

CMC Steel Texas Scrap Specifications Manual

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CMC Steel Texas Scrap Specifications Manual

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Introduction

CMC Steel Texas wishes to consistently provide the best ferrous scrap market to its suppliers. In order to pay competitive prices and provide the best market for ferrous scrap, it is imperative that the quality of scrap purchased produces a clean, dense charge for our electric furnace. Dirty scrap, loose bundles or coils, oversize scrap, and contaminated scrap cannot be used to produce quality finished steel products at competitive prices.

This scrap manual has been produced to let you, CMC Steel Texas' suppliers of scrap raw materials, know how we operate and what is acceptable and not acceptable quality in each scrap commodity. Your efforts in applying these standards to every load of scrap are appreciated and will continue to be rewarded. All CMC Steel Texas personnel involved in the purchasing, receiving, grading or unloading of scrap resources are taught to use the Golden Rule in applying the standards and policies set forth in this manual. The success of any policy or standard is dependent upon the good judgment and fair mindedness of each person involved in its application. Our objective is to treat every supplier courteously and fairly every time.

The standards used in this manual are derived from the Institute of Scrap Recycling Industries (ISRI) specifications and have been modified to meet CMC Steel Texas' particular scrap requirements.

CMC Steel Texas is ISO Certified. ISO Certification is a quality system that is in place to improve shipper performance in consistently meeting our scrap specifications.

The Raw Materials Department takes into consideration that all shippers have read and understand our scrap specifications. What we state in our specifications for requirements is what we expect to be shipped. What is acceptable at another mill, may not be acceptable for CMC Steel Texas. Therefore, it is imperative that the shipper

understand that all material shipped must meet and conform to our scrap specifications.

All shipments received from our approved suppliers are subject to inspection. Every supplier will be evaluated annually and at our own discretion.

If material in shipments received at CMC Steel Texas fail to meet our specifications, shippers will be subject to a corrective action process. If a shipper persists in shipping non-conforming material that does not meet our specifications, the shipper can and will be disqualified.

All disqualified shippers must document their corrective action and develop action plans to improve their overall quality performance. The shipper must re-qualify in order to re-instate themselves as an approved scrap supplier.

A Raw Materials Buyer must evaluate the supplier:

- Proving the date of evaluation
- Origin of material (on site visit or trial load)
- Scrap commodity
- Results of evaluation
- Comments

*The information is recorded in our database with feedback of re-instatement or any other applicable information pertaining to the shipper.

CMC Steel Texas will **NOT** buy scrap from any disqualified suppliers.

General Terms And Conditions

A. SCRAP BUYING

Buying is handled by the Raw Materials Scrap Buyers & Manager and may be contacted at the steel mill by calling: Scrap Buyer at 830-372-8608 or Raw Materials Manager at 830-372-8545; the Administrative Assistant at 830-372-8274; Manager, Rail Transportation 830-372-8326. Raw Materials facsimile correspondence should be sent to 830-372-8614.

B. PRICES

Prices are quoted for each scrap commodity primarily at the beginning of each month and may be applicable for (a) the entire month; (b) the remainder of that particular month; (c) for a given period of time to be specified; or, (d) for a specific quantity to be delivered by a specific date. Unless otherwise specified, all prices are f.o.b. shipping point. A purchase contract with a corresponding purchase order number (P.O.) will be issued for specific grades and quantities to be completed within a specific period of time, generally for one calendar month. Balances on any P.O. not shipped by the specified completion date may be canceled or extended at the discretion of the CMC STEEL TEXAS Raw Materials Department

C. <u>DELIVERY</u>

Deliveries may be made in truckload (usually 40,000 lbs. minimum) or carload quantities (at agreed upon minimum weights) as specified at the time of purchase.

D. SCALE HOURS

24 hours a day from 7 a.m. Monday until 7a.m. on Saturday. No scrap will be received from Saturday 7a.m. until 7 a.m. Monday morning, or during the following holidays: New Year's Day, Good Friday, Independence Day, Labor Day, Memorial Day, Thanksgiving Day and Christmas Day.

E. RECEIVING AND GRADING

CMC Steel Texas' weights and grading will govern final settlement for all scrap purchases. A current purchase order must be on file for each shipper. No scrap will be received at the scale unless:

- A purchase order number has been issued to the supplier by an authorized Raw Materials representative.
- 2. (In the case of truck delivery) the driver must provide the Scalemaster with:
 - a. Purchase order number
 - b. Yard of origin
 - c. Grade being delivered
- 3. (In the case of rail shipment) the shipper has notified CMC Steel Texas prior to the arrival of the car at CMC Steel Texas by fax or mail using the CMC Steel Texas form provided. (Refer to Attachments Railcar Notification Form)

Rail shipments will not be accepted without complete prior notification by a supplier. Shipments without prior notice may be returned to origin at the supplier's expense or supplier may be responsible for demurrage charges incurred while the car's origin is being determined. In the event a shipment is received without prior notification and is unloaded, for whatever reason, CMC Steel Texas' grading will govern settlement.

The Scalemaster on duty is responsible for inspecting the top of every scrap shipment and determining if it conforms to the shipper's statement as to what grade was shipped. The scalemaster will notify the Raw Materials department, the Yard Manager or the Works Manager of any substandard scrap shipment. The shipper will then be notified by one of the aforementioned and the material will be held for disposition or rejected according to the supplier's instructions. In all cases, shipments held for disposition must be cleared within 24 hours, with any detention, demurrage or other charges being the sole responsibility of the supplier.

After a shipment is weighed in, it will be the responsibility of the yard foreman and the crane operator on duty to inspect the remainder of the shipment and determine whether it meets the quality standards as set forth in CMC STEEL TEXAS' SCRAP POLICY AND GRADING MANUAL.

Due to CMC Steel Texas' policy of receiving scrap 24 hours a day, disputes over substandard material, contracts, grading, unloading, etc., on scrap delivered after normal business hours (8 a.m. to 5 p.m., Monday through Friday) will be handled during the next day's normal business hours and the shipment will not be unloaded, or if unloading has begun, will not be completed until a Raw Materials representative or Yard Manager has had an opportunity to inspect the load during normal daylight hours

and come to a decision regarding acceptability. CMC STEEL TEXAS wishes to make every effort to accommodate our valued suppliers while at the same time avoiding the abuses of those few suppliers who have taken advantage of our generous scale hours to unload subgrade material at night.

