

SECTION 2 - GENERAL PROCESSING

C7. SCRAP PROGRAMS

TABLE OF CONTENTS

C7. SCRAP Programs	3
C7.1. General.....	3
C7.1.1. Information & Guidance.	3
C7.1.2. Scrap Classification List Codes (SCL Codes).	3
C7.1.3. Monthly Quarterly Inventory Reconciliations Utilizing DAISY (Edited Oct 2012).....	4
C7.2. Programs.	4
C7.2.1. Dispositions of Scrap Property.	4
C7.2.2. Resource Recovery & Recycling Program and Qualified Recycling Programs.	5
C7.2.3. Demanufacturing.....	7
C7.2.4. R2010 Service Contract in Overseas Locations.....	7
C7.2.5. DOD Precious Metals Recovery Program (PMRP).	7
C7.2.6. DRMO to DRMO Shipments.	20
C7.2.7. Abandonment and Destruction (A&D).	29
C7.2.8. Scrap Venture (SV).	30

TABLE OF FIGURES

Figure 1 - Standard Shipping Containers for USPS.....22

SECTION 2 - GENERAL PROCESSING

C7. SCRAP Programs

C7.1. General.

C7.1.1. Information & Guidance.

C7.1.1.1. In addition to receipt and classification of scrap property, this chapter contains information and guidance pertaining to the management of property designated as scrap regarding the following programs/dispositions:

C7.1.1.1.1. Resource Recovery & Recycling Program (RRRP).

C7.1.1.1.2. Abandonment and Destruction.

C7.1.1.1.2.1 Donation in Lieu of Abandonment and Destruction.

C7.1.1.1.3. Demanufacturing.

C7.1.1.1.4. Return to Manufacturer.

C7.1.1.1.5. DOD Precious Metals Recovery Program (PMRP).

C7.1.1.1.6. R2010 Service Contract in Overseas Locations.

C7.1.1.1.7. Receiving Scrap Property into DRMO Inventory.

C7.1.2. Scrap Classification List Codes (SCL Codes).

C7.1.2.1. A key part of scrap processing requires proper recognition of the base materiel content and assignment of the associated Scrap Classification List Codes (SCL Codes). Scrap is acquired when a determination is made that there is no further reuse potential. It can be designated scrap at the generating point or downgraded to scrap by disposal activities after other disposal methods are exhausted.

C7.1.2.2. Management of the accountable record requires the disposal activity personnel assigned to scrap management to establish and maintain the SCLs that are historically used or are applicable to the types of property received. This is based upon the generating community and missions. Overall quantities of scrap receipts and sales capabilities at each location further define which SCL codes are used to manage the scrap accumulations.

C7.1.2.3. Proper management of scrap may require movement from one SCL to another to coincide with the movement of the scrap or consolidation of accumulations for sales purposes.

C7.1.2.4. Term Sale accumulations of scrap are assigned an SCL code but are referred to as Scrap Classification - Term (SCT) and carry a leading indicator of "T". One-time sales accumulations carry a leading indicator of "L," but the same SCL classification codes apply.

C7.1.3. ~~Monthly~~ **Quarterly** Inventory Reconciliations Utilizing DAISY. (Edited Oct 2012)

C7.1.3.1. To properly manage scrap, perform ~~monthly~~ **quarterly** inventory reconciliations utilizing DAISY consolidated inquiries and match against the physical scrap pile. Reconciliations can be performed more frequently, but must be performed at the time of final disposition. See specific instructions for reconciliation at Section 2, Chapter 2, Property Accounting. (Reconciliation of SCL Accounts.)

NOTE: Normally, scrap is weighed at the time of disposition, to ensure record accuracy and to support correct allocation of proceeds, as applicable.

C7.1.3.2. Classifications of Scrap. Scrap is classified as:

C7.1.3.2.1. *Ferrous*: Iron and steel and is usually high volume and typically sold by term sale.

C7.1.3.2.2. *Non-ferrous*: Metallic scrap, generally accumulating in lesser volumes than ferrous scrap but much more valuable per unit weight. It is typically sold by one-time sales methods.

C7.1.3.2.3. *Non-metallic*: Includes scrap of many different materials; paper, cardboard, rubber, plastic, glass, and textiles. It accumulates in varying volumes and is, therefore, sold by both one-time and term sales methods.

C7.2. Programs.

C7.2.1. Dispositions of Scrap Property.

C7.2.1.1. Scrap property is not available for R/T/D before Sales. Scrap may be upgraded to a usable item and then will be processed through the regular screening cycle, where it can be issued as a usable item during a customer's appropriate screening timeframe.

C7.2.1.2. If scrap property is received in place (RIP) at the generating activity, an MOA must be in place. See Section 4, Supplement 1, Chapter 2, Enclosure 8 - MOA for Disposal Services for a template of the MOA. If the generating activity elects to accept the responsibility for the integrity of the scrap in lieu of the DRMS Representative, the optional MOA, Enclosure 9 - MOA for RIP Scrap, can be used. To preclude the risk of inappropriate material being added to the RIP scrap, the access to the area where it is stored must be controlled, i.e. a locked fenced area or locked containers. A DRMS representative must be present to receive and inspect any material added to the RIP scrap accumulations. A

specific schedule must be established by the MOA for the DRMS representative to be available for this process. Under no circumstances will DRMS accept accountability for a scrap

accumulation that was not thoroughly inspected by a DRMS representative as it was accumulated. DRMO's will not process scrap removals as "wash post" transactions without physically inspecting the scrap.

C7.2.2. Resource Recovery & Recycling Program and Qualified Recycling Programs.

C7.2.2.1. The Resource Recovery & Recycling Program (RRRP) provides military installations all over the world with disposal solutions for their recyclable material. Through the RRRP, DRMOs can deliver sales revenues from eligible property to their generator's Qualified Recycling Programs (QRPs). Qualified Recycling Programs may elect to use DRMS as their sales agent, if the scrap is received and inspected by a DRMS representative, or they may sell eligible materials directly, by-passing DRMS. DRMS will not provide solely a sales service.

C7.2.2.2. Proceeds returned through QRPs help defray the costs of a variety of important base activities. Activities include:

C7.2.2.2.1. Operating and improving recycling programs.

C7.2.2.2.2. Financing pollution abatement and environmental programs.

C7.2.2.2.3. Funding energy conservation improvements.

C7.2.2.2.4. Improving Occupational, Safety and Health programs.

C7.2.2.2.5. Funding morale, welfare and recreation programs.

C7.2.2.3. Unlike the Qualified Recycling Programs authorized to sell only the eligible property, DRMS is authorized to sell and handle both eligible and ineligible property and to distribute the sales revenues appropriately. As DRMS has successfully marketed scrap nationally for nearly 25 years, it can ensure that the special handling requirements of all types of property are met. DRMS offers well-trained specialists who provide the critical link to program success: proper identification, classification, and storage of the material.

