

Recyclers News Press

Iowa Auto Recyclers

November / December 2018

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Routing Slip

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- Manager(s) Safety Supervisor
- Environmental Mgr
- Stormwater Mgr
- Bookkeeper



Insight to India's Auto Recycling



Sue Schauls with young girls in Mayapuri, Delhi, India that use a magnet on a stick to pick up small scrap metal droppings to earn money. Mayapuri is an 8 km² in Delhi dedicated to auto recycling.

I recently attended the Asia Automotive Environmental Forum, the event was focused on automotive recycling and held in New Delhi, India. The 11th annual event had not been hosted in New Delhi previously. The AAEF had recently engaged the Indian government as a member of the forum. Auto recycling in New Delhi and all of India has been getting a lot of interest from fellow recyclers throughout the world mainly due to their desire to enact some national laws governing the industry and the pressure being felt by the burgeoning ownership of automobiles by their middle class.

Many auto recycling delegates met a prominent figure from India named Captain Moham Ram at the international roundtable event in Niagara Falls in 2017. I did not attend the event and missed the opportunity to meet the Captain and to meet my counterpart at the Auto Recyclers Association of Australia, David Nolan, Executive Director, who has since become a dear friend and colleague. David invited me to speak at the Asia Automotive Environmental Forum and I travelled with David and his wife, Chris, throughout the trip.

Continued on page 10...

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Recyclers

News

Press

IAR Members are encouraged to submit material for publication in the Recyclers News Press. Content may be edited for length with the author's permission.

Deadline for submission is the 20th of the month prior to publication. Send content to Sue Schauls at <u>Schauls3@mchsi.com</u> with a full color graphic when possible.

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SUE SPEAKING From desk of the Executive Director

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Greetings Recyclers!

The dichotomy that in mid-October I coordinated the intensive training for auto recyclers on the safe handling of advanced technology hybrid and electric vehicles with the fact that two weeks later I was standing in the Mayapuri, New Delhi, India auto recycling zone that *manually* dismantles 500 cars per day was not lost on me as a sign of wide ranging diversity in the automotive recycling industry.

First I want to thank **SalvageWire expert Andy Latham** for sharing his expertise on the future of automobile technology with the midwestern audience at the two training events in October. One was held in Iowa City, Iowa and the other in Sioux Falls, South Dakota and widely attended by auto and metal recyclers from the northern Midwest states.

I also want to thank **Ace Auto Recyclers in Iowa City and Nordstrom's Automotive in Garrettson, SD** for being gracious hosts and coordination assistance.

And **THANK YOU to Dorman** for the sponsorship. Dorman has been involved with the re-engineered hybrid batteries for some time now. Like so many other great Dorman products, they have made replace-

ment hybrid batteries a product that auto recyclers can provide to their customers. Check the Dorman Products website for more information and for a surprisingly wide variety of hybrid replacement parts.

The class content and response was so fabulous that the attendees agreed that we will bring another class to lowa in the future. It really is something that every salvage facility needs to address as hybrid and electric vehicles become





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SUE SPEAKING From desk of the Executive Director

more mainstream and as make and model of cars are made available in both internal combustion engine (ICE) and hybrid or electric variations you may unwittingly end up with a hybrid vehicle on a tow. The auto recycling technician needs to know how to protect themselves *before* being presented with the challenge!

Worldwide hybrid vehicles, electric vehicles, compressed natural gas and even hydrogen cell technology is being used intermixed with ICE cars. Countries like India and other participants in the Asian Automotive Environmental Forum (see cover article) are faced with an influx of end-of-life vehicles and variety of technology all at the same time. Issues with both quantity and quality of these ELVs is driving new markets and new challenges in auto recycling as other countries turn over their fleets to new technology vehicles at faster pace than in the U.S. Of course *challenge* is another word for *opportunity*! Who knows maybe the expansion of the parts market lies in global trade and information sharing.

> Thanks for listening, Sue Schauls



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Iowa Automotive Recyclers Board of Directors Meeting October 3, 2018–Des Moines–12:15 pm

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Snyder's Auto Body Clarinda, IA www.snyders-autobody.com Members present: Eric Piper, Pat Rooff, Joel McCaw, Eric Piper, , Tom Snyder, Mike Garvin, Mike Swift, Dave Hesmer, Dereck VanDerBrink, and Sue Schauls. Guest Larae VanDerBrink

Members absent: Jeff Smid, Andy Wilken, Brent Nugent, Jodi Kunde, Tom Quandt, Jordan Barkow, Mike Waterbury, Jeremy Brevard, Mark Kaczor, Ermin Alagic.

