0604-04 Scrap metal dealers or processors: Collecting, sorting and reduction of scrap metal

Applies to establishments engaged as dealers or processors of ferrous and nonferrous scrap metals for resale. Ferrous metals are primarily composed of iron or steel. Nonferrous metals include, but are not limited to, aluminum, brass, bronze, copper, lead, magnesium, pewter, tin, and zinc. If the dealer collects scrap metals from mills, foundries, refineries, or fabricators, they usually leave dumpster containers with the "customer" and pick up the full containers with their own trucks. If they buy scrap from independent collectors, the collectors bring the metals to the dealer's yard. In either case, the metal is weighed, graded, and sorted by type at the dealer's yard. It may be resold as is to customers who occasionally come to the yard; however, it is usually further processed and prepared for shipping to industrial customers. Shipping is done by rail, ship, or common carrier. As an incidental service, scrap dealers may also buy back recyclable goods such as, but not limited to, aluminum cans, glass, and batteries; this activity is included within the scope of this classification when performed by employees of employers subject to this classification. Processing includes one or more of the following operations: Cutting off impure metals or plastic parts with acetylene cutting torches; cutting scraps into smaller pieces with alligator shears or cutting torches; slicing heavier scrap metals or flattened automobiles with hydraulic guillotine shears; crushing auto bodies with crushers; ripping apart large pieces of scrap with shredders; separating metal from rubber, plastic, wood, dirt, and other materials with magnetic separators; removing insulated coverings from copper wire with wire choppers, and compressing scraps into bales with balers. Additional machinery includes, but is not limited to, conveyors, scales, forklifts, tractor-trailer trucks, cranes, electromagnets or grapples, front end loaders, and grinders. Because of recent EPA regulations, instead of melting down metals in their own furnaces, scrap dealers usually ship it to foundries or steel mills that conform with the regulations. However, reduction of metals is included within the scope of this classification if performed by an establishment subject to this classification.

This classification excludes dealers that sell new iron, steel, wire or cable which are to be reported separately in classification 2004; automobile or truck wrecking or dismantling establishments which are to be reported separately in classification 1104; and recycle, collection, and receiving stations (known as buy-back stations) for rags, bottles, paper, and metal containers which are to be reported separately in classification 2102.

Special note: Scrap metal dealers vary widely in the type of metals or usable items they buy and sell. Often the term "junk yards" is used to describe dealers who carry a sizable inventory of used goods, such as, but not limited to, bottles, rags, paper, appliances, nails, rubber, in addition to scrap metal in varying amounts. It is the activity of the business that must be considered when determining the classification, rather than how the business refers to its activities. Receiving/buy-back stations for recyclable items in classification 2102 are different from dealers in classification 0604. Receiving stations buy back only recyclable items which they do not process, other than condensing the materials into bales, and selling it to others.
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