C7.2.2.3.1. To preclude the possibility of the QRP scrap being contaminated with inappropriate material or items (see C7.2.2.5), DRMS must have controlled access to the scrap received. Receipt in place of QRP assets (with DRMS sales responsibility only) will be discontinued as of 31 July 2007. All QRP scrap must be received at a DRMS facility or as a receipt in place as stated in C7.2.1.2.

C7.2.2.4. Some DOD installations operate their own Qualified Recycling Programs (QRPs) and are entitled to receive revenues from the sale of eligible property, whether they choose to sell the property themselves or to use DRMS to sell the property. DOD installations can tailor the services provided through DRMS to their needs. DRMS can:

C7.2.2.4.1. Find a buyer for the eligible material and return the sales revenue to the QRP.

C7.2.2.4.2. Provide a collection site for the material at a DRMS facility.

C7.2.2.4.3. Handle the property in compliance with environmental laws and regulations.

C7.2.2.4.4. Sell the property with the appropriate Trade Security controls.

C7.2.2.5. The property ineligible for sale or reimbursement to a QRP, but is probably a larger set than the eligible property. This is where the value of DRMS compliant disposal becomes important. Compliant Disposal has always been an important factor for DRMS services. The categories of ineligibles for QRPs are quite broad and examples are listed below:

C7.2.2.5.1. Government-furnished material.

C7.2.2.5.2. Precious metal bearing scrap.

C7.2.2.5.3. Hazardous waste (including household hazardous waste).

C7.2.2.5.4. Ozone depleting substances.

C7.2.2.5.5. Electrical components.

C7.2.2.5.6. Unopened containers of solvents, paints, or oil.

C7.2.2.5.7. Fuels.

C7.2.2.5.8. Material that can be sold (as is) as a usable item.

C7.2.2.5.9. Repairable items that may be used again for their original purposes or functions; e.g., used vehicles, vehicle or machine parts, etc.

C7.2.2.5.10. Ships, aircraft, weapons, and other material required to be demilitarized or mutilated, and scrap resulting from demilitarization.

C7.2.2.5.11. All Munitions List Items (MLI) and Strategic List Items (SLI) as defined in DOD 4160.21-M-I (reference (y)), except firing range expended brass and mixed metals gleaned from firing range cleanup.

C7.2.2.5.12. If an item can be reused as is, it is exempted. If any item can be reused within DOD, transferred to another federal activity, donated to a state or local government, or to a qualified nonprofit agency, the material is excluded.

C7.2.2.5.13. Precious metal-bearing scrap is excluded from this program, as it is recovered and reused separately.

C7.2.2.5.14. Property such as used vehicles or machine parts.

C7.2.2.5.15. Unopened containers of oil or solvent.

C7.2.2.5.16. Offensive or defensive weapons are not considered recyclable materials.

C7.2.2.6. DRMS is a focal point for ensuring that the special disposal requirements of ineligible property are fulfilled on behalf of its customers. Most ineligible property can be sold by DRMS, but the sales revenues cannot be returned to a QRP. DRMS handles a number of different disposal programs offering compliant disposal to our customers for both the eligible QRP property, as well as for the ineligible property.

C7.2.2.7. The governing regulation for Qualified Recycling Programs is DODI 4715.4, "Pollution Prevention" and can be viewed at the Washington Headquarters Service Pubs site <<http://www.dtic.mil/whs/directives/>>. Click on "Instructions" and scroll down to 4715.4. Click on the number and choose the viewing format compatible with the DRMO system.

C7.2.3. Demanufacturing.

C7.2.3.1. Electronics equipment which survives all R/T/D and usable sales efforts, is normally subjected to a demanufacturing process either through a commercial contract or through a Memorandum of Agreement with UNICOR (described under *Donation in lieu of Abandonment & Destruction*). Demanufacturing through commercial contracts adheres to the procedures found at the following web link: DRMS Deman Work Instructions. <<https://www.drms.dla.mil/drms/intranet/demil/deman/demanworkinstructionnov.pdf>>. Specific guidance for COTRs can be found at the following link. Deman COTR SOP. <http://www.drms.dla.mil/publications/suppdocs/deman_cotr_sop.pdf>.

C7.2.4. R2010 Service Contract in Overseas Locations.

C7.2.4.1. DRMS Operations (DRMS-O) partnered with industry to develop a new solid waste management program in Europe. Through the Recycling 2010 initiative (R2010), formerly R2000, and the Italian Scrap Program (ISP) initiative, DRMS-OS scrap operations in Germany and Italy have been outsourced to a single contractor in Germany (Solicitation # SP4420-05-R-0005) and a single contractor in Italy (Solicitation # SP4420-02-R-0001). The contractors collect, transport, process, account for, and dispose of recyclable and solid waste material at all DRMOs/Satellites in Germany and all DRMOs in Italy. R2010 includes scrap removal in specified NATO countries, R2010 and ISP include removals from specified offsite locations in country within an established radius of the DRMOs.

C7.2.5. DOD Precious Metals Recovery Program (PMRP).

C7.2.5.1. DOD 4160.21-M provides guidance for the management and responsibilities for the DOD PMRP. The PMRP promotes the cost effective recovery of precious metals from precious metal bearing materials and the reuse of recovered precious metals as Government

Furnished Material (GFM) or for authorized internal purposes. The program encompasses all precious metals (silver, gold, platinum, palladium, rhodium, iridium, osmium, and ruthenium), although as a practical matter, only four of the eight precious metals - silver, gold, platinum, and palladium are routinely recovered.

C7.2.5.2. Make maximum effort to recover precious metals from all precious metals bearing items and/or scrap, provided the costs associated with recovery do not exceed the market value of the precious metals recovered.

C7.2.5.3. Do a cost analysis for precious metal bearing items which survive screening and are offered for sale. Use this cost analysis (see Section 4, Supplement 2, Scrap Program, Enclosure 2, for information on DRMS Form 984) as the basis for determining whether to award the items. Downgrade precious metals bearing items which are not sold to scrap and process for precious metals recovery, if contained precious metals content make recovery economical.

C7.2.5.4. Do not offer precious metals bearing scrap for sale unless authorized by DRMS.

C7.2.5.5. Receive precious metals bearing material/scrap turned in to a DRMO under the appropriate precious metals SCL code and process for precious metals recovery. If upon receipt, or at any time during processing, it is determined that material is not precious metals bearing, it may be processed as normal excess or surplus property.

C7.2.5.6. DOD activities turn-in most precious metal bearing scrap to DRMS field offices. Once gathered and accounted for, the material is then sent to a refiner. The finished product, .999 refined metal, is sent to the Defense Supply Center Philadelphia (DSCP), the inventory manager for this program. DSCP then maintains accountability for the refined precious metals. A DOD contractor or activity can then requisition precious metals for use on a government contract, thus saving the government money on that contract.

C7.2.5.7. The program is fully reimbursable through DSCP. DRMS submits program costs to DSCP for reimbursement. DSCP uses these program costs plus a surcharge to establish the issuing price for the next fiscal year. Though prices fluctuate from year to year, the value of the metals recovered remains substantial, saving millions of dollars annually.

