



Scrap Raw Materials Specification Manual

CMC Steel Texas

SCRAP RAW MATERIALS SPECIFICATION MANUAL

TABLE OF CONTENTS

INTRODUCTION	3
GENERAL TERMS & CONDITIONS	5
GENERAL RAW MATERIALS SPECIFICATIONS	9
ENVIRONMENTAL ASPECTS	11
CLOSED CONTAINERS/SEALED UNITS	12
RADIOACTIVE RAW MATERIALS	14
OTHER UNACCEPTABLE MATERIAL	15
RAW MATERIALS SPECIFICATIONS	
#1 BUNDLES	17
#1 & #2 HMS.....	18
#2 BUNDLES	19
BUSHELING	20
CAST IRON BORINGS	21
CRUSHED CARS & LIGHT TRUCK BODIES	22
DIRTY MOTORS	24
LOOSE SHREDDABLES	25
SHREDDER LOGS	26
MIXED TURNINGS	27
SPECIAL TURNINGS.....	28
PIG IRON / BEACH SCRAP.....	29
PLATE AND STRUCTURAL	30
PREPARED RAILROAD SCRAP	31
RAIL CROPS.....	32
SHREDDED STEEL	33
TIRE WIRE.....	34
UNPREPARED RAIL/SCRAP	35
UNPREPARED/PREPARED REBAR	36
QUALITY/INSPECTION POLICY AND PROCEDURES.....	37
RAW MATERIALS SPECIFICATION, SAFETY AND ENVIRONMENTAL COMPLIANCE AND AGREEMENT	39

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:

1. Proving the date of evaluation
2. Origin of material (on site visit or trial load)
3. Scrap commodity
4. Results of evaluation
5. Comments

The information is recorded in 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** 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** 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. **DELIVERY** 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 HOUSE 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:
1. 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)
4. 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.
5. The Scale master 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 scale master 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.
6. 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.

7. 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.
8. 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.
9. 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** – Scale masters will compare the gross weights provided by rail and truck shippers with CMC Steel Texas' weights.

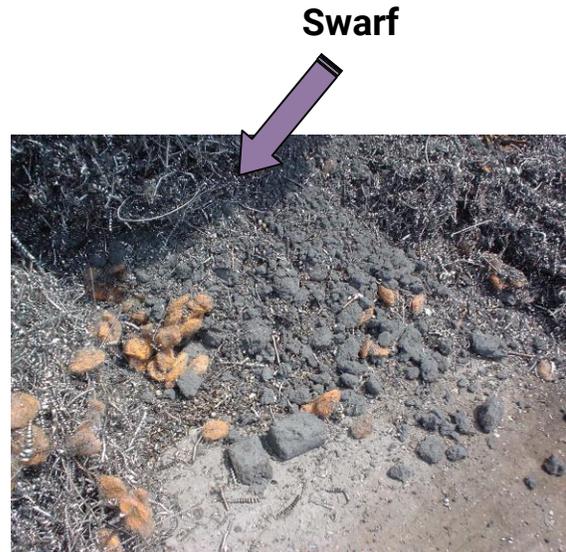
1. Railcars with weight differences of 10,000 lbs. or more should be reweighed to ensure that proper procedures have been followed and readings are correct. If a difference does exist, the railcar will be held for disposition until the shipper has been notified of the discrepancy.
2. Trailers with differences 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.
3. Differences in tare or net weights will alert the scale masters 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.
1. 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 Scale master 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** 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** 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 RAW MATERIALS SPECIFICATIONS

In order to better understand the terms used in this plan, 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 negligible 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.**



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.

OFF-GRADE MATERIAL: The inclusion in a shipment of a particular grade of iron and steel scrap of a negligible amount of metallic material which exceeds to a minor degree the applicable size limitations or which fails to a minor 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.

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 40).

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 contaminants 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 ASPECTS

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.

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:

1. be hot drained
2. be crushed with equipment capable of delivering 45,000 PSI
3. be shipped in truckload quantities only have no visible or free flowing oil
4. 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.

PLEASE PAY STRICT ATTENTION TO THIS ISSUE.

CLOSED CONTAINERS/SEALED UNITS

SAFETY of our employees comes first and foremost along with protecting our property/equipment. Closed containers and sealed units are a serious explosion hazard, which may result in the loss of life, limb, and/or property. Any supplier that fails to address this issue may result in the suspension or termination as an approved scrap supplier to CMC Steel Texas.

