, nonprofit, for profit or media organizations under the following circumstances.
  - 4.8.1.1 Government - ISRI will grant permission to a government or government agency if the government or government agency submits a letter on letterhead to ISRI stating why it wants to reproduce the Specifications and where it will reproduce them. After reviewing the letter, ISRI may approve the letter and authorize the government or agency to translate and reproduce the Specifications. The government or agency must agree in its letter: 1) to reproduce either the complete Specification Circular or complete sections of the circular, i.e., nonferrous scrap, paper stock, or ferrous scrap--but not partial sections or individual Specifications; 2) to acknowledge in each publication in which the Specifications are reproduced that the Specifications have been established and copyrighted by ISRI, 1250 H Street, NW, Suite 400, Washington, DC 20005-5903; 3) to state in each such publication that the English version of the specification is to take precedence over translated versions; and 4) state in each publication that "the ISRI Scrap Specification Circular is subject to change" and that "readers should contact ISRI to make certain they are reading the most recent version of the Scrap Specification Circular." There will be no royalty fee charged to a government organization.
  - 4.8.1.2 For Profit Organizations - The requirements are the same as for government

organizations, except a royalty fee of \$500 per printing/edition per publication must be forwarded along with the request of permission to reproduce.

4.8.1.3 Non-Profit Organizations - The requirements are the same as for government organizations, except that the royalty fee for reproducing the Specifications is to be \$1.00.

4.8.1.4 Media - Upon request, ISRI grants the media the right, without charge, to partially reproduce ISRI Specifications if they follow ISRI's rules of reproduction state below:

4.8.1.4.1 With the specification reproduction there must be a statement why the specification is being reproduced. Examples are that it is a new or revised specification, or that a reader requested the information.

4.8.1.4.2 There must be a statement with the reproduction noting that there are commercial implications related to the use of each ISRI specification, which are not spelled out in this reproduction.

4.8.1.4.3 The reproduction must state that the Specifications can be acquired from ISRI and provide ISRI's full address and phone number and the cost of the ISRI Specifications Circular.

4.8.1.4.4 The ISRI specification being reproduced must be separated from other items in the publication by highlighting the Specification in a "box," or other publishing technique. The reproduction must give the full specification including the applicable name, number, title and full description as listed in ISRI's Specifications Circular.

4.8.2 Permission to republish the ISRI Scrap Specifications Circular in electronic format shall be granted in accordance with the following:

4.8.2.1 Website operators wishing to display the ISRI Scrap Specifications shall be required to link to the ISRI specifications as presented on [www.isri.org](http://www.isri.org). ISRI's Scrap Specifications shall not be loaded onto any other site, unless the Officers decide it is in ISRI's best interests to do so.

4.8.2.2 Website operators wishing to display the ISRI Scrap Specifications shall be permitted to link to the ISRI website only upon paying an annual licensing fee set by the officers based on the needs, traffic, etc. of the site.

4.8.2.3 ISRI's Scrap Specifications shall be displayed in such a fashion that users coming to the site would be able to view only small sections of the content to prevent mass copying and distribution of the Scrap Specifications. Each page viewed shall have a "Buy the book" link to the ISRI online bookstore where the Scrap Specifications Circular is sold. If warranted, a log-in form can be used to capture information about visitors.

4.8.2.4 All licensees shall be required to include the following statement on their linking page:

[Licensee's URL] provides a link to the Scrap Specifications Circular of the

Institute of Scrap Recycling Industries, Inc. (ISRI) with ISRI's permission. All sections of ISRI's Scrap Specifications Circular are copyrighted documents. No section can be reprinted in whole or in part without the prior written permission of the Institute of Scrap Recycling Industries, Inc. to obtain permission to reprint, write to: President, Institute of Scrap Recycling Industries, Inc., 1250 H Street, NW, Suite 400, Washington, DC 20005-5903

- 4.8.2.5 To ensure that licenses are kept up-to-date, the Managing Director of Communications shall, in cooperation with the Managing Director of Finance, be responsible for reviewing/renewing/billing licensees on an annual basis. Renewal billings shall be completed by the first week in November each year.

#### **4.9 ISRI PAC Fundraising**

- 4.9.1 Fundraising activities will be conducted in compliance with all federal and state laws and regulations as well as all rules of the Federal Election Commission and applicable state agencies.
- 4.9.2 If prizes are to be awarded by the Association in conjunction with ISRI PAC fundraising activities they shall be determined by the ISRI Chair in consultation with the ISRI PAC Leadership Council and with advice from ISRI staff.
- 4.9.3 Prize winners must complete all Federal or State forms required for tax purposes prior to distribution of any prize.

#### **4.10 Policy on Reimbursement of Speakers and Panel Members at ISRI Functions<sup>1</sup>**

- 4.10.1 A speaker or panel participant at the ISRI Convention and Expo, individuals have the unprecedented opportunity for exposure to the leaders and primary stakeholders in scrap recycling and related industries. ISRI is pleased to provide such opportunities to qualified individuals and appreciate their willingness to share knowledge and experiences through convention programs.

Unless otherwise provided by contract, speakers and panelists participating in ISRI Convention and Expo programs (and their spouse/partner if accompanying) will receive complimentary registration to the ISRI Convention. All their related expenses for travel, hotel, food costs, etc. are not reimbursable.

(see Article IV Section 4.7 for expenses relating to professional presenters).

- 4.10.2 In circumstances where a particular individual's skills or expertise are needed for a particular program and where travel expenses are required by the presenter or his/her employer, certain travel expenses may be reimbursed, as a whole or in part, at the direction of and with the written prior approval of the President of ISRI. Industry speakers or panelists whose request for travel reimbursement has been approved will receive the following as a maximum reimbursement for expenses incurred as a result of their participation in a program's presentation:
- 4.10.2.1 The lesser of actual ticket cost or a reimbursement amount established by ISRI based on lowest coach fares from the speaker/panelist's home city to the meeting city at the time of invitation by ISRI. By accepting the set reimbursement

amount, speakers are then free to select the airline and fare basis that best meets their travel needs. Any additional airfare reimbursement must be approved by ISRI's President in advance of purchase.

4.10.2.2 Standard single room for two nights -- night before and night of the event booked by ISRI's meeting planners in the convention hotel. Speakers traveling from international destinations may receive a standard single room for three nights. ISRI will not reimburse for hotel stays not booked through ISRI meetings staff.

4.10.2.3 All requests for reimbursement must be submitted along with original receipts and appropriate documentation within 30 days after the meeting date.

#### **4.11 Rules Governing the Procedures for the Addition, Amendment, or Withdrawal of Scrap Specifications**

4.11.2 The President shall refer such request to the Chair of the appropriate Division Specifications Committee (the "Committee"), with copies to:

4.11.2.1 The Officers; and

4.11.2.2 The chair of any Division and/or Committee that might be affected by the specification.

4.11.3 Committee Action. Following presentation by all interested parties, the Committee shall review the request and:

4.11.3.1 Act upon it prior to the next meeting of the Board, as set forth in Section 4.11.4; or

4.11.3.2 Refer it to a subcommittee for review and recommendation for action by the full Committee at its next meeting.

4.11.4 The Committee shall summarize the positions advocated by the various parties interested in the request and recommend to the appropriate Division and the Board of Directors what action should be taken.

4.11.5 Notice. A notice of the Committee recommendations shall be distributed to all ISRI members, a news release will be distributed to industry trade publications and a notice will be posted on the ISRI website at least 20 days before the request will be considered by the Board of Directors. Such notice shall state:<sup>1</sup>

4.11.5.1 The date, time and place at which the request will be considered by the Board;

4.11.5.2 That the proceeding at which the request will be considered shall be open to the public;

4.11.5.3 That interested parties may participate in the proceeding by personal appearance or by submitting written comments;

4.11.5.4 A summary of the specification and the matter to be considered at the meeting.

- 4.11.6 **Board of Directors Action.** The Board of Directors, at its meeting at which the report and recommendation of the Committee has been made, may adopt, amend or reject the recommendation or table it pending further review and recommendation by the Committee.

4.11.6.1 Notice of the action taken by the Board shall be given to all interested parties who actively participated in the Committee proceeding and any other persons who have requested in writing notice of the Board's action. Notice of said action also shall be distributed to all ISRI members, a news release will be distributed to industry trade publications and a notice will be posted on the ISRI website on or before ten days following the Board's action.

- 4.11.7 **Appeal.**

4.11.7.1 The appeal shall be heard by the Board at its next meeting following receipt of the appeal.

4.11.7.2 The appellant and all interested parties shall be given at least 20 days' notice of the date, time, and place of the hearing, and like notice shall be inserted in the ISRI newsletter at least 20 days prior to the hearing.

4.11.7.3 At the hearing, the appellant and any other interested party may appear either in person or by written presentation and state their reasons for the appeal.

4.11.7.4 The Board, following said hearing, shall review and act upon the appeal. Notice of the Board's action shall be given in accordance with Section 4.11.6.1

- 4.11.8 **Records.** ISRI shall maintain for not less than five years following the date of termination of the proceedings, records of the original request, summaries of the deliberations and recommendations of the Committee, action of the Board, summaries of the appeal and final decision, if any, of the Board, together with the positions of interested parties, copies of notices sent to interested parties and inserted in the ISRI newsletter and national trade publications, written statements, and the reasons for recommendation and final action by the Committee and the Board.

4.11.8.1 Said records shall be available for review by the public upon reasonable notice.

#### **4.12 Reserve Funds Policy**

- 4.12.1 **Definition and Purposes.** ISRI's Reserves are composed of the funds that have been set aside by ISRI and held in an investment portfolio managed under the Guidelines set out in 4.29 of this Policy Manual. They are collectively referred to as "the Total Fund" or "Reserves." As specified under Section 4.29, the Reserves were created by ISRI over time to provide perpetual financial support to the association.

- 4.12.2 **Organization's Objectives of the Reserves**

There are two purposes of the reserves. The first, is to provide needed

resources for the association in the event of a significant threat to the industry, posed by legislative, regulatory, policy, or other similar external action. The other purpose is to protect the association during economic downturns that directly affect the financial operational ability of the association.

4.12.2.1 ***Restricted Fund.*** The Restricted Fund shall be composed of an initial balance of \$8 million as of May 1, 2019.

4.12.2.1.1 If the balance of the Restricted Fund at the end of the calendar year is less than \$8 million, then money shall be taken out of the Unrestricted Fund and moved into the Restricted Fund to bring the balance to \$8 million.

4.12.2.1.2 The dividends, interest, and realized gains generated within the Restricted Fund shall be transferred to the unrestricted fund at the end of each calendar year, provided the balance in the Restricted Fund does not fall below \$8 million.

4.12.2.1.3 Any fees associated with the Restricted Fund shall be paid out of the Unrestricted Fund.

4.12.2.1.4 It is the intention of ISRI that the Restricted Fund shall always maintain a balance of \$8 million and such funds shall never be used.

4.12.2.2 ***Unrestricted Fund.*** The Unrestricted Fund shall be composed of an initial balance equal to the Total Fund Balance minus the initial Restricted Fund Balance of \$8 million.

4.12.2.2.1 The unrestricted funds shall be used to pay any and all fees associated with ISRI's Reserves, as well as all other uses as set out in Section 4.12.4 of this Policy Manual.

4.12.2.3 ***Review.*** It is the responsibility of the Investment Committee of ISRI to re-evaluate the distribution of funds between the Restricted and Unrestricted Funds annually and make any recommendations to the ISRI Board for a rebalancing by April of each year.

4.12.3 **Contribution to the Reserves.** It is the practice of ISRI to invest, whenever possible, any operating budget surpluses into the Reserves, after meeting the operating needs of ISRI as determined and approved by the ISRI Board. Any such surpluses should be placed in the Unrestricted Fund.

4.12.4 **Use of the Reserves.** The Reserves may be used for any of the following three purposes, under the guidelines set out within each section:

4.12.4.1 ***Contribution to ISRI's Annual Operating Budget.*** In any given year, ISRI may utilize up to 5% of the "balance" in the Unrestricted Fund towards the Association's annual operating budget. For such purposes, the "balance" should be determined by taking the average of the prior two years' year-end Unrestricted Fund balances.

4.12.4.1.1 If the average Total Fund balance in ISRI's Reserves for the prior two years (measured at year-end) exceeds \$22 Million, ISRI may access up to





funding is available (i.e. special assessment).

- 4.12.4.3.3 After approval from the Finance Committee, the request will be taken as a motion to the ISRI Board of Directors to access the Unrestricted Fund with specific dollar maximums stated. The ISRI Board must then vote to approve that the specified amount requested by the Executive Committee can be taken from the Unrestricted Fund. A vote of 2/3rds of the Board in attendance is required (all quorum requirements are per the ISRI Bylaws).

#### **4.13 Tax Law Requirements for Billing and Solicitations**

- 4.13.1 All ISRI billings will conform to requirements issues by the Internal Revenue Service and other governmental bodies.
- 4.13.2 All dues statements will contain the following wording: "Contributions or gifts to this organization are not deductible as charitable contributions for Federal income tax purposes. However, payments of membership dues are deductible for most members of a trade association under Section 162 of the Internal Revenue Code as an ordinary and necessary trade or business expense."
- 4.13.3 All dues statements will also contain the following wording: "Due to the Budget Reconciliation Act of 1993, a percentage of ISRI national and chapter dues are not tax deductible as a business expense. The non-deductible percentage represents the portion of ISRI expenses used for 'lobbying' as defined by the law. The non-deductible percentage of your 2XXX national dues is %".
- 4.13.3.1 All PAC solicitations will contain the following wording: "Contributions are not tax deductible as charitable contributions for federal income tax purposes."
- 4.13.4 Statements for convention registration, sales of publications, and other tangible products need no special designation.

#### **4.14 Criteria for Staff Participating at Events Sponsored by Members**

- 4.14.1 Except for presentation of on-site training seminars offered through ISRI's Education and Training programs, staff members are not available to participate in events sponsored by individual members. This includes legal, legislative, or social events sponsored or undertaken by individual member firms. Exceptions will be considered only under the following unusual conditions:
  - 4.14.1.1 Requests must be directed to the Chair as far in advance of the date as possible;
  - 4.14.1.2 The issue, while affecting one member firm, has or could have national significance;
  - 4.14.1.3 The expertise of the staff member is unique and cannot reasonably be duplicated by other sources;
  - 4.14.1.4 No disproportionate individual gain will result from staff participation in the event;
  - 4.14.1.5 All costs will be reimbursed by the affected firm, and;

- 4.14.1.6 The Chair will make the final decision reference all such requests and that decision will be final.

**4.15 General Counsel Availability for Chapter Meetings**

- 4.15.1 Outside General Counsel is available for attendance at chapter meetings at a fee to be mutually agreed upon by the Chapter and General Counsel

**4.16 Retention of Records**

- 4.16.1 ISRI will retain official records in accordance with governmental regulations where appropriate. Where no governmental regulations are in effect, the Chair and President will make such determinations with appropriate consideration for such factors as historic importance and preservation of tradition.

**4.17 Limitations on Use of ISRI Publications**

- 4.17.1 All ISRI publications, unless specifically designated, are for the limited use of ISRI members. Publications available for sale or distribution to non-members will be so designated upon publication.

**4.18 Field Trips/Tours During Board Meetings/Conventions**

- 4.18.1 No field trips or tours may be scheduled on any day during a Membership Conference, Education or Training Program, Roundtable, or Convention unless it is an official part of the ISRI activity.
- 4.18.2 Any official field trips or tours may be publicized by an insert to the ISRI newsletter.

**4.19 Use of Recycled Paper**

- 4.19.1 To the extent that recycled content paper is available and is technically acceptable, such paper will be utilized by ISRI without regard to cost.
- 4.19.2 When ISRI purchases or leases equipment (such as photocopy equipment) in the future, every effort should be made to purchase or lease equipment which would be compatible with the use of recycled materials.

**4.20 Policy for Purchases and Refunds**

- 4.20.1 Purchases of materials (printed and audio visual) from the Institute of Scrap Recycling Industries are considered final. If materials received were damaged during shipment and returned to ISRI within 15 days of receipt, replacement copies will be provided. No cash refunds will be available.

**4.21 Policy on Expedited Mailing Requests**

- 4.21.1 Requestors asking ISRI for materials to be provided via next day service through Federal Express, UPS, or other next day delivery services will be required to provide a direct charge account number for the delivery service requested or an acceptable credit card number.

**4.22 Reimbursement for Special Meeting Attendance**

- 4.22.1 From time to time, ISRI members are requested by the Association's Government

Relations staff to attend special meetings or travel to meet with elected representatives or staff of various legislative or regulatory bodies on behalf of the ISRI membership. In order to encourage maximum member involvement, the Government Relations staff will, with approval of the ISRI Chair, offer reimbursement for travel expenses incurred in carrying out such a request. The reimbursement will cover: 1) lowest possible coach air travel; 2) lowest single room hotel accommodation; 3) meals; 4) relevant ground transportation charges. A travel expense report along with appropriate documentation will need to be submitted for reimbursement.

#### **4.23 Criteria for Staff Participation at Events Sponsored by Chapters**

4.23.1 ISRI Officers and Staff are available to participate at chapter functions under the following conditions:

4.23.1.1 The Officer or Staff member will be a significant part of the program or event;

4.23.1.2 The Officer or Staff member's presence will be announced well in advance to ensure the largest possible liaison with chapter members;

4.23.1.3 The invitation to the Officer or Staff member will indicate that the expenses noted in Section 4.23.2 below will be reimbursed, detail clearly the program expected, the timing of the event, and whether press will be present.

4.23.2 Expenses of the staff member will be reimbursed by the chapter, in accordance with Article II Section 2.4 of this Policy Manual, as follows:

4.23.2.1 Coach air fare;

4.23.2.2 Single room accommodation; and

4.23.2.3 Any registration or travel fees related to event or function.

#### **4.24 ISRI Representation on Outside Committees, Councils, Panels, Boards, and Forums**

4.24.1 When ISRI, as an association, is presented with the opportunity to participate in, or serve on, any governmental or non-governmental committee, panel, board, forum, or other similar entity, the Chair shall expeditiously make a determination as to who amongst the membership or the staff of the Association is best able to represent ISRI. The Chair shall appoint that person to serve in such capacity and grant such powers to that person to represent the industry consistent with Section 7.0 of the ISRI Bylaws. Such appointee shall serve at the pleasure of the Chair and may be removed or replaced by the Chair if deemed to be in the best interests of the Association.

4.24.1.1 Appointments made pursuant to this section shall be reported to ISRI's Board of Directors at its next regular meeting.

#### **4.25 ISRI's Non-Discrimination Policies**

ISRI's NON-DISCRIMINATION POLICIES

4.25.1 ISRI'S SEXUAL HARASSMENT POLICY

It is the policy of ISRI that all employees should be able to work in an atmosphere free from all forms of discrimination, including sexual harassment. Sexual harassment of employees or applicants in any form will not be tolerated by ISRI. In addition, ISRI will endeavor to protect employees, to the extent possible, from harassment by nonemployees (including ISRI members and vendors) in the workplace.

Sexual harassment includes unwelcome sexual flirtations, advances, or propositions, verbal abuse of a sexual nature, subtle pressure or requests for sexual activities, unnecessary touching of an individual, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, a display in the workplace of sexually suggestive objects or pictures, sexually explicit or offensive jokes, and physical assault. No supervisor, employee, or member shall threaten or insinuate, either explicitly or implicitly, that another employee's or applicant's refusal to submit to sexual advances will adversely affect that person's employment, work status, evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development. Similarly, no employee or member shall promise, imply, or grant any preferential treatment in connection with another employee or applicant engaging in sexual conduct.

Each member of management is responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. Further, employees are responsible for respecting the rights of their co-workers. It is the responsibility of each employee to report incidents of harassment.

