

In this Issue

India Seeks ISRI's Guidance for National Recycling Policy
Washington Fly-In, Summer 2018
ISRI Successfully Gains EPA Clarification on Recycling Vehicles with Airbags
Metals Theft Appears on Decline
Understanding Canadian Retaliatory Tariffs and Aluminum
Recycling Gets Supersized in L.A. at NCSL

India Seeks ISRI's Guidance for National Recycling Policy

The Indian Government hosted a conference this month with recyclers - from India and around the world - to obtain input as they finalize a national recycling policy. As a cap to many months of engaging with the Indian Government in partnership with the Materials Recycling Association of India (MRAI), ISRI was not just invited to participate, but Indian government officials considered ISRI's input to be among the most crucial for a complete understanding of a successful recycling industry. ISRI Chairman Brian Shine and Senior Director for Government Relations & International Affairs Adina Renee Adler provided technical guidance on the core aspects of a mature and responsible recycling industry, such as the acknowledgement that scrap is not waste, free and fair trade, the use of ISRI Specifications and the incorporation of environmental, health and safety management for responsible recycling.

Why this matters ... At a time when the industry is learning to adapt to a closing Chinese market, Southeast Asian governments are struggling against capacity constraints due to both trade diverted from China and a raging trade war, the Indian Government's forward-thinking on recycling – and ISRI's opportunity to influence that thinking – is a welcome opportunity to help shape an even more dynamic growth market for scrap trade.

Recovered paper and fiber exports from the United States to India have nearly doubled in the first half of 2018 over the same time period last year, and an Indian Government policy to eliminate the pre-shipment inspection requirement for metal scrap from six countries, including the United States, has also facilitated a doubling of trade in just the first half of 2018 as compared to last year. Although the Indian Government's intent is to create a policy – and, eventually, physical infrastructure for domestic recycling, scrap trade with India is not likely to abate any time soon.

But, but, but ... Well, no buts about it! Having ISRI's perspective actively sought out by Indian policymakers was a unique opportunity and a responsibility ISRI did not take lightly. We will be tracking the development of India's recycling policy very closely, and once it has been finalized, we will provide a detailed analysis for ISRI members.

Washington Fly-In, Summer 2018



More than 50 ISRI members attended the Fly-In breakfast held at the Capitol Hill Club. Congressman George Holding (R-NC), a member of the House Trade Committee, provided an insider's view of the trade situation by explaining the Administration's trade strategy. Following the breakfast ISRI members fanned out across Capitol Hill and visited with their Congressmen and U.S. Senators to discuss several issues key to the scrap recycling industry including the importance of trade, transportation problems, and the regulatory mistreatment of scrap commodities as solid waste.

Why this matters ... Unless elected officials are informed about the scrap recycling industry, in most instances they will know little or nothing about it. But, if they are informed about the industry when legislation arises that, in whole or in part, is adverse to the interests of the industry, they may vote against such a bill. The easiest way to explain why meeting with elected officials about your business and industry matters is to say that ***if you are not at the table (informing legislators about your business and industry) you're on the menu.***

But, but, but ... Any and every ISRI member who participates in ISRI's advocacy efforts is helping *all* ISRI members. Next year, however, we hope to see well more than 50 members enjoying the Capitol Hill experience.

Next steps ... Fly-ins are one of the best advocacy tools the association has to demonstrate the impact of constituent grassroots. ISRI members are encouraged to continue conversations with their elected representatives and extend to them invitations to visit member facilities. Advocacy training is available online for members. Should you want to schedule meetings in Washington, DC, ISRI staff will help guide your visits. Contact [Billy Johnson](#) at (202) 662-8548.

ISRI Successfully Gains EPA Clarification on Recycling Vehicles with Airbags

The Environmental Protection Agency (EPA) issued a memo in June 2017 about the regulatory status of recalled Takata airbags stored in warehouses. Since then, there have been concerns in the scrap recycling industry as to whether or not airbags were considered hazardous materials. Auto recyclers, shredder operators, and other airbag stakeholders were left with a number of regulatory questions about both Takata and non-Takata airbags that remained in vehicles destined for recycling.

Why this matters ... Were the issue not clarified, a fear existed that decades old vehicle recycling processes would be no longer exempt under the Resource Conservation and Recovery Act (RCRA).

But, but, but ... Through a number of outreach efforts, including a face-to-face meeting, ISRI raised these concerns with the EPA. On behalf of its members, ISRI advocated for the EPA to issue a clarifying memo with guidance for recyclers that routinely recycle vehicles containing airbags. **These efforts proved successful** when the EPA issued such a memo **dated** July 19. Among other items, the memo confirms that airbags remaining installed in vehicles are considered part of the vehicle being recycled and are, therefore, exempt scrap metal under RCRA. The [full memo](#), along with a summary of regulatory interpretations is available to ISRI members.