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

CLOSED CONTAINERS: Any closed container other than acetylene cylinders **must be cut in half** 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.



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:

1. 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 THIS ISSUE.

RADIOACTIVE RAW MATERIALS

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.

OTHER UNACCEPTABLE MATERIAL

NO aluminum cans

NO asbestos - typically in brake shoes, pipe insulation and hose insulation material.

NO military munitions or ordnance related items

NO free-flowing oil (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 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 lead, lead pipe or lead weights

NO freon (charged AC units or other type 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

RAW MATERIALS SPECIFICATIONS

GRADE:	#1 Bundles														
	CMC Steel Texas usually does not routinely purchase #1 bundles.														
GRADE CODE:	N/A														
DIMENSIONS:	2' x 2' x 3'														
MINIMUM DENSITY: (Lbs. per cubic ft.)	70														
MAXIUM WEIGHT PER PIECE:	N/A														
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 <u>tightly secured with minimum of 3 bands.</u>														
RESTRICTIONS:	No tin coated material. Must be alloy free. 20% maximum painted or galvanized material by volume. Loose or unsecured coils will subject entire load to rejection.														
ELEMENT:	<table border="0"> <tr><td>Copper</td><td>.10</td></tr> <tr><td>Nickel</td><td>.10</td></tr> <tr><td>Chromium</td><td>.10</td></tr> <tr><td>Phosphorus</td><td>.015</td></tr> <tr><td>Moly</td><td>.025</td></tr> <tr><td>Tin</td><td>.01</td></tr> <tr><td>Sulphur</td><td>.25</td></tr> </table>	Copper	.10	Nickel	.10	Chromium	.10	Phosphorus	.015	Moly	.025	Tin	.01	Sulphur	.25
Copper	.10														
Nickel	.10														
Chromium	.10														
Phosphorus	.015														
Moly	.025														
Tin	.01														
Sulphur	.25														

RAW MATERIALS SPECIFICATIONS

GRADE:	#1 HMS
GRADE CODE:	N/A
DIMENSIONS:	3' x 2' maximum ¼" minimum thickness 4" maximum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	50
MAXIMUM WEIGHT PER PIECE:	95" - 200 lbs. or less 500 LB 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.

RAW MATERIALS SPECIFICATIONS

GRADE:	#2 HMS (includes "mixed scrap")
GRADE CODE:	N/A
DIMENSIONS:	3' x 2'
MINIMUM DENSITY: (Lbs. per cubic ft.)	42
MAXIUM WEIGHT PER PIECE:	N/A
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 20% of the load may be rebar, unless previous contact with Raw Materials was established.
RESTRICTIONS:	<p>No turnings.</p> <p>No white goods or other sheet "tin"</p> <p>No porcelainized material.</p> <p>No alloyed steel.</p> <p>No lead, lead pipe or lead weights.</p> <p>No nails.</p>

RAW MATERIALS SPECIFICATIONS

GRADE:	#2 Bundles
	CMC Steel Texas usually does not routinely purchase #2 bundles
GRADE CODE:	N/A
DIMENSIONS:	2' x 2' x 3' maximum
MINIMUM DENSITY: (Lbs. per cubic ft.)	70
MAXIMUM WEIGHT PER PIECE:	1,000 lbs.
DESCRIPTION:	Obsolete black, galvanized or painted steel sheet scrap, hydraulically compressed into a <u>small</u> 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.

RAW MATERIALS SPECIFICATIONS

GRADE:	Busheling														
GRADE CODE:	N/A														
DIMENSIONS:	3' x 2' maximum ¼" maximum thickness														
MINIMUM DENSITY: (Lbs. per cubic ft.)	50														
MAXIUM WEIGHT PER PIECE:	N/A														
DESCRIPTION:	Clean, new production steel scrap including sheet clippings, stamping, etc.														
MAY INCLUDE:	N/A														
RESTRICTIONS:	May not include old auto body or fender stock. Free of metal coated, vitreous enameled and electrical sheet containing over 0.5% Silicon. Must be alloy-free. Must be free of tin coated material.														
ELEMENT:	<table border="0"> <tr> <td>Copper</td> <td>.10</td> </tr> <tr> <td>Nickel</td> <td>.10</td> </tr> <tr> <td>Chromium</td> <td>.10</td> </tr> <tr> <td>Phosphorus</td> <td>.015</td> </tr> <tr> <td>Moly</td> <td>.025</td> </tr> <tr> <td>Tin</td> <td>.01</td> </tr> <tr> <td>Sulphur</td> <td>.03</td> </tr> </table>	Copper	.10	Nickel	.10	Chromium	.10	Phosphorus	.015	Moly	.025	Tin	.01	Sulphur	.03
Copper	.10														
Nickel	.10														
Chromium	.10														
Phosphorus	.015														
Moly	.025														
Tin	.01														
Sulphur	.03														