Any employee who feels that he or she is a victim of sexual harassment by any supervisor, management official, other employee, ISRI member or any other person in connection with his/her employment (or who otherwise believes that sexual harassment is occurring) should bring the matter to the immediate attention of ISRI's Director of Human Resources or ISRI's Counsel. An employee who is uncomfortable for any reason in bringing such matters to the attention of either of these persons should report the matter to the President. Any questions about this policy or potential sexual harassment should also be brought to the attention of the same persons.

ISRI will promptly investigate all allegations of sexual harassment in as confidential a manner as possible and will take appropriate corrective action if warranted. Any employee who is determined, after an investigation, to have engaged in sexual harassment in violation of this policy will be subject to appropriate sanctions up to and including termination. A nonemployee who subjects an employee to sexual harassment in the workplace will be informed of the harassment policy and other action will be taken as appropriate to stop the harassment.

ISRI prohibits any form of retaliation against any employee filing a bona fide complaint under this policy or for assisting in a complaint investigation. However, if after investigating any complaint or harassment or unlawful

discrimination, ISRI determines that the complaint is not bona fide or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave false information.

➤ **Policy Statement Regarding Outside Counsel and Consultants**

INSTITUTE OF SCRAP RECYCLING INDUSTRIES, INC.

POLICY STATEMENT REGARDING OUTSIDE COUNSEL AND CONSULTANTS

The Institute of Scrap Recycling Industries, Inc. (ISRI) engages and manages services provided by a number of law firms and consulting firms (hereinafter referred to as "firms"). This policy statement is intended to describe our approach to establishing and maintaining productive relationships with both outside counsel and consultants. It is also intended to address certain specific issues which may arise from time to time. This policy statement should be considered integral part of the terms under which outside counsel and consultants are engaged to represent ISRI.

**CONFLICTS OF INTEREST**

In working with outside law and consulting firms, ISRI wants to be certain that positions adverse (or potentially adverse) to our Association's interests will not be advanced by attorneys or consultants (referred to jointly hereinafter as "professionals") in the firm and that our Association's and our Association's members' confidential business information will not be compromised. To that end, we expect such professionals to call our attention promptly to the following issues:

- Actual or potential conflicts of interest under the applicable rules of professional responsibility;
- Other engagements which involve representation of a company or association with interests adverse to the Association; and
- Where interests are not otherwise adverse, other engagements which actually or potentially involve advocating a position on behalf of a client which is inconsistent with the position taken on behalf of our Association and/or its members.

ISRI will review information we receive about any of the foregoing matters, taking into consideration the views of professionals as to whether and how any obstacle to effective representation of our Association could be mitigated, and will promptly make a determination about how to proceed.

To assist firms in checking for any impediments to representing ISRI, a general description of ISRI's activities, as well as the operations and activities of ISRI's members is included as Appendix A to this policy statement. Because ISRI's membership changes over time, it may be advisable for professionals in the firms to discuss with ISRI in some detail the nature of the proposed representation if it involves any of the Association's or the Association's members' lines of business in order to resolve uncertainties about potential conflicts.

## MANAGEMENT ISSUES

Once a firm has been engaged by ISRI, ISRI expects the members of the firm, after consultation with ISRI, to abide by our decisions concerning the objectives of representation and the means by which those objectives are to be pursued. In this connection, the firm can anticipate that they will be guided by the ISRI staff person responsible on such matters as to the level of effort desired for a particular assignment, the timeframe for the work and the method of reporting results. In addition, the firm will be expected to develop a comprehensive case or project strategy statement at the outset and a preliminary case or project budget which must be revised periodically or as significant developments occur.

ISRI favors the practice of using more junior lawyers/paralegals/consultants to work on matters whenever it is possible to do so without in effect having a more senior lawyer/consultant rework the project. ISRI believes that it is not only cost effective in the short term to proceed in this manner, but that it also helps build a team of lawyers/consultants who are familiar with the Association and its needs. ISRI disfavors, however, having more than one professional from a law firm, attend the same proceeding or meeting, unless approval to do so is obtained in advance from ISRI.

No consultants, expert witnesses, subcontractors, etc. are to be engaged to work on a matter without the prior approval of ISRI.

## RESPONSIBILITIES OF OUTSIDE COUNSEL/CONSULTANTS

It is the responsibility of both outside counsel and consultants to render legal, technical and other required services efficiently as well as effectively. Thus, even if ISRI staff does not ask all the right questions about how to staff a particular project, the professional on his or her own initiative should anticipate choices which could be made regarding the manner in which services are performed and should bring them to the attention of ISRI.

ISRI expects to receive copies of all internal research/project memoranda produced in the course of the firm's work on a matter for us. Substantial research efforts must be approved by ISRI in advance. Furthermore, ISRI expects that professionals will continually work to improve their firm's internal controls to ensure that the appropriate level of effort and experience are brought to bear, that fees billed are reasonable in relation to the services performed, and that invoices for services rendered are clear and complete and comply with these guidelines. We encourage outside counsel and consultants to discuss these issues with ISRI from time to time.

## PUBLICITY REGARDING RELATIONSHIP

Before identifying the Association as a representative client of the firm in brochures, presentations, reference materials, or other publications, ISRI requires its outside counsel and consultants to seek our concurrence.

## BILLING

Billing rates for each person working on a matter must be agreed to at the time the firm is engaged. Changes in rates will not be accepted without prior notice and the concurrence of ISRI.

ISRI favors the use of placing firms under either fixed price contracts or time and material contracts with a cap. These mechanisms are used by ISRI to help the Association anticipate costs and ensure that the resources needed to accomplish a given task are made available. Such contracting mechanisms are also very useful project management tools and help ensure the efficient completion of projects. ISRI expects that outside counsel and consultants entering into

such agreements with ISRI abide by the terms of such agreements.

Firms are expected to notify ISRI prior to incurring any cost overruns, at which time ISRI will decide whether to approve the overrun. ISRI will not pay for any costs not pre-approved.

#### *Information Required in the Bill*

In order to be approved and paid, bills must be originals, not photocopies or facsimiles. Unless otherwise specified, all bills must be accompanied by a detailed listing of hours spent (by employee and task) and direct costs billed. The description must be sufficiently itemized to allocate time to such categories as legal research, fact-gathering, data analysis, internal conferences, communication with the client, drafting particular documents, etc. Time billed for work performed while traveling must be identified. In addition, each monthly statement should show the aggregate billing for the matter from January 1 of the current year to date, and the aggregate billing for the matter from commencement of the matter to date. The bill should also be accompanied by a progress report summarizing the previous month's efforts.

The bill must identify the out-of-pocket expenses attributable to the case or project. Documentation of expenses should be sufficient to enable ISRI to quickly understand the time, nature, purpose and appropriateness of the disbursement being billed. For air travel, car rental, lodging or meal expenses, indicate on the bill by whom the expense was incurred, where, when the purpose and the amount. For such expenses that are individually in excess of \$10, also include a photocopy of the receipt.

#### *Administrative Time*

As a general rule, ISRI does not expect to be charged for time spent identifying, communicating or resolving issues pertaining to negotiating representation of ISRI, conflicts of interest, time spent preparing bills, or time and costs incurred in the transfer of ISRI's files in the event of termination of representation.

#### *Disbursements*

All direct expenses, including air travel, hotels, meals, postage, photocopying, long distance telephone calls, and computer database searches must be charged at the firm's variable cost without additional mark-up or multiplier applied. For purposes of this policy, variable costs are those costs incurred directly as the result of performing a service (such as the cost of paper used in photocopying or the long-distance phone charges for faxes) and exclude indirect costs more appropriately characterized as "overhead" (such as charges for any allocable portions of the building, utilities, typical law firm equipment and support staff used in performing the service). Unless otherwise agreed in writing, any single disbursement (including charges for subcontract or job shop work if permitted by contract) exceeding \$500.00 must have the prior approval of ISRI.

Below are some examples of disbursement categories that are of particular concern and the basis upon which we will reimburse such disbursements:

- Photocopying Charges. Reimbursement will be made for charges at the firm's variable cost of photocopying. Any charges in excess of that amount must be authorized by ISRI. Large individual projects (anticipated to be in excess of \$100 of billable copying costs) must be reviewed with ISRI prior to being commenced.



- Facsimile Charges. Reimbursement will be made for charges at the variable cost of faxing, provided that long-distance phone calls for faxes are itemized.
- Computer-Aided Research Charges. The reasonable use of Lexis® or Westlaw® to assist in approved research projects will be reimbursed at the firm's variable cost. Large individual projects (anticipated to be in excess of \$250 of billable computer-aided research costs) must be reviewed with ISRI prior to being commenced.
- Travel. In general, professionals are expected to travel in a prudent, cost-efficient manner, comparable to the way in which the particular clients they represent are accustomed to traveling. Extravagant meals, lodging or transportation will not be reimbursed. Unless otherwise specified, ISRI's travel service provider must be utilized. Coach or lower class accommodations must be used on all occasions. The use of discounted fares is encouraged. The room fee acceptable for lodging reimbursement is the single rate unless the traveler's companion is also traveling on Association business. All expenses incurred as a result of a personal stopover are borne by the traveler.

Lowest possible coach air travel means (in order of priority): (1) special discounted tickets via carriers under contract with ISRI; (2) lowest available fare via connecting hub; (3) lowest available direct fare.

Rental car use is permitted only when the location is not economically or adequately served by taxi or airport bus. Unless a group is involved and a larger vehicle is required, rentals should be limited to the minimum size vehicle that can provide the needed service. If full collision coverage is not available through the driver's personal credit card, full collision coverage should be purchased. At the option of the traveler, personal auto use is permitted in lieu of rental. Reimbursement is made on the basis of the Substitute Standard mileage rate set by the Federal Government. Travelers using personal autos are required to carry, at the traveler's expense, personal injury and property damage insurance with at least a \$500,000 combined single limit.

- Meals or Entertainment for Others. These charges will be reimbursed only if ISRI has authorized in advance the expense of dining with or entertaining third parties.

#### COMPLIANCE WITH ISRI'S NON-DISCRIMINATION POLICIES

It is the policy of ISRI that all employees should be able to work in an atmosphere free from all forms of discrimination, including sexual harassment. ISRI's sexual harassment policy, which is included as Appendix B to this policy statement, endeavors to protect employees, to the extent possible, from harassment by employees and nonemployees in the workplace. The term "nonemployees" includes ISRI members, consultants, outside counsel, and other vendors. To that end, it is expected that outside counsel and consultants retained by ISRI will comply with all relevant and applicable portions of ISRI's sexual harassment policy.

#### SUMMARY

We believe that these policies are fair and appropriate and that adhering to them in all respects should not be difficult for any firm engaged to represent ISRI. ISRI's selection and retention of outside counsel and consultants will necessarily be influenced by a particular firm's commitment to complying with these policies. We encourage each firm engaged by us to make sure that every

professional in the firm who works on a matter for us receives and reviews a copy of this statement. We also encourage firms who have comments about these policies in general, or suggestions about how to better address particular aspects of our professional relationship, to share their thoughts with us.

## **Appendix “A”**

## **What is ISRI?**

### **What is the Scrap Recycling Industry?**

ISRI--the Institute of Scrap Recycling Industries, Inc.--is the "Voice of the Recycling Industry." It represents 1,300 companies that process, broker, and industrially consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics, and textiles. Suppliers of equipment and services to this industry complete ISRI's membership. A primary association objective is to bring about a greater awareness of the industry's role in conserving the future through recycling and in increasing recycling by promoting Design for Recycling®. It aims to help the scrap recycling industry develop in a sound, environmentally responsive manner and to foster public awareness of and appreciation for the value of the industry in the nation's production of goods and services. Its headquarters, located in Washington, D.C., and 21 chapters represent its interests to the Executive Branch, Capitol Hill, and every state legislature. The association also exists to provide training and education to its members through seminars, workshops, roundtables, an annual convention and exposition, publications, and audio visuals. It provides public education about the benefits of recycling, as well. Scrap recycling is a \$116 billion industry in the United States that annually transforms more than 135 million metric tons of obsolete materials from consumers, businesses, and manufacturers into useful raw materials that are essential to the manufacturing of new products. In 2015, this tonnage included approximately:

67 million metric tons of scrap iron and steel

47 million metric tons of scrap paper and paperboard

5 million metric tons of scrap aluminum

1.8 million metric tons of scrap copper

1.1 million metric tons of scrap lead

120,000 metric tons of scrap zinc

122 million scrap tires

634,000 metric tons of scrap plastic (beverage containers only)

ISRI members manufacture or sell products for beneficial reuse, conserving impressive amounts of energy and natural resources in the recycling process. For example, according to the Environmental Protection Agency (EPA), recycled aluminum saves the nation 92 percent of the energy that would have been needed to make new aluminum from ore. Recycled iron and steel result in energy savings of 56 percent; recycled copper, 90 percent; recycled paper, 68 percent; and recycled plastic, 87 percent.

In addition to the obvious environmental contributions of the scrap recycling industry, ISRI members provide economic benefits to the nation, including exports that benefit the U.S. balance of trade.

Many ISRI members are small family-owned businesses, including a significant number that have been in continuous operation for 100 years or more. Others are large, publicly traded or privately held multi-level corporations. All members cherish their heritage as the nation's Original Recyclers®. ISRI itself represents almost a century of service to the business of processing and recycling scrap commodities. It was formed in 1987 through a merger of the National Association of Recycling Industries, founded in 1913, and the Institute of Scrap Iron and Steel, founded in 1928.

All ISRI members are experts in the handling, processing, shipping, and/or ultimate recycling of scrap commodities and can assist communities and organizations in the planning, establishment, and implementation of recycling activities. Although scrap processors generally operate more than one piece of processing equipment, the size and operation vary depending on the types and volume of recyclables available in a facility's geographical area and the requirements of the facility's

consumers. Their experience and capabilities can save countless public and private hours and dollars in developing effective approaches to recycling.

**Appendix “B”**

## **ISRI'S NON-DISCRIMINATION POLICIES**

It is the policy of ISRI that all employees should be able to work in an atmosphere free from all forms of discrimination, including sexual harassment. Sexual harassment of employees or applicants in any form will not be tolerated by ISRI. In addition, ISRI will endeavor to protect employees, to the extent possible, from harassment by nonemployees (including ISRI members and vendors) in the workplace.

Sexual harassment includes unwelcome sexual flirtations, advances, or propositions, verbal abuse of a sexual nature, subtle pressure or requests for sexual activities, unnecessary touching of an individual, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, a display in the workplace of sexually suggestive objects or pictures, sexually explicit or offensive jokes, and physical assault. No supervisor, employee, or member shall threaten or insinuate, either explicitly or implicitly, that another employee's or applicant's refusal to submit to sexual advances will adversely affect that person's employment, work status, evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development. Similarly, no employee or member shall promise, imply, or grant any preferential treatment in connection with another employee or applicant engaging in sexual conduct.

Each member of management is responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. Further, employees are responsible for respecting the rights of their co-workers. It is the responsibility of each employee to report incidents of harassment.

Any employee who feels that he or she is a victim of sexual harassment by any supervisor, management official, other employee, ISRI member or any other person in connection with his/her employment (or who otherwise believes that sexual harassment is occurring) should bring the matter to the immediate attention of ISRI's Director of Human Resources or ISRI's Counsel. An employee who is uncomfortable for any reason in bringing such matters to the attention of either of these persons should report the matter to the President. Any questions about this policy or potential sexual harassment should also be brought to the attention of the same persons.

ISRI will promptly investigate all allegations of sexual harassment in as confidential a manner as possible and will take appropriate corrective action if warranted. Any employee who is determined, after an investigation, to have engaged in sexual harassment in violation of this policy will be subject to appropriate sanctions up to and including termination. A nonemployee who subjects an employee to sexual harassment in the workplace will be informed of the harassment policy and other action will be taken as appropriate to stop the harassment.

ISRI prohibits any form of retaliation against any employee filing a bona fide complaint under this policy or for assisting in a complaint investigation. However, if after investigating any complaint or harassment or unlawful discrimination, ISRI determines that the complaint is not bona fide or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave false information.

ISRI expressly prohibits any form of unlawful harassment based upon race, color, religion, national origin, age, disability, sexual orientation, or any other protected characteristic. If an ISRI employee, member or guest believes that he or she has been subject to such harassment, the person shall notify the ISRI President and/or Chair.

#### **4.26 ISRI Chapter Websites**

ISRI shall be the official registrant of ISRI-affiliated domain names, including those of chapter websites. Chapters and other ISRI-affiliated organizations should contact the ISRI Web administrator to purchase a domain name for use with the ISRI trademark or including ISRI-related content. Such domain names will be provided to the chapter at cost using the most economical means that is practical for the designated use of the site. Content and structure of chapter and ISRI-affiliated websites is subject to review by ISRI using the following criteria:

- 4.26.1 Does the information accurately reflect the position(s) and/or policy(ies) of the national association? It is the policy of the national association that all chapters and ISRI-affiliated groups speak with a consistent voice where there is a standing position or policy. Where there is no standing position or policy, consideration will be given to any potential adverse impact that the information may have upon other chapters and/or the national association.
- 4.26.2 Any data published on a website should be attributable to a reliable source. Consideration will be given to any adverse impact that any data to be published by a chapter or other ISRI-affiliated organization might have upon another chapter or upon the national association.
- 4.26.3 Information that is not original will be reviewed for potential copyright violations. A copyright license should be obtained for any material written by anyone other than the chapter. A license may be in the form of a letter granting authority to use the material. A copy of the license must be sent to ISRI Counsel prior to posting the material on the website and the chapter should strictly comply with any requirements contained in the license.
- 4.26.4 The use of trademarks other than those belonging to the national association should be limited. Where it is necessary to use a trademark other than one owned by the association, permission (in the form of a license agreement or a letter of authorization) should be obtained and the chapter should strictly adhere to any requirements relative to the use of such trademarks. A copy of the trademark license must be forwarded to ISRI Counsel prior to use on the website. Chapters must use ISRI trademarks in compliance with any rules set forth by the national association.
- 4.26.5 Where photographs are used, releases should be obtained from all identifiable parties and a copy of each release must be filed with the national association. It is important to remember that while you may view the photograph in one way, those who were not present when the photograph was taken may have a completely different view of the circumstances.
- 4.26.6 All materials will be reviewed for potential antitrust violations. The same rules that apply to association meetings apply to materials posted on the web.
- 4.26.7 All chapter or ISRI-affiliated websites that are used for the collection of fees or conducting other financial transactions must use a Secure Socket License (SSL) connection.



- 4.26.8 Chapters will be responsible for ensuring compliance with the criteria set forth above prior to posting information on any website other than those directly owned and operated by the national association. However, ISRI reserves the right to randomly review such materials.

#### **4.27 ISRI Social Media Policy for Chapters/Committee Pages/Accounts**

- 4.27.1 Comments, pictures, articles, or any other type of material(s) posted on this site by anyone other than the CHAPTER do not necessarily represent the policies, opinions or views of the Institute of Scrap Recycling Industries, Inc. (ISRI) or the CHAPTER. While we strive to be sure that information posted on this site by the CHAPTER is current and correct, such information cannot be guaranteed as being current, complete or accurate.
- 4.27.2 The following website Terms of Use are subject to change at any time.

##### **Terms of Use**

- Members/users are prohibited from posting content that could be considered offensive, threatening, defamatory, illegal, or inflammatory.
  - Commercial posts, solicitations, spam, or advertisements are not permitted.
  - The site administrator(s) – including at least one administrator who is a staff member of ISRI – reserves the right to monitor the site for inappropriate posts or materials, including but not limited to those deemed to be offensive, threatening, defamatory, illegal or inflammatory, and to remove such posts or material from the website. Furthermore, the site administrator(s), in their sole discretion or as directed by ISRI, may prohibit/block the future participation of any poster for having violated these Terms of Use.
- 4.27.3 ALL PARTICIPANTS ON THIS WEBSITE MUST ABIDE BY ISRI’S ANTITRUST POLICY: AND THE CHECKLIST FOR ISRI-SPONSORED PROGRAMS, AS WELL AS ISRI’S NON-DISCRIMINATION POLICY, AS SET FORTH BELOW.

