

## **Scrap Recycling Industry/Police Joint Meeting**

Miller Compressing  
1640 W Bruce St, Milwaukee, WI  
Tuesday, June 23, 1:00 – 2:30 p.m.

### **Meeting Agenda**

1. Description of Material
  - a. Industry recommendation: Be consistent with the industry-standard recording system currently used in Milwaukee and elsewhere in Wisconsin.
  - b. Industry recommendation: Eliminate serial number requirement or create a reporting system for these items that still allows for purchase.
2. Licensing and Display
  - a. Industry recommendation: Amend current ordinance so scrap metal dealers headquartered outside the City of Milwaukee – whether they are from other Midwestern Municipalities or overseas – are exempt from obtaining a license from Milwaukee City Hall.
  - b. Industry recommendation: Exempt commercial vehicles with DOT required signage requirements of city signage.
3. Regulated Property
  - a. Industry recommendation: Keep Milwaukee's regulated property reporting requirements consistent with state law.
  - b. Industry recommendation: Eliminate the verifying purchase items requirement.
4. Bulk Purchasing
  - a. Industry recommendation: Align bulk purchasing reporting requirements with state law.
5. Security
  - a. Industry recommendation: Add language that would require database provider to keep confidential business information confidential, and not allow for third party access or sell information.
  - b. Industry recommendation: Remove public record requirement for the amount paid for the purchase of scrap metals.
  - c. Industry recommendation: Remove lighting requirements for premises.
6. Declaration of Ownership
  - a. Industry recommendation: Align the declaration of ownership with state regulations.
7. Salvage Vehicle Reporting
  - a. Industry recommendation: Provide clarification for reporting of auto parts from operating vehicles.
8. Valuable Metal
  - a. Industry recommendation: Edit definition of valuable metal so it does not inadvertently qualify all scrap metal.

## Recommendations from Scrap Recycling Industry

### 1. Description of Material:

- The ordinance requires detailed descriptions of property by each *item*, but scrap is bought and sold in bulk (often by truckload) as a *commodity*. The provision would require scrap dealers to separate, photograph and provide a detailed description of each individual item that is inconsistent with current practice, state law and industry standard. All this information is currently available in NEWPRs, and we would be happy to create a “cheat sheet” that shows officers how to find items by commodity descriptions. The amount of additional work created by regulating each individual item will greatly increase the cost of doing business in the City of Milwaukee, and in effect, the price Milwaukee businesses can pay sellers for scrap. Consequentially, legally operating sellers will take their scrap to dealers outside the City of Milwaukee.

**Recommendation:** Strike 93-43 (7) (e), which requires a description of property by item, replace with language consistent with State Statute SS134-405 (3) (2) (b), which is also consistent with guidelines by a national recycling trade association. **See attached document for a list of these descriptions.** Strike 93-42, 8 (a), replace with language that reflects the industry-standard system currently used in Milwaukee and elsewhere in Wisconsin.

- The draft ordinance requires a photo of the seller at time of purchase, which is unnecessary because identification is already documented.

**Recommendation:** Strike 93- 42 (7) (c): “and a photograph or color video recording of the person taken pursuant to sub. 8-b.”

- Scrap is rarely in good enough condition for serial numbers to be visible or legible, and the ordinance does not allow purchase of items with damaged serial numbers.

**Recommendation:** Strike 93-43, (4)

### 2. Licensing and Display:

- Scrap is a globally traded commodity. As the ordinance is written, it would require our global and regional partners – from China to other Midwestern municipalities – to obtain a City License at Milwaukee City Hall.

**Recommendation:** Amend 93-5 (1) to make an exception for scrap dealers who operate outside the City of Milwaukee.

- Commercial vehicles outside the City of Milwaukee would not only need a Milwaukee license, but also Milwaukee-specific signage. But, they do business statewide or regionally and already comply with Federal DOT laws.