RAW MATERIALS SPECIFICATIONS

GRADE:	Cast Iron Borings
GRADE CODE:	N/A
DIMENSIONS:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	80
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Clean cast iron borings and drillings, free of steel turnings, scale, lumps and excessive oil or moisture.
MAY INCLUDE:	N/A
RESTRICTIONS:	No mill scale, slag, grindings or dirt.

RAW MATERIALS SPECIFICATIONS

GRADE:	Crushed Cars & Light Truck Bodies
GRADE CODE:	N/A
DIMENSIONS:	18" maximum 8" minimum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIMUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	<p>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.</p> <p>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.</p> <p>Fluids must be properly removed from automobiles and trucks before crushing. Gas tanks must be split open and completely drained. CARS MAY NOT BE STUFFED WITH NON-METALLICS.</p>
MAY INCLUDE:	N/A
RESTRICTIONS:	<p>No turnings.</p> <p>No lead weights, or leaded pipe.</p> <p>No porcelainized material.</p> <p>No nails.</p> <p>No wire, cable which include; barbed wire, baling wire, welding rod, chain link fencing, long cable.</p> <p>No batteries or flammable or combustible materials.</p> <p>No tires stuffed in car bodies.</p> <p>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.</p>

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.

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 overlapping. For safety reasons, if cars are overlapped 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 **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.

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.

NOTE:

Driver must remain in vehicle while unloading. CMC Steel Texas must have a signed CFC/HCFC Agreement on file before shipments commence.

RAW MATERIALS SPECIFICATIONS

GRADE:	Dirty Motors
GRADE CODE:	N/A
DIMENSIONS:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Car or truck motor blocks.
MAY INCLUDE:	N/A
RESTRICTIONS:	<p>No large diesel motors.</p> <p>No commingling dirty motors with other grades of scrap, with the exception of crushed or flattened car bodies.</p> <p>No commingling dirty motors with other grades of scrap, with the exception of crushed or flattened car bodies.</p> <p>Will receive with oil filters removed & oil reservoirs drained; no free-flowing liquids.</p> <p>CMC Steel Texas will accept truck or rail carloads of dirty motors. CMC Steel Texas purchases dirty motors for the purpose of shredding only.</p>
NOTE:	CMC Steel Texas must have a signed CFC/HCFC Agreement on file before shipments commence.

RAW MATERIALS SPECIFICATIONS

GRADE:	Loose Shreddables
GRADE CODE:	N/A
DIMENSIONS:	15 ft. maximum ½" maximum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIUM WEIGHT PER PIECE:	N/A
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:	<p>No batteries or flammable or combustibile materials.</p> <p>No porcelainized material.</p> <p>No wire, cable which includes; barbed wire, baling wire, welding rod, chain link fencing, no lead pipe, no nails.</p> <p>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.</p> <p>No sealed units of any type.</p> <p>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.</p> <p>We will not accept single car/truck bodies on top of a load via truck or rail car.</p>

SEE CMC STEEL TEXAS ENVIRONMENTAL QUALITY REQUIREMENTS FOR CRUSHED AUTO AND TRUCK BODIES IN ADDITION TO OTHER SHREDDER FEED STOCK (page 47).

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

RAW MATERIALS SPECIFICATIONS

GRADE: Shredder Logs

GRADE CODE: N/A

DIMENSIONS: 7' x 2' x 2'

MINIMUM DENSITY: N/A
(Lbs. per cubic ft.)

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

SEE CMC STEEL TEXAS ENVIRONMENTAL QUALITY REQUIREMENTS FOR CRUSHED AUTO AND TRUCK BODIES IN ADDITION TO OTHER SHREDDER FEED STOCK (page 47).