Rejected truck or carloads of scrap become the supplier's responsibility at the time of notification. The Raw Materials department will make every effort to assist the supplier and minimize the negative effects of a problem shipment.

Since our policy for most shipments is to purchase fob a shipper's yard, all freight charges for a rejected shipment are the responsibility of the shipper, and will either be billed to the shipper, or deducted from a current or future shipment.

F. WEIGHING PROCEDURES/WEIGHT DISCREPANCIES

Scalemasters will compare the gross weights provided by rail and truck shippers with CMC Steel Texas' weights.

- Railcars with weight differences of 10,000 lbs. or more should be reweighed to
 ensure that proper procedures have been followed and readings are correct. If a
 difference does exist, the railcar will be held for disposition until the shipper has
 been notified of the discrepancy.
- 2. Trailers with differences in gross weights of 1,000 lbs. or more will be checked to ensure that it has been weighed properly and that readings are correct.

Differences in tare or net weights will alert the scalemasters to investigate and record contributing factors such as dirt, rocks, etc. on the scale ticket.

G. TRUCK UNLOADING

CMC Steel Texas Yard department is responsible for all scrap truck unloading. Due to safety concerns, drivers must remain in their truck unless directed otherwise by CMC Steel Texas Personnel.

Drivers should be aware that unloading priorities are based on a number of factors such as melt shop requirements, the commodity, the weather, the crane location, equipment breakdowns, shift changes, etc. If a problem or emergency situation should arise, the driver is urged to contact the Yard Foreman on duty through the Scalemaster and state his position or concern. The Yard Foreman and driver may contact a Manager or a Raw Materials representative, as necessary, in order to expedite unloading or take care of any concern that may arise.

H. SAFETY

Safety is paramount at CMC Steel Texas. All drivers and passengers are required to wear hard hats, safety glasses and closed toe shoes when working outside the tractor cab while on CMC Steel Texas property. The driver must not drift away from the immediate area surrounding his truck, and must stay clear of the crane unloading his truck as well as other equipment operating in the area. The Driver is not allowed to use a mobile device while the truck is in motion. The Drivers strict attention to his surrounding's is mandatory.

I. PAYMENTS

Payments are made by check or Electronic Funds Transfer "EFT" per the payment terms agreed to and notes on the P.O. With EFT payments, the funds are transferred to seller's bank account with supporting information documenting remittance either mailed or faxed concurrently.

Please contact the Raw Materials Department to add your company's name to the list of "EFT" and its reliability.

General Scrap Definitions

In order to better understand the terms used in this manual, the following definitions are provided:

CLEANLINESS

All grades shall be free of dirt, cast iron, lead, lead weights, tungsten inserts, tungsten bits, non-ferrous metals, excessive rust and corrosion, or foreign material of any kind. However, the terms "free of dirt, non-ferrous metals or foreign material of any kind" are not intended to preclude the accidental inclusion of <u>negligible</u> amounts where it can be shown that the amount is unavoidable in the customary preparation and handling of the particular grade involved. **CMC** Steel Texas will not accept any waste or steel by-products such as mill scale, slag, shot, grinding dust or scarf.

CLOSED CONTAINERS

Shipments containing any "closed containers" including but not limited to gas tanks, oxygen/propane bottles, fire extinguishers, or any sealed units designed for containing pressurized gas, liquid or substances which have not been emptied and <u>cut in half</u> will be rejected. (see acceptance policy - environmental issues pg. 11)

OFF-GRADE MATERIAL

The inclusion in a shipment of a particular grade of iron and steel scrap of a <u>negligible</u> amount of metallic material which exceeds to a <u>minor</u> degree the applicable size limitations or which fails to a <u>minor</u> extent to meet the applicable requirements as to quality or kind of material, shall not change the classification of the shipment, provided it can be shown that the inclusion of such off-grade material is unavoidable in the customary preparation and handling of the grade involved. The final determination of these occurrences are at the sole discretion of appropriate CMC STEEL TEXAS personnel involved in the inspection, grading and unloading of scrap raw materials.

General Scrap Definitions Cont'd

RESIDUAL ALLOYS

Wherever the term "free of alloys" is used in the classifications given herein, it shall mean that any alloys contained in the steel are residual and have not been added for the purpose of making alloyed steel.

DEVIATIONS

Deviations from the general classifications of iron and steel scrap given herein may be allowed by mutual written agreement between an authorized CMC Steel Texas Raw Materials representative and the supplier.

TRAILER SWEEPINGS

CMC will not pay for any dirt, non-ferrous metals or foreign material left in a truck after all ferrous scrap has been unloaded. Any load containing excessive dirt or other contaminates will be subject to rejection, or a deduction may be made from the supplier's payment to compensate for the handling and disposal of the unwanted material.

ALL SCRAP IS TO BE PREPARED IN A MANNER TO ENSURE A DENSE, COMPACT, CHARGE AND MUST EASILY BE HANDLED BY A MAGNET.

Environmental Issues

Part of CMC Steel Texas' "It's Got To Be Right!" philosophy is caring about the needs of the community... which begins with the environment, one of clean air, land and water. Environmental issues are managed at CMC Steel Texas by an on-site staff under the direction of the Environment Manager. Any environmental questions or issues should be directed to one of the following individuals: Environmental Manager 830-372-8507; Environmental Technician 830-372-8533 or Administrative Assistant 830-372-8457, with the Raw Materials department advised of the final resolution.

DRUMS

Drums (including buckets and barrels) of any size will not be accepted as scrap unless it can be demonstrated that they do not contain any hazardous materials and have been completely cleaned. All drums must be clean and empty and must follow the Drum Acceptance Procedures listed in the Certification for Sale of Used Steel Containers (see page 44)

OIL FILTERS

CMC Steel Texas is prohibited from accepting used oil filters, in any condition, commingled with other scrap. Providing our strict guidelines are met, CMC STEEL TEXAS will accept, on a limited basis, crushed oil filters.