President, Eric Piper called the meeting to order at 12:54 pm and reminded attendees of the Anti-Trust covenant.

A **recap of the DOT meeting** called at the last minute for Friday, September 28, 2018 was made by Sue Schauls and Mike Swift, who attended the meeting as IAR representatives. The DOT called a meeting to discuss "salvage laws" and although we were notified at a very late date we attended the meeting. The DOT announced that due to a lawsuit they were looking into a new definition of FAIR MARKET VALUE of salvage vehicles. The discussion centered on how NADA book value or another published evaluation table could be of use. We suggested (as we have before) that 50% of the lowest NADA book value is the second best evaluation of a salvage vehicle value. We maintain that the purchase price is the best value.

The second issue the DOT is looking into is the ongoing problem of bringing insurance company total-loss-vehicles to lowa from states that do not have a salvage branded title. The DOT plans to clarify the rules, either through rule writing or legislation, to make it crystal clear that a vehicle designated by an insurance company in any state as a total loss will have a salvage title when it come to lowa. IAR would not be opposed to the increase of the salvage threshold from 50% to 75% to be more uniform throughout the country. The DOT will present a rough draft of language at the next meeting in about four weeks. The next meeting will have more advanced notice to IAR. Sue will request a list of state salvage thresholds from ARA.

The Board will form a Rules Committee to draft a big picture view of changes to the Iowa salvage laws for discussion based on information from ARA, the Nussbaum Report, LKQ and Auto Data Direct. The implementation of an Iowa NMVTIS system will be the cornerstone of curbing illegal operators and providing enforcement tools to the DOT.

A recap of the **upcoming Hybrid Classes** with sessions at Nordstrom's & in North Liberty revealed registration is lower than anticipated but there is still one week to register. expected at a total of 27 including those who indicated at the meeting they will register. The events will take place in North Liberty, Iowa on October 11, 2018 and in Garretson, SD on October 12, 2018. Dorman Products provided a \$500 sponsorship and Nordstrom's is providing the venue and lunch at the session held at their facility. Lunch is included at the session in North Liberty as well. Special recognition goes to Vice President Pat Rooff for bringing in many of the registrations from area businesses.

HOTLINES – The subscription status is stagnant at three more yards to add and three to keep from dropping due to not using the program. Hotlines was able to run reports showing that even the subscribers that are not quoting parts actively

Iowa Automotive Recyclers Board of Directors Meeting October 3, 2018–Des Moines–12:15 pm

are getting orders through Hotlines, even though the buyer had to pick up the phone and call them to order the part.

The peer-to-peer discussion via conference call on Hotlines went very well with Ok turn out. The open discussion was beneficial to the participants and the Board suggestion to have frequent peer-to-peer or vendor webinars to engage members was well-received. The next discussion may center on **Hotlines eCommerce and Parts Trader functions** that Board members have had excellent experiences with making added sales. Betsy Finnell from Hotlines will be asked to start off the discussion with a demonstration of those two functions.

An explanation of the funding from the Hotlines payment for having 20 lowa yards on the program (\$45 per yard per month) to be used for promotional expenses will be laid out to the membership in hopes of prompting more participation. **Ideally, 24 subscribers are needed to begin to fund pop-up ads on cell phone internet searches.**

2019 Summer Outing – President Eric Piper suggested a schedule change to enhance attendance. The **Big Equipment Show will be held at Swift's Trails End Auto Salvage in Des Moines, Iowa on September 20-21, 2019.** Several Board members will for a committee and begin to get commitments from equipment dealers for exhibition at the show. Morning training session and/or a TECHNOLOGY LABORATORY will be held at



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the hotel (tentative). The Baymont Inn on E 14th Street near Trails End was contacted as the host hotel. The rates there are very good. Mike Swift suggested bringing back the "Counter Man Contest."