C7.2.5.8. Though originating within DOD, the program is government-wide. If another federal agency chooses to provide DRMS with precious metals bearing scrap, that agency is eligible to receive refined precious metals from DSCP at a reduced cost.

C7.2.5.9. Procedures for the Precious Metals Recovery Program: See Section 2, Chapter 1, Logistics Program for receiving procedures. For precious metals items/scrap-related environmental concerns see Section 2, Chapter 8, Environmental Program.

C7.2.5.10. Correlation of Precious Metals with Other Missions. This section prescribes the procedures for the operational management of the DOD Precious Metals Recovery Program (PMRP). These procedures set forth additional considerations in the disposal process due to

the requirements of the PMRP. Compliance with other regulatory guidance is required, when applicable.

C7.2.5.10.1. Demilitarization (DEMIL). DEMIL requirements take precedence over precious metals recovery. Munitions list items such as DEMIL required circuit cards, may be demilitarized through a precious metals recovery contract. For specific procedures on how to accomplish DEMIL through a precious metals recovery contract, see Section 2, Chapter 4, DEMIL Program, this instruction.

C7.2.5.10.2. Hazardous. The hazardous nature of property must be considered when effecting precious metals recovery. For some material, e.g. silver nitrate, consideration must be given to requirements for conforming storage, DOT regulations, and other applicable laws and regulations. Consider material/scrap which is both precious metals bearing and hazardous/toxic in nature, for combined precious metals recovery and hazardous/toxic disposal. If a combined effort is determined by DRMS to be neither economical nor feasible, precious metals recovery will no longer be required as a consideration in disposal processing. Handle disposition of precious metals bearing hazardous material on a case-by-case basis and with approval from DRMS-BCP.

C7.2.5.10.3. Classified Material. Do not accept classified film and other classified material/scrap which is precious metals bearing, unless the material meets service declassification criteria and the generating activity has annotated such on the DTID. But do accept the residue resulting from burning or other destruction.

C7.2.5.10.4. Drugs, Biologicals and Reagents (Including Controlled Substances). See Section 3, Special Processing, for guidance on receipt of precious metals bearing drugs, etc.

C7.2.5.10.5. Mutilation. Precious metals-bearing items requiring mutilation prior to sale need not be mutilated if they are to be shipped for precious metals recovery. Satisfy mutilation requirements by recovery of the precious metals.

C7.2.5.11. Operational Execution of the PMRP.

C7.2.5.11.1. DOD 4160.21-M identifies the functions related to the DOD PMRP to be performed by DRMS and DRMOs. This section describes and expands those functions into specific tasks required to support the program.

C7.2.5.11.2. DRMS is responsible for the overall operational control of the PMRP. In addition, the following operational tasks are performed:

C7.2.5.11.2.1 Initiate procurement actions for precious metals recovery equipment, related parts, and supplies.

C7.2.5.11.2.2 Prepare recovery, assay, and surveillance statements of work and act as technical consultant, COR and administrator for resultant contracts to include delivery order issuance and status reports.

C7.2.5.11.2.3 Develop and maintain operational procedures.

C7.2.5.11.2.4 The monitoring of sales offerings to ensure DRMO compliance with PMRP economic feasibility requirements.

C7.2.5.11.2.5 General guidance and assistance to DRMOs.

C7.2.5.11.2.6 Ensuring records maintenance for DRMS owned silver recovery equipment.

C7.2.5.11.2.7 Provide technical guidance and assistance to generating activities, e.g. silver recovery equipment.

C7.2.5.11.2.8 Promote the PMRP through briefings, seminars and training sessions.

C7.2.5.11.2.9 Assess the effectiveness of precious metals recovery operations.

C7.2.5.11.3. *Defense Reutilization and Marketing Office (DRMO)*. The DRMO Chief appoints in writing, for every DRMO, the following designations:

C7.2.5.11.3.1 Precious Metals Monitor (PMM), primary and alternate. The DRMO PMM is responsible for maintaining the DRMO PMRP according to established procedures. This responsibility includes the following duties:

C7.2.5.11.3.1.1 Coordination with generating activities' precious metals monitor for the receipt of precious metals bearing material.

C7.2.5.11.3.1.2 Providing guidance and ensuring that DRMO processing of precious metals bearing material and scrap to include receipt, classification, storage, and disposition; is accomplished properly and in a timely manner.

C7.2.5.11.3.1.3 Liaison with other DRMO functions in precious metals related matters.

C7.2.5.11.3.1.4 As PM recovery contract monitor, the PMM oversees and assists in the arrangements for contractor pickup and shipments, identifies material to be shipped, and arranges for completion of DD Forms 1348 and packing lists.

C7.2.5.11.3.1.4.1 POC for DRMS PM questions.

C7.2.5.11.3.1.4.2 Initiates assay requests to DRMS.

C7.2.5.11.3.2 Precious Metals Weighmaster. Designation need not be rotated; but the DRMO Chief or designee will conduct an unannounced spot check of weighing procedures on a quarterly basis.

C7.2.5.11.3.3 The DRMO Chief at the Central DRMO may choose to have the primary precious metals monitor at the Central Site with alternate precious metals monitors at the Satellites and RIPL. The RIPL may not necessarily have a PMM, but for contract outloading or property shipment purposes, the DRMO Chief may designate the Central or Satellite PMM to cover responsibilities at the RIPL.

C7.2.5.12. Identifying Precious Metals Bearing Materials & Scrap. This section includes aids in determining sources of potential recoverable precious metals.

C7.2.5.12.1. *Sources for Identification.*

C7.2.5.12.1.1 Recoverable precious metals may be found in a wide range of items and/or recyclable material. In addition to the items specified in DOD 4160.21-M, Chapter XI, sources of precious metals bearing items eligible for processing for precious metals recovery can be found at Section 4, Supplement 2, Scrap Program, Enclosure 1.

C7.2.5.12.1.2 The Precious Metals Master File (PMMF) lists on a CD-ROM product, those items known to contain precious metals. This may be used upon receipt to assist in identifying precious metals bearing items.

C7.2.5.13. DRMO Processing.

C7.2.5.13.1. DOD generating activities and participating Federal agencies normally turn in all precious metals and precious metals bearing property to their servicing DRMO. Regardless of the precious metals properties of the material, all other requirements, e.g. demilitarization, inert certification, hazardous/toxic precautions, etc., must be met.

C7.2.5.13.2. Receipt. Accept accountability for precious metals bearing property/scrap turned in or reported by DOD and participating Federal agencies, except where acceptance is precluded by law or regulation. See Section 2, Chapter 1, Logistics Program.

C7.2.5.13.2.1 If appropriate storage or security facilities are not available at the DRMO, arrangements should be made with the generating activity to retain custody or with the host installation to accept custody, until such time as appropriate disposition can be offered.

C7.2.5.13.3. DRMS has developed Interservice Support Agreements (ISA) with 11 different Federal agencies. See Section 2, Chapter 1, Logistics Program for the federal civil agencies that participate in the DOD PMRP.

C7.2.5.13.4. Process receipt of precious metals bearing property and scrap according to Section 2, Chapter 2, Property Accounting.