This is only a summary of the full guidelines and mandatory procedures which must be adhered to. CMC Steel Texas reserves the right to reject any load for any reason. For further information contact the CMC Steel Texas Raw Materials department.

Filters must:

- be hot drained
- be crushed with equipment capable of delivering 45,000 PSI
- be shipped in truckload quantities only
- have no visible or free flowing oil
- be delivered during normal daylight hours of 8 a.m. 4 p.m., Monday through Friday, only after advising and scheduling the shipment with the Raw Materials department.

RADIOACTIVE SCRAP

CMC STEEL TEXAS does not purchase radioactive scrap.

CMC Steel Texas protocol requires that any shipment of scrap that is found to contain radioactive material must be diverted to be thoroughly examined and sorted, isolating the subject material for disposition. A possible minimum charge of \$375 per truckload or \$1,035 per carload will be deducted from payment for each incident. Suppliers who repeatedly ship radioactive scrap will be assessed higher penalties (possibly more than the value of the shipment in question) or CMC STEEL TEXAS will forbid the supplier to ship scrap to CMC Steel Texas until the supplier demonstrates that efforts have been made to correct the problem.

Any material with readings above **2000 ur/hr** must be reported to Texas Department of Health (TDH) Bureau of Radiation Control for their disposition; all related costs are the responsibility of the shipper. We encourage each supplier who has not already done so to purchase and properly install state of the art radiation detection equipment and establish a protocol to eliminate radioactive scrap from being purchased at their facility. If you have any questions or need assistance with your procedures, please contact our Regional Environmental Engineer.

SEALED UNITS

No acetylene cylinders of any kind (pressurized or de-pressurized) can be accepted by CMC Steel Texas because they typically contain asbestos.

Any closed container other than acetylene cylinders <u>must be cut in half</u> and vented before CMC Steel Texas can accept. This includes propane cylinders, freon canisters, auto/truck drive shafts, conveyor rollers, compressed gas cylinders, small compressed gas cylinders, fire extinguishers, hydraulic cylinders, air compressor tanks, any other sealed or closed container. (pictures of sealed units are enclosed.)

Any scrap shipment arriving at CMC Steel Texas that is found to contain one or more closed containers will be held for resolution by one of two methods:

- The shipper may request that the load (or balance of the load, if it was in the process of being unloaded when the closed container was found) be returned to the originating location, with all freight charges to and from CMC Steel Texas for the expense of the shipper.
- 2. The shipper, at CMC Steel Texas' option, may be offered a downgrade sufficient to cover the cost of CMC Steel Texas personnel sorting through the shipment, extracting all closed containers, (or any other objectionable material) on behalf of the shipper. All objectionable material extracted from the shipment will be held for the shipper, to be picked up by the shipper within two weeks of notice of readiness by CMC Steel Texas. If the objectionable material is not picked up within two weeks, CMC Steel Texas will either arrange for disposal and charge the supplier for any related handling and disposal costs or return the material to its point of origin, freight collect, by whatever transportation means are available.

PLEASE PAY STRICT ATTENTION TO THE ISSUE OF CLOSED CONTAINERS IN YOUR SHIPMENTS.

OTHER UNACCEPTANCE MATERIALS

No Aluminum Cans

No asbestos

typically, in brakeshoes, pipe insulation, hose insulation material

No Military Munitions or Ordnance related items

No free flowing oil or other organic liquid

either on the surface of scrap or containerized in the scrap

No PCB's of any type

this includes capacitors, transformers, ballasts, etc.

No Mercury Switches

No Putrescible Waste

No batteries of any type

This not only includes automotive lead-acid batteries, Electric Vehicle batteries, power cells, Compressed Natural Gas fuel cells, cell phone, power tools and equipment batteries. But also includes Gel Cells, Sealed Lead batteries, Dry Cell Alkaline, Carbon Zinc(9v,D,C,AA,AAA), Mercury Oxide(Button, some cylinder and rectangular), Silver Oxide, Zinc Air(Hearing Aid), Lithium(9v,18v,24v,D,C,AA button rechargeable) batteries. Other types of batteries include rechargeable batteries such as Ni cadmium, Mercury Metal Hydride, Lithium Ion, and small sealed Lead batteries.

If a battery is found in the load, in which it causes a fire or explosion, load will be penalized a monetary fine, and/or subject to a rejection, or ban from selling scrap into CMC Texas.

No Lead, Lead Pipe or Lead Weights

No Freon

charged AC units or other types of CFC's

No other types of refrigerants

(e.g. ammonia)

No hazardous wastes

no material containing hazardous wastes or hazardous waste residues

No transformers

unless proof of decontamination or proof of non-PCB status

No offensive odors

mercaptan coated natural gas lines

No flammable material or Combustible material

Including combustible metals and materials such as Magnesium, Titanium, Uranium, Potassium, Calcium, Sodium, and Lithium in the form of metal fines – tiny, thin pieces of metal, often shavings or metal dust left over from machining. Also includes Air Bag canisters.

No liquids of any type

No materials or containers of any type which contain or have previously contained mercury in any form

No chlorinated plastics

Including vinyl siding, PVC, etc.

No Tungsten bits, Drill Heads, or Trenching Teeth of any kind

No Over Height Loads – Top Radiation monitors are at 14 ft. 1 inch.

No nails

No Bolts in large quantities



COMPRESSED GAS CYLINDERS



SMALL COMPRESSED GAS CYLINDERS FIRE EXTINGUISHERS



ACETYLENE / PROPANE CYLINDER FREON CANISTER



AUTO / TRUCK DRIVE SHAFTS & CONVEYOR ROLLERS



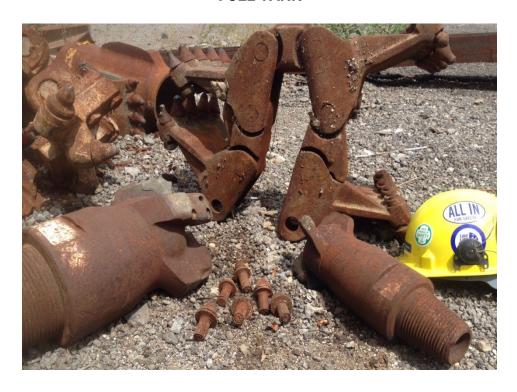
HYDRAULIC CYLINDERS



MUNITIONS SCRAP



AIR COMPRESSOR TANK FUEL TANK



TUNGSTEN BITS

Environmental Quality Requirements for Crushed Auto and Truck Bodies in Addition to Other Shredder Feed Stock

All shreddable feed stock must meet CMC Steel Texas quality requirements.