Promotional Committee -

Ads have been edited and commercials ran last two weeks of August and will run again once more editing is completed. The edited commercial will be uploaded to our YouTube Channel. We are also seeking interesting and unique original videos that portray a positive and professional story about auto recycling to build the video library. The main content should center around How To Videos. We need volunteers to make videos segments of how to uninstall a bad part, what part needs to be or-

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dered with specific search criteria information and then how to install the part. These three short videos will be wrapped up together to make a single HOW TO VIDEO that will drive traffic to our consumer sales website <u>www.BuyUsedAutoParts.org</u> and the newly acquired <u>www.BuyUsedutoParts.com</u> which was purchased with 11 Board members, Sue and JJ from We Buy Key Fobs chipping in to raise the funds.

Be A Part of the Movement commercials were edited to reflect the Iowa message and drive traffic to the new website. There are also print advertisements available in the packaged material distributed by ARA. The *Be A Part of the Movement* campaign was funded and orchestrated by the Automotive Recyclers of Massachusetts association using their Hotlines funding surplus. The graphics can be edited and used on social media, in print advertising or as desired. Members can email Sue (<u>Sue.Schauls@gmail.com</u>) to get copies of the material or send Sue a *jpg* of their logo and a short tagline and she will edit the material and send it back to the member as a membership benefit.

The Promotional Committee will need to be broken down into two or three separate committees to keep things moving. Committees can be lead by a Board member and made up of direct and associate members to encompass a diverse set of skills.

I-CARE GOLD - How can we make lowa parts preferable by for yard-to-yard sales? By setting/adding standard to the I-CARE program that include; *Clean Part Standards* for engine and tranny; **Shipping standards** based on available data such as QRP Central info and and Vermont Hand Truck pallet procedures; and Form an OBD Research Committee - OBD for part quality. Brainstorm session on how we can use On Board Diagnostics for quality assurance on parts. Which vendors could help?

FUTURE MEETINGS – Board meeting will be held on the 1st Wednesday of each month via conference call or at a face-to-face meeting. October 11 & 12, 2018 – Hybrid Training November 28, 2018 - Conference call 5:15pm December 5, 2019 – Face-to-Face, Location: Des Moines - 5:30pm September 20, 2019 – Summer Outing Des Moines Face-to-Face, Noon-3 pm

Tom Snyder made a motion to adjourn at 3:42 pm. Dave Hesmer seconded the motion. All were in favor. Motion carried.

Respectfully submitted,

Jeff Smid

Jeff Smid, Secretary



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Iowa Automotive Recyclers Board of Directors Meeting November 28, 2018—Conference Call —5:15 pm

President Eric Piper reminded attendee that we recognize the anti-trust rules and called the meeting to order at 5:22 p.m. Present: Eric Piper, President, Pat Rooff, Vice President, Jodi Kunde, Eric Piper, Tom Quandt, Jordan Barkow, Mike Garvin, Mike Swift, Jeremy Brevard, Dereck VanDer-Brink, Sue Schauls.

Sue provided a brief financial status that included reserving funds for the next round of scholarship payment since the next Summer Outing is after tuition credits are sent.

Old Business.

The Hybrid Class was a big success both financially and in the experience of the attendees. The groups at both classes agreed the class was very thorough and the material is necessary for all dismantlers. We will look in to another partner for a spring class session to make the material available to more members.

Hotlines Status update – We are very close to reaching the goal number pf members to begin receiving payment from Hotlines. We need one more yard to join and three subscribers that have installed but are not using it to begin using and paying. We will request a demo webinar from Hotlines for Dec 12th 5:15 pm.

Summer Outing – Hotel booked **Baymont Inn, Des Moines**, schedule flushed out, big equipment trade show at Swift's Trails End, for Friday 6:30-9:00 pm and Saturday, 5:00-Midnight, technology lab for software vendors at hotel Saturday only 9:00-Noon. We will look in to facility tour options, bus vendors and a social event for Friday night for after 9:00 pm.

New Business

ARA requesting pledges for advertising 20-page spread in *FenderBender* magazine. Yes we are interested in participating – we need more specifics. Item was Tabled and will voted on via email once more information is available.

Membership Drive – Losses this year – Van Horn (Buck will likely stay) PQ Auto Parts, Burlington, Walker, AWE, Smitty's, Sunset (dropped membership NOT closed site), Wilken Kensett , retained Waukon with Iron Mine – we added McChesney in Somers (sort of replaced Delp) – 7 loss/ 1 gain new/ 2 retain after transition

We may do a membership drive. Draft an invite letter to all yard in lowa promoting our legislative victory of having an affidavit option for buying cars without title. Also promote compliance through the I-CARE program. We will also do an Invite to "Friends of IAR" targeting repair shops and out of state auto recyclers to join IAR using an environmental newsletter – EnviroWire – the idea was tabled for further discussion.