C7.2.5.13.5. Weighing of precious metals bearing scrap.

C7.2.5.13.5.1 To ensure effective internal control of scrap records, weigh all scrap receipts at the time of physical receipt. The person weighing the precious metals cannot be the same person who is doing the receiving, downgrading, or packing for shipping. Where no scale is available or operative; or scales are located at such a distance as to make it economically infeasible to comply with this requirement, submit a waiver to DRMSWaivers@dla.mil.

C7.2.5.13.5.2 If generations cannot be weighed immediately upon receipt, place in a secure storage area pending receipt processing.

C7.2.5.13.5.3 Weigh generations of SCLs VCS, VGM, VPM, VSF, and VSM using a two-man rule. DRMO personnel (in the presence of each other) will verify the weight and countersign/date the receipt document. The two parties will print, and sign their names on the front of the receipt document. For those DRMO sites under the constraints of labor/manpower which precludes adherence to having two DRMO personnel utilize this two-man rule, the generator who is turning in the material may be utilized as the 2nd party.

C7.2.5.13.6. Receipt of material in sealed containers

C7.2.5.13.6.1 A sealed container is any container which has been secured with twist-ties, tape, sealing wax, staples, wire seals, or any other means of closure to preclude spillage/leakage or to increase security of material (these are normally V-coded Precious Metals). Banded tri-walls, secured wooden boxes or drums without wire seals are not considered sealed containers for film and electronics.

C7.2.5.13.6.2 Weigh sealed containers as received, i.e., without removal of any tape, seals, etc., and the gross weight entered on the DTID; then open containers for verification of contents and proper classification.

C7.2.5.13.6.3 Leave generations of all V-coded SCLs, and any other SCL which cannot be removed from the container intact, in the original container and re-secured following receipt processing, but validate that the contents are as described on the documentation. Enter the gross weight into DAISY and annotate the DTID accordingly. An exception to this requirement is when the container and/or DTID reflect a tare weight (e.g., sealed drums containing film ash). In this situation, compute the net weight by subtracting the listed tare weight from the DRMO-derived gross weight. Annotate this computed net weight on the DTID and enter into DAISY.

C7.2.5.13.6.4 Remove generations of material which can be removed from the container without potential loss, and obtain a net weight to enter into DAISY. If the material is returned to the original container, annotate the DTID to reflect that material was received as net weight.

C7.2.5.13.6.5 Process receipts of SCL VSF to retain individual integrity. Attach one copy of the DTID to each receipt of SCL VSF; annotate DTID as to wet or dry weight upon receipt.

C7.2.5.13.6.6 Do not physically receive generations of SCL P02 at the DRMO. P02 can be accounted for on record.

C7.2.5.13.6.7 Do not accept classified film and other precious metals bearing classified material (either usable or scrap) at the DRMO unless the DTID contains generating activity certification of declassification. Residue from declassification by burning or other means of destruction may be accepted.

C7.2.5.13.6.8 Perform any repackaging of SCLs VCS, VGM, VPM, VSF and VSM in the presence of a disinterested person. Add a statement to the file copy of the generator's DD Form 1348-1A (for repackaging at receipt) or to the DRMO's DD Form 1348-1A (for repackaging after receipt) stating that "*material was repackaged*" and initialed by both the person performing the repackaging and the witness.

C7.2.5.14. Request For Assay.

C7.2.5.14.1. DRMOs may submit either usable or scrap, suspected or known to contain precious metals for assay/analysis. Among the more obvious reasons for requesting an assay are:

C7.2.5.14.1.1 Item suspected to contain precious metals but not identified in PMMF, WebFLIS, FED LOG, LOGRUN, or by other documentation.

C7.2.5.14.1.2 Item known to contain precious metals, but percent, location, etc., is unknown.

C7.2.5.14.1.3 Item for which no factors exist on which to base an economic analysis.

C7.2.5.14.1.4 The PMM must submit a request for assay to DRMS-BCP. Include the following information in the request:

C7.2.5.14.1.4.1 NSN.

C7.2.5.14.1.4.2 Noun Name.

C7.2.5.14.1.4.3 Quantity on Hand.

C7.2.5.14.1.4.4 Description (i.e. length, width, and height).

C7.2.5.14.1.4.5 Unit Weight.

C7.2.5.14.1.4.6 Unit Price.

C7.2.5.14.1.4.7 Manufacturer.

C7.2.5.14.1.4.8 Part Number (as applicable).

C7.2.5.14.1.4.9 Annotate with request whether assay can be obtained locally and provide name, address, phone number and POC with request.

C7.2.5.14.1.5 Disposition instructions will be provided by DRMS-BCP on how to ship the material to the assay contractor.

C7.2.5.14.1.6 DRMS-BCP will provide results of the assay/analysis to the DRMO and when appropriate, incorporate into the Precious Metals Master File.

C7.2.5.15. Sales Versus Recovery.

C7.2.5.15.1. Usable precious metals bearing items that have survived screening are normally offered for sale; however, when those items have value only for their basic material content, those items are by definition scrap and should be downgraded and processed for precious metals recovery. Offer the item for sale when unsure whether expected proceeds will exceed the material content value. Prepare a cost analysis along with the sales item description following lotting of property. Use this cost analysis to serve as the basis for determining minimal acceptable price.

C7.2.5.15.2. If appropriate, document the cost analysis on DRMS Form 984 (see Section 4, Supplement 2, Scrap Program, Enclosure 2, for detailed instructions for completing DRMS Form 984).

C7.2.5.15.3. The following property is exempt from sales and must be processed for precious metals recovery after completion of any required screening:

C7.2.5.15.3.1 Silver bearing batteries.

C7.2.5.15.3.2 Silver bearing hypo solution (processed on-site at generator location).

C7.2.5.15.3.3 Silver Sludge.

C7.2.5.15.3.4 Spent silver recovery cartridges (SCL P06).

C7.2.5.15.3.5 Passive silver cells/cores (all SCL PSC).

C7.2.5.15.3.6 Non-usable and non-reimbursable spark plugs (SCL P81) and magneto breaker assemblies' contact points (SCL P83).

C7.2.5.15.3.7 Aircraft structural components containing precious metals (SCL P13).

C7.2.5.15.3.8 Property that by regulatory requirement must be processed for precious metal recovery (see DOD 4160.21-M).

C7.2.5.15.3.9 Property for which recovery has been proven cost effective (for like or similar property) within the past 12 months.

C7.2.5.16. Uneconomical Precious Metals Commodities. The following are some of the precious metals bearing commodities that DRMS has tested and evaluated and found not to be economical for precious metals recovery.

NOTE: These materials are NOT to be collected for precious metals recovery, but must still be considered for the other aspects of disposal such as RTD, sales/recycling, and hazardous disposal.

C7.2.5.17. Some of those uneconomical precious metals bearing commodities are:

C7.2.5.17.1. dental amalgam.

C7.2.5.17.2. CD-ROMs.

C7.2.5.17.3. microfiche masters/film/leaders.

C7.2.5.17.4. magnetic film.