All crushed cars, trucks and other shreddables must be free of the following items:

- No "Hazardous Waste" as defined by any applicable Federal, State or Local law or regulation
- No materials containing asbestos
- No Batteries of any kind This not only includes automotive lead-acid batteries and
 equipment batteries. But also includes Gel Cells, Sealed Lead batteries, Dry Cell
 Alkaline, Carbon Zinc(9v,D,C,AA,AAA), Mercury Oxide(Button, some cylinder and
 rectangular), Silver Oxide, Zinc Air(Hearing Aid), Lithium(9v,18v,24v,D,C,AA button
 rechargeable) batteries. Other types of batteries include rechargeable batteries such
 as Ni cadmium, Mercury Metal Hydride, Lithium Ion, and small sealed Lead batteries.
- No Gas tanks (See "Appendix A" For Acceptable Methods)
- Any other items containing or enclosing metallic lead or chemical residues containing lead
- No Air conditioning & refrigeration systems, appliances, "white goods" and other components which contain or may have contained CFC, HCFC and other refrigerants (unless the refrigerants or CFC's have been removed with proper certification, in accordance with applicable laws)
- No household or industrial appliances containing motors, transformers, compressors or capacitors, or other equipment or containers that contain or are contaminated with PCB's
- Any transformer carcasses or any other container which may have previously held PCBs must be cleaned and decontaminated in accordance with all applicable regulatory requirements
- No containers with any types of "free flowing fluids" or other organic liquid
- No drums, tanks, used steel containers or other containers that may have any liquid
 or solid residues on or in them (unless they have been completely cleaned in
 accordance with applicable laws and policies and with our prior approval and proper
 certification)

- No flammable or combustible materials including combustible metals and materials such as Magnesium, Titanium, Uranium, Potassium, Calcium, Sodium, and Lithium in the form of metal fines – tiny, thin pieces of metal, often shavings or metal dust left over from machining. Also includes Air Bag canisters.
- No sealed units (see Pictures of Sealed Units) any sealed unit shipped for shredding, must be free of any CFC's and must have the top removed and properly cut
- No cylinders or other containers of compressed gas, specifically any flammable gases
- No materials containing excess or free flowing oil, gasoline, diesel fuel or other organic liquid or hydrocarbon
- No radioactive material
- No non-metallics which include: rock, wood, newspaper, magazines, trash, excessive dirt or mud, plastic, rubber, fabric and any other type of non-metallic material, including aluminum cans
- No wire or cable
- No oil filters
- All motor vehicle scrap must have minimized the presence of mercury through participation in NVMSRP or other EPA approved programs

If these or other materials are included in shipments that we cannot accept, CMC Steel Texas has no other option to issue a partial or full rejection of the load in question. The supplier will be responsible for the transportation costs associated with the rejected material being returned to his facility. Any materials which require disposal will be handled in accordance with applicable rules and all related handling or disposal costs will remain the responsibility of the shipper.

If the supplier has sealed containers or gas tanks with free flowing liquids or other combustible materials that cause an EXPLOSION in our shredder, incident. No exceptions.

All non-conforming scrap will have a minimum charge of \$5 per GT or NT with an understanding that a higher penalty will be assessed for serious issues i.e. Loads containing lead, sealed units not cut in half, batteries of any sort, Flammable or Combustible Metals, Mercury switches, Munition scrap and Tungsten are just a few examples of scrap that will be assessed at a higher rate.

Repeat violations will have higher assessments that are subject to rejections and corrective action required from the scrap supplier to maintain qualified shipping status into CMC Steel Texas. Suppliers who have multiple corrective actions are subject to being disqualified from shipping scrap into CMC Steel Texas and will have to be requalified.

APPENDIX A

CMC Steel Texas will provide a market for gas tanks with one of the acceptable methods listed below, as identified as "Appendix A"

CMC Steel Texas will accept gas tanks:

- Which are visibly "ripped", or hole punctured and are drained of all fluids that are crushed on flattened car bodies. Car bodies may include extra steel gas tanks visibly "ripped", drained and flattened between the crushed car bodies.
- Plastic gas tanks, which are visibly "ripped", or hole punctured and are drained of all fluids, that are crushed on flattened car bodies. Car bodies may only include the original gas tank in which the former vehicle was equipped. WE WILL NOT ACCEPT LOOSE OR BALED PLASTIC GAS TANKS OR ANY THAT ARE MADE OF CHLORINATED PLASTIC
- <u>Empty "loose" steel gas tanks</u> which are visibly "ripped", properly drained of all fluids and must be logged or baled, crushed or flattened.
- Car propane tanks must be cut in half.

GRADE: #1 Bundles

CMC Steel Texas usually does not routinely purchase #1 bundles.

DIMENSIONS: 2' x 2' x 3'

MINIMUM DENSITY: 70 lbs. per cubic ft.

DESCRIPTION: New black steel sheet scrap, clippings or skeleton scrap

compressed into a <u>small</u> bundle.

MAY INCLUDE: Small, coiled (mandrel wound) steel if tightly secured with

minimum of 3 bands

RESTRICTIONS: Must be alloy free

No tin coated material

20% maximum painted or galvanized material by volume

Loose or unsecured coils will subject entire load to rejection.

<u>ELEMENT</u>	% MAXIMUM
Copper	.10
Nickel	.10
Chromium	.10
Phosphorus	.015
Moly	.025
Tin	.01
Sulphur	.25

GRADE: #1 HMS

DIMENSIONS: 3' x 2' maximum

1/4" minimum thickness 4" maximum thickness

MINIMUM DENSITY: 50 lbs. per cubic ft.

MAXIMUM WEIGHT

PER PIECE:

95% - 200 lbs. or less 500 lbs. maximum

DESCRIPTION: Very dense, clean, new or obsolete wrought iron and/or

scrap.