Retirees - We will create a plaque/trophy for retirees.

Legislative - Legislative Committee will have a conference call on Dec. 5, 2018 at 5:15 to draft a legislative approach for 2019.

Set next meeting -

December 5, 2019 – conference call for legislative at 5:15 pm

January **tbd**, 2019 – Face-to-Face, Location: Des Moines - **5:30pm**

Possible HILL DAY next morning. February 6, 2019- Conference call 5:15pm March 6, 2019 – Face-to-Face, Location:

April 3, 2019 - Conference call 5:15pm May 1, 2019 – Conference call 5:15pm June 5, 2019 – Face-to-Face, Location:

July 10, 2019 (2nd Wednesday due to Holiday) - Conference call 5:15pm

August 7, 2019 – Conference call 5:15pm

September 11, 2019 – Conference call 5:15pm September 20, 2019 – Summer Outing Des Moines Face-to-Face, Noon-3 pm

Motion to Adjourn Jodi at 7:07 pm second by Dereck, motion carried.

Respectfully submitted, Jeff Smid Jeff Smid, Secretary





Bob Schoof, General Manager

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In India, the auto recycling industry and the area in which it operates is said to be an unorganized sector of commerce. Which to the untrained eye would appear to be true. But an auto recycler walking through and assessing the area, it would not appear to be unorganized as much as it is, admittedly, messy. It would more fairly describe the activity as unregulated as opposed to unorganized. The area inside the city of Delhi is called Mayapuri.

Mayapuri is an eight square kilometer area in Delhi where all auto recycling takes place. In other India cities there are similar such area so that most of the industry is contained in one geographic area.

A square kilometer is 1 million square meters, 100 hectares, about 247 acres.8 Square Kilometers = 1,976.8 Acres. specifically to the new auto recycler owner, the dismantling process begins. Good parts are harvested for resale, other parts are aggregated for rebuild as core components, metals are separated so that aluminum and steel are sold at the highest value, textiles and plastics are removed for possible re-use or as waste stream. In Mayapuri a staggering 95% of the vehicles is recycled. A feat the Monogolian delegates at the conference were also achieving and presented details during their presentation.

Motown India video <u>www.youtube.com/watch?v=nrukZNcAqnw</u> Auto Recycling in India - Biography (Mayapuri Scrap Market) <u>www.youtube.com/watch?v=SAHw5kHusKI</u>



From left: David Nolan, Executive Director Auto Recyclers Association of Australia, Chris Nolan, Sue Schauls, Executive Director Iowa Automotive Recyclers, Narinder Singh Chawla, owner of ABCD, Mayapuri, Delhi, India.

The auto recycling process in India is exactly the same as the process everywhere else in the world. Vehicles are acquired directly from the owner of an end-of-life vehicle (ELV) or through an auction house for late model wrecks. The vehicle is brought in to Mayapuri on a crane truck, which we call a wrecker in the USA, a fact that my Indian friends found to be somewhat humorous as they would hope the tow operator did not wreck the vehicle in route to the auto recycler. Once the vehicle arrives at Mayapuri and

Two Youtube videos have been widely circulated since Captain Moham Ram presented at the International Roundtable for auto recycling in Niagara Falls. Those videos depict the true nature of the activity as it happens but may understate the level of organization and efficiency in the process.

David Nolan, Executive Director Auto Recyclers Association of Australia, set out on a mission before the conference to find the owner who spoke in one of the videos, Narinder Singh Chawla, owner of ABCD, Mayapuri, Delhi, India. We hired a driver and left the hotel in the new business park area of Aero City, New Delhi and went to Mayapuri. Using GPS David located

the ABCD auto recycling and we left the car on the perimeter of the Mayapuri sector as vehicles and those not engaged in the auto recycling process cannot easily move about in the streets. *It was a bold move on David's part and I have undying admiration for him because it.*

Dismantling is taking part in open air on the streets with each parts dealer vying or bidding for the part particular to his area of interest. Such that each small shop owned by a small business owner was specific to a part type. Dealers in rebuilt transmissions, similar to specialty rebuilders elsewhere, housed stores with only transmissions. Gears, seat, axles, any and all part types at the individual component level were represented. So that is the point of divergent from the public assessment of Mayapuri to the auto recycling assessment. An Auto recycler is easily able to recognize that a particular city block could not be made up of specialty parts stores and warehouses without an organized process to separate those parts from the junk vehicle and a system of commerce to get them to the small business owner if the industry was truly unorganized.