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

RAW MATERIALS SPECIFICATIONS

GRADE:	Mixed Turnings
GRADE CODE:	1/16" minimum thickness
DIMENSIONS:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	50
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	<p>Clean, dense steel turnings. May not be springy, bushy, tangled or matted.</p> <p>Turnings that are <u>not easily handled</u> by a magnet will be rejected or downgraded.</p>
MAY INCLUDE:	N/A
RESTRICTIONS:	<p>No mill scale, grindings, torch droppings or dirt. No non-ferrous material. No cast iron borings. No high Sulphur turnings. No nails.</p> <p>Must be free of rust, corrosion or excessive oil.</p>

RAW MATERIALS SPECIFICATIONS

GRADE:	Special Turnings
GRADE CODE:	1/16" minimum thickness
DIMENSIONS:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	50
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Clean, dense steel turnings. May not be springy, bushy, tangled or matted. Turnings that are <u>not easily handled</u> by a magnet will be rejected or downgraded.
MAY INCLUDE:	N/A
RESTRICTIONS:	No mill scale, grindings, torch droppings or dirt. No non-ferrous material. No cast iron borings. No high Sulphur turnings. No nails. Must be free of rust, corrosion or excessive oil. Must be alloy free.

RAW MATERIALS SPECIFICATIONS

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 CODE: N/A

DIMENSIONS: N/A

MINIMUM DENSITY: N/A
(Lbs. per cubic ft.)

**MAXIUM WEIGHT
PER PIECE:** N/A

DESCRIPTION: N/A

MAY INCLUDE: N/A

RESTRICTIONS: N/A

RAW MATERIALS SPECIFICATIONS

GRADE:	Plate and Structural
GRADE CODE:	N/A
DIMENSIONS:	3' x 2' maximum 1/4" minimum thickness 4" maximum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	55
MAXIMUM WEIGHT PER PIECE:	95% - 200 lbs. or less 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.
MAY INCLUDE:	N/A
RESTRICTIONS:	No railcar sides or track material. No cast iron or steel casings. No rebar. No pipe or leaded pipe. No nails.
NOTE:	Sulphur or phosphorus content not to exceed .05%. .15% maximum copper content.

RAW MATERIALS SPECIFICATIONS

GRADE:	Prepared Railroad Scrap
GRADE CODE:	N/A
DIMENSIONS:	3' x 2' maximum 4" maximum thickness
MINIMUM DENSITY: (Lbs. per cubic ft.)	50
MAXIMUM WEIGHT PER PIECE:	500 lbs.
DESCRIPTION:	Dense, clean, obsolete railcar scrap.
MAY INCLUDE:	N/A
RESTRICTIONS:	No brake shoes. No cast iron. No nails. No OTM (plates/spikes). No Cor-ten steel.
NOTE:	Air tanks must be split. Axles must be cut. Wheels must be cut in half.

RAW MATERIALS SPECIFICATIONS

GRADE:	Rail Crops
GRADE CODE:	N/A
DIMENSIONS:	3' length
MINIMUM DENSITY: (Lbs. per cubic ft.)	90
MAXIMUM WEIGHT PER PIECE:	N/A
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.

RAW MATERIALS SPECIFICATIONS

GRADE:	Shredded Steel	
GRADE CODE:	N/A	
DIMENSIONS:	95% under 8" 12" maximum	
MINIMUM DENSITY: (Lbs. per cubic ft.)	60	
MAXIUM WEIGHT PER PIECE:	N/A	
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.	
MAY INCLUDE:	N/A	
RESTRICTIONS:	<p>No nails. No excessive fluff.</p> <p>10% maximum galvanized material.</p>	
ELEMENT:	Copper	.30
	Tin	.30

RAW MATERIALS SPECIFICATIONS

GRADE:	T Wire
GRADE CODE:	N/A
DIMENSIONS:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Clean, shredded tire wire. Wire needs to be less than 6" in length. Rubber content needs to be 5% or less.
MAY INCLUDE:	N/A
RESTRICTIONS:	No bundles or balls of wire.