##### **Antitrust Checklist for ISRI-sponsored Programs**

This checklist states ISRI policy to ensure compliance with antitrust laws and regulations during ISRI sponsored events - including meetings, roundtables, seminars, and social gatherings, whether conducted in person or electronically through the internet or other means. The federal antitrust laws prohibit *combinations in restraint of trade*, which occur whenever competitors within a field of business exchange information which has the purpose or effect of fixing, raising, maintaining, or stabilizing prices (or otherwise limiting competition). Should such a conspiracy in restraint of trade be found to occur at an ISRI sponsored event, **ISRI, its directors, its officers, and its participating members** would be held liable for substantial damages (including treble damages). Thus, at ISRI sponsored events, members are urged to meet the following requirements:

1. Do not, in fact or appearance, discuss or exchange **present or future price-related information**, including:<sup>1</sup>

- Individual company prices, price differentials, markups, discounts, credit terms, marketing strategies, etc.;
- Individual company data on costs, production, capacity, inventories, sales, etc.;
- Transportation rates (particularly contract rates) for individual shipments;
- Company bids on contracts for particular materials, company procedures for responding to bid, etc.; and
- Matters relating to actual or potential individual suppliers or customers that might have the effect of excluding them from any market or influencing the business conduct of firms toward them.

In the event that any such improper discussion or exchange occurs at an ISRI sponsored event, ISRI and its participating members may be held personally liable for substantial damages if the association does not actively and aggressively police its ranks on this issue. ISRI thus requires all members to be sensitive to the risks of potential antitrust abuses where ISRI sponsored events are concerned. If you believe that illegal activities may be occurring, please advise ISRI Counsel or an ISRI staff member immediately.

1. Observe the direction of meeting chairmen, ISRI staff members and counsel at ISRI sponsored events to assure antitrust policy compliance.
2. Remember that the conduct of each member at an ISRI event involves ISRI and its members and, if improper, implicates them. Therefore, each member has a responsibility to the Association, other members, and themselves. To eliminate potential problems all ISRI-sponsored events are held pursuant to an approved agenda which must be adhered to.

ISRI-sponsored events have always been valuable to its members and they will continue to be so. Your awareness of the need to observe ISRI's antitrust policies is the best way to assure the continuing success of ISRI and its programs.

---

<sup>1</sup> Although one can discuss historical pricing information, such as that published in the *Wall Street Journal*, *American Metal Market*, or other widely circulated publication available to all interested members of the industry (as well as possible entrants to the market), all other discussion of price related information should be discouraged, even historical pricing. This is because price fixing conspiracies are typically proven by circumstantial evidence and the possibility is strong that a particular statement may be misinterpreted at a meeting or poorly remembered by a fellow member, who may then relate his "best recollection" to a jury.

4.27.4 ISRI's Non-Discrimination Policy

ISRI expressly prohibits any form of unlawful harassment based upon race, color, religion, national origin, age, disability, sexual orientation, or any other protected characteristic. If an ISRI employee, member or guest believes that he or she has been subject to such harassment, the person shall notify the ISRI President and/or Chair.

**4.28 ISRI's Anti-Fraud Policy**

4.28.1 *Definitions*

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act on it to his or her injury. ISRI's Anti-Fraud Policy specifies what we as an organization do to reduce fraud, how fraud matters are handled and what action is taken as a result of an investigation. It is not intended to cover administrative matters such as time and attendance problems or minor acts of insubordination. Such matters should be resolved within ISRI through an employee's supervisor and the Director of Human Resources.

4.28.2 *Commitment by Management to Fraud Prevention*

4.28.2.1 ISRI's Management is committed to fraud prevention and detection. It is committed to:

4.28.2.1.1 Increasing awareness that potential perpetrators will be detected if they commit misdeeds.

4.28.2.1.2 Hiring honest people, and establishing good personnel policies and procedures.

4.28.2.1.3 Increasing the perception of detection.

4.28.2.1.4 The detection and prevention of fraud.

4.28.2.1.5 Modeling honest behavior (setting a good example)

4.28.2.1.6 Properly labeling actions as acceptable or unacceptable.

4.28.3 *Policy Statement*

4.28.3.1 ISRI management is responsible for preventing, detecting, and reporting fraud. Each member of the management team must be familiar with the types of signals suggesting possible fraud within his or her scope of responsibilities.

4.28.4 *Scope of Policy*

4.28.4.1 This policy covers all staff, managers, officers, directors, and members of ISRI, ISRI's local Chapters and any other affiliates.

4.28.5 *Actions Constituting Fraud and Related Criminal Activities*

4.28.5.1 The following actions are among those considered fraudulent:

4.28.5.1.1 Bribery or kickbacks

4.28.5.1.2 False claims or bid rigging

4.28.5.1.3 Theft, embezzlement, or other misapplication

4.28.5.1.4 Forgery or alteration of documents

4.28.5.1.5 Impropriety with respect to reporting financial transactions

4.28.5.1.6 Profiting on insider knowledge

4.28.5.1.7 Destruction or concealment of records or assets

4.28.6 *Reporting Suspected Fraud*

4.28.6.1 Any suspicion of fraud should be immediately reported to an employee's supervisor. Should the supervisor be suspected to be involved in the fraud, it should be reported to the next senior manager. If senior managers are suspected it should be reported to the President. Should the President be suspected, it should be reported to the Chair of the Audit Committee. Suspicion of fraudulent activity by a member or officer should be reported directly to the Chair of the Audit Committee.

4.28.6.2 Employees suspecting fraud should report it and not attempt to conduct an investigation themselves. Management and others involved in the investigation should refrain from discussing the allegations with anyone other than those with a legitimate need to know.

4.28.7 *Whistle-Blowing*

4.28.7.1 If an employee raises a genuine concern under this policy, he or she will not be at risk of losing his or her job, nor will he or she suffer any form of detriment as a result. As long as the employee is acting in good faith and in accordance with this policy, it does not matter if he or she is mistaken.

4.28.8 *Matters Raised Maliciously*

4.28.8.1 Any Staff who maliciously raises a matter he or she knows to be untrue will be subject to disciplinary action.

4.28.9 *Confidentiality*

4.28.9.1 Any investigation resulting from suspected irregularities will not be disclosed to outsiders, except to the appropriate law enforcement authorities. Management will not retaliate against employees who report either fraudulent or non-fraudulent irregularities.

4.28.10 *Authorization for Investigation*

- 4.28.10.1 Investigation of suspected fraud is the responsibility of the Managing Director of Finance unless the suspicion is directed at the Managing Director of Finance or the President. In such cases the Chair of the Audit Committee will select an investigator. In either case the person in charge of ISRI's internal investigation has the authority to take control of and examine all records and documents. Where appropriate the authorized investigator is responsible for informing third parties such as external auditors or the police about the investigations. He or she will inform and consult with the President in all cases. Where the loss is potentially significant or where the incident may lead to adverse publicity, the President will inform and consult with the Chair of the Board.
- 4.28.10.2 The Managing Director of Finance and the Chair of the Audit Committee will maintain logs of all reported suspicions, including those dismissed as minor or otherwise not investigated. The log will contain details of actions taken and conclusions reached and will be presented to the Audit Committee for inspection annually.
- 4.28.11 *Director of Human Resources*
- 4.28.11.1 Where a member of the staff is to be interviewed or disciplined, the investigator will consult with and take advice from the Director of Human Resources.
- 4.28.11.2 The Director of Human Resources will advise those involved in the investigation in matters of employment law, company policy and other procedural matters (such as disciplinary or complaints procedures) as necessary.
- 4.28.12 *Other Managers*
- 4.28.12.1 If, in accordance with this policy, a member of the staff raises a concern with their supervisor, or other manager, the details must be immediately passed to the Managing Director of Finance for investigation.
- 4.28.13 *Distribution*
- 4.28.13.1 ISRI's Fraud Policy, as part of its Policy Manual will be distributed to all staff, officers and directors.
- 4.28.14 *How to Report a Suspected Fraud*
- 4.28.14.1 Report any suspected fraud in writing, detailing the suspected fraud and all relevant details. The report should include copies of any substantiating documentation available. Do not use email to report a fraud since it is not considered a secure medium.
- 4.28.15 *Training and Education*
- 4.28.15.1 At least once a year, all staff will be trained on ISRI's Fraud Policy and on the detection and determination of fraudulent activities. Each year, following the election of Officers, the Board of Directors will be trained on that material. Each Chapter President will be responsible for training their officers, directors and members at their annual meeting with material provided by ISRI.

- 4.28.15.2 A log, detailing material covered and those present will be maintained for all training sessions.

#### **4.29 ISRI Investment Policy**

- 4.29.1 **Introduction.** The Institute of Scrap Recycling Industries (ISRI) Total Reserve (hereafter referred to as the “Total Reserve”) was created to provide perpetual financial support to Institute of Scrap Recycling Industries (the “Institution”). The purpose of this Investment Policy Statement is to establish guidelines for the Total Reserve (the “Portfolio”). The statement also incorporates accountability standards that will be used for monitoring the progress of the Total Reserve’s investment program and for evaluating the contributions of the manager(s) hired on behalf of the Fund and its beneficiaries.
- 4.29.2 **Role of the Investment Sub-Committee.** The Investment Sub-Committee (the “Sub-Committee”) is acting in a fiduciary capacity with respect to the Total Reserve and is accountable to the Finance Committee of Institute of Scrap Recycling Industries and to the Board for overseeing the investment of all assets owned by, or held in trust for, Total Reserve.
- 4.29.2.1 This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Sub-Committee and any other parties to whom the Sub-Committee has delegated investment management responsibility for Total Reserve assets.
- 4.29.2.2 The investment policies for the Total Reserve contained herein have been formulated consistent with the Institution’s anticipated financial needs and in consideration of the Institution’s tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Sub-Committee.
- 4.29.2.3 Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Total Reserve’s investments are managed consistent with the short-term and long-term financial goals of the Institution. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Institution.
- 4.29.2.4 The Sub-Committee will review this Investment Policy Statement at least twice per year. Changes to this Investment Policy Statement can be made only by affirmation of a majority of the Sub-Committee and affirmed by the Finance Committee.
- 4.29.3 **Investment Objective and Spending Policy**
- 4.29.3.1 ***Maintaining the Purchase Power of ISRI’s Reserves:*** The Reserve is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Institution. The Reserve will seek to optimize return while minimizing risk through diversification and asset allocation. The Reserve amounts will be split into two funds – Unrestricted and Restricted. Neither will have a differing investment plan but will be utilized for different purposes, as described in

4.12.2.

4.29.3.2 **Cash Flow Expectations.** The Reserve is not expected to be a primary source of cash flow for the Institution, however, withdrawals from this Reserve may be required in order to fund future strategic initiatives or cover operational shortfalls. For the purpose of making distributions, the Finance Committee and Board of Directors shall make use of 5% of its unrestricted funds, interest, and dividends based on the fiscal results 2 years prior OR 10% of the unrestricted funds as long as the total fund balance exceeds \$22M in the account. This measurement is also for the amount in the account at year end for the 2 years prior.

4.29.3.3 The distribution of Reserve Fund assets will be permitted in accordance with the reserve policy in Section 1.1.3.

**4.29.4 Reserve Investment Policies**

4.29.4.1 Reserve assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of the Reserve's equity investments will be to maximize the long-term real growth of the Reserve while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of the Reserve's equity investments.

4.29.4.2 Cash investments will, under normal circumstances, only be considered as temporary Reserve holdings, and will be used for the Reserve's liquidity needs or to facilitate a planned program of dollar cost averaging into investments in either or both of the equity and fixed income asset classes.

4.29.4.3 Outlined below are the long-term strategic asset allocation guidelines, determined by the Sub-Committee to be the most appropriate, given the Funds' long-term objectives and short-term constraints. Reserve assets will, under normal circumstances, be allocated across broad asset classes in accordance with the following guidelines.

	Lower Limit	Strategic Allocation	Upper Limit
<b>Asset Class</b>			
<b>Total Stocks</b>	55%	70%	75%
U.S. Stocks	0	49%	0
International Stocks	0	21%	0
<b>Total Bonds</b>	25%	30%	45%
U.S. Bonds	0	24%	0
International Bonds	0	6%	0

4.29.5 **Diversification Policy.** Diversification across and within asset classes is the primary means by which the Sub-Committee expects the Reserve to avoid undue risk of large losses over long time periods. To protect the Reserve against unfavorable outcomes

within an asset class due to the assumption of large risks, the Sub-Committee will take reasonable precautions to avoid excessive investment concentrations.

Specifically, the following guidelines will be in place:

- 4.29.5.1 No more than 5% at cost of the Funds may be in the fixed income securities of any one issuer except for obligations of the U.S. Government and its agencies and Federally-insured Certificates of Deposit.
- 4.29.5.2 With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
- 4.29.5.3 With respect to fixed income investments, for individual bonds, the weighted average credit quality of the fixed income portion of the Reserve shall not be less than an 'AA' rating.
- 4.29.5.4 ***Eligible Investments and Restrictions.*** The following are eligible investments for this Reserve:
  - Cash Equivalents
    - Treasury bills
    - Money market funds
    - FDIC insured CDs
    - FDIC insured money market accounts
  - Fixed Income Securities (Any individual holdings must be rated investment grade by Moody's, S&P, or Fitch)
    - U.S. government and agency securities
    - Fixed income securities of foreign governments and corporations (up to 35% of the market value of the fixed income allocation)
    - Corporate notes and bonds
    - Mortgage bonds
    - The fixed income portion of the Reserve shall have a weighted average maturity of eight years or less.
    - The weighted average credit quality of the fixed income portion of the Reserve shall not be less than an 'AA' rating.
  - Equity Securities
    - Common Stocks
    - American Depositary Receipts (ADRs) and ordinary shares of non-U.S. companies
    - REITS – publicly traded



- Mutual Funds or Exchange Traded Funds (including similar pooled investments and separately managed accounts) shall be selected on the basis that they invest in those securities deemed to be allowable above.

4.29.6 **Rebalancing.** It is expected that the Reserve's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub asset classes. The Reserve will be rebalanced to its target normal asset allocation under the following procedures:

4.29.6.1 The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Reserve to realign the current weightings closer to the target weightings for the Reserve.

4.29.6.2 The investment manager will review the Reserve quarterly to determine the deviation from target weightings. During each semiannual review, the following parameters will be applied:

4.29.6.2.1 If any asset class (equity or fixed income) within the Reserve is  $\pm 5$  percentage points from its target weighting, the Reserve will be rebalanced.

4.29.6.2.2 If any funds within the Reserve has increased or decreased by greater than 20% of its target weighting, the fund will be rebalanced.

4.29.6.3 The investment manager may provide a rebalancing recommendation at any time.

4.29.6.2.4 The investment manager shall act within a reasonable period of time to evaluate deviation from these ranges. In order to minimize transaction costs, the investment manager will evaluate the benefit of rebalancing relative to the transaction cost.

4.29.7 **Monitoring Long Term Reserve Investments and Performance.** The Sub-Committee will monitor the long-term Reserve's investment performance against the Reserve's stated investment objectives. At a frequency to be decided by the Sub-Committee, it will formally assess the Reserve and the performance of its underlying investments as follows:

4.29.7.1 The Reserve's composite investment performance (net of fees) will be judged against the following standards:

4.29.7.1.1 The Reserve's absolute long-term real return objective.

4.29.7.1.2 A composite benchmark consisting of the following unmanaged market indexes weighted according to the expected target asset allocations stipulated by the Reserve's investment guidelines.

- U.S. Equity: Spliced Total Stock Market Index (CRSP US Total Market TR USD)
- Non-U.S. Equity: MSCI All Country World ex. U.S.A. Investable – Market Index Spliced Total International Stock Index (FTSE Global All-Cap ex-US Index)
- Investment Grade Fixed Income: Bloomberg Barclays US Aggregate Float

Adjusted TR

- International Fixed Income: Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
- Cash: Citigroup 3-Month T-Bill Index

#### **4.29.8 Total Reserve – Guidelines and Restrictions**

4.29.8.1 **Tax Status.** The Institution is a 501(c)3 organization and is thus exempt from taxes. Investment decisions should reflect this tax status when purchasing or selling securities.

4.29.8.2 **Prohibited Investments.** Unless expressly authorized by the Sub-Committee, the Total Reserve and its investment managers are prohibited from:

- 4.29.8.2.1 Purchasing securities on margin or executing short sales.
- 4.29.8.2.2 Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
- 4.29.8.2.3 Purchasing or selling derivative securities for speculation or leverage.
- 4.29.8.2.4 Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Reserve.
- 4.29.8.2.5 Purchasing Hedge Funds of any kind.
- 4.29.8.2.6 Purchasing any of the following:
  - Private placement
  - Non-traded REITS
  - Non-traded Business Development Companies
  - Other Direct Participation Programs
  - Letter stock – restricted shares
  - Options

#### **4.29.9 Reporting**

4.29.9.1 **Monthly Reporting** shall be no later than the 10<sup>th</sup> business day following end of month listing:

- 4.29.9.1.1 All transactions, purchases and sales by account including cost, sales price, realized gains, and accrued interest received or paid;
- 4.29.9.1.2 All investments held at the end of the month;
- 4.29.9.1.3 Beginning and ending market value for each class of investment for the period including a listing of changes in market value e.g. interest paid, dividends paid, return of capital, realized gains, unrealized gains, money fund earnings, contributions, withdrawals, investment fees and other expenses, and any other items;

4.29.9.1.4 Returns for the month and year to date.

4.29.9.2 **Quarterly Reporting.** The Investment Consultant will provide the Institution with a detailed report of each Reserve at least quarterly, no later than 30 days following the end of quarter. The Consultant will make every effort to complete the report in time for ISRI's Board of Directors meeting should it fall prior to the 30<sup>th</sup> day after the end of the quarter. The quarterly report will outline the following:

- Market value of individual accounts
- Returns for the specified quarter, year to date, and inception
- The current Reserve allocation compared to the target asset allocation
- The Reserve's performance relative to the Reserve benchmark outlined in the Benchmarking section
- The Reserve's average credit quality and maturity compared to the allowable levels set forth in this policy

4.29.10 **Policy Revisions.** This policy is designed to be dynamic and amendable as the objectives and needs of the Institution may change over time. This policy will be formally reviewed at least twice per year if the objectives, constraints, and allocations continue to be reflective of the Institution. Additionally, any number of other changes may occur between reviews that would warrant a review of this policy, including:

- A change in the Institution's risk tolerance, timeline, tax status, or cash flow expectations
- Introduction of new investment vehicles
- A change in the objective of the Reserves
- The introduction of a new investment manager
- A change in management at the Institution

The Institution may work with the Investment Consultant to review the policy for its appropriateness after such changes and will amend the policy when necessary.

Over time the constitution of the Institution's Investment Sub-committee may change along with the goals and risk tolerance of the Institution. In order to ensure the goals and risk level of the Total Reserve are in line with the Investment Sub-committee, the Investment Sub-committee will complete a survey to evaluate the Institution's risk tolerance when deemed necessary. The Investment Consultant will provide a recommendation on whether a change in the Investment Policy Statement is warranted. The Institution's Board will then make a final decision about any changes to the policy.

#### **4.30 Duties and Responsibilities**

4.30.1 The following parties to this policy will be charged with certain duties and responsibilities as it relates to management of the Total Reserve:

4.30.1.1 **ISRI Staff Role.** The ISRI Staff are responsible for communicating the financial condition of the Institute, recommending target balances, facilitating volunteer policy discussions, reporting to make volunteer oversight as easy as possible, and verifying policy compliance.

4.30.1.2 **The Investment Sub-committee** is responsible for developing and reviewing investment policy and overseeing whether the investments are performing within a range of expectation based on market conditions. The Investment Sub-committee will be required to review this Investment Policy Statement in its entirety at least twice per year and recommend any changes for approval by the Board. The Institution is responsible for selecting an Investment Consultant who will comply with this policy statement.