For more information about airbags or this memo, please contact [David Wagger](#) or [Billy Johnson](#).

Metals Theft Appears on Decline

While law enforcement statistics regarding metals theft remain elusive, there is some evidence the crime has been on the decline in recent years. For example, the National Insurance Crime Bureau's (NICB) November 2017 report indicates a 60% decline in insurance claims resulting from metals theft from 2014 through 2016, the latest reporting period. While the number of registered users of the

ScrapTheftAlert.com system continues to increase, the number of alerts have declined over the last several years.

Why it's important ... Metals theft may be off the highs of the not so distance past, but so is the price of copper.

But, but, but ... As the price of copper is cyclical, so too might be the rate of metals theft. The NICB's report also cites a "statistical-significant correlation" between theft claims and the price of copper.

Be Aware ... ISRI continues outreach efforts with law enforcement. Most recently, ISRI exhibited at the *FBI National Academy Associates Annual Conference*, held this year in Quebec City. Attendees of this conference are executive level law enforcement officials from around the world. It is better to keep the lines of communication open and proactive with law enforcement even though theft might be down, rather than starting over when prices increase and theft rates follow.

Understanding Canadian Retaliatory Tariffs and Aluminum

Several ISRI members have inquired about the commodities covered under Canada's import tariffs in response to the U.S. tariffs imposed on Canadian imports of steel and aluminum stemming from the Section 232 investigations. The [Canadian product list](#) is available for review.

Why it's important ... Of particular interest for aluminum market participants, the aluminum products on the Canadian list start at HS heading 7604 (which covers bars, rods, and profiles), and therefore does not include either primary or secondary (scrap) aluminum ingot that fall under heading 7601. However, heading 7601 is included on the U.S. Section 232-related product list, and therefore any primary or secondary aluminum ingot imports from Canada should be subject to the corresponding 10 percent tariff level. Of note, U.S. Customs and Border Protection advises that importers of those products from Canada should add the following HTS classification:

"Aluminum Products"

In addition to reporting the regular Chapter 76 of the HTS classification for the imported merchandise, importers must report the following HTS classification for imported merchandise subject to the additional duty: 9903.85.01 (10 percent ad valorem additional duty for aluminum products)."

For more information, please contact either [Joe Pickard](#) or [Adina Renee Adler](#).

Recycling Gets Supersized in L.A. at NCSL



This year, the **National Conference of State Legislatures (NCSL) Legislative Summit** was held in early August 2018 in Los Angeles. The Summit is the largest annual trade show for state legislators and their staff. They also gather there to exchange policy ideas for addressing common issues.

Why it matters ... The **NCSL Summit** serves as a perfect stage for ISRI to demonstrate how recycling is much bigger than the bin and ISRI is the organization that represents the recycling industry. This year in Los Angeles, ISRI's members came together to sponsor the Summit's Exhibit Hall Luncheon for the fifth year in a row. They transformed a huge, empty convention hall space into ISRI's own private exhibit hall setting up a mini recycling facility of all commodities that ISRI represents. ISRI's West Coast Chapter, led by Chapter President Robb Cohn, went all out to create both a virtual and real-life recycling experience for state policymakers. With more than 2,000 legislators and their staff attending the Summit, it was a perfect opportunity for ISRI members from throughout the nation to meet and speak with elected state legislators. This year more than 70 ISRI members volunteered their time to put together the ISRI display and meet with their state legislators.

Be aware ... Several State Senators and Representatives mentioned that they remembered us from previous years. There are few events that facilitate an opportunity for ISRI members to network at one venue with state legislators from around the nation. Unlike many of the other organizations in the Summit exhibit hall, ISRI does not come to sell a service or push a single model bill; instead, its members focus on making connections and informing elected officials

about the scrap recycling industries. ISRI's displays helped them have a better understanding of the recycling process. The economic study, made available to them as an [interactive map](#), also illustrated the positive economic, environmental, and social impact our profession has not only on their districts and states but on the United States and the world's economy.

But, but, but ... ISRI did not conclude its educational effort with the Exhibit Hall luncheon. NCSL agreed to ISRI's request to include recycling in the Summit's agenda, along with an off-site facility tour. ISRI's host West Coast Chapter organized at the Summit's conclusion a tour where policymakers witnessed recycling in action at Terminal Island in the Port of Los Angeles.

ISRI thanks all of its members who donated their time and resources to bring the recycling industry to life this year at the 2018 NCSL Legislative Summit and making it such a tremendous success! Next year the Summit will be in Nashville, TN. Think about joining your colleagues from across America to help ISRI put on another great display of how the recycling industry works!