C7.2.5.17.5. 3-M reader printer paper.

C7.2.5.17.6. computer monitors and keyboards.

C7.2.5.17.7. silver cyanide.

C7.2.5.17.8. magnetic tapes/drives.

C7.2.5.17.9. 35 millimeter film.

C7.2.5.17.10. aircraft windshields.

C7.2.5.17.11. electrocardiogram (EKG) pads.

C7.2.5.17.12. new/unused dental pellets/capsules containing mercury.

C7.2.5.17.13. precious metals bearing electron tubes with unknown percentage of beryllium.

C7.2.5.17.14. glass photo plates.

C7.2.5.17.15. anodized aluminum metal photo or fotofoil imaging plates.

C7.2.5.18. DRMO Special Processing: Precious Metals Circuit Boards Going for Precious Metals Refining.

C7.2.5.18.1. DEMIL Required Circuit Boards.

C7.2.5.18.1.1 DEMIL required circuit boards will be received on the accountable record as individual line items with full NSNs or LSN with additional data. They should be stored separately from other Non-DEMIL required circuit boards. DRMOs will maintain the boards on DAISY accountable records as an item, keeping an inventory listing on the outside of the sealed container. This listing may be used for quarterly inventories and can be obtained by querying DAISY Interactive Reports. All other associated paperwork should be kept with the original receipt document.

C7.2.5.18.1.2 Circuit boards should be reported to DRMS-BCP on the precious metals data call by net weight. A shipping DD Form 1348-1 will be prepared using the delivery order disposition instructions provided by DRMS-BCP via e-mail. DD Form 1348-1 should indicate the property is *DEMIL REQUIRED* SCL P8E (P8E-DEMIL). A courtesy copy of shipping DD Form 1348-1 will be faxed to DRMS-BCP once the material departs the DRMO.

C7.2.5.18.2. Non-DEMIL Required Circuit Boards.

C7.2.5.18.2.1 DRMOs may downgrade Non-DEMIL required circuit boards after completion of required screening or in accordance with current downgrade authorities to SCL P8E. Circuit boards, after screening, should be reported to DRMS-BCP on the precious metals data call by net weight; keeping circuit boards separate from DEMIL required circuit board. Material goes to refining contractor accompanied by the required DD Form 1348-1, as identified in the delivery order disposition instruction e-mail from DRMS-BCP. Courtesy copy of shipping DD Form 1348-1 will be faxed to DRMS-BCP once material departs the DRMO.

C7.2.5.18.3. Removing Circuit Boards from Inventory.

C7.2.5.18.3.1 DRMOs may remove from accountable record Non-DEMIL P8E circuit boards once the material has been picked up. DRMOs are not required to wait for return of the shipping documents (DD Form 1348-1) for scrap property to be removed from the accountable record. See instructions below for removing Non-DEMIL P8E Circuit boards from inventory for DAISY steps.

C7.2.5.18.3.2 DEMIL Required Circuit Boards: DRMO must wait for the return of the shipping document (DD Form 1348-1), to be returned from the refining contractor, before any further DAISY transactions can be performed. Returned documents will contain the net weight of boards incinerated, contractor signature, and date incinerated. DD Form 1348-1 should be received from the contractor within 30 days or less from date the material was picked

up from the DRMO. If the required documentation is not received, notify DRMS-BCP Precious Metals POC.

C7.2.5.19. Unsegregated PM Scrap (SCL P24).

C7.2.5.19.1. DRMOs are no longer required to perform segregation/sorting/breakdown of electronic scrap. SCL P24 may be used to identify and set aside downgraded electronics such as mainframe computer central processing units or other equipment notably rich in precious metals content, for recovery of precious metals on a demanufacturing contract. .

C7.2.5.19.2. DRMOs will report accumulations of SCL P24 to DRMS-BCP for placement on the demanufacturing contract.

C7.2.5.20. Scrap Processing. When precious metals bearing material is downgraded to scrap for precious metals recovery, or when precious metals bearing scrap is being reclassified for any reason, e.g. erroneous classification, etc., adhere to the weighing requirements in C7.1.10.2.6.2.1. Segregate, sort, and record the precious metals bearing scrap by the appropriate SCL code.

C7.2.5.20.1. Shredded/pulverized precious metals bearing electronics cannot be sent to the precious metals refiners. Precious metals bearing electronics that a generator has shredded and wishes to turn-in should be suspect of being contaminated with PCBs. Shredded/pulverized electronics containing precious metals will not be considered for precious metals recovery unless the DRMO is provided documentation by the generator that the electronics were PCB free prior to shredding, or the DRMO has obtained test results on the shredded electronics proving that the shredded electronics are not contaminated with PCBs. If there is no proof that the shredded electronics are not contaminated with PCB, then a test will have to be performed and paid for by the generator to obtain this information. Any shredded/pulverized electronics already on hand at the DRMO without a laboratory analysis for PCBs must be tested. The DRMO will initiate action utilizing their hazardous disposal contract to obtain a PCB tests. If DRMO is unable to utilize the DRMO's disposal contract notify DRMS-BCP for assistance. Any shredded electronics transported to the precious metals refiners must have documentation along with the shipping papers stating that this material is PCB free. Do not process material containing PCBs for precious metals, but rather place on an ultimate disposal contract and fund according to ultimate disposal policies.

C7.2.5.21. Photographic Film and Papers (SCL P04).

C7.2.5.21.1. The DOD 4160.21-M identifies that initial segregation of scrap is the responsibility of the generator. Therefore, for the turn-ins of film, generators are encouraged to properly turn-in photographic film and paper without contaminants such as plastic and metal reels and film canisters, as well as film jackets, miscellaneous paper, paper clips, etc.

C7.2.5.21.2. Motion picture films cannot be accepted unless the DTID contains a statement that the film is not sensitive to the copyright encumbrance or privacy act, and has been removed from the reels and reduced to 6-inch strips or burned.

C7.2.5.21.3. DRMOs are reminded that classified film may not be received.

C7.2.5.21.4. Outdated 35mm photographic film which might be of interest to amateur photographers should be offered for sale without an upset price. Recovery in its current configuration would not be cost effective.

C7.2.5.21.5. DRMS submitted film samples for analysis to determine the toxicity of silver. The results identified that film did not exhibit the characteristics of toxicity according to 40 CFR 261.24, Table 1, and therefore, should not be managed as a hazardous waste.

C7.2.5.21.6. Film turned in containing Privacy Act Information. The transfer of large quantities of records containing personal data (for example, film) in bulk is not a release of personal information. The sheer volume of such transfers makes it difficult or impossible to identify readily specific individual records. If bulk is maintained, no special procedures are required (see DLAR 5400.21, Chapter 5, Para I.6). Note that disposal of large quantities of film with privacy act information must be by the methods of tearing, burning, melting, chemical decomposition, pulping, pulverizing, shredding, or mutilation to render the data unrecognizable or beyond reconstruction. Precious metals refining contractors utilize burning, tearing and chemical processing. If the generators of privacy act bearing film wish to utilize the precious metals refining contracts for their destruction, then the film must contain minimum/small amounts of paper/trash/contaminants, as the film cannot be sent for precious metals recovery if it is not economical. If the generator's film lot is highly contaminated with paper, plastics, metals, etc., then precious metals recovery will be not be utilized and the generator will have to pay for other disposal methods, in accordance with the privacy act. All records containing personal data turned in must have a statement that the records are in compliance with the Privacy Act.