4.30.1.3 **The Investment Consultant.**

4.30.1.3.1 The Investment Consultant will be responsible for implementing the investment strategy outlined in this policy statement by selecting investments and external investment managers that meet the investment criteria within this policy statement. The Investment Consultant will be charged with selecting, making and monitoring investments, and timely reporting of investment performance to the Institution. The Investment Consultant is also required to perform all normal due diligence in selecting external investment managers, including a review of their ability to operate within the investment guidelines and restrictions outlined in this policy. The Investment Consultant is responsible for selecting other appropriate parties as needed to implement this policy, including attorneys, custodians, and brokers/dealers. The Investment Consultant has non-discretionary authority over the Total Reserve within the guidelines and restrictions of this investment policy. Investment consultant is to take no direct instruction from any ISRI member. All investment instructions will be in writing authorized by the ISRI CFO and the ISRI President present or their delegates.

4.30.1.3.2 Moving funds on a timely basis. Processed within two business days of receipt of authorization or longer if the additional time is approved by the ISRI CFO or the ISRI President. ISRI recognizes that securities transactions are regulated by the Securities & Exchange commission (SEC) are subject to establish procedures for the settlements of proceeds.

4.30.1.3.3 Following ISRI Investment Policy

4.30.1.3.4 Notifying ISRI CFO of any change in management (fund manager or any other organizational changes which may affect ISRI Reserve funds).

4.30.1.3.5 Notifying ISRI CFO of any litigation, pending or otherwise, against the investment consultant organization or any investment consultant with responsibilities for ISRI Reserve funds which may affect said funds, directly or indirectly. In the event of a highly abnormal market condition, one which would negatively affect the value of the funds under management, the consultant is to contact the ISRI CFO at the end of the trading session (or as soon as practical if it is a one day event). If the value of the fund drops 20% or more from the beginning of the last quarterly statement the consultant will contact the ISRI CFO (by the end of the month when 20% is breached) with the ending value and change in value (as accurately as can be determined in the time available).

The CFO will promptly notify the Investment Subcommittee, the Finance Committee Chairman and the Executive Committee of the drop-in value.

If at any time the Investment Subcommittee, the Finance Committee or the Executive Committee determines a strategic move to lower the risk of the Reserve is in the best interest of association, they will direct a meeting of a special action committee consisting of the following individuals:

Finance Committee Chair

Investment Subcommittee

Chair Executive Committee members

ISRI CFO

ISRI President

The special action committee may, upon favorable vote, direct the Investment Consultant to make adjustments to reduce the risk of the Reserve without vote by the Board of Directors. The Board of Directors will be immediately notified of the vote.

4.30.1.4 Dissemination list and online access to the funds database:

- Finance Committee Chair
- Investment Subcommittee Chair
- Executive Board Secretary/Treasurer
- ISRI CFO
- ISRI President

4.30.1.5 It will be the responsibility of ISRI to communicate to the Investment Consultant on a semi-annual basis the state of the Association's health and welfare. This will be done by the Investment Subcommittee Chair and Vice Chair and ISRI's CFO with participation from the Finance Committee Chair.

See Organizational and Process Charts in Exhibits A and B.

**4.31 Investment Consultant Performance Evaluation**

4.31.1 The following criteria will be used in evaluating the Investment Consultant's performance by the Investment Committee Chair, ISRI's President and ISRI's CFO.

4.31.1.1 Is the performance of the Reserves in line with expectations (as defined in the Reserve's performance relative to the Reserve benchmark outlined in the Benchmarking sections)?

4.31.1.2 Is the return on the fund over a 3-year time period at target rate (6%)? What is the performance of the benchmark versus the fund?

4.31.1.3 Has the consultant failed to adhere to any respect of the ISRI investment policy? Has the consultant fulfilled communication and reporting requirements with the committee and ISRI staff?

4.31.1.4 Have any significant changes taken place to the consultant's investment

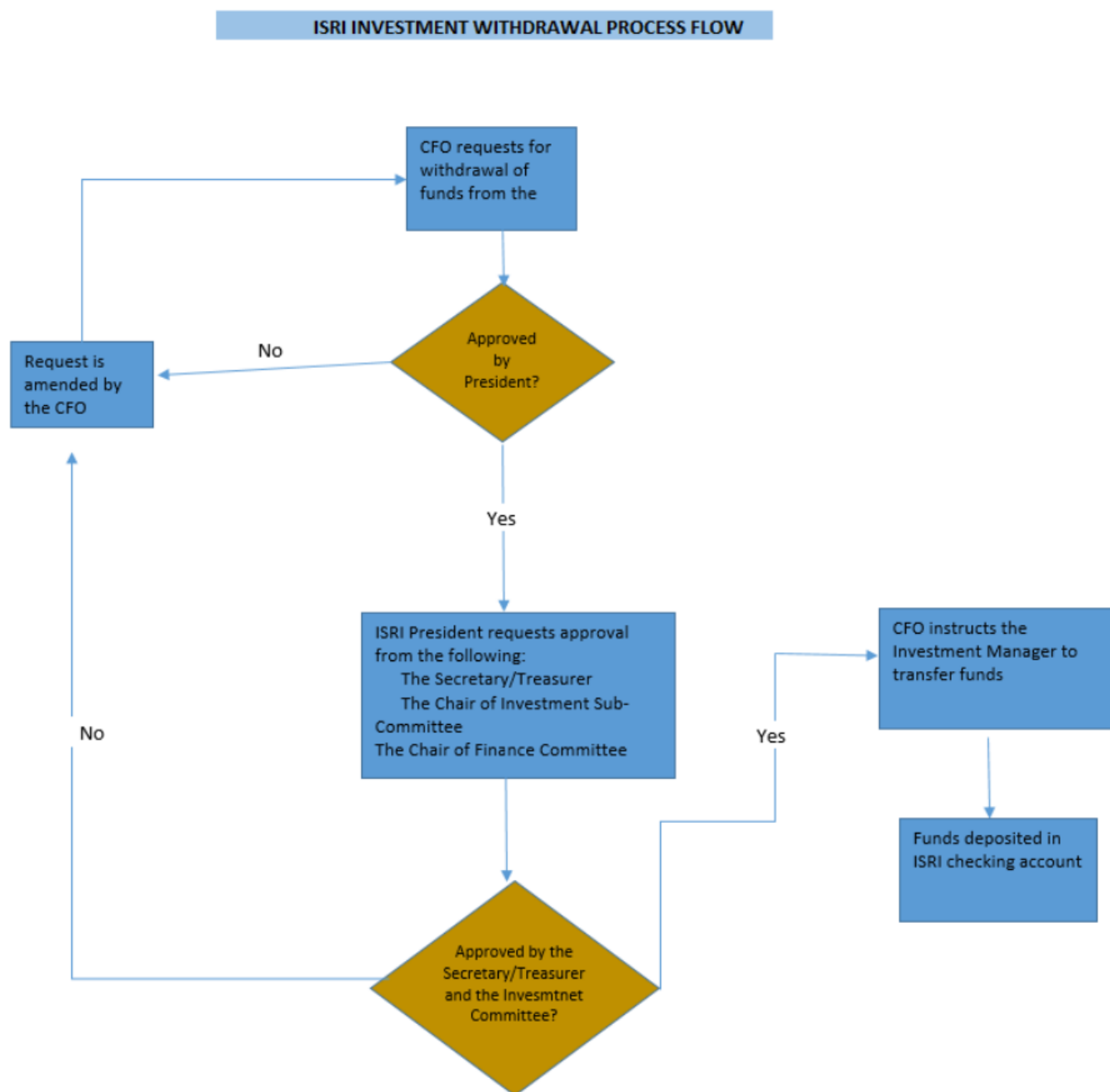
organization?

- 4.31.1.5 If answers to any of the above questions are not satisfactory, does the committee vote to recommend ISRI retain the investment consultant?
- 4.31.1.6 In keeping with the Total Reserve's overall long-term financial objective, the Sub-Committee will evaluate the Total Reserve performance over a suitably long-term investment horizon, generally across full market cycles or, at a minimum, on a rolling five-year basis.
- 4.31.1.7 ISRI will evaluate the Investment Consultant through an RFQ process every five years. Quotes will be sought from a minimum of three advisors. An RFQ can be performed more often at the discretion of the sub-committee.
- 4.31.2 The committee reserves the right to terminate an Investment Consultant for any reason including the following:
1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
  2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
  3. Significant qualitative changes to the investment management organization.
- 4.31.3 If at any time the Investment Consultant feels that the objectives of these guidelines cannot be met, or the guidelines constrict performance, ISRI's President, CFO & Investment Committee should so be notified in writing.

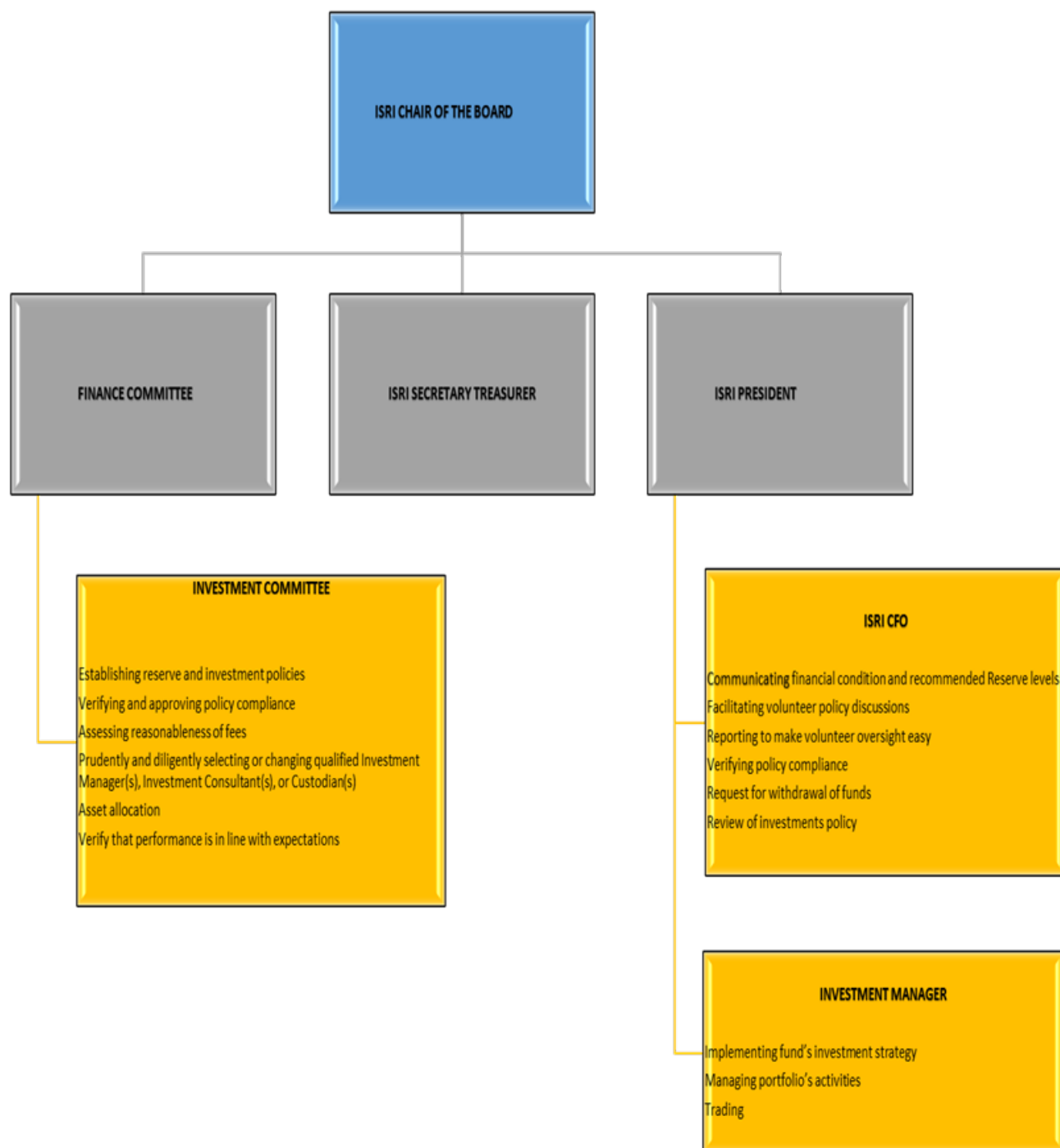
#### **4.31 (A) Authority**

- 4.31.A.1 ISRI Board approval is required to make changes to this Investment Policy Statement.
- Those persons that are designated as authorized agents for the accounts governed by this policy may direct transfers in or transfers out of the accounts governed by this policy.
- 4.31.A.2 I acknowledge that this Investment Policy accurately represents the guidelines and restrictions to which the Institute of Scrap Recycling Industries (ISRI) Total Reserve is to be managed.

**Exhibit A: Cash Withdraw Flow Chart**



**Exhibit B: Organizational and Workflow Chart**





#### **4.32 Unbudgeted Funding Requests<sup>1</sup>**

4.32.1 The ISRI Board may consider for approval requests for expenditure of funds not previously included within the ISRI approved Budget for that given year provided--

- a) The relevant committee(s) have initially considered the request and have recommended its approval to the Finance Committee, and
- b) The Finance Committee has considered the request and determined that sufficient funds exist for such request.

4.32.2 In addition to following the requirements provided for above, requests for expenditures of funds in excess of fifty thousand dollars (\$50,000.00) and not previously included within the ISRI Budget for that given year, may be brought forward to the Board for its consideration provided--

- a) At least 30 days' notice is provided to the ISRI Finance Committee Chair, ISRI Chair, CFO/VP of Finance and ISRI President, upon which staff should develop a brief written description of the request. The written request shall be provided to the ISRI Board no later than 5 days before the Board of Directors meeting during which the request is to be considered and shall include, at a minimum: the amount requested, timeline for use of the funds, overview of the project/initiative being funded, benefit to ISRI and its members. Any pros and cons associated with the project/initiative to be funded, and determination of which committee/entity within ISRI will be overseeing the work.
- b) In the event that 30 days is not available to provide such notice, ISRI's Executive Committee shall be authorized to consider and execute the request provided a report of the request and the decision rendered is provided to the ISRI Board no later than its next face to face meeting.

#### **4.33 ISRI Policy on Refunds for Program Registrations**

ISRI conducts a wide variety of programs (including the annual Convention, the Commodities Roundtables, the Operations Forum, etc.) throughout the year that require a registration fee. ISRI wants to encourage program attendees to register early for these programs but recognizes that circumstances will arise that may require program attendees to change their plans. However, ISRI incurs certain expenses in processing registrations and cancellations and makes certain financial commitments to others in conjunction with these programs. To be fair to all concerned the following shall be the refund policy for all programs sponsored by ISRI National requiring a registration fee.

4.33.1 ISRI will provide a full refund for registration cancellations made prior to the registration cancellation "cut-off date" stated on the registration form (or internet registration page) for the meeting in question – less an administrative fee.

4.33.1.1 For meetings where the registration fee is less than \$500, the administrative fee is \$50.

4.33.1.2 For meetings where the registration fee is \$500 or more, the administrative fee is

---

<sup>1</sup> Adopted by the ISRI Board of Directors on November 5, 2016.

\$100.

- 4.33.2 ISRI will provide a refund equal to 50% of the registration fee for registration cancellations made after the registration cancellation “cut-off date” stated on the registration form (or internet registration page) for the meeting in question.
- 4.33.3 The “cut-off date” shall be established based upon requirements in the contracts with host properties and other event contractors for attendance guarantees, but shall not be less than 12 days nor more than 30 days prior to the first day of the meeting.
- 4.33.4 The ISRI President may reduce or waive administrative fees in cases of serious medical emergency.
- 4.33.5 All refund requests must be made in writing, by mail to ISRI Meetings, 1250 H Street, NW, Suite 400, Washington, DC 20005-5903, fax at (202) 624-9256, or email as soon as the need for said refund is recognized but in no case later than 10 days following the close of the event.

#### **4.34 Chapter Voucher Process**

##### **Purpose and Scope**

The chapter voucher process is designed to maintain accuracy, reliability and accountability of the financial process at the chapter level. The voucher will serve as a cover page that summarizes all supporting documents and explains the purpose of a payment request. The process will also provide controls and assurances that distributions and reimbursements are made accurately and with appropriate approvals from multiple unrelated responsible parties at the chapter level. It will also provide ISRI Finance staff the requisite transparency to ensure compliance with generally accepted accounting practices. This process will apply to all payments regardless of amount and purpose.

##### **Definitions**

- **Authorization** - a decision for allowance of payment of a pre-approved expense based on sufficient supporting documentation and proper submission of the voucher packet;
- **Authorized Individual** - Chapter members who have been trained by ISRI in financial procedures for ISRI chapters, and have been granted financial authorization rights by the current chapter leadership;
- **ISRI Finance** – Staff, employed by ISRI who are or report to the CFO;
- **Payment** - Disbursement of funds directly to an outside vendor or service provider;
- **Pre-Approval** - All expenses must be approved by chapter officers prior to being incurred. Failure to obtain pre-approval may result in non-reimbursement;
- **Reimbursement** - Disbursement of funds to a chapter member for payments made on behalf of the chapter, for official chapter business;
- **Unrelated** - individuals not having a) have familial connection, b) work for the same company, or c) have any financial connection that would reasonably be considered a conflict of interest;

- Voucher (FIN 1.2) - The document that summarizes all expenses within specific payment or reimbursement request. All line items on this document shall include appropriate justification and supporting documentations at the time of submission;
- Voucher Packet - The collection of documents that includes the voucher and all backup or justification documents.

#### **Prerequisites (tools, training, information)**

- All chapter officers shall complete ISRI's documented training for financial training and responsibility;
- Chapters shall identify a minimum of three individuals from three separate companies with authority to approve expenses;
- The Chapter Treasurer is required to complete a reconciliation of the monthly transactions with the bank statement and submit to the Chapter President/VP for review and approval.
- Chapter officers are required to review bank statements and bank reconciliations to ensure that there are no discrepancies
- ISRI Finance shall have access to all chapter bank statements and accounting records.

---

#### **Records**

- Monthly bank statements shall be saved and maintained for seven years. They shall be passed to new leadership during the transition and made available to ISRI Finance upon request.
- Chapter accounting records shall be saved and maintained for seven years. They shall be passed to new leadership during the transition and made available to ISRI Finance upon request.
- Chapter leadership shall maintain a list of trained individuals who are authorized to approve expenses. That list shall be made available to ISRI Finance staff.
- Vouchers must be recorded and maintained for seven years. They shall be made available to ISRI Finance staff upon request.
- A record of all chapter checks shall be maintained for seven years. This includes all voided checks.
- Monthly bank account reviews shall be completed by chapter officers. Records of this review shall be documented and maintained. Records shall be made available to ISRI Finance staff upon request.

---

#### **Instructions**

1. The individual requesting payment or reimbursement of pre-approved expenses must complete the Expense Payment & Reimbursement Voucher Form (FIN 1.2), and provide the necessary supporting documentation to support the payment or reimbursement of the pre-approved expense. (It is also strongly recommended that expenses over \$2,500 are approved by three unrelated, authorized individuals)
2. The individual shall submit the voucher packet to the authorized individuals

(unrelated chapter officers) within the chapter for payment or reimbursement authorization.