Approximately 500 vehicles per day are dismantled in Mayapuri. It takes about two and half hours for a large truck to be dismantled less for a passenger car. Far less time is spent on two wheeled motorbikes, which make up a huge portion of the vehicles used for transportation in India. The process is manual but efficient. Our new colleagues, Chawli, and ABCD General Manager, Rupinder Singh, explained that since labor in India is inexpensive and readily available some processes have not automated because the people are available to do the work.

We were greeted by the staff at ABCD and held a meeting in which Chawli and Rupinder explained the history of the move to Mayapuri in the 1970s. The Captain has proposed another such move as one way to improve the condition with regard to environmental stewardship in Indian auto recycling. The sheer magnitude of the area makes it difficult to envision such a move. Chawli, and also reiterated at the AAEF conference, noted that 50,000 people work in Mayapuri with another 50,000 people providing support business such as food preparations, crane truck (tow operators), delivery, technology services, etc.

The Indian government has proposed regulation to govern the industry. As with any change, the implementation will be difficult and enforcement even more so as people are usually slow to embrace change.

The obvious first steps will be to embrace the Certified Auto Recyclers or CAR standards to address the "low-hanging fruit" or industry standards that are basic requirements in the worldwide market. That is what the point of my presentation at the AAEF entitled "An Era of Opportunity in Indian Auto Recycling."



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Insight to India's Auto Recycling Asian Automotive Environmental Forum 2018

I believe that the auto recycling industry in Mayapuri and other parts of India can become an active participant in the inevitable regulation of the industry through voluntary compliance. For those who know me, this will not come as a surprise. My two and half decades working with the Iowa auto recyclers and the last 11 years being involved with ARA (Automotive Recyclers Association) has been entirely focused by this belief. The interesting idea is that as I prepared my presentation for AAEF, I realized that like any team struggling to overcome a slump, going back to the basics is a good move. I presented the certification process in five steps.

CAR PROGRAM BASICS

- 1) Utilize Systems
- 2) Participate in Tracking
- 3) Conduct Self Audits
- 4) Environmental Stewardship
- 5) Safety Practices



Utilize Systems - The industry is producing upgraded software systems at break neck speed. Embrace these tools to capitalize on the current sales trends such as core programs for maximizing core part sales to the remanufacturing market. Use programs that open up more trading partners to enhance yard to yard sales. Use shipping programs to cut delivery costs. Use APPs and online photo programs to get your parts in the market place to more buyers. Use a compliance system to stay legal and safe. These systems exist and are constantly evolving just like the market. Jump in now and start moving along with other professional recyclers. Don't let the fact that you didn't try a new system when it was first available hold you back from embracing new technology, those versions are outdated now. Think of it as buying the third model year of a new car. The kinks have been worked out.

Participate in Tracking – Auto recycling is online and high tech and the information available holds the power to improve. Improve sales and improve processes by tracking what is happening, to analyze the data, and to make adjustments. It is a simple concept to understand that is not easy to implement. Tracking sales but also requests will hone in buying habits. Tracking cycle time and hold time can be valuable to freeing up space and capitol. Tracking compliance can reduce risk and mitigate losses from downtime due to injury as well as prevent fines.

Conduct Self Audits – Workplace processes that are audited are improved. This process of continuous improvement begins with conducting self-audits then recognizing the opportunity for improvement. The self -audit process is beneficial to ranking the facility activity against criteria set forth by the system being audited. The CAR program standards, for example, take the guesswork out of compliance by identifying the criteria by which a regulatory inspector would assess the compliance level of a workplace. Quality control is an entire career path in manufacturing and should be in auto recycling as well. Self-audits are the cornerstone of quality control. Measurement of the facility's processes against a known set of standards set forth by the industry as the characteristics of other successful businesses is in a nutshell what makes up the self-audit process.

Environmental Stewardship – The inherit nature of **Refrigerant**, commonly referred under the brand auto recycling as being fundamentally recycling at its name Freon, is collected via an evacuation machine base is overlooked so frequently that the industry's environmental stewardship is judged only by it's processes and not by it's success. Worldwide 87% of the vehicle is recycled as a function of the free market and not by regulation. In India and Mongolia that rises to 95%. If manufacturers would design for endof-life consideration and responsibility, 100% would be achievable.