RAW MATERIALS SPECIFICATIONS

GRADE:	Unprepared Railroad Rail
GRADE CODE:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIMUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	N/A
RESTRICTIONS:	Must be "free of attachments" (i.e. plates, spikes)

RAW MATERIALS SPECIFICATIONS

GRADE:	Unprepared Scrap
GRADE CODE:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIMUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Unprepared scrap is defined as material that can easily be prepared by shear or torch.
RESTRICTIONS:	<p>No Hydraulic cylinders.</p> <p>No sealed or pressurized vessels/units.</p> <p>No rebar/wire/cable.</p>

RAW MATERIALS SPECIFICATIONS

GRADE:	Unprepared Rebar
GRADE CODE:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIUM WEIGHT PER PIECE:	N/A
DESCRIPTION:	Clean, new production rebar. Must be easily handled by a shear and crane.
RESTRICTIONS:	<p>No demo rebar. No wire cable. No concrete.</p>

RAW MATERIALS SPECIFICATIONS

GRADE:	Prepared Rebar
GRADE CODE:	N/A
MINIMUM DENSITY: (Lbs. per cubic ft.)	N/A
MAXIUM WEIGHT PER PIECE:	N/A
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.
RESTRICTIONS:	<p>No concrete. No trash. No wood.</p>

RAW MATERIALS QUALITY/INSPECTION POLICY AND PROCEDURES

Raw material quality is key to the success of CMC Steel Texas, and therefore, maintaining strict control standards is a priority. We clearly understand that a raw material by its nature, is a unique commodity, and will work with all of our suppliers to ensure our standards are fair and equitable.

1. A strict inspection procedure. Every truck or railcar which enters our facility will be pass through radiation detection, be visually inspected by trained personnel at the scales and further inspections will take place by trained crane operators at the time of unloading and processing.
2. Any loads failing to meet our standards, as outlined, will be rejected. If the load is acceptable scrap but does not match the intended purchased grade, it will be at the discretion of CMC Steel Texas whether to accept the load as a downgrade or to reject the load. If CMC Steel Texas chooses to downgrade the load, then the supplier must determine whether to return the load or accept the downgraded price.
3. Ongoing rejections and downgrades are costly and inefficient for both suppliers and CMC Steel Texas. Recommendation to disqualify a supplier will be based on serious or repeated rejections and the results of audits and/or poor order completion. The number of warnings and rejections that will result in disqualification of a vendor depends on the amount of raw materials supplied and the seriousness of the incident(s).

The following is considered serious and requires all suppliers' attention:

1. Top dressing and mill scale additions, "salting the load", are deliberate misrepresentations of the material being supplied.
2. Sealed units/closed containers represent an explosion hazard.
3. A significant amount of non-ferrous can result in off-grade chemistry of the steel.
4. Radioactive material.

To be returned to approved supplier status, the Raw Materials Supplier must meet/discuss with the Raw Materials Buyer, and/or the Operations Management of CMC Steel Texas with an outline (either verbal or written) for corrective action including:

- Internal control standards necessary to meet CMC Steel Texas's Scrap Management Plan and corrective action steps.
- A record of this communication, whether verbal or written, will be entered to a supplier's activity record.



SCRAP MANAGEMENT PLAN, SAFETY AND ENVIRONMENTAL COMPLIANCE AND AGREEMENT

The undersigned Seller has read CMC Steel Texas's Scrap Management Plan. This includes General Terms and Conditions, Environmental Aspects, Closed Containers/Sealed Units, Radioactive Raw Materials, Other Unacceptable Material and Raw Materials Specifications.

Seller acknowledges that CMC Steel Texas may not accept any shipment in whole or in part that does not meet the conditions and specifications described in the specification document. Seller also acknowledges that vendors found to violate this Agreement may be disqualified from supplying scrap materials to CMC Steel Texas.

Although CMC Steel Texas will exercise reasonable effort to inspect scrap shipments, materials supplied can contain constituents not readily detected during normal inspection, which expose the company to hazards associated with use. Such constituents may include, for example, sealed containers, radiation sources, hazardous volatiles, etc. In all cases, CMC Steel Texas's acceptance of any shipment shall not constitute any waiver of its rights to pursue a claim of damages if subsequent use results in damage or injury to people or property. Seller shall indemnify and defend Buyer from and against all costs, claims, losses, liabilities, and any other expenses (including court costs, and reasonable attorney's fees) resulting from damages caused to Buyer or any third party due to the defective Materials, except to the extent that such damages are caused by misuse of the Materials or negligence of Buyer.

I, the undersigned Seller, or authorized representative of Seller, do hereby acknowledge receipt and understanding of the aforementioned specifications and conditions.

