ISRI’s Position on Design for Recycling – Promoting Environmental Sustainability

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.

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1 As Adopted by the ISRI Board of Directors on February 10, 2017.
ISRI’s Position on Flow Control¹

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.

¹ As adopted by the ISRI Board of Directors on July 15, 1991.
ISRI Position on Recyclable Materials Theft

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
- 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.

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1 As adopted by the ISRI Board of Directors on April 24, 2017.
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.
ISRI Position on Reporting Recycling Activities

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 landflling 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 containers). Reporting materials other than those

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1 As adopted by the ISRI Board of Directors on July 20, 2017.
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.
ISRI Policy on Free and Fair Trade

Overview

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 is a critical pillar to the recycling industry’s success, as well as to the success of the manufacturing economy.

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.

As part of its role in encouraging free and fair trade, ISRI is an important forum for information exchange and education on issues related to free and fair trade of scrap commodities and recycling equipment. ISRI undertakes activities in that pursuit, including, but not limited to: gathering and disseminating information regarding new, revised and existing government regulations; gathering and documenting information pertaining to export and import transactions (whether conducted with or without problems) to monitor trends; and raising documented issues of industry-wide unfair or illegal trade practices with the appropriate government(s) agency(ies).

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 consistent with ISRI’s globally accepted specifications;
- Advocate for initiatives that enable the efficient movement of commodities through the global supply chain; and
- Oppose unfair or illegal trade practices.

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1 As adopted by the ISRI Board of Directors on April 24, 2017.
ISRI Position on Scrap Tire Design for Recycling

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.

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1 As adopted by the ISRI Board of Directors on April 24, 2017.
ISRI Railroad Transportation Policy Statement

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.

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1 As adopted by the ISRI Board of Directors on February 10, 2017.
ISRI Position on the Export of Used Electronics

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;

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1 As adopted by the ISRI Board of Directors on November 5, 2016.
ISRI is the voice of the recycling industry, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy and education.

- Necessary measures in place to manage hazardous wastes in a safe and environmentally sustainable manner through final disposition; and
- A transparent process for each facility to demonstrate conformity to these requirements to the U.S. exporter.
ISRI’s Position Statement Concerning the Use of Rubberized Asphalt in Road Construction

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 widespread 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.
- 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.
- 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.

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2 As adopted by the ISRI Board of Directors on April 24, 2017.
2 Carbon Footprint of USA Rubber Tire Recycling, Institute for Environmental Research and Education, 11/09, 8.
4 Asphalt Rubber Open Graded Friction Course, Smith, Jeffery, p.12.
ISRI is the voice of the recycling industry, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy and education.
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Guidance to ISRI Staff on Critical Federal Legislative Elements for Used Electronics & Components (UEE&C) Exports

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------------------------------------ No restrictions
UEE&C for direct reuse----------------------------------------------- No restrictions
UEE&C with FMs for repair/refurbishment/recycling ---------------- 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;

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2 As adopted by the ISRI Board of Directors on November 5, 2016.
2 See ISRI Policy on the Exports of Used Electronics, as adopted by the ISRI Board of Directors on March 25, 2010.
3 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)).
4 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.
5 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.
control boxes; stereo systems; compact disc players; radios; cell phones; pagers; personal digital assistants (PDAs); calculators; 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.
ISRI One-Bin Collection Policy

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.

\(^1\) As adopted by the ISRI Board of Directors on July 23, 2014.
ISRI is the voice of the recycling industry, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy and education.

ISRI Right to Reuse Position

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.
- 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.

As adopted by the ISRI Board of Directors on February 10, 2017.

Position is updated to incorporate prior positions now sunsetting 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.
ISRI Position on Electronic Reporting

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.

1 Adopted by the ISRI Board of Directors on November 5, 2016.
ISRI PAC Policy¹²

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.

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.

¹ As adopted by the ISRI Board of Directors on June 19, 2016.
² Some exceptions may apply due to citizenship companies that have previously authorized another trade association PAC.
ISRI Position on Accelerated or Bonus Depreciation Tax Allowances

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.

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1 As adopted by the ISRI Board of Directors on April 24, 2017.
ISRI Position on the Use of Degradable Additives in Plastic Packaging

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.

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1 As adopted by the ISRI Board of Directors on April 24, 2017.
ISRI Position on the Continuation of the National Vehicle Mercury Switch Recovery Program

Overview

The National Vehicle Mercury Switch Recovery Program (NVMSRP) was created by a 2006 Memorandum of Understanding (MOU) that will expire at the end of 2017. The MOU currently provides that auto manufacturers fund the End of Life Vehicle Solutions Corporation (ELVS), which supplies recyclers with buckets to collect mercury switches and covers the cost of shipping the buckets and recycling the mercury, as well as providing indemnification for participants once the switches are packaged and shipped. Steel and auto manufacturers have agreed to extend the life of ELVS until 2021. The participation of other NVMSRP MOU signatories - the U.S. Environmental Protection Agency (EPA), the Environmental Council of the States (ECOS), ISRI, the Automobile Recyclers Association (ARA), and the environmental organizations in the ELVS program – is currently under discussion.

It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that the recycling industry supports a continuation of the National Vehicle Mercury Switch Recovery Program (NVMSRP) through the end of 2021, conditioned upon the following sections of the 2006 Memorandum of Understanding (MOU) remaining essentially unchanged:

- The transportation, acceptance, recycling, and liability language regarding the End of Life Vehicle Solutions Corporation (ELVS) under Section V.1.C, subsections 3 through 6; and
- Language regarding the responsibilities of ISRI and participating vehicle crushers, scrap processing facilities, brokers, and vehicle dismantlers, as well as their interactions with other parties.

Sunset

This position is repealed, effective December 31, 2021.

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1 As adopted by the ISRI Board of Directors on June 20, 2017.
ISRI Position on the Appropriate Regulation, Registration, Permitting, or Licensing of Sellers of Vehicles for Scrap or Parts Only

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.

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1 As adopted by the Board of Directors on June 20, 2017.
Guidance to ISRI Staff on the North American Recycling Agenda for the North American Free Trade Agreement

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

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1 As adopted by the ISRI Board of Directors on June 20, 2017.
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.**
ISRI Position on Orphaned Radioactive Sources

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.

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1 As adopted by the ISRI Board of Directors on November 8, 2017.
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.

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

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1 As adopted by the ISRI Board of Directors on February 21, 2020.
ISRI Position on Plastic Bags

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.

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1 As adopted by the ISRI Board of Directors on February 21, 2020.
ISRI Position on Paper Bags

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.

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1 As adopted by the ISRI Board of Directors on July 24, 2020.
ISRI’s Position on Minimum Recycled Plastic Content Legislation

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 plastic waste entering the natural environment. Nevertheless, the petrochemical industry continues to produce plastics at higher volumes and lower prices than ever before. To avoid further environmental harm, it is imperative that all plastics be handled responsibly at end of life. 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.

ISRI supports:

- Legislation that expands the use of recycled plastic in applications that are appropriate, noting these levels will vary by application and type of plastic;
- 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; and
- Efforts that look at the life cycle assessment of a plastic product to help manufacturers make informed choices on the inclusion of recycled plastic resin.

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.

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1 As adopted by the ISRI Board of Directors on July 24, 2020.