Instead the public, regulators and even environmentalist view the industry as waste producing and dirty endeavors to be relegated to the outskirts of town (until the urban sprawl catches up anyway) and river bottom land so as not to be "seen from the highway." The industry must maintain high standards of environmental stewardship and go unappreciated for the high level of recycling taking place and keeping junk cars from ditches and roadways. That criteria are narrated in the CAR program as well as any one of the state or country affiliated programs adhering to the set of standards .

De-pollution or fluid evacuation is mandatory.

Used oils generated from crank case oil, transmission, brake or power steering fluids as well as hydraulic fluids have a useful life after lubrication. Those used oils can be utilized to fire furnaces for heat, boiling or other industrial application. A common local market is to heat asphalt for roadwork. In developing markets applications for a product with a high Btu value will not be hard to find. The collection of used oils and the delivery of the product to the application will spur yet set of jobs.

Used antifreeze, or coolant as it is called in warm climates, is an ethylene glycol based product that can be readily re-used. Often salvage facility will rebalance the used antifreeze with virgin concentrate to provide the desired protection level. A simple inexpensive device is used to conduct a float test with which all mechanics are familiar.

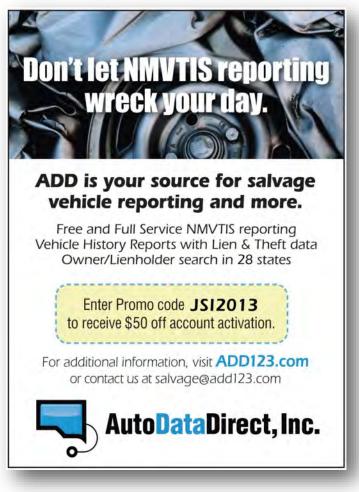
Windshield wiper fluids is also re-used without conditioning.

and captured for re-use or recycling. Even though most Chlorofluorocarbon (CFC) R-12 refrigerant is no longer used in vehicles, the replacement Hydro-Chlorofluorocarbon (HCFC) R-134a must also be captured. In the USA, the Environmental Protection Agency (EPA) has also stated the new eco-friendly olefin 1234, yf refrigerant must also be captured so we do not vent now only to have regret later, as was the case with CFCs.



Gasoline and Diesel must be capture outside of the building and with great caution. Auto recycling fires are most frequently started due to the presence of gasoline vapors. The good gas and diesel captured can be re-used in other vehicles. Low grade gasoline that is varnished can be used in two-cycle engines. Other waste fuel may be blended with good fuel or sent off-site to be burned as an energy source similar to used oils (but as a hazardous waste).

Safety Practices – Simply stated the safety practices in the workplace are for the protection of the workers. There is no argument that protection of life is the most important aspect of a safety program. Compliance is important in places where enforcement action will have financial consequences but the true value of implementing a safety program is prevention of an incident. In fact, near misses are important information when developing a safety program because they point out weak spots in the facility's processes that may eventually lead to an accident.



The United Nations oversees standardized safety practices in industrialized countries that have adopted the guidelines. Recently, the United Nations updated the format for providing information on chemicals in the workplace. Those changes standardized the format of Safety Data Sheets *or SDSs* so that the information is similar around the globe. The data is in the language of the country and is augmented with use of pictograms for universal understanding. The rule is called Hazard Communication Standard in the United States. The reformatting is known as the Globally Harmonized System of chemical identification. The standardization is an example of the commonalities is safe workplaces across the world. Other basic safety measures include:

Maintaining a First Aid Kit for response to minor injury or illness; Providing an Eye Wash Station in proximity to jobs that expose workers to dust or liquids; Providing Personal Protective Equipment such as safety glasses and gloves; Maintaining Spill Cleanup Material to address spills and keep the shop floor clean and clear; Preventing Slip, **Trips and Falls** by keeping a clean shop; Conducting periodic Hoist Inspections to identify worn parts or malfunctioning mechanics; Utilizing a Lock Out Tag Out procedure on equipment that is down for repair or service; Following a Fire Prevention Plan along with maintaining fully charged Fire Extinguishers: Creating an Emergency Action **Plan** so that personnel will be prepared to handle any number of emergencies while at work such as a fire or a natural disaster; and finally **p**roviding specific training and certification on more dangerous tasks such as removing and shipping Airbags or operating a Forklift or a Cutting Torch.