C7.2.5.22. Film Ash (SCL P05).

C7.2.5.22.1. DRMS submitted film ash samples for analysis to determine the toxicity of the following metals: arsenic, barium, cadmium, chromium, lead, mercury, selenium, and silver. The results determined that the film ash did not exhibit the characteristics of toxicity according to 40 CFR 261.24, Table 1, and therefore, should not be managed as a hazardous waste.

C7.2.5.23. Silver Batteries. Silver batteries are not authorized for sale. The preferred disposal action is to recycle all silver batteries for precious metals recovery. Due to their value, silver batteries should not be referred for ultimate disposal.

C7.2.5.23.1. Recycled for Precious Metals Recovery.

C7.2.5.23.1.1 Unused or shelf life expired silver batteries that are recycled and contain no corrosive electrolyte may be managed as hazardous material (HM), regulated for transportation. The electrolyte, which may be classified as a corrosive, is normally stocked in a container independent of the battery and will be processed separately as HM. It contains no precious metals.

C7.2.5.23.1.2 For management of silver batteries as HM or HW, see Section 2, Chapter 8, Environmental Program.

C7.2.5.23.1.3 Do not drain electrolyte from the batteries. If the generator cannot perform this task, the batteries can be recycled for precious metals recovery but must be regulated as HW.

C7.2.5.24. Photo Fixer/Hypo Solution (SCL P02).

C7.2.5.24.1. Do not receive P02 at the DRMO for PM processing to extract the silver. P02 is not normally shipped because the silver is extracted at the generator's site. Spent hypo solution is managed under RCRA, 40 CFR, Subpart F of Part 266, if it exhibits one or more of the hazardous waste characteristics. ***Disposal of photo fixers should be offered for national sale or placed on a disposal service contract.*** The spent hypo solution must be manifested by the generator if applicable under RCRA regulations. See Section 2, Chapter 8, Environmental Program.

C7.2.5.25. Passive Silver Recovery Cells (SCL PSC).

C7.2.5.25.1. This scrap code includes all passive silver recovery cells (Accu-Techs, Peterson Silver Cells, Silver Sure cores, etc.), from tandem cell units, Peterson Super Cells, McKay 6 ½ gallon, Mini McKay and Silver Sures. These all employ the same technology and will all be referred to as passive silver cells. Passive silver cells are another method of recovering silver from photographic solutions. Internally, the silver cell contains a layer of silver-coated mesh wrapped around an inner core of copper plated steel wire, all on a spool. When filled with photo fixer, the different metals react in the slightly acidic fixer creating an electrical charge which causes the silver in the fixer to electroplate onto the wire mesh core. There is no external electricity used. PSC are to be turned in dry and will not be regulated under RCRA unless otherwise dictated by state and/or local regulations.

C7.2.5.26. Silver Recovery Cartridges (SCL P06).

C7.2.5.26.1. This scrap code includes steel wool cartridges that are mostly white or gray five gallon buckets. Some manufacturers of P06 are Kodak, Worldwide, IMG, or Vault 1/1C.

C7.2.5.26.2. Cartridges managed as material. Cartridges will not be regulated under RCRA if they have been flushed of hypo solution and refilled with water for transport, unless otherwise dictated by state and/or local regulations.

C7.2.5.26.2.1 This guidance is based on the following interpretation. We consider spent hypo solution a hazardous waste because it is a spent material exhibiting a characteristic. But once the silver has been removed from the hypo solution and the silver in the cartridges, it is not regulated. It is no longer a solid waste, but a material reclaimed from a hazardous waste, and meets the criteria of 40 CFR 261.3,(c)(2)(I), e.g., material reclaimed for beneficial use and not burned for energy recovery or used in a manner constituting disposal.

C7.2.5.26.2.2 Additionally, final rule guidance in the Federal Register, Volume 50, No. 3, Jan 4, 1985, states: "*Similarly, reclaimed metals that are suitable for direct use, or that only have to be refined to a usable product are products and not wastes.*" The silver contained in the cartridges is picked up by our refining contractor and the silver does not require further reclaiming before recovery is complete.

C7.2.5.26.3. Cartridges managed as hazardous waste. Silver recovery cartridges containing spent hypo solution will be managed under RCRA, 40 CFR, Subpart F of Part 266, if they exhibit one or more of the hazardous waste characteristics. The spent hypo solution in this case would require a TCLP for silver at or above 5 ppm.

C7.2.5.26.4. To manage cartridges as material, it must be verified that the cartridges have been flushed and are filled with water and not hypo solution. If it cannot be determined, then regulate the cartridges as hazardous waste.

C7.2.5.26.5. State regulations may differ. If the steel wool cartridge is a state regulated waste, then the cartridges must be managed as a hazardous waste in that state. Contact the appropriate state regulatory agencies to determine what state regulations apply.

C7.2.5.27. Precious metals bearing Cyanide-Based Materials and some Acid-Based Materials: These materials may be classified also as HM or HW. If economical, these materials can also be recycled for their precious metals contents, thereby saving disposal costs and recovering the precious metals. Since this material may be classified as HM or HW by the generator, this material can also be identified on the DRMO records as NSN or LSN, yet still be shipped for precious metals recovery. Report all generations to DRMS-BCP for disposition instructions. The request for disposition should also include supporting documentation (the generator turn-in document, waste profile sheet, laboratory analysis, assay report, gross and net weights, information whether material is new, used, or shelf-life expired, etc.). DRMS-BCP will evaluate the economics of recovery of the material and provide DRMO instructions to hold for recovery or release the property for other disposal means.

C7.2.5.28. Rhodium, Ruthenium, Iridium, and/or Osmium Precious Metals Bearing Materials: Report generations of these commodities to DRMS-BCP for disposition instructions. Classify material as either SCL P8A or SCL VPM and annotate on the turn-in document and DRMS-BCP data call sheet that material contains Rhodium, Ruthenium, Iridium, or Osmium. Maintain individual site integrity by metal type for this material pending receipt of disposition instructions.

C7.2.6. DRMO to DRMO Shipments.

C7.2.6.1. Shipping instructions for all SCLs are provided in Section 4, Supplement 2, Scrap Program, Enclosure 6, Attachment 2. The matrix decision table lists the SCLs, description, and a code to indicate what is to be done with each, depending upon whether or not the DRMO is CONUS or overseas. The legend that accompanies the table explains the instructions for each code.

C7.2.6.2. Normally precious metals bearing material to be processed for precious metals recovery is downgraded to scrap prior to shipment. The only exception would be items which are required to be tracked by national stock number (e.g. hazardous material for DEMIL-required circuit boards). Do not ship precious metals bearing hazardous wastes (e.g. material which requires manifesting) to another DRMO.