MAY INCLUDE: Railroad scrap (wheels must be cut in half)

OTM (obsolete track material i.e. plates & spikes) is purchased as

#1 HMS

Pipe (must be split if over 6" diameter)

Heavy truck wheels and crankshafts

Black Clips

Punchings

RESTRICTIONS: No cast iron

No sheet steel (tin)

No highly alloyed steel

No lead, lead pipe or lead weights

No Rebar or wire

No turnings

No porcelainized material

No Nails

GRADE: #2 HMS (includes "mixed scrap")

DIMENSIONS: 3' x 2' maximum

1/8" minimum thickness

MINIMUM DENSITY: 45 lbs. per cubic ft.

DESCRIPTION: Dense, clean, new or obsolete wrought iron and/or steel scrap

MAY INCLUDE: All properly prepared pipe (less than 2" in diameter), light

structural steel and rebar (acceptable as #2 HMS) cut in 2' max lengths & no more than 10% of the load may be rebar, unless

previous contact with Raw Materials was established.

RESTRICTIONS: No Sheet Metal

No turnings

No white goods or other sheet "tin"

No porcelainized material

No alloyed steel

No lead, lead pipe or lead weights

No Nails

GRADE: #2 Bundles

CMC Steel Texas usually does not routinely purchase #2 bundles

DIMENSIONS: 2' x 2' x 3' maximum

MINIMUM DENSITY: 70 lbs. per cubic ft.

MAXIMUM WEIGHT

PER PIECE: 1,000 lbs.

DESCRIPTION: Obsolete black, galvanized or painted steel sheet scrap,

hydraulically compressed into a small bundle

MAY INCLUDE: Tin (Sn) coated steel, automobile sheet steel, obsolete appliances

(stripped of non-ferrous and non-metallics), and wire

RESTRICTIONS: No non-metallics (tires, wood, plastic, insulation, etc.)

No non-ferrous material

No electric motors, compressors or capacitors

GRADE: Busheling

DIMENSIONS: 3' X 2' maximum

1/4" maximum thickness

MINIMUM DENSITY: 50 lbs. per cubic ft.

DESCRIPTION: Clean, new production steel scrap including sheet clippings,

stampings, etc.

RESTRICTIONS: May not include old auto body or fender stock

Free of metal coated, limed, vitreous enameled and electrical

sheet containing over 0.5% Silicon

Must be alloy free

Must be free of tin coated material

<u>ELEMENT</u>	<u>% MAXIMUM</u>
Copper	.10
Nickel	.10
Chromium	.10
Phosphorus	.015
Moly	.025
Tin	.01
Sulphur	.03

GRADE: Cast Iron Borings

MINIMUM DENSITY: 80 lbs. per cu ft.

DESCRIPTION: Clean cast iron borings and drillings, free of steel turnings, scale,

lumps and excessive oil or moisture

RESTRICTIONS: No mill scale, slag, grindings or dirt

GRADE: Crushed Cars & Light Truck Bodies

DIMENSIONS: 18" maximum

8" minimum thickness

DESCRIPTION: All shipments of crushed cars & trucks must meet

CMC Steel Texas Environmental Requirements

All motor vehicle scrap must have minimized the presence of mercury through participation in the NVMSRP or other EPA approved programs

Tires will be accepted on rims, maximum four tires per car. Car bodies may only include the number of seats in which the former vehicle was originally equipped. Car bodies may only include the original engine. (no engines larger than a light truck) Batteries must be removed prior to crushing

Fluids must be properly removed from automobiles and trucks before crushing. Gas tanks must be split open and completely drained.

No batteries or flammable or combustile materials as noted on page 14 and 15 under unacceptable materials.

CARS MAY NOT BE STUFFED WITH NON-METALLICS

RESTRICTIONS: No turnings

No lead weights, or leaded pipe

No porcelainized material

No Nails

No wire, cable which include; barbed wire, baling wire, welding rod, chain link fencing, long cable

No tires stuffed in car bodies

No non-metallics which include; rock, wood, newspaper, trash, excessive dirt or mud, plastic, rubber, fabric and any other type of non-metallic material including aluminum cans

No heavy pieces of steel over 3/8 inch thick, 12 inches wide and 15 feet long may be crushed between bodies

No sealed units of any type as described in the Environmental Issues, pages 12-13

GRADE: Crushed Cars & Light Truck Bodies (continued)

RESTRICTIONS: Crushed car and truck bodies must be delivered on a flatbed trailer. No dump trucks or trailers with sideboards.

CMC Steel Texas unloads crushed bodies with a forklift. Proper dunnage must be placed under the material to ensure a safe and efficient unloading process. We are not responsible for trailer damage if load is not properly blocked with dunnage for unloading. Load could be subject for rejection if not properly blocked.

Cars must be loaded on the trailer in single stacks, not over lapping. For safety reasons, if cars are over lapped between the stacks, the load is subject to rejection.

We will not assist any Driver in unhooking or rehooking chains or straps on car body loads. It is the complete responsibility of the Driver to unchain and untarp any scrap load at CMC Texas.

All carriers delivering Car bodies and shreddables on flat bed trailers <u>MUST have their own equipment to sweep off trailer</u>. Carrier <u>will not</u> be allowed to cross over to the yard services area to sweep off.

We will not accept single car/truck bodies on top of a load via truck or rail car.

CMC Steel Texas purchases crushed car and truck bodies for the purpose of shredding and recycling only.