3. The voucher packet shall be reviewed by two unrelated, authorized individuals. The expenses shall be compared to the original request for discrepancies compared to the initial pre-approval. If the request is approved, the chapter shall provide evidence that two authorized individuals made the approval. If the request is not approved, the authorized individuals will return the request with clear justification for the denial, along with instructions for resubmission.
  4. Approved expenses shall be paid by check or bank electronic payment. Payments under \$2,500 require one signature on the check. Payments greater than \$2,500 require two signatures. An email approval from one of the signatories will be accepted in lieu of actual signature on the check. All payments greater than \$2,500 via electronic payments shall have a two-step authorization process.
  5. Checks shall only be written for the total amount of the invoice.
  6. The authorized individuals shall record the expenses in the accounting software maintaining all related information for up to seven years.
  7. All quarterly submissions by Chapters must be acknowledged by ISRI Finance within 24 hours.
  8. Chapters will undergo Compliance audit quarterly as an important and irreplaceable tool to safeguard assets. The audit will include the following:
    - a. Chapters will be audited quarterly by ISRI Finance for compliance
    - b. Chapters will be annually sampled and audited by ISRI's accounting firm.
    - c. Goals of the audit are listed below:
      - i. Determine if chapter has **satisfactory financial internal controls** and the review supports the existence and utilization of these controls
      - ii. The audit activity verifies and ensures the accuracy of the dollar amounts, and assesses the chapter's procedures.
      - iii. Audits will consist of a detailed review of financial records
        - Verification of the receipts for the period being audited
        - Verification of disbursements (expenditures) for the period being audited
        - Verification of member dues
        - Verification of savings and checking account balances
        - Verification that account balances have been reconciled
        - Ensuring that expenditure documentation exists (receipts, invoices, vouchers, etc.)
        - Ensuring adherence to separation of fiduciary responsibilities
- In addition, Chapter President, must sign off via email or documentation

confirming **review of the bank statement vs transactions** for each **Month**.

- iv. Chapters will be given 30 days to address non-compliance issues.
- v. After 30 days grace period, Audit Committee will submit a non-compliance report to the Chapter President's Council.

#### **4.35 ISRI Conflict-of-Interest Policy**

Directors, officers and certain key employees of ISRI its affiliates, and Chapters (referred to collectively as "the Organization"), have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. The purpose of this Conflict of Interest Policy is to: (1) define conflicts of interest; (2) identify classes of individuals within the Organization covered by this policy; (3) facilitate disclosure of information that may help identify conflicts of interest; and (4) specify procedures to be followed in managing conflicts of interest.

- 4.35.1 **Definition of conflicts of interest.** A conflict of interest arises when a person in a position of authority over the Organization may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
- 4.35.2 **Individuals covered.** Persons covered by this policy are the Organization's officers, directors, chairs of the Convention, Education & Training, and Finance Committee, chair of the Investment Subcommittee, chief employed executive, chief employed finance executive, and any additional employed staff at the Vice-President level.
- 4.35.3 **Facilitation of disclosure.** Persons covered by this policy will annually disclose or update to the Chair of ISRI's Board of Directors on a form provided by the Organization their interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.
- 4.35.4 **Procedures to manage conflicts.** For each interest disclosed to the Chair of ISRI's Board of Directors, the Chair will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Directors and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the Organization; or (d) ask the person to resign from his or her position in the Organization or, if the person refuses to resign, become subject to possible removal in accordance with the Organization's removal procedures. The Organization's chief employed executive and chief employed finance executive will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Chair of the Board of Directors in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

**CONFLICT-OF-INTEREST DISCLOSURE STATEMENT**

Please initial in the space at the end of Item A or complete Item B, whichever is appropriate; complete the balance of the form; sign and date the statement; and return it to the ISRI President.

A. I am not aware of any relationship or interest or situation involving my family or myself that might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and ISRI (including its affiliates and Chapters) on the other. Initials: \_\_\_\_\_

B. The following are relationships, interests, or situations involving me or a member of my family that I consider might result in or appear to be an actual, apparent, or potential conflict of interest between such family members or myself on one hand and ISRI (including its affiliates and Chapters) on the other. Initials: \_\_\_\_\_

Corporate (either nonprofit or for-profit) directorships, positions, and employment:

\_\_\_\_\_

Memberships in the following organizations:

\_\_\_\_\_

Contracts, business activities, and investments with or in the following organizations:

\_\_\_\_\_

Other relationships and activities:

\_\_\_\_\_

My primary business or occupation at this time:

\_\_\_\_\_

I have read and understand ISRI's Conflict-of-Interest Policy and agree to be bound by it. I will promptly inform the Chair of ISRI of any material change that develops in the information contained in the foregoing statement.

\_\_\_\_\_

Signature      Date

\_\_\_\_\_

Name (please print)

#### **4.36 ISRI Document Retention and Destruction Policy Purpose**

This Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of ISRI's documents and records. It applies to all the records and documents - regardless of physical form - belonging to ISRI, as well as all of its affiliated organizations (including ISRI's chapters, RRF, ISRI Resources, ISRI Services, and ISRI PAC). The policy contains guidelines for how long certain documents should be kept and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate ISRI's operations by promoting efficiency and freeing up valuable storage space.

##### **Document Retention**

ISRI follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

##### ***Corporate Records***

Annual Reports to Secretary of State/Attorney General	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years
Correspondence (legal)	Permanent

##### ***Accounting and Corporate Tax Records***

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
IRS Form 990 Tax Returns	Permanent
General Ledgers	Permanent
Business Expense Records	7 years
IRS Form 1099	7 years



*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

Journal Entries	7 years
Invoices	7 years
Sales Records (box office, concessions, gift shop)	7 years
Petty Cash Vouchers	7 years
Cash Receipts	7 years
Credit Card Receipts	7 years
Accounts Receivable and Payable	7 years
Budgets	7 years
<b><i>Bank Records</i></b>	
Check Registers	7 years
Checks, cancelled, general	7 years
Checks, cancelled, for important papers (e.g., taxes, property, etc.)	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliations	7 years
Electronic Fund Transfer Documents	7 years
<b><i>Payroll and Employment Tax Records</i></b>	
Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax Returns	7 years
W-2 Statements	7 years
<b><i>Employee Records</i></b>	
Employment and Termination Agreements	7 years
Retirement and Pension Plan Documents	Permanent
Records Relating to Promotion, Demotion or Discharge	7 years after termination
Accident Reports and Worker's Compensation Records	7 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination
Time Sheets	2 years
<b><i>Membership, Donor and Grant Records</i></b>	
Donor Records and Acknowledgment Letters	7 years
Grant Applications and Contracts	7 years after completion
Membership Records	7 years
<b><i>Legal, Insurance, and Safety Records</i></b>	
Appraisals	Permanent
Copyright Registrations	Permanent

*Institute of Scrap Recycling Industries  
Policy Manual  
As of January 19, 2023*

Environmental Studies	Permanent
Insurance Policies (expired)	3 years
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination

#### **Electronic Documents and Records**

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time.

#### **Emergency Planning**

ISRI's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping ISRI operating in an emergency will be duplicated or backed up at least every week and maintained off-site.

#### **Document Destruction**

ISRI's chief financial officer is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

#### **Compliance**

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against ISRI and its employees and possible disciplinary action against responsible individuals. The chief financial officer and finance committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

#### **Exceptions**

Exceptions to these rules and terms for retention may be granted only by ISRI's President or Chair.

#### **4.37 Assessment and Policy: Federal Trade Commission Red Flags Rule**

The Institute of Scrap Recycling Industries is at low risk for identity theft for the following reasons:

- Most of ISRI's transactions are with companies that are members of our organization.

*Institute of Scrap Recycling Industries  
Policy Manual  
As of January 19, 2023*

- ISRI has not experienced an incident of identity theft.
- ISRI does not collect certain information, such as social security numbers (except for employment-related purposes), mother's maiden names or other commonly used security information.
- Identity theft is uncommon in the association industry.
- ISRI's members are corporate organizations; therefore, ISRI has very few "covered accounts" that are primarily for personal, family or household purposes.

Potential "red flags" could include one or more of the following examples:

- A notice from a customer, a victim of identity theft, a law enforcement agency, or someone else that an account has been opened or used fraudulently.
- Alerts, notifications of other warnings received from consumer reporting agencies or service providers, such as fraud detection services.
- Payment for ISRI's trade show that is inconsistent with information in the customer's records.

ISRI will identify the red flags in the following manner:

- ISRI staff will be trained to immediately notify the ISRI Vice President, Finance upon notification by member or third party (including an external credit reporting agency) of potential identity theft.
- ISRI staff will validate reason for a different "ship to" or "bill to" address associated with a member or customer. If there are inconsistent notes on file, or telephone number does not match number in member or customer record, ISRI staff will validate reason for difference.

ISRI will respond to "Red Flags" in the following manner:

- If identity theft is reported or suspected, ISRI will immediately work with member, customer, and credit card company and law enforcement officials.
- ISRI staff will contact customer if billing information does not match member or customer information on file. If still not satisfied, ISRI will require additional identification or alternate payment form.

*Administration of the Red Flag Policy*

Staff: The Vice President, Finance will administer this program. All employees will be trained annually on this policy.

Service Providers: ISRI does not use service providers in connection with accounts covered by the Red Flags Rule.

Program Updates: The program will be reviewed by ISRI Senior Staff annually. ISRI will monitor patterns of identity theft in the non-profit sector and revise ISRI's program as

necessary. ISRI will conduct an immediate review of ISRI policy and procedures in the event that a real or suspected instance of identity theft occurs.

#### **4.38 Data Breach Response Policy<sup>1</sup>**

##### **Purpose**

This policy establishes how [ ] will respond in the event a data breach, and also outlines an action plan that will be used to investigate potential breaches and to mitigate damage if a breach actually occurs. This policy is in place to both minimize potential damages that could result from a data breach and to ensure that parties affected by a data breach are properly informed of how to protect themselves.

##### **Scope**

This policy applies to all incidents where a breach of customer or employee personal identifying information is suspected or confirmed.

##### **DEFINITIONS**

**Personal Identifying Information (PII)** – information that can be used to distinguish or trace an individual's identity. PII includes, but is not limited to, any of the following:

- Social Security numbers
- Credit card information (credit card numbers – whole or part; credit card expiration dates; cardholder names; cardholder addresses)
- Tax identification information numbers (Social Security numbers; business identification numbers; employer identification numbers)
- Biometric records (fingerprints; DNA; or retinal patterns and other measurements of physical characteristics for use in verifying the identity of individuals)
- Payroll information (paychecks; paystubs)
- Medical information for any employee or customer (doctor names and claims; insurance claims; prescriptions; any related personal medical information)
- Other personal information of a customer, employee or contractor (dates of birth; addresses; phone numbers; maiden names; manes; customer numbers)

**Breach** - any situation where PII is accessed by someone other than an authorized user, for anything other than an authorized purpose.

##### **POLICY GUIDELINES**

##### **Upon Learning of a Breach**

A breach of suspected breach of PII must be immediately investigated. Since all PII is of a highly confidential nature, only personnel necessary for the data breach investigation will be informed of the breach. The following information must be reported to

---

<sup>1</sup> As adopted by the Board of Directors on April 7, 2016.

appropriate management personnel including President, VP Finance, General Counsel and the Executive Committee:

- When (date and time) did the breach happen?
- How did the breach happen?
- What types of PII were obtained? (Detailed as possible: name; name and social security; Name, account and password; etc.)
- How many individuals were affected?

The President along with the VP, Finance, and General Counsel will then make a record of events and people involved, as well as any discoveries made over the course of the investigation and determined whether or not a breach has occurred.

### **Perform a Risk Assessment**

Once a breach has been verified and contained, perform a risk assessment that rates the:

- Sensitivity of the PII Lost (Customer contact information alone may present much less of a threat than financial information)
- Amount of PII Lost and Number of Individuals Affected
- Likelihood PII Is Usable or May Cause Harm
- Likelihood of the PII Was Intentionally Targeted (increases chance for fraudulent use)
- Strength and Effectiveness of Security Technologies Protecting PII (e.g. encrypted PII on a stolen laptop. Technically stolen PII but with a greatly decreased chance of access.)
- Ability to Mitigate the Risk of Harm

All information collected during the risk assessment must then be compiled into one report and analyzed. The Risk Assessment must then be provided to appropriate personnel in charge of data breach response management.

### **Notifying Affected Parties**

Responsibility to notify is based on the number of individuals affected and the nature of the PII that was accessed. Any information found in the initial risk assessment will be turned over to the legal counsel of who will review the situation to determine if, and to what extent, notification is required. Notification should occur in a manner that ensures the affected individuals will receive actual notice of the incident. Notification will be made in a timely manner, but not so soon so as to unnecessarily compound the initial incident with incomplete facts or to make identity theft more likely through the notice.

In the case that notification must be made:

- Only those that are legally required to be notified will be informed of the breach. Notifying a broad base when it is not required could cause unnecessary concern for those who have not been affected.
- A physical copy will always be mailed to the affected parties no matter what other notification methods are used (e.g. phone or email).
- A help line will be established as a resource for those who have additional questions

about how the breach will affect them.

The notification letter will include:

- A brief description of the incident. The nature of the breach and the approximate date it occurred.
- A description of the type(s) of PII that were involved in the breach (The general types of PII, not an individual's specific information.)
- Explanation of what is being done to investigate the breach, mitigate its negative effects and Proposed Data Breach Response Policy – Approved by Audit Committee January 20, 2016 prevent future incidences.
- Steps the individual can take to mitigate any potential side effects from the breach.
- Contact information for a representative who can answer additional questions.

### **Mitigating Risks**

Based upon the findings of the risk assessment, a plan will be developed to mitigate risk involved with the breach. The exact course of action will be based on the type of PII that was involved in the data breach. The course of action will aim to minimize the effect of the initial breach and to prevent similar breaches from taking place.

- Affected individuals will be notified as soon as possible so they can take their own steps to mitigate potential risk.
- If there is a substantial concern for fraudulent use of PII, will offer affected individuals free access to a credit monitoring service.

Will also provide steps to mitigate risks that can be taken by affected individuals. The steps provided to affected individuals will depend on the nature of the data breach. If the breach has created a high risk for fraudulent use of financial information, customers may be advised to:

- Monitor their financial accounts and immediately report any suspicious or fraudulent activity.
- Contact the three major credit bureaus and place an initial fraud alert on their credit reports. This can be extremely helpful in situations where PII that can be used to open new accounts, such as social security numbers, has been taken.
- Avoid attempts from criminals that may see the breach as an opportunity to pose as employees in an attempt to deceive affected individuals into divulging personal information.
- File a report with local police or in the community where the breach took place.
- Complete a Federal Trade Commission Threat Affidavit, available at [www.ftc.gov/bcp/edu/resources/forms/affidavit.pdf](http://www.ftc.gov/bcp/edu/resources/forms/affidavit.pdf). This form will allow the affected individual to notify their creditors that their identity has been compromised, and will minimize their liability for fraudulent use of their identity.

Instructions on what steps a customer can take to reduce their risk will be included in the notification letter. In addition to the information listed above, appropriate personnel, when possible, will provide additional information tailored to the individual breach.

## **Article 5 ISRI Position Papers and Policies**

### **5.1 ISRI's Position on Design for Recycling – Promoting Environmental Sustainability<sup>2</sup>**

#### **Overview**

Design For Recycling® (DfR) embodies the concept that while products are in the design stage serious efforts should be made to eliminate or reduce the use of hazardous substances and any substances or materials that might impede the recycling process (such as adhesives or materials for which there exists no economically feasible means of recycling). Design for Recycling® also envisions products designed to produce, at the end of their useful lives, the highest percentage of recyclables possible.

When manufacturers consider all aspects of a product's total life cycle during the design stage the result is a product that contains the highest possible proportion of recyclables in the manufacture of new products, contains fewer hazardous substances and yields the highest possible percentage of valuable recovered materials at its end of life.

Design for Recycling® relies upon a market-based approach to enhance product design by creating a competitive environment among manufacturers to utilize the greatest possible amount of recycled materials in their manufacturing processes and to eliminate or reduce the use of hazardous materials and other materials that impede recycling.

- To the extent practicable, products should not be produced with hazardous materials.
- Promote the concepts of producing products that are more easily recycled and increasing the recycled content of all products whenever practicable.
- Establish coalitions of stakeholders whose purposes will be to:
  - a) develop and promote the principles of Design for Recycling®; and
  - b) explore all options to promote and foster the design and manufacturing of products suitable for recycling using currently available recycling technology and best management practices.

---

<sup>2</sup> As Adopted by the ISRI Board of Directors on February 10, 2017.

## **5.2 ISRI's Position on Flow Control<sup>3</sup>**

The practice by which governments require that solid waste generated within a specific area be collected only by designated entities and/or disposed of at designated facilities is known as flow control. When a government does not itself provide all collection and disposal services, it frequently awards a franchise or license—often exclusive—for all or part of these solid waste collection or disposal services.

The Institute of Scrap Recycling Industries, Inc. (ISRI), strongly supports and encourages the voluntary diversion or removal from the solid waste stream of materials for recycling. ISRI strongly opposes attempts to expand flow control to include government control of materials that have been diverted or removed from the solid waste stream for the purpose of recycling.

Materials that have been diverted or removed from the solid waste stream for recycling are the property of their generator. Efforts by government to take possession of, or obtain title to, those materials by imposing restrictions on the generator's ability to sell or donate them are prohibited by the Constitution as a taking of property without just compensation unless and until the owner relinquishes title to the government. The owner may do this by, for example, abandoning or discarding them into the solid waste system or by placing them in government-sponsored curbside or collection center recycling programs. Owners of such materials must be free to decide who will receive them. Private recycling enterprises must be free to accept, purchase, transport, and process these materials in a free and competitive marketplace.

Governing agencies that contract for the collection, processing, or marketing of materials diverted or removed from the solid waste stream that have properly come under their control should do so in a competitive bidding process that is not tied to the mandatory provision of other functions, such as the ability to provide solid waste collection or disposal services. This will ensure economic efficiency, secure the best qualified contractors at the lowest cost to the taxpayer or ratepayer, and take advantage of the expertise of private sector processing and recycling businesses that have experience in these areas.

---

<sup>3</sup> As adopted by the ISRI Board of Directors on July 15, 1991.



### **5.3 ISRI Position on Recyclable Materials Theft<sup>4</sup>**

#### **Overview**

The unintentional purchase, of stolen materials has, for many years, been a risk present in recycling. The problem arises not from any act or omission by individual members of the industry, but instead, from the types of materials that it handles. In order to recycle the vast quantities of materials that are required by the industries that manufacture new products from recyclable materials, and to assure that recyclable materials do not end up in landfills or litter the landscape, members of the recycling industry purchase, process, and sell hundreds of thousands of tons of commodities every day. These commodities consist of millions of separate items that must be handled quickly, efficiently, and in large volumes. Identification of suspect items is made difficult because; recyclable materials are purchased not as specific items, but rather by weight. From time to time, it is possible that stolen property will find its way into the millions of items that make up the commodities legitimately handled each day by members of the recycling industry.

**It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that,** with respect to purchase of recyclable materials:

- The purchase of materials that are known by the company to be stolen must not be tolerated; and
- In cooperation with appropriate authorities and affected parties, each member of the recycling industry, along with law enforcement and the affected community, should take positive steps to reduce the risk of the unintentional purchase of stolen materials.

During the course of daily operations, each member of the industry needs to be aware of the potential for inadvertent or unintentional purchase of stolen materials. The theft of recyclable materials is a community problem--not just a recycling industry problem--extending well beyond the boundaries of ISRI members' recycling facilities.

Each member of the recycling industry is urged to:

- Familiarize themselves with and follow applicable state and local statutes and regulations regarding the purchase of recyclable materials;
- Continue to be involved in the community served;
- Be aware of the types of materials frequently stolen; and

---

<sup>4</sup> As adopted by the ISRI Board of Directors on April 24, 2017.

- Communicate and work cooperatively with community leaders, law enforcement officials and their agencies, and members of the community most often affected by these thefts to inform them about the scrap recycling industry, its operations, and its requirements, and develop programs designed to reduce the theft of recyclable materials.

