

[Find A Recycler](#)[ISRI Chapters](#)[ISRI Store](#)[» Member Login](#)[Safety & Best Practices](#)[Policy & Regulations](#)[News & Publications](#)[Recycling Industry](#)[About ISRI](#)[Home](#) / [News & Publications](#) / [News Article](#)

In This Section:

**News & Publications**[ISRI Newsroom](#)[Scrap Magazine](#)[Newsletters](#)[White Papers, Reports and Analysis](#)**Have Questions?****Mark Carpenter***Sr. Director of Media Relations  
and On-Line Communications*  
[MarkCarpenter@isri.org](mailto:MarkCarpenter@isri.org)  
(202) 662-8525

by Mark Carpenter | Apr 13, 2016

## ISRI Testifies on Ferrous Scrap Trade at U.S. Trade Representative/Department of Commerce Hearing

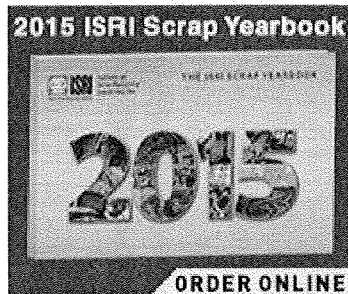
(Washington, DC) – Institute of Scrap Recycling Industries (ISRI) Chief Economist Joe Pickard testified today at a United States Trade Representative/U.S. Department of Commerce hearing, "Policy Recommendations on the Global Steel Industry Situation and Impact on U.S. Steel Industry and Market." The two-day hearing featuring nine panels is related to the global steel industry situation and its impact on the U.S. steel industry and related industries, including the U.S. ferrous scrap industry. Pickard's remarks as prepared for delivery are as follows:

*Recycled iron and steel products, also known as ferrous scrap, is by far the largest recycled commodity group processed by our industry, with scrap recyclers – who are located in every congressional district – typically processing between 70-75 million tons of ferrous scrap annually. According to U.S. Geological Survey estimates, the total value of ferrous scrap processed in the United States in 2014 was \$26.1 billion, but for 2015 USGS reports that figure declined to \$18.3 billion as scrap prices and volumes declined due to a range of domestic and global market factors.*

*Although the United States is the single largest exporter of ferrous scrap in the world, it's also important to remember that most of the ferrous scrap that is processed in this country is consumed here as well. The United States is by far our industry's most important market. In 2015, just over 80 percent of all the ferrous scrap processed by our industry was consumed by the U.S. steel industry. In turn, U.S. steel mills heavily depend on ferrous scrap as a vital raw material input, with scrap supplying 60-70 percent of steel mills feedstock in recent years. The health of the U.S. steel and scrap industries are therefore closely inter-twined.*

*In contrast to the United States, ferrous scrap accounted for just 11% of the raw material supply for steel producers in China in 2014. For now, the vast amount of steel production in China is made from iron ore and primary materials, not from ferrous scrap. Given the vast environmental benefits of using scrap versus primary material including reduced energy consumption and GHG emissions, the excess production of steel in China comes not only with significant economic costs but with unmistakable environmental costs as well.*

*Many factors, including the surge in Chinese steel production to more than 800*



*million tons annually has resulted in some of the most difficult market conditions faced by scrap recyclers and the steel industry in a decade. Even as Chinese steel output has crested, U.S. exports of ferrous scrap to China plunged from approximately 5.5 million tons in 2009 to less than 400,000 tons in 2015. Cheap iron ore prices have not only provided incentives for Chinese steel mills to produce excess amounts of steel that have weighed on prices along the global ferrous supply chain, it has also dis-incentivized ferrous scrap usage in China.*

*Given the combined impacts of global and domestic market factors, scrap processors have seen their profit margins erased amid continued industry consolidation, with a growing number of scrap recyclers either scaling back their operations, merging with other companies or closing their doors altogether.*

*Due in no small part to global oversupply of steel, ISRI estimates that in just the last two years well over 100 scrap recycling facilities have shuttered and Labor Department data confirm that more than 11,000 recycling jobs have been lost since early 2015, representing lost income of more than \$500 million, which does not include other indirect job losses, lost tax revenues, reduced domestic and export sales, and other economic costs. Collectively, market conditions have significantly harmed the scrap recycling industry.*

*A global economy contemplates the trade of ferrous scrap across international borders. Such trade must be conducted in a free and fair manner. ISRI is a forum for information exchange and education on issues related to such trade. Artificial barriers to the free and fair trade of ferrous scrap commodities have a detrimental effect on our economy. The global ferrous scrap market is one of the purest examples of supply and demand economics. Any attempt to artificially alter that cycle will, at best, do no good. Instead, history indicates that it can do unanticipated harm. It is also consistent with ISRI's policy to raise documented unfair or illegal trade practices with the appropriate government agency.*

*ISRI and its members are well aware of the state of crisis impacting the U.S. steel industry. These are our most important customers and the livelihood of the U.S. ferrous recycling industry depends on a healthy domestic steel industry. ISRI supports the strongest measures to protect the steel industry from illegal dumping and unfair subsidies that have direct and indirect negative economic impacts throughout the steel manufacturing supply chain.*

*ISRI calls for vigorous enforcement of trade laws and other efforts by the U.S. and other trade leaders in the OECD to ensure that China remains committed to reign in excess production capacity for crude steel. Immediate action is needed to prevent growing trade tensions and recurring crisis. Lastly, ISRI thanks the U.S. Trade Representative and the Department of Commerce for taking timely action to understand and address the difficult global impacts on the U.S. steel and scrap recycling industries and ISRI is committed to assisting our government agencies on this and other pressing trade issues going forward.*

###

*The Institute of Scrap Recycling Industries, Inc. (ISRI) is the Voice of the Recycling Industry™. ISRI represents more than 1,600 companies in 21 chapters nationwide that process, broker and industrially consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics and textiles. With headquarters in Washington, DC, the Institute provides safety, education, advocacy, and compliance training, and promotes public awareness of the vital role recycling plays in the U.S. economy, global trade, the environment and sustainable development.*

**Phone**  
(202) 662-8500