COMMENTS: Driver must remain in vehicle while unloading

CMC Steel Texas must have a signed CFC/HCFC Agreement on file before shipments commence

(see CFC/HCFC Agreement, page 47)

Reference Document: TD-RM-001

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GRADE: Dirty Motors

DESCRIPTION: Car or Truck Motor Blocks

RESTRICTIONS: No Large Diesel Motors

Will receive with oil filters removed & oil reservoirs drained; no free

flowing liquids

No commingling dirty motors with other grades of scrap, with the

exception of crushed or flattened car bodies

CMC Steel Texas will accept truck or rail carloads of dirty motors

CMC Steel -Texas purchases dirty motors for the purpose of

shredding only

COMMENTS: CMC Steel -Texas must have a signed CFC/HCFC Agreement on

file before shipments commence

(see CFC/HCFC Agreement, page 47)

GRADE: Loose Shreddables

DIMENSIONS: 15 ft. maximum

1/2" maximum thickness

DESCRIPTION: Painted steel sheet scrap, which may include

obsolete appliances; white goods (Must not contain

any CFC, HCFC, other refrigerants, motors, transformers, compressors,

capacitors, ballast or other items that contain PCB's)

RESTRICTIONS: No batteries or flammable or combustile materials as noted on page 14

and 15 under unacceptable materials

We will not accept single car/truck bodies on top of a load via truck or

rail car

No porcelainized material

No wire, cable which includes; barbed wire, baling wire, welding rod,

chain link fencing, no lead pipe, no nails

No non-metallics which include; rock, wood, newspaper, trash, excessive

dirt or mud, plastic, rubber, fabric and any other type of non-metallic

material including aluminum cans

No sealed units of any type as described in Environmental Issues, pages

11-18

No hazardous waste, asbestos, batteries of any kind, flammable

materials, lead weights materials containing free flowing hydrocarbons,

radioactive materials, PCB's, CFC's and HCFC's

SEE CMC STEEL TEXAS ENVIRONMENTAL QUALITY REQUIREMENTS FOR CRUSHED AUTO AND TRUCK BODIES IN ADDITION TO OTHER SHREDDER FEED STOCK (pages 20-21)

COMMENTS: CMC Steel Texas must have a signed CFC/HCFC Agreement on file

before shipments commence.

(see CFC/HCFC Agreement, page 47)

GRADE: Shredder Logs

DIMENSIONS: 7' x 2' x 2'

MAXIMUM WEIGHT

PER PIECE: 1200 lbs.

DESCRIPTION: Painted steel sheet scrap, which may include

automobile sheet steel, obsolete appliances (free

of any CFC, HCFC, other refrigerants, motors, transformers, compressors,

capacitors, ballast or other items that contain PCB's)

RESTRICTIONS: No batteries or flammable or combustile materials as noted on page 14

and 15 under unacceptable materials

We will not accept single car/truck bodies on top of a load via truck or

rail car

No porcelainized material

No wire, cable which includes; barbed wire, baling wire, welding rod,

chain link fencing, no lead pipe, no nails

No non-metallic which include; rock, wood, newspaper, trash, excessive dirt or mud, plastic, rubber, fabric and any other type of non-metallic

material including aluminum cans

No sealed units of any type as described in Environmental Issues, pages

12-18

No hazardous waste, asbestos, batteries of any kind, flammable

materials, lead weights, materials containing free flowing hydrocarbons,

radioactive materials, PCB's, CFC's and HCFC's

All carriers delivering Car bodies and shreddables on flat bed trailers **MUST have their own equipment to sweep off trailer**. Carrier will not be

allowed to cross over to the yard services area to sweep off.

SEE CMC STEEL TEXAS ENVIRONMENTAL QUALITY REQUIREMENTS FOR CRUSHED AUTO AND TRUCK BODIES IN ADDITION TO OTHER SHREDDER FEED STOCK (pages 20-21)

COMMENTS: CMC Steel Texas must have a signed CFC/HCFC Agreement on file before shipments

commence.

(see CFC/HCFC Agreement, page 47)

GRADE: Mixed Turnings

DIMENSIONS: 1/16" minimum thickness

MINIMUM DENSITY: 50 lbs. per cu. ft.

DESCRIPTION: Clean, dense steel turnings. May not be springy, bushy, tangled or

matted

Turnings that are not easily handled by a magnet will be rejected

or downgraded

RESTRICTIONS: No Mill Scale, Grindings, Torch Droppings or Dirt

No non-ferrous metals

No cast iron borings

Must be free of rust, corrosion or excessive oil

No high sulphur turnings

No nails

GRADE: Special Turnings

DIMENSIONS: 1/16" minimum thickness

MINIMUM DENSITY: 50 lbs. per cu. ft.

DESCRIPTION: Clean, dense steel turnings. May not be springy, bushy, tangled or

matted

Turnings that are not easily handled by a magnet will be rejected

or downgraded

RESTRICTIONS: No Mill Scale, Grindings, Torch Droppings or Dirt

No non-ferrous metals

No cast iron borings

Must be free of rust, corrosion or excessive oil

No high sulphur turnings

Must be alloy free

No nails

GRADE: Pig Iron / Beach Scrap

CMC Steel Texas does not routinely purchase Pig Iron or Beach Scrap; however, CMC Steel Texas may occasionally quote on this

grade of scrap.

GRADE: Plate and Structural

DIMENSIONS: 3' x 2' maximum

1/4" minimum thickness 4" maximum thickness

MINIMUM DENSITY: 55 lbs. per cubic ft.

MAXIMUM WEIGHT 95% - 200 lbs. or less PER PIECE: 500 lb. maximum

DESCRIPTION: Very dense, clean, new or obsolete steel plates, structural shapes,

crop ends, welded structural tube. Should be free of non-ferrous

metals and other contaminants

RESTRICTIONS: No railcar sides or Track material

No cast iron or steel casings

No rebar

No pipe or Leaded pipe

No nails

Sulphur or phosphorus content not to exceed .05%

.15% maximum copper content

GRADE: Prepared Railroad Scrap

DIMENSIONS: 3' x 2' maximum

4" maximum thickness

MINIMUM DENSITY: 50 lbs. per cubic ft.

MAXIMUM WEIGHT

PER PIECE: 500 lbs.

DESCRIPTION: Dense, clean, obsolete railcar scrap

RESTRICTIONS: No brake shoes

Air tanks must be split

Axles must be cut

Wheels must be cut in half

No cast iron

No nails

No OTM (plates/spikes)

No Cor-ten steel

GRADE: Rail Crops

DIMENSIONS: 3' length

MINIMUM DENSITY: 90 lbs. per cubic ft.

DESCRIPTION: Cut rail only

MAY INCLUDE: Clean T-post depending on chemical make

RESTRICTIONS: No manganese material (frogs, etc.)

No axles

No wheels

No cast iron

No tie plates / clips

No angle bars

No spikes / bolts

No couplers / knuckles

No nails

GRADE: Shredded Steel

DIMENSIONS: 95% under 8"

12" maximum

MINIMUM DENSITY: 60 lbs. per cubic ft.