**Recommendation:** 93-45 (1) (b): Exempt commercial vehicles with DOT signage requirements from this additional signage requirement

### 3. Regulated Property:

- The expanded definition of regulated property will require nearly every piece of metallic material to be recorded under the proposed ordinance beyond what is required by state law, and will require Milwaukee businesses to increase staff capacity beyond what is economically feasible in order to comply.

**Recommendation:** Strike 93-43 (5) and make reporting requirements consistent with state statute SS134-405 (3)(5); Strike the following from 93-3 (23) to maintain consistency with state law:

(f): Metal bathtubs, sinks, water heaters, non-plastic or copper pipes\* and other household furnishings.

(j): Nonferrous metal items other than aluminum cans. \*

(l): Water meters.\*

(m): Condensing or evaporator coils from heating or air conditioning units.\*

(n): Catalytic converters.

(o): Bicycles and bicycle frames or parts.

(p): Any coated metal wire that has been smelted, burned or melted; thereby removing the manufacturer's or owner's identifying marks.

\* The industry already reports these items in NEWPRs under commodity descriptions.

### 4. Bulk Purchasing:

- Because of the additions to regulated property in the proposed ordinance, it would be nearly impossible to purchase commercial scrap in bulk without having to follow the "Regulated Property" recording requirements by item, which would require the entire truck to be unloaded and each item recorded separately along with records of where each item in the truck came from. This is because items like bathtubs and water heaters aren't regulated elsewhere, and often come in as part of larger truckloads. Wholesale and bulk purchasing reporting requirements are inconsistent with state statute.

**Recommendation:** See above deletion of 93-3 (23): (f), (j), (l)-(p); strike 93-43 (10) Recordkeeping Wholesale and Bulk Purchases, replace with state statute language.

### 5. Security:

- Milwaukee businesses have concerns about the security of the digital reporting system and its feasibility with their current systems. As the ordinance is written, the Industry will have no power to keep third party administrators from selling confidential business information, including customer lists.

**Recommendation:** 93-43 (12) Reports. The following should be added:

"...approved by the chief of police upon consultation and agreement with the reporting industry, according to the protocols of the chief of police. Approval of any reporting database provider is contingent upon the provider's agreement in writing that it will not use, aggregate, or otherwise disclose any data received from reporting entity or collected through reporting entity's use of Provider's website, and that Provider agrees that only credentialed law enforcement officers with permitted access to Provider's services will have access to data submitted by the reporting entity for the sole purpose of identifying stolen metal property or persons suspected of crimes involving property...

...(e) The individual reporting entities that collect and report the required data for law enforcement purposes pursuant to this subsection shall retain full ownership and control of the reported data and all legal and property rights associated with this data. Compliance must not be contingent on the reporting entity's involuntary agreement to additional legal requirements or terms and conditions other than those expressly outlined in this subsection."

- Lighting requirements in the ordinance will pose security issues to property.

**Recommendation:** Strike 93-43 (17) (b)

- **Public record of the amount paid for property:** This is confidential business information.

**Recommendation:** Strike 93-43, (7) (g)

#### 6. Declaration of Ownership:

- Scrap recycling businesses have no way of verifying written declarations of ownership, and the ordinance provision is different than state law. This requirement would merely create an additional declaration of ownership document, but does nothing to actually verify ownership.

**Recommendation:** Strike 93-43 (7) (f). Replace with state law requirements in SS134-405 (3) (5).

#### 7. Salvage Vehicle Reporting

- As the ordinance reads, reporting is mandated for auto parts from salvaged vehicles. In theory, this would keep someone from tearing apart a car and scrapping it in pieces. But, in practice, it's impossible to know if a single car part came from a salvaged car or someone doing repairs to their own vehicle that is still running.

Recommendation: 93-43 (9) (b) should be eliminated.

#### 8. Valuable Metal:

- The ordinance definition of "Valuable Metal" would qualify all scrap metal as a valuable metal. It would not be purchased if it could not be resold.

**Recommendation:** Edit 93-3 (30) to read: "VALUABLE METAL means any ferrous or non-ferrous material or product made of metal that readily may be resold as an item for its intended purpose. This definition shall include..."