C7.2.6.3. Track shipment using the SLH/SLI tracking mechanism found in Section 2, Chapter 2, Property Accounting.

C7.2.6.4. Initiate shipment when sufficient quantities accumulate for economical shipment, taking into consideration secure storage requirements. Normally shipments will not be more frequent than monthly.

C7.2.6.5. Verify the weight of material prior to shipment. When this verification reveals a discrepancy in the system scrap record, make appropriate adjustment according to Section 2, Chapter 2, Property Accounting.

C7.2.6.6. Shipping DRMO must coordinate any shipment in excess of 2,000 pounds with the **receiving** DRMO before shipment.

C7.2.6.6.1. CONUS DRMOs: Due to the new methods utilized in the refining contracts, CONUS DRMOs need not ship materials from DRMO to DRMO unless otherwise identified in Section 4, Supplement 2, Scrap Program, Enclosure 6, Attachment 2, Shipping Instructions for Precious Metals Bearing SCLs, or by authority from the Forward Support Team (FST).

C7.2.6.7. Packaging, Crating, Handling and Transportation (PCH&T) (Excludes Refining Contractor Pickups)

C7.2.6.7.1. Arrange PCH & T for precious metals scrap with host transportation; however, USPS shipments may be accomplished by the DRMO. Pack precious metals scrap in a manner that ensures arrival of the shipment in the same condition as shipped. Unless otherwise specified in this paragraph, ship precious metals scrap by the most economical means available, consistent with safe transit and delivery.

C7.2.6.7.2. Utilize care and sound judgment in selecting the proper type, size and weight of containers, and closures, as well as the proper transportation mode. The guidance in this section has been developed to facilitate handling of shipments and to preclude loss of

precious metals scrap. Coordinate closely with host transportation to ensure that shipments of precious metals scrap are afforded due security and priority considerations.

C7.2.6.7.3. The use of the word "packaging" refers to any bag, can, box, etc., used to preserve the integrity of an individual SCL; use of the word "packing" refers to any box, container, etc., used to ship one or more SCLs.

C7.2.6.7.4. The following guidelines apply to shipments of precious metals scrap:

C7.2.6.7.4.1 *General.*

C7.2.6.7.4.1.1 Pack each SCL separately. Mark each packing container with the gross, tare and net weights. Do not use containers in poor condition. Mark shipping containers to indicate the number within each shipment, e.g. 1 of 1, 2 of 4, etc. A GBL for shipment of multiple SCLs must reflect all DTIDs included in the shipment.

C7.2.6.7.4.2 *USPS Shipments (or comparable).*

C7.2.6.7.4.2.1 Shipments of P-coded SCLs through USPS must be certified, return receipt requested; shipments of V-coded SCLs must be registered, return receipt requested, when available. When not available, use certified mail, return receipt requested. Shipments cannot exceed USPS maximum weight limitations. Seal outer container securely with strong packaging tape. Recommended standard shipping containers for USPS shipments are available through GSA as follows:

Figure 1 - Standard Shipping Containers for USPS

<u>SIZE</u>	<u>Container Type</u>	<u>NSN:</u>
6" x 9"	Plastic Bag	8105-00-660-0603
9" x 12"	Plastic Bag	8105-00-159-4998
4" x 4" x 4"	Shipping Box	8115-00-290-3363
8" x 4" x 4"	Shipping Box	8115-00-290-3365
1" x 8" x 6"	Shipping Box	8115-00-179-0570

C7.2.6.7.4.3 *Other Shipments.*

C7.2.6.7.4.3.1 Band tri-walls and other large shipping containers to pallets. Single drums and small containers which are not palletized should be banded or sealed to ensure closure is kept intact; annotate containers "*This end up.*"

C7.2.6.7.4.3.2 Use standard size shipping containers whenever possible. A standard size container is defined as having base dimensions slightly exceeding the base dimensions of a standard size pallet.

C7.2.6.7.4.3.3 Drums used for shipment must have lids and must be sealed.

C7.2.6.7.4.3.4 A palletized shipment or individual container must not exceed gross weight of 3,000 pounds.

C7.2.6.8. Factors to be used in determining value of material being shipped may be found at Section 4, Supplement 2, Scrap Program, Enclosure 3. Some precious metals scrap requires special handling or packaging/packing. In addition to the above requirements, the following special instructions apply:

C7.2.6.8.1. Scrap Silver-Cell Batteries (SCLs P12, PB2, PB4, PB5, and PB6). Do not ship leaking batteries if the electrolytic reservoir has been damaged and electrolyte is leaking; instead, handle in accordance with Section 2, Chapter 8, Environmental Program & Section 3, Batteries.

C7.2.6.8.2. Silver bearing batteries classified as HM/HW in CONUS will be placed on a precious metals recovery contract.

C7.2.6.8.3. Silver bearing batteries classified as HM/HW overseas (OCONUS) will follow the guidance in Section 3, Special Processing, Batteries, General, International Requirements, as handling, disposition is in accordance with the provisions vary by Country.

C7.2.6.9. Exhausted Chemical Recovery Cartridges (SCL P06).

C7.2.6.9.1. Manifesting.

C7.2.6.9.1.1 Cartridges that are not hazardous waste according to paragraph above and are not regulated by the state in which they are generated, do not need to be manifested **unless** the state the recovery contractor is located in regulates the cartridges.

C7.2.6.9.1.2 Cartridges that are hazardous waste according to paragraph above and/or are regulated by the state they are generated in will be manifested as "*Hazardous waste liquid, n.o.s., 9, NA 3082, PG III (D011)*." According to 49 CFR 172.203, all "N.O.S." proper shipping names must include technical names or EPA hazardous waste number(s) as part of the shipping name directly after the UN or NA number. Land disposal restriction notifications as stated in 40 CFR 268.7(a)(1) should be sent with these items. For additional information on land disposal notification, see Section 2, Chapter 8, Environmental Program & Section 4, Supplement 2, Environmental Program, Enclosure 1.

C7.2.6.9.1.3 Mark all cartridges shipped under a precious metals contract with a **HAZARDOUS WASTE** label per 40 CFR 262.32 and 49 CFR 172.304. Cartridges shipped

within California must be marked according to Title 22, Section 68504(c), California Code of Regulations.

C7.2.6.9.1.4 The generator is responsible to ensure that cartridges are filled with hypo solution or water prior to turn-in to the DRMO to prevent oxidation and resultant fire hazard while in transit.

NOTE: The generator must identify on the DTID whether the cartridge contains water or hypo solution. If cartridge is filled with hypo solution, the DRMO may choose to accept accountability only depending on location of the generator and DRMO hazardous storage capabilities. The generator is also responsible to remove the reusable circulating by-pass unit and replace it with screw on caps prior to turn in.

C7.2.6.9.1.5 Remove the screw-on caps on cartridge top and add liquid slowly until cartridge is full; replace screw-on caps tightly. Do not remove metal ring around the cartridge. **DO NOT** ship with circulating unit attached; remove and replace with screw-on caps. Circulating units are reusable and the operations monitor should be notified of receipt. DRMO personnel are not normally authorized to open hazardous waste containers. An exception is granted for this action.