DESCRIPTION: Extremely dense, clean, homogenous iron and steel scrap,

magnetically separated, originating from automobiles, unprepared

#1 and #2 steel and miscellaneous baling and sheet scrap, essentially free of non-metallic and non-ferrous material

RESTRICTIONS: 10% maximum galvanized material

No nails

No excessive fluff

ELEMENT % MAXIMUM

Copper .30

Tin .03

GRADE: T Wire

DESCRIPTION: Clean, shredded tire wire. Wire needs to be less than 6" in length.

Rubber content needs to be 5% or less.

Restrictions: No bundles or balls of wire.

GRADE: Unprepared Railroad Rail

RESTRICTIONS: Must be "free of attachments" (i.e. plates, spikes)

GRADE: Unprepared Scrap

DESCRIPTION: Unprepared scrap is defined as material that can easily be prepared

by shear or torch.

RESTRICTIONS: No Hydraulic cylinders

No sealed or pressurized vessels/units

No Rebar/Wire/Cable

Unprepared Rebar GRADE: Clean, new production rebar. Must be easily handled by a shear DESCRIPTION: and crane. No Demo Rebar **RESTRICTIONS:** No Wire Cable No Concrete **GRADE: Prepared Rebar** 3' maximum length **DIMENSIONS: DESCRIPTION:** Clean, new production, or demo rebar. Must be easily handled by crane. May contain up to 25% ferrous scrap, 3ft and under. May contain expansion cable 3ft and under. RESTRICITIONS: No Concrete No Trash No Wood

Used Steel Containers

The term "steel containers" is limited to, metal drums, barrels, buckets, kegs, boxes, cartons or cases. CMC Steel Texas will only purchase "clean and empty" steel containers.

The provisions apply for the terms "clean and empty". <u>Clean and empty</u> means that all materials have been removed that can be removed using practices commonly employed to remove materials from that type of container, e. g. pouring, pumping and aspirating. Inner liners shall be completely removed and no more than one inch of residue remains in the bottom of the container.

CMC Steel Texas will not buy any steel container that requires a manifest.

Used steel containers must be processed in an acceptable form, which should be crushed end to end, to a thickness not greater than 12 inches. Used steel containers MAY NOT be mixed with other grades of scrap.

For any steel container that has held any substance, no matter in what form supplied to CMC Steel Texas, and no matter whether supplied to CMC Steel Texas for the purpose of shredding or remelting, suppliers must have a signed and dated "Indemnification Contract And Certification For Sale Of Used Containers" form on file with the Raw Materials department prior to shipment.

CMC Steel Texas reserves the right to reject a shipment of used steel containers that do not conform to the requirements set forth and will return the shipment to seller at seller's expense. Any materials which require disposal, will be handled in accordance with applicable rules and all related handling or disposal costs will remain the responsibility of the shipper.

CMC Steel Texas

INDEMNIFICATION CONTRACT AND CERTIFICATION FOR SALE OF USED STEEL CONTAINERS

containers supplied to CMC Steel Texas for th	("Seller"), I certify that all used steel ne purpose of shredding or remelting at the time of delivery Steel Texas' Safety and Environmental Quality
Requirements.	
Texas will only purchase "clean and empty" st	I drums, barrels, buckets, kegs, cartons or cases. CMC Steel teel containers, which may be recycled as scrap material of Texas Regulations. (Note: CMC Steel Texas will not buy
practices commonly employed to remove material	aterials have been removed that can be removed using terials from that type of container, e.g. pouring, pumping ely removed and no more than one inch of residue may be
CMC Steel Texas reserves the right to reject a empty".	a shipment of used steel containers that are not "clean and
be paid, at no expense to CMC Steel Texas, al be imposed under Federal, State or Local envi costs (including without limitation) damages,	I Texas are not "clean and empty", Seller will: Pay or cause to all clean-up, administrative and enforcement cost which may ironmental laws by government agency with jurisdiction. All liabilities, losses, claims, expenses which include attorney's by CMC Steel Texas. Seller will pay all expenses to CMC e. Seller has the right to contest in good faith.
disposal or processing of non-empty contained	ny and all costs, which result from storage, handling, ers and their contents. All costs (including without , fines, penalties and expenses which include attorney's fees
Indemnification Contract and Certification For	eel containers, seller must sign, date and return the r Sale of Used Steel Containers to CMC Steel Texas. Failure CMC Steel Texas may not accept delivery of Iron or Steel to seller at seller's expense.
Printed Name	
Authorized Signature / Date	Address
You may fax your signed agreement to: I	Raw Materials Dept. / 830.372.8614

CFC, HCFC and Other Refrigerants

EPA regulations regarding proper removal and disposal of CFC (chlorofluorocarbons) and HCFC (hydro chlorofluorocarbons) refrigerants and require that we obtain an agreement from all suppliers, warranting that CFC and HCFC refrigerants will be removed properly from items of scrap prior to shipment to CMC Steel Texas.

Therefore, all suppliers of scrap consisting of items which contained or may have contained CFC refrigerants, no matter in what form supplied to CMC Steel Texas, and no matter whether supplied to CMC Steel Texas for the purpose of shredding or remelting, **must sign and return** the agreement for Properly Removing and Disposing of CFC, HCFC and Other Refrigerants. Items, which contain or may have contained CFC and HCFC refrigerants include, and may not be limited to:

Air Conditioners (household or motor vehicles)

Refrigerators & Freezers

Lee Makers

Vending Machines Water Coolers

Microwaves Light Ballast's-Fluorescent

Street Lights Copiers

Compressors Electric Motors

If you supply items such as those listed above or other items that may contain CFC's, HCFC's, or other refrigerants to CMC Steel Texas IN ANY FORM, you must sign and return the agreement. "IN ANY FORM" means:

- Crushed or flattened car or truck bodies
- Bundles of any kind (i.e. #1 bundle, #2 bundle, shredder log)
- Any other item or grade of Ferrous Scrap supplied to CMC Steel Texas for the purpose of shredding or remelting

Failure to sign and return the agreement means that CMC Steel Texas may not accept delivery of iron or steel scrap shipped by the seller, and may be returned to seller at seller's expense.