Because this is an issue requiring the cooperative efforts of community leaders, law enforcement officials and their agencies, and members of the community who have been or could be victimized by the theft of recyclable materials, all affected parties are urged to:

- Take steps within their own organizations and communities to adopt improved security measures to reduce the opportunity for theft of recyclable materials and advise the recycling industry, as soon as possible, in their community when such thefts do occur utilizing ScrapTheftAlert.com or other methods;
- Work in cooperation with members of the recycling industry to resolve the problems caused by the thefts of recyclable materials in their community;
- Understand and appreciate the unique nature and requirements of the recycling industry and its operations; and
- Vigorously apprehend and prosecute those responsible for thefts.

It is only through the active cooperation of the entire community that the problems presented by the theft of recyclable materials can be addressed successfully.

## **5.4 ISRI Position on Reporting Recycling Activities<sup>5</sup>**

### **Overview**

For a variety of reasons, federal, state and local legislators seek to quantify the recycling of all materials from residences, businesses, institutions and industrial facilities that are recycled within their jurisdictions. Although in some circumstances, there has been major disagreement about the extent to which some or all of the desired information is necessary, it is typically deemed by the requesters to be crucial in assessing the effectiveness of recycling programs in meeting certain goals or targets and to solid waste planning efforts within those jurisdictions. The Institute of Scrap Recycling Industries (ISRI) recognizes that if those governmental entities are not afforded the opportunity to include certain recycling activities carried out by private sector recyclers in their recycling reports those entities may not achieve the goals that have been set for them and the economic and political ramifications of “missing” such goals or targets are major. Thus, ISRI does not oppose the collection of such data where there are compelling reasons to do so. However, while the private sector recycling industry is willing to assist in such endeavors, it is incumbent upon those collecting the data to be cognizant of any undue burdens they may be placing upon private businesses and to avoid compromising the confidentiality of those businesses’ proprietary data.

### ***Scrap is not Waste/ Recyclable Materials are Commodities***

Additionally, in order to assure their full participation, it is paramount to the recycling industry that governments seeking to collect data on recyclable materials acknowledge that ***recyclables are not waste and recycling is not disposal***. Solid waste by definition is that which has been discarded (e.g., refuse, garbage, putrescible materials and offal). Recyclable materials that are given, sold, donated or otherwise transferred in commerce are not discarded and therefore are clearly not waste and thus does not require regulation as solid waste. Thus, it is imperative that any reporting of recycling activities be clearly distinguished from solid waste management; recyclable materials reports should be separate and distinct from any solid waste reports. It is imperative that the distinction between recyclable materials and solid waste is clearly made.

Governmental entities seeking to quantify waste reduction should make that measurement at solid waste disposal facilities. Notwithstanding the fact that recyclable materials processed by private sector recyclers are not solid waste, the efforts of the private sector recycling industry do contribute significantly to the reduction of solid waste that is managed through landfilling or incineration. However, recycling and solid waste management are two different activities and should reporting of these activities be deemed necessary, they should be accounted for separately.

### ***Only Count that which is Appropriate***

It is important to ascertain exactly what recycling activity a governmental entity wants or needs to quantify. For instance, in most states recycling goals are directed to those materials typically generated by residences and offices (paper and glass, plastic or metal food and beverage

---

<sup>5</sup> As adopted by the ISRI Board of Directors on July 20, 2017.

containers). Reporting materials other than those specifically enumerated in "recycling laws" or "recycling goals" is inappropriate and beyond the realm of existing authority.

Recyclers are prepared to assist governmental entities in designing a program that will present a true picture of recycling activities and avoids double counting of materials. Reporting by private sector scrap recyclers should be limited to tonnages of recyclable materials handled as governmental entities have no need for information pertaining to vendors or customers or the cost of recyclable materials purchased or the sales price for the finished product that is sold.

### ***Confidentiality***

Any proprietary data reported by private sector scrap recyclers must be accorded complete confidentiality, regardless of any state or local confidential documents laws or ordinances. Indeed, reporting to governmental entities should be done through a third party (certified public accounting firm, law firm, or other entity that is trusted and respected by both the private sector recyclers and the governmental entity) who will aggregate the data and report the aggregate results to the governmental entity. Where there are less than five private sector recyclers within the jurisdiction of a single governmental entity that requires reporting, arrangements must be made to aggregate their data with others to avoid revealing proprietary data.

### **It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

For a variety of reasons, governmental entities seek to collect data on recycling activities within their jurisdictions. The Institute of Scrap Recycling Industries (ISRI) does not oppose to collection of such data where there are compelling reasons to do so and so long as the following criteria are met:

- The governmental agency responsible for collecting data recognizes that recyclable materials have intrinsic value, are not waste, and should not be regulated as such and that recycling should not be regulated in the same manner as solid waste management.
- Data collection relative to recyclable materials should be accomplished, if possible, **only** through recyclable materials reports, **not** solid waste collection, management, diversion, or processing reports.
- Recyclable materials reports should be submitted, wherever possible, only to a governmental agency responsible for recycling activities, **not** solid waste management.
- Business operations data collected from private sector recyclers is proprietary and must be accorded complete confidentiality, regardless of federal, state or local law to the contrary. A mechanism should be created for reporting whereby such data can be collected by a third party (such as a certified public accounting firm, law firm or other entity mutually acceptable to the recyclers and the governmental entity). Data collected through the third party should be publicly reported only in statewide aggregates.
- Recyclable materials reports should be limited to data for which a governmental entity has a legitimate need to know. Furthermore, careful consideration must be given to the methodology for collecting the data to avoid multiple counting of the same materials,

which could result in skewed reporting of recycling activities.

## **5.5 Global Market Access: ISRI Policy on Free and Fair Trade<sup>67</sup>**

### **Overview**

The scrap recycling industry is the first link in the global manufacturing supply chain and is thus dependent upon both a healthy domestic manufacturing base and access to global markets. Worldwide, more than 900 million metric tons of recyclable materials are consumed each year globally, and more than 25% of that amount constitutes cross-border trade. The need for market-based movement of scrap commodities across borders is a critical pillar to the recycling industry's success, as well as to the success of manufacturing. Recycling is an essential component of the circular economy.

Whether called "scrap," "recyclable materials" or "secondary materials," these materials are sustainable commodities that have value and are sold in the global marketplace according to ISRI's globally recognized specifications as a raw material that reduces the environmental impact of using virgin materials for manufacturing. More than 40% of global manufacturers' raw materials needs are met by the ready supply of recycled commodities<sup>8</sup>, and ISRI anticipates such demand to continue growing.

Scrap commodity trade is a shared responsibility. For example:

- It is the responsibility of all recyclers to export specification/commodity-grade materials that have been processed in an environmentally sound manner;
- It is the responsibility of importers to properly handle the material starting at arrival in the port of entry in adherence with environmental and labor laws;
- It is the responsibility of inspection agencies and the inspectors to be knowledgeable about the material they are inspecting; and
- It is the responsibility of governments to enforce rules and regulations.

**It is the position of the Institute of Scrap Recycling Industries, Inc. to:**

- **Support and facilitate free and fair trade;**
- **Support trade agreements that encourage free and fair trade;**
- **Support export and import laws and regulations and encourage them to be developed in consultation with industry that are consistent with ISRI's policies, positions and globally accepted specifications;**
- **Advocate for initiatives that enable the efficient movement of commodities through the global supply chain;**
- **Support responsible scrap commodity trade;**
- **Oppose unfair or illegal trade practices, including illegal imports and exports.**

---

<sup>6</sup> As adopted by the ISRI Board of Directors on April 24, 2017.

<sup>7</sup> Amended and adopted by the ISRI Board of Directors on January 29, 2021.

<sup>8</sup> Source: Bureau of International Recycling (BIR).

## **5.6 ISRI Position on Scrap Tire Design for Recycling<sup>9</sup>**

### **Overview**

The tire recycling industry is led by ISRI members who have explored innovative ways to utilize recycled tires as a raw material for manufacturing new products. By promoting such use, they have effectively developed processes that have turned what could have otherwise become waste into a specification grade recycled commodity.

Tire processors have become aware of situations where some tires due to their manufacturing process are not recyclable. These tires contain fillers, additives and other components that cause problems during the tire recycling process. Tires designed and released into the marketplace that do not take into consideration resource awareness, societal health and safety, and end-of-life management can be considered “Designed for Landfill.” Due to the difficulty of finding end markets for these tires, processors may not have many options for their management and will to send them to a landfill. Of all the strategies for managing scrap tires, landfilling is the least sustainable and desirable option.

ISRI acknowledges the tire manufacturing industry’s concern for sustaining the quality and safety of its products as well as their need to explore opportunities during product design that might help increase its performance and safety. ISRI’s Position on Design for Recycling® seeks to balance this need with the ability for recyclers to maximize the yield of recoverable materials at the end of life.

**Accordingly it is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

- Tire manufacturers that embrace Design for Recycling® in their manufacturing process help promote resource awareness, environmental conservation, and a vibrant and open marketplace for specification grade recycled rubber.
- A lack of forewarning of new products, or the creation of products that are not easily recycled, could put investments in infrastructure that the tire recycling industry made at risk.
- Tires should be discouraged from being landfilled if there are other more sustainable options available.
- A joint working group between recyclers and manufacturers would help advance the concepts of Design for Recycling®. Scrap recyclers do not seek proprietary information on manufacturing processes. Rather, scrap recyclers are looking for an open dialogue that will help them make appropriate business decisions regarding future investments in equipment for processing such tires as well as the exploration of new markets and technologies.

---

<sup>9</sup> As adopted by the ISRI Board of Directors on April 24, 2017.

## **5.7 ISRI Transportation Policy<sup>10</sup>**

### **Overview**

The U.S. scrap recycling industry is located throughout the nation making a comprehensive network of transportation modes essential.

In 2017, the U.S. scrap recycling industry generated \$117 billion in domestic economic activity manufacturing more than 130 million tons per year of highly valued commodities that manufacturers use as raw material feedstock to make new products with more than 70% being consumed in the United States.

In addition to providing raw material to domestic manufacturers, the U.S. scrap recycling industry exported approximately one-third of its commodities worth over \$16.5 billion annually to over 155 nations, this along with supplying the US Steel Industry requires an integrated transportation network vital to the global manufacturing supply chain.

The U.S. scrap recycling industry is heavily dependent upon a reliable and cost effective transportation network of rail, trucks, barges and ships to receive and deliver scrap materials.

### **Our national security is dependent on our transportation system.**

Currently, the United States is facing a transportation crisis as rail capacity and service have deteriorated, a severe truck driver shortage that will grow even worse, while barge and shipping lines are drastically scaling back.

As an industry highly dependent on transportation services, ISRI directs staff to conduct the following:

- Educate federal and state lawmakers (including governors, AGs) and regulators (e.g., DoT, STB) about the transportation problems facing the industry
- Reach out to various transportation associations (ATA, AAR, AWA) and their member companies to make them aware of the difficulties the industry is experiencing and explore possible solutions
- Monitor, identify and/or craft legislative solutions including participation in infrastructure spending legislation, transportation improvement and oversight proceedings, etc.
- Work with transportation coalitions to craft realistic solutions
- Monitor the developments surrounding the Electronic Logging Devices (ELDs) for trucks identifying possible solutions without jeopardizing truck safety
- Urge more private investment in railcars to carry scrap including gondolas and boxcars
- Monitor the deployment of Positive Track Control (PTC) systems to prevent train accidents that disrupt rail lines
- Join forces with other industries to foster a new generation of truck drivers
- Monitor labor negotiations between port workers and port operators to prevent dockworker strikes or worker slowdowns
- Work with waterways and ocean shipping associations and coalitions towards increased capacity and infrastructure improvements
- Advocate with the Surface Transportation Board (STB) and Department of Transportation (DoT), Federal Maritime Commission (FMC), and other regulatory agencies
- Assist industry efforts to minimize transportation costs, and increase efficiency, e.g. increasing

---

<sup>10</sup> As Adopted by the ISRI Board of Directors on January 25, 2019.



roadway weight limits, lobbying for competitive railroad switching, etc.

## **5.8 ISRI Railroad Transportation Policy Statement<sup>11</sup>**

### **Overview**

The U.S. scrap recycling industry is highly dependent upon rail service to transport recycled materials to both domestic and international markets. However, diminished rail service and capacity threaten the U.S. recycling industry. Rail car shortages, appreciable rail car and service deterioration, extensive rail congestion, significant cost increases, and no effective remedies for insufficient and unsatisfactory service are harming the nation's important manufacturing and exporting industries including the scrap recycling industry. ***Improving the nation's rail service by increasing capacity, reducing congestion, improving service, and providing cost effective remedies is imperative for the U.S. scrap recycling industry and U.S. manufacturing.***

**Rail Investment and Capacity** - While the economy has grown significantly over the past 25 years and the need for a more substantial and robust rail service is needed, the railroad industry has been reluctant to invest in new gondolas, boxcars, and power units to help improve this situation. More investment in rail cars and other rail infrastructure is necessary to improve and grow the nation's rail capacity and service.

**Surface Transportation Board** - When the railroad industry was largely deregulated, the Surface Transportation Board was created to protect rail users by addressing rail service issues and complaints from rail shippers. However, the Surface Transportation Board has been ineffective in this duty especially for captive rail shippers. Bringing a case to the Surface Transportation Board is too burdensome for shippers since its costs are extremely high and normally takes over a year to complete. Moreover, the remedies provided by the Surface Transportation Board have not always been helpful or effective. ***A more accessible and shipper-friendly remedy process is needed.***

**It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

ISRI will work with rail shippers and rail shipping coalitions to advance federal legislation and other efforts to encourage the nation's railroads to significantly: 1) increase the purchases of railcars sufficient to transport scrap materials to domestic and international markets; 2) improve service and rail car availability to scrap processors and their consumers; and 3) increase the amount of new track and infrastructure funding to ensure future growth. Furthermore, ISRI will work with rail shippers and rail shipping coalitions to advance federal legislation and other efforts including regulatory rulemakings that improves the Surface Transportation Board's appeals process so that it is more accessible and less burdensome in both time and money for rail shippers and provides more administrative and cost effective remedies for the scrap recycling industry.

---

<sup>11</sup> As adopted by the ISRI Board of Directors on February 10, 2017.

## **5.9 ISRI Position on the Export of Used Electronics<sup>12</sup>**

### **Overview**

The Institute of Scrap Recycling Industries, Inc. (ISRI) supports increasing the sustainable benefits of responsibly recycling electronics in compliance with domestic and international legal requirements. A vital component of sustainable recycling is ensuring the free and fair trade of specification grade commodities into the global marketplace. These commodities provide raw material substitutes that are needed to develop economies around the world. ISRI also recognizes the inherent risks of exporting electronic equipment and components to countries and facilities that lack the expertise and technical capacity to process such shipments in a manner that is protective of worker safety, public health, and the environment. As such, ISRI strongly condemns “sham” recycling and illegal exports to countries and facilities that lack such expertise.

### **It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

- Recognizes the sustainable benefits of and supports necessary financial incentives to responsibly recycle electronic equipment and components in the United States.
- Promotes the free and fair trade of specification grade commodities derived from electronic equipment and components, including commodities with de minimis amounts of hazardous substances.
- Bans the export of electronic equipment and components for landfilling, or incineration for disposal.
- Requires that all shipments of used electronic equipment and components exported for direct reuse are effectively tested to confirm that key functions are working and that such equipment and components are not obsolete.
- Requires that all pre-existing data and data storage devices are sanitized, purged or destroyed prior to export, unless otherwise agreed to by a valid commercial agreement between the domestic buyer and seller.
- Requires that all exports of electronic equipment, components and specification grade commodities are packaged and transported in a manner that is protective of human health and the environment and when appropriate prevents damage during transport.
- Requires that facilities engaged in electronics repair, refurbishment, or processing located outside of the United States that import electronic equipment and components have in place:
  - A documented, verifiable environmental, health and safety management system;
  - The necessary capability to reuse, refurbish or recycle electronic equipment and components in a manner protective of worker safety, public health and the environment;
  - Adequate business records to document compliance with environmental, health and safety legal requirements including the legality of shipments in importing countries;
  - Necessary measures in place to manage hazardous wastes in a safe and environmentally sustainable manner through final disposition; and

---

<sup>12</sup> As adopted by the ISRI Board of Directors on November 5, 2016.

- A transparent process for each facility to demonstrate conformity to these requirements to the U.S. exporter.

## **5.10 ISRI's Position Statement Concerning the Use of Rubberized Asphalt in Road Construction<sup>13 14 15 16</sup>**

### **Overview**

This position was adopted by the Institute of Scrap Recycling Industries, Inc. (ISRI) Board of Directors at the behest of the Tires & Rubber Division as a way to encourage the wide spread use of rubberized asphalt. Rubberized asphalt is a crumb rubber market that adds tremendous value to processed tire rubber and has the potential to consume millions of scrap tires on a nationwide basis.

### **It is the Position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

Rubberized asphalt provides a safer, smoother and quieter road surface while at the same time providing fiscal and environmental benefits to the communities that utilize it.

Accordingly, the Institute of Scrap Recycling Industries, Inc. supports legislation that:

- Seeks to expand the use of rubberized asphalt as the preferred material of choice when evaluating alternatives for a conventional asphalt surface project;
- Requires standards and specifications that would allow rubberized asphalt to be used whenever possible; and
- Seeks to reduce carbon emissions and climate change through the use of rubberized asphalt.

The justification for using rubberized asphalt are many. Among these advantages are:

- The reduction in road noise.
- Is environmentally friendly –can minimize the creation of tire piles. The use of rubberized asphalt also provides a significant reduction in the production of carbon emissions.<sup>2</sup>
- Is cost effective – considerable savings can be achieved when looking at the entire life cycle of a project. Rubberized asphalt has shown to be more durable and resistant to cracking and rutting. This translates to lower maintenance costs.<sup>3</sup>
- Is safer -- Over time, rubberized asphalt makes roads safer by allowing an open grade friction course (OGFC) to last longer. The safety characteristics of OGFC allow precipitation to drain through the road significantly reducing salt and water spray. This enhances driver vision and allows better control of the vehicle during slick driving conditions. <sup>4</sup>

---

<sup>13</sup> As adopted by the ISRI Board of Directors on April 24, 2017.

<sup>14</sup> Carbon Footprint of USA Rubber Tire Recycling, Institute for Environmental Research and Education, 11/09, 8.

<sup>15</sup> Life Cycle Cost Analysis: Conventional Versus Asphalt Rubber Pavements, Arizona State University, 8/02, 13.

<sup>16</sup> Asphalt Rubber Open Graded Friction Course. Smith, Jeffery, p.12.

## **5.11 Guidance to ISRI Staff on Critical Federal Legislative Elements for Used Electronics & Components (UEE&C) Exports.<sup>17 18 19 20 21</sup>**

### **Overview**

Cong. Gene Green (D-TX) introduced a bill consecutively over a number of Congresses that would impose export controls on recyclable electronic equipment. The premises of the need for the bill, as stated by Cong. Green (and of his supporters), were faulty at best. The requirements the bill would impose would have caused significant harm to electronics recyclers. In response to Cong. Green, ISRI's Electronics Division developed guidance to be used by ISRI's staff that specified elements for acceptable electronics recycling legislation to be used as an alternative to Cong. Green's bill, if necessary.

### **Guidance**

The Institute of Scrap Recycling Industries, Inc. (ISRI), directs its staff to utilize the guidance below which, as an alternative to Cong. Green's bill, if necessary, states the elements of a Federal electronics recycling bill that is acceptable to ISRI and its Electronics Division.

Specification Grade Commodities <sup>3</sup> -----	No restrictions
UEE&C for direct reuse <sup>4</sup> -----	No restrictions

UEE&C with FMs <sup>5</sup> for repair/refurbishment/recycling -----	Some trade restrictions as follows:
--	-------------------------------------

No geographic distinction (OECD and non-OECD)

(b ) One time notification + register EPA website

(c) Due Diligence Requirements with compliance option for third party certification

UEE&C for landfill or incineration for disposal -----	No Export
---	-----------

Scope of UEE&C: Computers and peripheral equipment – central processing units (CPU's), monitors, printers, tablets, e-readers, keyboards, scanners, storage devices, servers, and networking systems; copiers; fax machines; imaging systems; printing systems; telephones; televisions; video cassette recorders; camcorders; digital cameras; control boxes; stereo systems; compact disc players; radios; cell phones; pagers; personal digital assistants (PDAs); calculators;

---

<sup>17</sup> As adopted by the ISRI Board of Directors on November 5, 2016.