The certification standards are universal. Even though individual countries, states and provinces may have slightly different detail written in their code, the basic safety and environmental protection practices will endure. Just like the business of auto recycling is basically the same the world over, so can certification be a common language among recyclers trying to convey the economic and environmental benefits of the auto recycling industry to the general public and regulators.

VW Settlements and Iowa's Diesel Emission Reduction Grant

Iowa DOT Accepting Applications for Diesel Emission Reduction Grant

The Iowa Department of Transportation is now accepting grant applications for the U.S. Environmental Protection Agency's Diesel Emission Reduction Act (DERA) grant program for diesel fleets in the state of Iowa.

As part of the <u>Energy Policy Act of 2005</u>, the grant program assists with the replacement of aging diesel equipment in fleets, including school buses, heavy- and medium-duty transit buses and trucks, and nonroad engines, equipment, or vehicles.

lowa school districts, transit systems, or company fleet managers should go to the <u>DERA grant web-</u> <u>site</u> to read the <u>program information guide</u> and find out more about the grant process. The website includes a list of previous DERA awards. Applications are being accepted through Nov. 9, 2018. The base grant amount available in Iowa is \$275,123, but the state is voluntarily matching that base amount with monies from the <u>Volkswagen</u> <u>emissions settlement</u>. These funding sources, along with an Environmental Protection Agency incentive bonus of \$137,562, brings the total available DERA funding to \$712,685. Please contact Matt Chambers at 515-239-1409 or <u>matthew.chambers@iowadot.us</u> with any questions.

In 2016, the Environmental Protection Agency (EPA) filed a complaint alleging VW violated the Clean Air Act by the sale of approximately 580,000 motor vehicles containing 2.0 or 3.0 turbocharged direct injection (TDI) liter diesel engines equipped with "defeat devices" between model years 2009 and 2016. The subject vehicles are equipped with devices in the form of computer software designed to perform differently during normal vehicle operation than during emissions tests. It is alleged that during normal use, the subject vehicles emit levels of NOx in excess of the EPA compliant levels and are a serious health concern.

As required in the first partial settlement, Volkswagen must pay a total of \$2.9 billion into an Environmental Mitigation Trust (Trust) to fund defined eligible mitigation actions that will reduce nitrogen oxides emissions. Each beneficiary will receive an allocation based on the number of registered subject vehicles within its boundaries. As a result of two related Volkswagen settlements, the state of lowa is expected to receive approximately \$21 million in environmental mitigation trust funds over the next ten years for projects that reduce emissions of nitrogen oxides (NOx).





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Road ahead for scrap tire recycling

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Legend Smelting & Recycling Joliet, IL <u>www.LegendSmelting.com</u> With tire-derived fuel steadily decreasing as an end market for scrap tire recycling, crumb rubber and rubberized asphalt become more important.

Scrap tire recycling can be viewed as a success story as scrap tire stockpiles have steadily declined, according to the <u>U.S. Tire Manufacturers Association</u> (USTMA). The association released its <u>"2017 U.S. Scrap Tire Management Summary"</u> in July which reveals that about 60 million tires are left in stockpiles. Down from 1 billion decades ago.

More scrap tires are being recycled and used by various end markets. According to the 2018 report, tire-derived fuel (TDF) continues to be the largest end market for recycled scrap tires (43%). Ground rubber makes up 25 percent, however, 16 percent of scrap tires generated in 2017 were landfilled.

Doug Carlson, vice president of asphalt products at <u>Liberty Tire Recycling</u>, attributes the de-

clines in TDF demand to switch to other cheaper fuels, such as natural gas.

TDF demand is undoubtedly decreasing overall, but is expected to remain the largest end market for at least the next five years.

With TDF steadily declining, other end markets for scrap tires may see a boost. Industry experts say they are hopeful to see increased demand for scrap tires in rubbermodified asphalt applications.

Some industry experts have expressed optimism when looking to rubbermodified asphalt as

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an end market. Neal Frey, vice president of market development at <u>Entech</u>, Middlebury, Indiana, says this end market for scrap tires has potential for growth. "This is an end market with the most potential," he says.

"Rubber asphalt is less prone to rutting [and has] less cracking [and] lower life cycle costs," Sheerin says. "We're seeing potential, especially as states review and update their standards, and this becomes more accepted in the construction industry."