CMC Steel Texas

AGREEMENT TO PROPERLY REMOVE AND DISPOSE OF CFC, HCFC AND OTHER REFRIGERANTS

EPA regulations require proper removal and disposal of CFC and HCFC refrigerants and other ozone depleting chemicals.								
, A Seller	of materials for recycling to							
(Seller Name) CMC Steel Texas (Buyer), hereby agrees, warrants and represents to Buyer that refrigerants, including by not limited to chlorofluorocarbons (CFC's) and hydro chlorofluorocarbons (HCFC's), will be properly removed in accordance with applicable regulations from all items contained in shipments of materials for recycling to Buyer. Materials for recycling includes but not be limited to Ferrous Scrap in any form sold to Buyer for shredding or remelting. Seller acknowledges that Buyer will not accept shipments of materials for recycling that contain CFC or HCFC refrigerants, and that any shipment found to contain CFC or HCFC refrigerants or other ozone depleting chemicals may be returned to Seller at his expense, along with a possible penalty by CMC Steel Texas. Notwithstanding this agreement, Buyer shall not be obligated to accept any materials for recycling offered for sale by Seller whether or not CFC's, HCFC's or other refrigerants have been properly removed. For materials for recycling Buyer accepts and will pay Seller in accordance with other agreements entered with Seller that is in effect at the time Buyer accepts the materials for recycling.								
This agreement shall continue until revo agreement will terminate thirty days after	ked in writing by either Seller or Buyer, whereupon this er the other party receives notification.							
SELLER	BUYER							
Company Name	CMC Steel Texas Rick Hrechko							
	Manager, Raw Materials							
You may fax your signed agreement to:	Raw Materials Dept. / 830-372-8614							

Advanced Shipment Notice to: CMC Steel Texas

P.O. Box 911 * Seguin, TX (78156-0911) | 1 Steel Mill Drive (78155) Fax: (830) 372-8620 | Phone: (830) 372-8667 | **E-mail**:

CMCTX.RailLogistics@cmc.com

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Company Name:							
Shipment Origin:							
Contact:							
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To all CMC Steel Texas suppliers of scrap steel:

The US Environmental Protection Agency is concerned about the potential contribution of mercury to the atmosphere from many possible sources. The EPA considers the melting of steel scrap in electric arc furnaces (EAF) as a potential source of mercury. CMC Steel Texas operates an EAF to produce its steel products and for this reason, CMC Steel Texas must implement safeguards to prevent mercury from remaining in the scrap that it purchases in order to minimize mercury emissions. One method identified to reduce mercury air emissions is to remove mercury switches from automobiles prior to processing (crushing, shredding).

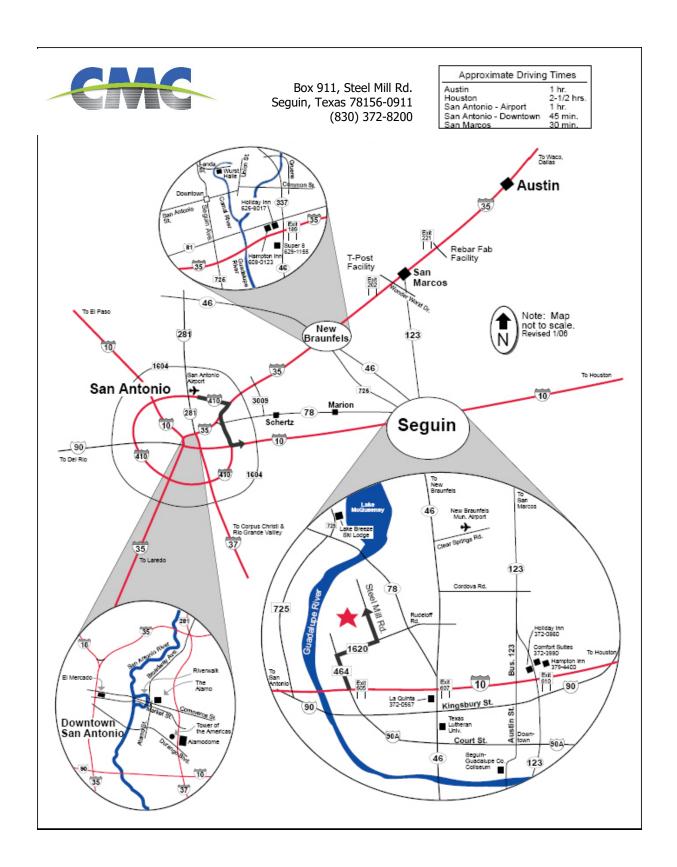
In a unique and positive way, the auto manufacturers that initially installed the switches, the auto recycling industry, the scrap association (ISRI), and steel makers came together to work with the EPA to develop a mutually acceptable method to remove mercury switches from post-consumer autos. It is called the National Vehicle Mercury Switch Recovery Program (NVMSRP).

The NVMSRP is open to participants of this program, from auto salvage yards to crushers to scrap yards that further process the scrap, steel mills, and auto manufacturers. CMC Steel Texas, as part of its participation, will require our motor vehicle scrap providers to participate in the NVMSRP as a necessary prerequisite to providing CMC Steel Texas motor vehicle scrap.

The NVMSRP is operated by the End of Life Vehicle Solutions Corporation (ELVS). ELVS will send to you, free, a collection bucket, a list of vehicles that potentially contain the switches, removal instructions and pre-paid shipping instructions for the bucket. You can contact ELVS at www.elvsolutions.org by clicking on the "contact us" option. By ordering a bucket and then collecting switches you are participating in the NVMSRP.

CMC Steel Texas monitors participation in the NVMSRP program twice a year. Additionally, so that we may ensure that our incoming scrap supply is free from mercury-containing switches, we may contact you in the future to arrange for a visit to verify your efforts to ensure that mercury switches have been removed from the vehicle scrap, and request verification of communications by you to upstream scrap suppliers on this matter.

Your cooperation is important to the program and to CMC Steel Texas. CMC appreciates your efforts to provide environmentally acceptable scrap for recycling into products that will help Texas continue to grow and prosper, with good, clean air for all of us.



Notes: