

National Trade Estimate/Office of the U.S. Trade Representative: Institute of Scrap Recycling Industries Comments



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The Institute of Scrap Recycling Industries (“ISRI”) submitted comments on the National Trade Estimate (“NTE”) to the Office of the U.S. Trade Representative.

See Docket No. USTR-2018-0029.

ISRI describes its trade association membership as encompassing 1,300 processors, brokers and consumers of scrap materials, including ferrous and non-ferrous metals, paper, plastic, tire and rubber, glass, textiles and electronics.

By way of introduction, ISRI notes in providing data for the NTE that the United States recycling industry processed more than 130 million metric tons of recyclables in 2017. It states that in any given year, approximately 30% of the scrap processed within the United States is prepared for export to industrial consumers around the world that demand highest quality scrap. It further references 150 export markets. However, the organization states China is “by far, . . . the largest consumer of U.S.-processed scrap, accounting for nearly 40% of exports.

Additional issues raised in the comments include:

- China has since 2017 implemented a number of measures to restrict or prohibit imports of scrap and recyclable materials, some of which apply to all imports regardless of origin and some of which apply only to U.S. exports as retaliation for the ongoing trade dispute
- A significant percentage of U.S. scrap exports to China (approximately 5.6 billion) has been affected
- Tons of recyclable materials are being stockpiled or sent to landfills because of this development
- China notified the WTO in July 2017 of its intent to prohibit, at the end of the year, imports of mixed recovered paper and recyclable plastics collected from landfills
- Beginning January 1, 2020, some of the cleanest streams of metal scrap (i.e., stainless steel, copper and aluminum scrap) will be prohibited from import into China which ISRI projects will reduce U.S. export sales by 1.75 billion in 2018
- China notified the WTO in November 2017 of its intent to impose prohibitively strict quality standards on imports of all types of recyclable materials
- As part of its nationwide crackdown on lax environmental compliance within China’s recycling industry, China has tightened eligibility requirements for export and import licenses
- While U.S. exporters seem to be relatively unaffected by the crackdown, only Chinese companies that process and/or consume recyclables are allowed to hold licenses (prohibiting traders or brokers from being license holders)

- Officials at China ports have been ordered to inspect 100% of the containers filled with recyclable materials arriving into China which may have led to custom officials implementing inconsistent interpretation of the new regulations (varying by ports of entry)
- Reports have been received that Chinese custom officers are more strictly scrutinizing cargo from the United States resulting in more entry rejections for U.S. materials
- China imposed a range of tariffs that includes a 25% import tariff on United States aluminum scrap

A copy of the ISRI comments can be found [here](#).