China presses on with scrap restrictions

Chinese agencies release list of items prohibited starting Dec. 31, 2018.

By <u>Brian Taylor</u> Reference link: <u>https://www.recyclingtoday.com/article/china-</u>2019-trade-restrictions-stainless-steel-scrap/

The government of China has released an updated list of more than 30 scrap materials that will be prohibited as imports beginning Dec. 31, 2018. The declaration reportedly has been made by several national Chinese government agencies working jointly.

According to a Nov. 19 <u>online article</u> from China's Xinhua news agency, the "official document" lists 32 scrap materials or used items that will be banned at the end of 2018. The document was issued by China's <u>Ministry of Ecology and</u> <u>Environment (MEE)</u>, Ministry of Commerce, National Development and Reform Commission and its <u>General Administration of Customs (GACC)</u>.

Items newly added to the list, according to Xinhua, include stainless steel scrap, titanium scrap, wood scrap, as well as used hardware, ships and auto parts. The outright bans, combined with quality specifications that can be difficult to attain, have shrunk the volume of scrap materials shipped from recyclers in other countries to buyers in China.

China's government and state media outlets such as Xinhua continue to frame the restrictions as environmental measures. "Some companies illegally bring foreign waste into the country for profit, posing a threat to the environment and public health," states Xinhua, adding, "Given rising public awareness and China's green development drive, the government last year decided to phase out and halt such imports by the end of 2019, except for those containing resources not substitutable."

The final clause in the previous sentence provides ammunition to critics who see the policy primarily as a protectionist trade measure rather than an environmental issue.

At the start of this year, a <u>160-page report</u> issued by the United States Trade Representative (USTR) expressed numerous concerns about China's trade policies, with <u>scrap materials</u> among the many sectors mentioned.

On its website, the Washington-based Institute of Scrap Recycling Industries (ISRI) says it "supports the Chinese government's efforts to protect the environment." On the same trade policy website page, the trade group adds, "On March 1, 2018, the Chinese government implemented stricter technical standards for scrap imports, allowing only shipments that meet very strict thresholds for allowable contaminants to be imported. Unfortunately, existing technology makes meeting those targets a challenge for most scrap commodities. Through these policies and additional measures since, the Chinese government is curtailing the free and fair trade of scrap commodities into China."

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from the Automotive Recyclers Association

Important Update on New EPA Airbag Rule

As previously reported, the Environmental Protection Agency (EPA) released a rule providing a conditional exemption for "dealerships, salvage yards and other locations" from some hazardous waste regulations allowing for a "more expedited removal of defective Takata airbag inflators". Important conditions for this exemption are listed below.

ARA has attended an EPA-sponsored webinar explaining the new rule and also spoken with ISRI on this issue for further clarification about its impact on automotive recyclers. While auto service centers look to benefit the most from the rule, effective November 30, 2018, automotive recyclers should be covered by an exemption that clarifies who is a "generator" of hazardous waste, i.e., the rule exempts salvage operators who removes defective airbags and sends them to a proper facility for processing.

Recyclers and "affected entities" will be allowed to send defective airbags and airbag parts to certified disposal facilities that handle hazardous waste under the Resource Conservation and Recovery Act (RCRA). These facilities will be considered the "generator" of hazardous waste, not the recycler.

Some conditions do exist and must be adhered to by the automotive recycler who is required to handle the airbag safety. EPA specifies: "Conditions of exemption are modeled after current industry practices and are designed to ensure that the exempted airbag waste is managed safely and is appropriately destroyed and not diverted back into vehicles.





The conditions for the airbag waste handler are: - Maximum 250 discarded airbag modules or airbag inflators stored at the airbag handler

- Storage time limit of 180 days

- Packaged and shipped in a container designed to address risk posed by inflator

 Container labeled "Airbag Waste – Do Not Reuse"
Maintain shipping records and confirmation of receipt for 3 years (Ordinary business records such as bills of lading are sufficient; electronic records acceptable.)"

There is a comment period on this new rule and EPA will determine if any further revisions are needed. EPA tentatively plans to publish a "final" final rule by September 2019.

EPA will also work with the states on implementing the rule because some state requirements may be more stringent than the federal requirements. However, "EPA encourages the states to follow the federal requirements for airbag waste in order to help facilitate the airbag recall."

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