<sup>18</sup> See ISRI Policy on the Exports of Used Electronics, as adopted by the ISRI Board of Directors on March 25, 2010.

<sup>19</sup> Includes material that has been baled, shredded, sheared, chopped, crushed, flattened, cut, melted, or separated by type and fines, drosses and related materials which have been agglomerated. (See 40 CFR 261.1 (10)).

<sup>20</sup> Includes UEE& C that has been effectively tested to confirm that key functions are working and that such equipment and components are not obsolete, a market exists for the used equipment, and effective testing methods and results are maintained.

<sup>21</sup> Items containing polychlorinated biphenyls (PCBs); Items containing mercury; CRTs and CRT glass except for panel glass with lead content of less than 5ppm, clean of phosphors, CRT fines, coatings and frit; Batteries; Whole and shredded circuit boards, except for whole and shredded circuit boards that do not contain lead solder, and have undergone safe and effective mechanical processing, or manual dismantling, to remove mercury and batteries.

organizers; and game systems and their accessories.

Does not include in list: Any motor vehicle or any part thereof; household appliances such as clothes washers, clothes dryers, refrigerators, freezers, microwave ovens, ovens, ranges or dishwashers; medical equipment; and equipment that is functionally or physically part of a larger piece of equipment intended for use in an industrial, research and development, or commercial setting.

## **5.12 ISRI One-Bin Collection Policy<sup>22</sup>**

### **Overview**

ISRI supports the collection and sortation of recyclable materials in a manner that optimizes the value and utilization of the material as specification grade commodities to be used as feedstock to manufacture new products.

Since the quality of the recyclables as specification grade commodities is essential, ISRI opposes the commingling of recyclables with solid waste or mixed waste processing in a one-bin system where all solid waste and recyclables are placed together with no separation prior to recycling.

---

<sup>22</sup> As adopted by the ISRI Board of Directors on July 23, 2014.



### **5.13 ISRI Scrap Tire and Rubber Division Artificial Turf and Rubber Infill Policy Statement<sup>23</sup>**

#### **Overview**

Whereas, there have been press reports regarding synthetic turf fields that utilize crumb rubber infill material highlighting a concern that these fields expose players to constituents that may be harmful to human health for certain demographics.

This infill material has been widely used in thousands of playing fields throughout the United States. Currently, the seventy-five peer reviewed studies that have been conducted overwhelmingly suggest that crumb rubber synthetic turf pose no significant health risk.

However, policymakers, athletes and parents continue to express concerns about the use of this material. Some states and localities have discontinued the use of synthetic turf without, apparently, first examining or considering the existing scientific evidence. To address their concerns, additional scientific information has been requested to ensure these synthetic playing fields pose no significant risks.

Crumb rubber is derived from recycling used tires. In the United States, over 1.2 billion pounds of crumb rubber are recycled annually and are used in a variety of new products, including infill in synthetic turfs. Tire recycling is both an economically sound and environmentally friendly activity that helps lower the overall carbon footprint of tires, creates jobs, and produces useful products. Additionally, crumb rubber infill material can reduce injuries by providing a cushion to an otherwise hard ground surface. Using crumb rubber infill is also cost-effective for maintaining athletic fields by saving water.

#### **Therefore, it is the policy of ISRI to support:**

- Educating policymakers, regulators, other decision makers, parents, and the general public about the positive economic and environmental benefits of rubber recycling.
- Cautioning policymakers, regulators, other decision makers, parents, and the general public against prematurely deciding not to use crumb rubber infill without first reviewing and considering the existing scientific evidence.
- Working to ensure that scientific studies into the use of crumb rubber fill material in synthetic turfs are independent and peer reviewed.

---

<sup>23</sup> As adopted by the ISRI Board of Directors on January 21, 2016.

## **5.14 ISRI Right to Reuse Position<sup>2425</sup>**

### **Overview**

ISRI members across the commodity spectrum rely on reusing goods and products, including used electronics equipment, automotive parts and tires, as part of their business models. Reuse provides an excellent environmental and economic benefit. Despite these benefits, product manufacturers limit the ability of recyclers to legitimately reuse products; for example, by limiting parts and parts information, manuals, and utilizing digital locks that impede a product's reuse. These practices inhibit every recyclers' right to return products and goods back into the marketplace for legitimate reuse. Consumers should have access to cost-effective alternatives to new products and replacement parts. As global resources become more constrained, the right to reuse should be fully supported.

### **It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

- Used products destined for use are not waste.
- Recyclers have the right to reuse and remarket products they lawfully own or are remarketing as agents of owners (consignment inventory).
- Recyclers should be able to bypass technological protection measures (e.g. carrier locks, digital locks, kill switches, and other locks) that prevent reuse <sup>2</sup>.
- Recyclers should have convenient and affordable access to, but not limited to, repair manuals, parts and parts information, schematics, diagnostic software, the tools that are necessary for safe and responsible repair and the information to safely handle and reuse certain products, such as airbags.
- The right to market used products without warranty, provided all applicable legal requirements are followed by the recycler.

---

<sup>24</sup> As adopted by the ISRI Board of Directors on February 10, 2017.

<sup>25</sup> Position is updated to incorporate prior positions now sunsetted but included in the current position; see ISRI Position on Unlocking Technological Devices, as adopted by the ISRI Board of Directors on October 23, 2016; and, ISRI Position on Activation Locks "Kill Switch" as adopted by the ISRI Board of Directors on July 23, 2014

## **5.15 ISRI Position on Electronic Reporting<sup>26</sup>**

### **Overview**

The Institute of Scrap Recycling Industries (ISRI) recognizes that metals theft is a large problem and works diligently to combat it with a variety of efforts. Reporting of scrap metal sales transactions has been considered by some jurisdictions as a useful means to help law enforcement track metal thieves and combat metal theft. However, ISRI and its members are concerned about universal reporting of scrap metal transactions because reporting can be intrusive and subjects the confidential business and personal information of recyclers and their customers to the risk of misuse through a data breach, transfer, sale, or disclosure of the data.

It is the position of the Institute of Scrap Recycling Industries, Inc. that in the event that a state or local government or other official governing body is contemplating electronic reporting of scrap metal transactions, ISRI believes that adequate protection can only be provided if the law or ordinance adopting the reporting requirements specifically states that:

- Strict confidentiality will be maintained with regard to any data submitted to the data reporting system.
- The recycler cannot be compelled to waive any legal rights or proprietary interests in and to the data as a condition of access to and use of the designated reporting system.
- The data should not be subject to disclosure under applicable state public disclosure laws.
- Any user agreement imposed by the reporting system operator shall:
  - Have strict security, confidentiality, and liability provisions for the protection of data providers and their customers that are equal to or greater than those the data contractor agrees to provide in its contract with the government;
  - Indemnify data providers in the case of a data breach, backed by appropriate data protection insurance provided by the data contractor;
  - Ensure that the data provider retains ownership of its data, so that the data contractor may not take ownership of or require data providers to grant the data contractor a license of any kind (except to provide such data to law enforcement or other authorized parties prescribed in the law); and
  - Require that the data contractor give data providers notice if there is a breach or if a subpoena has been issued for the data given by a specific data provider.

---

<sup>26</sup> Adopted by the ISRI Board of Directors on November 5, 2016.

**5.16 ISRI PAC Policy<sup>2728</sup>**

**Overview**

ISRI PAC is the bi-partisan political action committee associated with the Institute of Scrap Recycling Industries, Inc. whose purpose is to support the members of both political parties as well as independents who are interested in helping advance the recycling policies in the U.S. House of Representatives and the U.S. Senate.

**Goals with Regard to the ISRI Board and Chapter Presidents and Officers:**

1. The Board of Directors of ISRI declares as its first goal that all members of ISRI's Board of Directors' and Chapter officers' companies should, if possible, be ISRI PAC-authorized – ideally with a full five (5) year authorization.<sup>2</sup>
2. All Chapter Presidents whose companies are ISRI PAC-authorized shall be members of the PAC Leadership Council (PLC). Where a Chapter President's company is not ISRI PAC-authorized, the ISRI Chair shall designate some other member from that chapter, whose company is ISRI PAC- authorized, to serve on the PAC Leadership Council.

---

<sup>27</sup> As adopted by the ISRI Board of Directors on June 19, 2016.

<sup>28</sup> Some exceptions may apply due to citizenship companies that have previously authorized another trade association PAC.

## **5.17 ISRI Position on Accelerated or Bonus Depreciation Tax Allowances<sup>29</sup>**

### **Overview**

The scrap recycling industry is a capital intensive industry. The scrap recycling industry invested nearly \$9 billion in recycling equipment in the US between 2006 and 2011 that included processing, sorting, and handling equipment. Accelerated or bonus depreciation enables recyclers to buy and deploy new equipment with improved technologies sooner and operate with greater efficiency. Tax allowances also help the development of new technologies that enables the processing of scrap materials that otherwise would be difficult to process into higher quality commodities.

### **It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

- Accelerated depreciation has proven to be extremely effective and is, in effect, a change in timing, rather than an actual credit, or reduction in tax collected.
- Tax allowances such as accelerated depreciation should be pursued to encourage scrap processors to purchase new and/or innovative equipment to process scrap materials into higher quality commodity-grade feedstocks for manufacturing.
- Tax allowances should also be pursued to enable scrap processors to consume larger quantities of recyclables or for truly experimental or innovative processing equipment designed to collect and process materials which are currently not being recycled, or are technologically challenged in terms of recycling.
- ISRI should pursue opportunities to continue the permanent status of accelerated depreciation or bonus depreciation allowances that have been so effective in accordance with section 179 of the ISRI code.

---

<sup>29</sup> As adopted by the ISRI Board of Directors on April 24, 2017.

## **5.18 ISRI Position on the Use of Degradable Additives in Plastic Packaging<sup>30</sup>**

### **Overview**

Degradable additives are chemical compounds that are often incorporated in conventional plastics such as polyethylene (PE), polypropylene (PP), polystyrene (PS), polyethylene terephthalate (PET) and polyvinyl chloride (PVC) during the converting process from polymer pellets to final products. The purpose of these additives is to make non-degradable plastics “bio-degradable”, “oxo-degradable” or “photo degradable”.

There may be confusion within the marketplace on the use of these terms in relation to their use in plastic products. Such terms as used in relation to its use with a plastic item may not be supported by tests conducted by third parties using standards and protocols as those published by ASTM, ISO and other standard making bodies.

Further, plastics that contain degradable additives can harm plastic recycling as these additives may be mixed unknowingly with non-degradable plastic and cause the resulting feedstock to be significantly compromised.

**It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

- Suggests any claims as to the use of terms “bio-degradable”, “oxo-degradable”, “photo-degradable” and other terms that indicate the plastic is easily degraded be supported by independent third party research and testing using accepted standard methods and specifications published by ASTM, ISO or other standard making bodies;
- The introduction of products that contain degradable additives must not harm or compromise currently acceptable recycling practices, recycled material product expectations, and the affiliated recycling infrastructure; and
- Suggests that such additives do not encourage or excuse poor consumer behavior such as littering.

---

<sup>30</sup> As adopted by the ISRI Board of Directors on April 24, 2017.

**5.19 ISRI Position on the Appropriate Regulation, Registration, Permitting, or Licensing of Sellers of Vehicles for Scrap or Parts Only<sup>31</sup>**

**Overview**

Scrap metal processors annually purchase millions of vehicles for recycling purposes. While often these are purchased in a mechanically crushed or flattened condition, many vehicles are purchased in whole form. Scrap metal processors buy these whole vehicles in accordance with the applicable state and federal laws, including reporting the seller's name and the Vehicle Identification Number (VIN) to the National Motor Vehicle Title Information System (NMVTIS).

Many jurisdictions have additional reporting and record keeping requirements. Those whole vehicle sellers that are in the business of removing parts or scrap metals from these cars for re-selling the parts or metals are typically regulated as dismantlers or scrap metal processors.

**It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:**

the industry supports reporting of whole vehicles sold for scrap or for parts in accordance with state and federal laws, and opposes overreaching or duplicative regulations, registrations, permitting, or licensing requirements placed on the sellers of whole vehicles that are sold only for scrap or for parts, if the vehicles are sold to properly licensed, registered, or permitted (as regulated or required by state law) scrap metal processors or automotive dismantlers.

---

<sup>31</sup> As adopted by the Board of Directors on June 20, 2017.

## 5.20 **Guidance to ISRI Staff on the North American Recycling Agenda for the North American Free Trade Agreement<sup>32</sup>**

### **Overview**

In North America, The Institute of Scrap Recycling Industries, Inc. (ISRI) and the Canadian Association for Recycling Industries (CARI) represent more than 1,500 processors, brokers and consumers of scrap materials, including ferrous and non-ferrous metals, paper, plastic, tire and rubber, glass, textiles and electronics. The scrap recycling industry's total economic impact is nearly US\$117 billion in the United States and more than C\$5 billion in Canada, and our industry directly and indirectly supports more than 530,000 jobs in the United States and approximately 100,000 jobs in Canada. Globally, in 2016, our industry processed more than 130 million metric tons of recyclable commodities valued at more than US\$14 billion. As such, the North American scrap recycling industry is an environmental steward and an economic driver and is vital to the health of the manufacturing sector across the continent.

The scrap recycling industry is the first link in the global manufacturing supply chain and is thus dependent upon both a healthy manufacturing base and access to global markets. The need for market-based movement of scrap commodities across borders – void of unnecessary delays and excess costs – is a critical pillar to the recycling industry's success as well as to the success of the manufacturing industries. The only way to maintain price and supply stability in the global marketplace for scrap commodities is to allow those materials to trade freely and fairly.

**Tariffs.** All recyclable commodities are Most Favored Nation (MFN) duty free in the United States and Canada and, under the current NAFTA, exempt from Mexico's MFN duties. **We wish to maintain this important advantage.**

**Standards and Regulations.** A universal understanding of product standards – a system that uses its own, commonly known language – is integral to free-flowing trade. Having a wide array of unique regulations, standards and conformity assessment procedures leads only to unnecessarily burdensome and costly processing, thus a barrier to trade, especially if they are non-science/risk based and implemented in a discriminatory manner. In the recycling sector, the ISRI Scrap Specifications Circular (available at [www.isri.org](http://www.isri.org)) is the globally recognized guideline for scrap commodity specifications, many of which are cited in Harmonized Tariff Schedule (HTS) Codes and import regulations around the world. We recommend that the **ISRI Scrap Specifications Circular becomes an official standard within NAFTA, preferably as the recognized standard for scrap commodities.** This may be accomplished within the Technical Barriers to Trade (TBT) chapter or in a sector-specific annex that makes specific reference to a system of regulatory coherence and/or harmonization of standards, including mutually recognizing ISRI Specifications as a preeminent guideline for testing and inspecting scrap commodities by customs authorities.

Furthermore, while we understand the unique circumstances that have led to different regulatory systems in each of the three NAFTA countries, we ask that the new agreement **find opportunities to increase regulatory coherence** in order to reduce the burdens on our recyclers and their customers to conform to each regulation, and to allow the industry to provide input into the

---

<sup>32</sup> As adopted by the ISRI Board of Directors on June 20, 2017.



creation of future regulations so that they do not add new but unnecessary burdens to manufacturers.

**Rules of Origin.** Recyclable commodities are traded on global markets according to supply and demand drivers and are dependent on global commodity prices. NAFTA was critical to creating integrated supply chains into the North American manufacturing sectors, and the recycling industry wishes to maintain that integration. But as products are made with inputs from many different sources – and these products have different end-of-life cycles – it is difficult to track the origins of the raw materials that went into a 30-year-old automobile or a building built in the 1950s, thus potentially imposing unnecessary and sometimes impossible burdens on our customers to track materials. We recommend that there be **product- or sector-specific rules of origin**, that may be reviewed periodically depending on changing market conditions and take into account the complexities of commodity supplying markets, and **maintain the acceptance that scrap collected for recovery and/or processed in one of the NAFTA countries is considered as originating from that country.**

**Trade Facilitation/Customs.** Integrated supply chains come with the need to deliver materials on time and within budget. The scrap commodities trade responds directly to market forces with daily fluctuations on prices. While materials move reasonably well between the three economies, we support opportunities to **improve the physical infrastructure of our land and sea ports, streamline customs paperwork and clearances (including with harmonized and/or mutually recognized regulatory clearances as stated above and uniform procedures that can speed up the customs clearance process), increased transparency of regulatory and entry/exit procedural changes, and greater automation of the overall system.**

Furthermore, our members increasingly face problems of materials theft, especially in trade routes that are historically vulnerable to organized crime and with little to no ability to investigate the crime, locate the materials, prosecute the criminals or gain restitution. Therefore, we recommend there be **an automated system set up that involves customs and law enforcement authorities in all three countries to improve their collaboration on ensuring the security of tradable goods in all three jurisdictions – provided it does not slow down the clearance process.**

**Services.** Global supply chains mean businesses are more global, with presence in more than one economy. In North America, this often means a manufacturing site or scrap yard on one side of the border is overseen by management that lives on the other side of the border or has to be serviced by maintenance companies on the other side of the border. We support the ability for **people, equipment and maintenance services to have unfettered crossings at the border points.**

Additionally, global recyclers require access to credit, insurance and other financial services to keep pace with the ups and downs of commodity markets and the global economy – whether from government sources (e.g., U.S. Export Import Bank) or private sources. While our financial system is relatively open, unfortunately, law enforcement problems can negatively impact credit insurance terms in high risk regions. We support efforts to **ensure a stable access to credit and credit insurance, including facilities that protect borrowers from unforeseen lapses in law enforcement.**

**Investment/Incentives:** It is the providence of states and provinces to promote economic development within their borders by offering incentives for companies to locate operations within their state/province. However, such incentive programs should not be used contrary to the

principles of an open market economy by discriminating against certain market players or creating a monopoly.

Contrary to the Canadian Government's policy to increase recycling and reduce waste and unnecessary burning of used tires, the Government of British Columbia has imposed a moratorium on expanding the tire recycling sector while also maintaining incentives for its sole processor to be able to sell recycled rubber ("crumb rubber") into the United States at below-market value. We request the negotiators **address these market-distorting measures to level the playing field for all recyclers.**

Additionally, we support **U.S. companies' continued use of Mexico's Industrial, Manufacturing, Maquiladora, and Service Export (IMMEX)** to maintain a strong supply chain and support manufacturing growth in the United States.

## **5.21 ISRI Position on Orphaned Radioactive Sources<sup>33</sup>**

### **Position on Radioactive Scrap**

The Institute of Scrap Recycling Industries (ISRI) recognizes that radioactive sources pose a health and safety risk to recycling employees, end consumers of scrap, and the general public. While sources are regulated by both state and federal agencies, over the years many have been lost or misplaced (orphaned) and may easily enter the scrap recycling stream. These orphaned sources can come in many forms, including: aircraft parts, military equipment, medical devices, measurement gauges, and other equipment. Some may be easily recognized while others are not.

As such, ISRI promotes the use of screening techniques to identify the presence of radioactive materials, as well as continued coordination with state and federal radiation agencies to ensure that identified material can be safely returned to its point of origin for proper management. Effective screening techniques vary, but may include a combination of visual inspection, portal radiation detectors, area monitors, and/or handheld radiation detection of equipment.

In addition, ISRI recognizes that the rule and regulations governing the handling of orphaned radioactive sources may change over time. ISRI seeks to promote open dialogue with state and federal agencies. This dialogue is meant to facilitate the design and implementation of rules and regulations that do not put undue burdens on recycling companies who come into possession of orphaned radioactive sources in the course of business.