Seller's Name: _____

Company Name: _____

Address: _____

City/State/Zip: _____

Phone: _____ **Fax:** _____

E-Mail: _____

Signature: _____

Title: _____

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”. Clean and empty 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.



INDEMNIFICATION CONTRACT AND CERTIFICATION FOR SALE OF USED STEEL CONTAINERS

As an authorized representative of _____ (“Seller”), I certify that all used steel containers supplied to CMC Steel Texas for the purpose of shredding or remelting at the time of delivery will be “clean and empty” as defined by CMC Steel Texas’ Safety and Environmental Quality Requirements.

The term “steel containers” is limited to metal drums, barrels, buckets, kegs, cartons or cases. CMC Steel Texas will only purchase “clean and empty” steel containers, which may be recycled as scrap material under the existing EPA and applicable State of Texas Regulations. **(Note: CMC Steel Texas will not buy steel containers requiring manifests)**

The term “clean and empty” 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 may be remaining in the bottom of the container.

CMC Steel Texas reserves the right to reject a shipment of used steel containers that are not “clean and empty”.

If used steel containers shipped to CMC Steel Texas are not “clean and empty”, Seller will: Pay or cause to be paid, at no expense to CMC Steel Texas, all clean-up, administrative and enforcement cost which may be imposed under Federal, State or Local environmental laws by government agency with jurisdiction. All costs (including without limitation) damages, liabilities, losses, claims, expenses which include attorney’s fees and disbursements, which are incurred by CMC Steel Texas. Seller will pay all expenses to CMC Steel Texas within thirty (30) days after notice. Seller has the right to contest in good faith.

Seller shall indemnify CMC Steel Texas for any and all costs, which result from storage, handling, disposal or processing of non-empty containers and their contents. All costs (including without limitation) damages, liabilities, losses, claims, fines, penalties and expenses which include attorney’s fees and disbursements.

Prior to delivery of “clean and empty” used steel containers, seller must sign, date and return the Indemnification Contract and Certification for Sale of Used Steel Containers to CMC Steel Texas.

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

You may fax your signed agreement to: Raw Materials Dept. | 830.372.8614

Printed Name: _____

Authorized Signature/ Date: _____

Address: _____

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, Refrigerators & Freezers, Vending Machines, Microwaves, Streetlights, Compressors, Dehumidifiers, Ice Makers, Water Coolers, Light Ballast's-Fluorescent, Copiers, Eclectic 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.



**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 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.

Seller further agrees to indemnify, defend, and hold CMC Steel Texas harmless from any and all claims, penalties, fines, fees, costs, attorney's fees or other liabilities resulting in whole or part from Seller's breach of this agreement, including but not limited to this warranty and representation.

This agreement shall continue until revoked in writing by either Seller or Buyer, whereupon this agreement will terminate thirty days after the other party receives notification.

You may fax your signed agreement to:

Raw Materials Dept.

830.372.8614

SELLER

BUYER

Company Name

CMC Steel Texas
Rick Hrechko
Manager, Raw Materials



CMC Steel Texas

P.O. Box 911 * Seguin, TX (78156-0911) / 1 Steel Mill Drive (78155)

Phone: 830.372.8667 Fax: 830.372.8621

E-mail: CMCTX.RailLogistics@cmc.com

Date: _____

Company Name: _____

Shipment Origin: _____

Contact: _____

Phone: _____ Fax: _____

Email: _____

◆ ◆ Railcars in Transit to CMC Steel Texas ◆ ◆

PO #: _____

Grade of Material: _____

Weights provided are: estimated actual

Railcar#	Date Shipped	Gross	Tare	Net	For use by CMC:		
					Delivery No.	Ship No.	Entered
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Grade of Material: _____

Weights provided are: estimated actual

Railcar#	Date Shipped	Gross	Tare	Net	For use by CMC:		
					Delivery No.	Ship No.	Entered
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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.

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 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, the supplier will be charged a minimum \$500.00 penalty per 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 re-qualified.

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.
- Empty “loose” steel gas tanks 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.**

MAP TO CMC STEEL TEXAS

Box 911, Steel Mill Rd.
 Seguin, Texas 78156-0911
 830.372.8200

Approximate Driving Times	
Austin	1 hr.
Houston	2-1/2 hrs.
San Antonio - Airport	1 hr.
San Antonio - Downtown	45 min.
San Marcos	30 min.