ISRI also supports the development of a federal program to accept and properly manage orphaned sources at no charge to the scrap companies who are providing a public service by identifying these sources.

---

<sup>33</sup> As adopted by the ISRI Board of Directors on November 8, 2017.

## **5.22 ISRI Position on Product Stewardship<sup>34 35</sup>**

Recycling in the United States depends upon a market-based system -- through which obsolete, previously used, off-specification, surplus, or incidentally produced materials are processed into specification-grade commodities and consumed as raw-material feedstock in lieu of virgin materials in the manufacture of new products.

The private sector recycling infrastructure in the U.S. touches almost every part of the economy – from retail stores, office complexes, residential neighborhoods and schools, to factories, industrial operations including construction and demolition sites, and even military bases. The vast majority of the recyclable material that flows through the privately owned non-taxpayer subsidized recycling industry does so without any problems and is transformed by recyclers into clean, high quality, commodity grade product.

ISRI does not support product stewardship policies that disrupt the current recycling infrastructure, such as extended producer responsibility programs that either target, include, or disrupt the recycling of materials or products that are being successfully recycled and consumed in existing markets.

ISRI encourages policy that incentivizes manufacturers to design their products for recycling, to use greater amounts of recycled content in manufacturing, and to use recyclable content in packaging, provided there are no negative implications to the product's recyclability.

Increasingly, however, certain materials and consumer products are entering the residential recycling stream for which commodity markets do not currently exist, or the markets may be regional in nature and not be economically viable at the point of collection. There are also some recycling programs driven by government mandates or sustainability goals that are not supported solely by market values, and certain materials that were previously economical to recycle may no longer have viable end markets due to major changes in global commodity markets. These conditions create items that are difficult to recycle.

To address facilitation of the proper recycling of difficult to recycle items, as a last resort, ISRI supports consideration of policies that are temporary in nature to support markets for recycling of those items until the markets mature, and that require consumers and manufacturers to:

- Provide a collection mechanism for difficult to recycle items which could be accomplished through manufacturer facilitated collection systems developed in cooperation with retailers or other entities, and/or
- Compensate municipalities / recyclers for costs associated with separate collection, transportation, and processing systems for difficult to recycle items.

Further, should an EPR scheme be proposed in a state legislature for residential recycling that incorporates a producer responsibility organization (PRO) structure, to ensure ISRI has a seat at the table so as to protect the interests of the recycling industry, ISRI would evaluate the state's proposal for an EPR program and seek to ensure industry's interests are considered.

This position is one element of ISRI's policies and positions to address challenges and opportunities within the recycling industry.

---

<sup>34</sup> As adopted by the ISRI Board of Directors on February 21, 2020.

<sup>35</sup> As amended by the ISRI Board of Directors on July 16, 2021.

## **5.23 ISRI Position on Plastic Bags<sup>36</sup>**

### **Overview**

The position was developed in response to several high profile municipalities either banning or placing fees on plastic or paper bags. As this is a controversial topic and municipalities are debating whether to ban this material, this position gives ISRI staff guidance on how to navigate this issue. It also provides stakeholders information on where ISRI stands on the issue.

Plastic film is a highly recyclable resource which has viable, sustainable markets which is highly sought after and used in the manufacture of many types of products. Banning or placing uneconomic fees on this material reduces the ability of it to be recovered.

It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:

- Opposes the ban of plastic bags that are being manufactured into useful commodity grade materials.
- Supports legislation that mandates the inclusion of recyclable content in the manufacture of plastic bags.
- Supports the exemption from any bans of reusable plastic film bags with at least 20% recycled content that are designed to be used multiple times.
- Supports policies that describe the efficient collection of plastic bags with the goal of optimizing the material's value and increasing its recycling rate.
- Encourage retailers to provide convenient collection points in their stores for the recycling of plastic bags, in place of collection through curbside programs. ISRI encourages outreach and education regarding the recycling of plastic bags.

---

<sup>36</sup> As adopted by the ISRI Board of Directors on February 21, 2020.

## **5.24 ISRI Position on Paper Bags<sup>37</sup>**

The position was developed in response to several high-profile municipalities either banning or placing fees on paper bags. As this is a controversial topic and municipalities are debating whether to implement a fee on this material, this position gives ISRI staff guidance on how to navigate this issue. It also provides stakeholders information on where ISRI stands on the issue.

Paper bags are a highly recyclable resource which has viable, sustainable markets which is highly sought after for its fiber strength and is used in the manufacture of many types of products. Paper bags are renewable, recyclable, reusable and compostable. Banning or placing uneconomic fees on this material reduces the ability of it to be recovered.

It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:

- Promotes a free and fair, competitive, market-based system for the trade of recyclable materials such as paper bags
- Supports a competitive marketplace that does not restrict, direct, or interfere with the free flow of recyclable materials.
- Opposes bans and fees on paper that are being manufactured into useful commodity grade materials and sold into viable, commercial markets without subsidies or noncompetitive, fixed pricing.
- Promotes the proper recycling and economic opportunities associated with the collection, processing, and reuse in finished products such as paper bags.
- Encourages the addition of paper bags to curbside collection programs.
- Strongly support the use of recycled content to the maximum percentage that is mechanically and commercially viable.

---

<sup>37</sup> As adopted by the ISRI Board of Directors on July 24, 2020.

## **5.25 ISRI's Position on Minimum Recycled Plastic Content Legislation<sup>38</sup>**

### **Purpose**

This statement provides ISRI's position on the use of recycled plastics in the manufacture of new products, and on minimum mandates for recycled plastics in certain products imposed through legislation for the purpose of strengthening end markets for plastics derived from end-of-life consumer products. This position is specific to plastics only.

### **Overview**

Plastics are an incredibly diverse, versatile group of materials that are used in nearly all aspects of daily life, from life-saving medical supplies to light-weight food packaging. Despite the benefits plastics offer, many people in the United States are concerned about high levels of used plastic entering the natural environment. Using recycled plastic as a feedstock to manufacture new products is an environmentally responsible activity that also strengthens the economy by creating jobs and investment opportunities.

Plastics recyclers process material from commercial, industrial, institutional, and residential sources. While all four are important sources of material, they each have very different market dynamics. The markets for plastics sourced from industrial operations that were generated during a manufacturing process as a byproduct are strong, with supply and demand generally balanced. This plastic is generally homogeneous and "clean" and more easily recycled. All of this results in its desirability to be used as feedstock in the manufacturing supply chain. The market for these plastics – referred to by many as "pre-consumer" plastics - does not require intervention in the form of government mandates or policies to support them.

In contrast, the recycling of plastics from end-of-life consumer products -- whether collected through the residential recycling system or from businesses, commercial operations, institutions, or industrial facilities - are subject to unique pressures that tend to result in a growing supply of material without corresponding well-established end markets. These pressures include: an ever changing and heterogeneous mix of materials flowing into the recycling stream whether there are end markets for these materials or not; "green" commitments on the parts of brands and consumer products manufacturers; "wishcycling"; and expectations by the general public for expanded plastics recycling.

### **ISRI supports:**

- Legislation that expands the use of recycled plastic from residential, commercial, institutional, and industrial sources in applications that are appropriate, noting these levels will vary by application and type of plastic;
- Legislation that focuses on measuring recycled content using only post-consumer plastics (as defined below), provided that such limitations are not applied to any other commodity materials;
- Efforts by manufacturers and brand owners to increase the use of recycled plastic resin beyond legislated levels and applications, when possible;
- Manufacturers incorporating the principles of Design for Recycling® (DfR) to ensure their products are more easily recycled;
- Stakeholder efforts that seek to increase plastic recycling through public education, outreach, and advocacy to meet growing demand for recycled plastic;
- Efforts that consider the life cycle assessment of a plastic product to help manufacturers make

---

<sup>38</sup> As adopted by the ISRI Board of Directors on July 24, 2020.

informed choices on the inclusion of recycled plastic resin: and

- For the purposes of verification and measurement, there may be up to a possible 10% variation in post-consumer plastics resulting in limited non-PCR contamination.

Such efforts will help spur the demand for recycled plastics while also increasing the commitment by stakeholders throughout the supply chain to ensure plastics are responsibly manufactured, collected, and recycled into new products.

#### **Applicable Definitions**

**Consumer: Individuals, Households, Commercial, Industrial, and/or Institutional facilities in their role as end-users.**

#### **Pre-Consumer Plastic**

**"Pre-Consumer Plastic" is plastic resin material that resulted from a manufacturing process as a byproduct that was collected for the purpose of recycling separate from the process that generated it, rather than being reclaimed within the same process.**

#### **Post-Consumer Plastic**

**"Post-Consumer Plastic" is plastic resin material that has completed its life as a consumer item, having served its intended end use, and has been collected for the purpose of recycling.**



**5.26 ISRI Policy on Chapter Officers<sup>39</sup>**

IT IS RESOLVED that it is the policy of the Association that no more than one officer in any given chapter may be a representative of any given Member company; and

IT IS FURTHER RESOLVED that any chapter requesting an exception to this policy shall present the cause for such exception, with a plan for mitigating risks to the Chapter and Association, for approval by the Association Executive Committee prior to seating any officers from the same Member company; and

IT IS FURTHER RESOLVED that any current Chapters with board composition that is contrary to this policy shall provide a transition plan to the Association President; and

IT IS FURTHER RESOLVED that staff is directed to formalize this policy for inclusion in the Association Policy Manual.

---

<sup>39</sup> As adopted by the ISRI Board of Directors on October 30, 2020.

## **5.27 ISRI's Policy on Environmental Justice and The Recycling Industry's Commitment to Our Communities<sup>40</sup>**

Recyclers are committed to being good neighbors in their communities by operating environmentally responsible and safe recycling facilities, and engaging in our communities. We recognize our role in building and maintaining healthy neighborhoods. Through these activities, recyclers seek to be recognized as members and partners in their community's well-being and growth. Recycling is essential to the community, just as it is essential to the manufacturing supply chain in the United States and globally.

### **ISRI supports the broad objectives of Environmental Justice, including:**

- The equal treatment and opportunity for all people regardless of race, ethnic origin, heritage, language or economic status;
- To contribute positively to the communities in which our members operate, including the opportunity to be heard;
- To promote continued environmental stewardship; and
- To further promote the health and safety of employees, customers and communities.

The U.S. recycling industry has its roots in multi-generational family businesses with long standing investments and engagement in the communities in which we are located. While the recycling industry today is composed of a mix of small, mid-size and large companies – with some family owned and others publicly-held corporations – recyclers across the country support the social well-being of our communities through long term economic investment and stewardship of the environment.

Recyclers' presence in communities is positive and contributes to economic development, providing direct and indirect jobs, as well as a strengthened tax base for funding local schools and services. The recycling industry plays the primary role in transforming otherwise discarded materials into recyclable raw materials. These recycled raw materials are then manufactured into new products, driving economic and environmental sustainability and reducing waste and CO<sub>2</sub> emissions.

A core value of the recycling industry is workplace health and safety. The recycling industry is committed to proactive actions that prevent risks to workers by implementing protocols designed to maintain a workplace free from hazards, operating at the highest standards and employing the best business practices such as providing on-going training for all employees, monitoring our work environment and regularly scheduled equipment maintenance. These actions ensure a safe and healthy work environment, and endeavor to help protect all those that live, work and play in our communities.

We in the recycling industry strives to engage with our communities to achieve mutual understanding and shared goals for the success of all members of the community. It is the recycling industry's desire that all voices are heard, injustice is avoided, and shared objectives are achieved in ways that are economically and operationally beneficial for all.

---

<sup>40</sup> As adopted by the ISRI Board of Directors on May 14, 2021.

## 5.28 ISRI Position on Chemical Recycling<sup>41</sup>

### Overview

Innovation is a constant in the recycling industry. ISRI supports private and public efforts aimed at developing new recycling processes and technologies and encouraging manufacturers to adopt Design for Recycling® principles in their operations. Robotics, artificial intelligence, optical scanners, laser separation and other sophisticated technologies are now commonly found in recycling operations, allowing recycling to continue to be an essential part of the solution to creating a more resilient planet. As new recycling processes and technologies emerge to help address the increasing variety of plastics and plastics products in commerce, it is important to properly identify these processes and technologies and define them appropriately.

Significant investments are currently being made in researching non-mechanical processes (variously called “molecular”, “advanced”, or “chemical” processes) to convert end of life plastics back into recycled resin, resin precursors (i.e., monomers), and petrochemical intermediates and fuels. This position addresses when ISRI considers such non-mechanical processes to be recycling, and when they are not.

### Position

Plastics recycling is a series of activities that processes end of life plastic materials into marketable commodities that are subsequently consumed in lieu of virgin materials as feedstock in the manufacture of material products *and not in the production of energy or fuels*.

- Non-mechanical processes that convert plastics at the end of life into recycled resins and monomers are recycling as they are producing materials to be “consumed in lieu of virgin materials as feedstock in the manufacture of material products *and not in the production of energy or fuels*”.
- Non-mechanical processes that convert plastics at the end of life into petrochemical products that are fuels or used to make fuels do not meet ISRI’s above definition of plastics recycling and thus cannot be properly considered recycling.<sup>42</sup>
- ISRI does not support the label of “advanced recycling” for non-mechanical recycling, as doing so creates a totally inappropriate and untruthful distinction between mechanical and non-mechanical recycling processes.
- ISRI fully supports recognition in policy of the distinction between recycling (inclusive of both mechanical and non-mechanical recycling) and solid waste management.
- ISRI does not support any policy in which non-mechanical recycling is considered manufacturing and mechanical recycling is not.

---

<sup>41</sup> As adopted by the ISRI Board of Directors on July 14, 2022.

<sup>42</sup> According to the Ocean Conservancy, processes converting plastics into fuel or energy sources “are not contributing to a circular system since materials are cascaded into fuel products instead of being sent back into plastics” (Ocean Conservancy Report on Recycled Content, p. 34).

## **5.29 ISRI Position on Legislation Addressing the Theft of Catalytic Converters<sup>43</sup>**

### **Overview**

The recycled materials industry works closely with law enforcement and other local authorities to help combat the theft of catalytic converters. Consistent with that activity, we support strong enforceable laws aimed at effectively preventing the theft of these devices and requiring steps to assist in tracking suspicious activities to aid enforcement and reduce the occurrence of these crimes. Such laws should support the continued recycling of catalytic converters purchased legitimately, which is critical to providing a secure and sustainable supply of precious metals and critical minerals increasingly in demand for manufacturing. More than 30 million catalytic converters are recycled each and every year through the recycled materials industry, supplying a renewable source of high quality materials for the manufacture of new converters, catalysts, pharmaceuticals and other consumer products while providing a sustainable alternative to the mining of finite natural resources.

The ease of the theft of the catalytic converter has made prevention a challenge, which has caused significant public attention to be directed towards efforts to stop the thieves and strengthen prosecution. Historically, catalytic converter thefts have often involved individuals and small criminal operators. More recently, arrests have been connected to large, organized interstate criminal operations, and have resulted in the recovery and seizure of thousands of catalytic converters and millions of dollars. However, these arrests are few and far between as the law enforcement community faces challenges involving an underground market fueled by criminals able to exploit statutory loopholes not designed to handle this increasingly sophisticated crime.

Therefore, ISRI has developed the following legislative principles that outline effective tools we consider important to curbing the theft of catalytic converters while preserving legitimate purchases that are necessary to supply the high-quality materials needed for the manufacture of new consumer products and infrastructure.

### **Legislative Principles**

- 1. Identification.** We support the marking of attached and functioning catalytic converters with an identifying number in a permanent manner, such as a Vehicle Identification Number (VIN) or VIN derivative, at time of initial sale of the vehicle. Options to assure the highest effectiveness include at the time of vehicle manufacture by the Original Equipment Manufacturer (OEM), prior to date of sale of the vehicle. We support marking programs on vehicles in continued use, except end of life vehicle that should be exempted from marking of the converter.

---

<sup>43</sup> As adopted by the ISRI Board of Directors on January 19, 2023.

**2. Possession, Sale and/or Purchase of Detached Catalytic Converters.**

- a. Possession of detached catalytic converters and catalytic converter substrate should be restricted solely to those entities who should reasonably be in possession through their normal course of business and to individuals who can provide proof of legitimate ownership.
- b. Only companies who can demonstrate “Proof of Legitimacy” may purchase a detached catalytic converter and/or catalytic converter substrate.
- c. A method for providing “Proof of Legitimacy” (e.g., through registration) should be outlined in legislation and include provisions that preserve the confidentiality of all confidential business information and include all stakeholders in its development. Only entities with a physical address are eligible to obtain a “Proof of Legitimacy.”

**3. Recordkeeping.** Recording requirements should be required for all purchases of detached catalytic converters and at every level of purchase. Recordkeeping should be required for business-to-business transactions, as well as individual transactions.

- a. Transactions with individuals should capture information identifying the seller such as through a driver’s license or similar government id, the date of transaction, volumes sold, and the identifying number on the catalytic converter(s).
- b. Records for business-to-business transactions should include the Proof of Legitimacy (this will provide the necessary identifying name and address), the date of the transaction, and volumes sold.

**4. Resale.** Legislation should specify that used detached catalytic converters are eligible for resale to the consumer as a used auto part as long as they meet or exceed the criteria to be deemed EPA compliant (currently requiring specified testing, certification, labeling, and reporting).

**5. Recognition.** Detached catalytic converters should be recognized as recyclable material.

*Institute of Scrap Recycling Industries*  
*Policy Manual*  
*As of January 19, 2023*

**Chart of Retired ISRI Positions**

#	Position/Policy/Guidance	Date Approved	Date Sunset
1	Electronics Recycling Operating Practices <i>*Sunset*</i>	April 3, 2006	November 5, 2016
2	Activation Locks Policy <i>*Sunset - Combine with Right to Reuse*</i>	July 23, 2014	November 5, 2016
3	Policy for Unlocking Technological Devices <i>*Sunset - Combine with Right to Reuse*</i>	Oct 23, 2013	November 5, 2016
4	Legislative Specifications for Theft of Specified Metal from Critical Infrastructure <i>*Sunset*</i>	October 23, 2013	November 5, 2016
5	Recommended Practices and Procedures for Minimizing the Risks of Purchasing Stolen Materials <i>*Sunset – Combine with Recyclable Materials Theft*</i>	???	April 24, 2017
6	Position on Cleaner Air Through Scrap Processing <i>*Sunset*</i>	1980's?	February 10, 2017
7	Board Voted To Support: Bill to increase truck weights for trucks with 6 axels, or more, to 97,000 lbs <i>*Sunset*</i>	April 27, 2009	February 10, 2017
8	Board Voted to Support: Cash for Clunkers Bill <i>*Sunset*</i>	April 27, 2009	February 10, 2017
9	ISRI Position on Shipper Undercharges <i>*Sunset*</i>	???	February 10, 2017
10	ISRI's Position on Lead-Acid Battery Recycling and Marketable Credits for Secondary Lead Recycling <i>*Sunset*</i>	???	February 10, 2017
11	Exports Position <i>*Sunset - Combine with Free and Fair Trade*</i>	December 17, 1996	July 20, 2017
12	Energy & Climate Change Legislative Position <i>*Sunset*</i>	October 19, 2008	July 20, 2017
13	Policy on Release of Materials from NRC Facilities <i>*Sunset*</i>	July 24, 2000	November 8, 2017
14	ISRI Position on Pressurized Containers <i>*Sunset*</i>	April 23, 1996	April 19, 2018
15	ISRI's Position on "Right-to-Know"	???	April 19, 2018
16	ISRI Position on Electronics Recycling Legislation	November 5, 2016	February 21, 2020
17	ISRI Position on Producer Responsibility	February 10, 2017	February 21, 2020
18	ISRI Position on Bans and Fees for Recyclable Paper and Plastic Bags	February 10, 2017	February 21, 2020
19	ISRI Position on the Continuation of the National Vehicle Mercury Switch Recovery Program	June 20, 2017	December 31, 2021