C7.2.6.9.1.6 Place any cartridge in poor condition in a heavy plastic bag and then overpack in a heavy cardboard box, wooden box, or metal container. ***If the cartridge is considered HW the cartridge must be repackaged in a salvage drum meeting the requirements of 49 CFR 173.203.*** A cartridge is considered to be in poor condition whenever any of the following exists:

C7.2.6.9.1.6.1 The cartridge is leaking.

C7.2.6.9.1.6.2 The metal ring around the top of the cartridge is missing, broken, rusted, or otherwise deteriorated.

C7.2.6.9.1.6.3 Visual inspection of the cartridge reveals evidence of corrosion, cracks, fractures, or dents in the plastic.

C7.2.6.9.2. High Purity Precious Metals (V-coded SCLs).

C7.2.6.9.2.1 If one SCL is being shipped, place one copy of the DD Form 1348-1A inside of the SCL container and three copies in a water repellant packet on the outside of the materials/shipping container containing the SCL.

C7.2.6.9.2.2 If more than one SCL is being shipped together in a shipping container place one copy of the DD Form 1348-1A inside each of the SCL's container for that material. Place two copies of the DD Form 1348-1A on the outside of the SCL's container and take the third copy from each SCL inside the combined container and place in a water repellant packet outside of the combined SCL's containers to allow knowledge of what SCLs are within the container.

C7.2.6.9.3. Grindings, Sweepings, and Turnings (SCL varies according to classification of material). In addition to any other requirements, do not package in paper or wooden containers as loss could occur through particle adhesion.

C7.2.6.9.4. Photo Fixer (Hypo Solution) SCL P02 (Do not receive at the DRMO.)

C7.2.6.9.5. Passive Silver Recovery Cells (SCL PSC).

C7.2.6.9.5.1 When passive silver cells are taken off-line to be turned in to the DRMO, they contain high purity plated metallic silver similar to electrolytic silver flake. They are not hazardous and do not have to be stored in conforming storage. Store in the DRMO secured area. Cores from all PSCs should be placed in a double plastic bag until dry and then turned in to the DRMO.

C7.2.6.9.5.2 The generator must drain all fluids from the cell prior to turn-in. Cells do not need to be filled with fluid to prevent possible fire due to oxidation like SCL P06 cartridges do. If not drained, the cell could be a hazardous waste due to the soluble silver level in the fluid. Do not accept any cells unless the DRMO is sure they have been drained. Do not commingle SCLs PSC and P06 in storage.

C7.2.6.9.5.3 Transportation of PM-bearing scrap from Pacific DRMOs to DRMO Lewis, from European DRMOs to DRMO Jacksonville will be funded and paid from the DRMS transportation account. The funds cite will be provided to the DRMOs at the beginning of each fiscal year.

C7.2.6.10. Documentation Requirements.

C7.2.6.10.1. All shipments of precious metals scrap must be thoroughly documented. See Section 4, Supplement 2, Scrap Program, Enclosure 4, for detailed instructions for preparation of DD Form 1348-1A. A transfer of precious metals/material/scrap will reflect action/accounting code "DT" to indicate DRMO-to-DRMO/special account transfer (TTC is **SLR = Losing Issue - Scrap**). Accomplish receipt of precious metals bearing scrap from another DRMO on an XR2 with action/accounting code "KF". Start the serial number with the DRMO RIC for DRMO-to-DRMO shipments. DRMS-BCP will provide the requisition number for contractor shipments.

C7.2.6.10.2. For DRMO to DRMO shipments.

C7.2.6.10.2.1 If one SCL is being shipped, place one copy of DD Form 1348-1A in a water repellent packet inside the packing (shipping) container and three copies in a water repellent packet outside the packing (shipping) container.

C7.2.6.10.2.2 If more than one SCL is included in the same packing (shipping) container, place two copies of DD Form 1348-1A in a water repellent packet outside the packaging container and the remaining copies inside the packing (shipping) container.

C7.2.6.10.2.3 Upon receipt of shipping information from host transportation officer (or following DRMO initiated USPS shipment), enter transportation data on one copy of the DD Form 1348-1A. Forward this copy as the "advance copy" to the receiving DRMO for DRMO-to-DRMO transfers.

C7.2.6.10.2.4 One copy of DD Form 1348-1A is to be placed in a suspense file pending return of receipt copy from the destination. It is the responsibility of the sending DRMO to follow-up on delayed or lost shipments. Unless otherwise aware of a delay in shipment, e.g., host transportation **of unprocessed receipts**, the DRMO should follow-up with the destination if the receipt copy is not received within 30 days. Edited 30 Nov 2009.

C7.2.6.10.2.5 Once property is issued, accountable records can be cleared. Remove the DRMO to DRMO precious metals shipments from the DAISY accountable record utilizing the following *DAISY MENU* for material shipped to another DRMO:

C7.2.6.10.2.5.1 Go to the *Warehousing Menu*.

C7.2.6.10.2.5.2 Go to the *Inventory Maintenance Functions*.

C7.2.6.10.2.5.3 Go to the *Issue Property Menu*.

C7.2.6.10.2.5.4 Go to *Issue Property Another DRMO/PM Shipment*.

C7.2.6.10.2.5.5 Complete data fields.

C7.2.6.10.3. DRMO Receipt of Shipment.

C7.2.6.10.3.1 When a **precious metals** shipment is found to be in discrepancy upon receipt, issue a SF 364, if the weight variation exceeds the percentage tolerances or dollar value limitations established (see DLAR 4140.55). Issue Reports of Discrepancy (ROD) for shipments to the issuing DRMO. Send an information copy of all RODs which reflect weight shortages to the DES-Battle Creek Public Safety Division and DRMS-O. DRMOs must respond to a ROD within 21 calendar days, providing any and all available information. Also provide an information copy of the response to the DES-Battle Creek Public Safety Division. In all discrepancies where circumstances indicate a loss due to illicit activity (i.e., theft, diversions, or fraud), the receiving DRMO will immediately report the matter to the DES-Battle Creek Public Safety Division, who determines if investigative referral is warranted and make appropriate internal and external notifications. In matters where fraud is suspected, make the referral determination in conjunction with DRMS-G.

C7.2.6.10.3.2 When a shipment is received by a DRMO which is not consistent with the requirements or guidelines set forth in this section, the receipt copy returned to the shipping DRMO will specify those inconsistencies. This is a means of identifying to the shipping DRMO personnel problems of which they may, or may not, have been aware, such as host transportation deviation from requested shipment directions, omission of required data from

shipment documentation, or other circumstances which could have contributed to fraud or loss/theft of property while in transit.

C7.2.6.10.3.3 DRMOs receiving precious metals property from another DRMO must process the property as a receipt, e.g., XR1 or XR2. An interface from one DRMO to another, within DAISY, does not exist that writes an XR1 to the accountable record of the gaining DRMO when property is transferred (from another DRMO).

C7.2.6.10.4. Pickup of Precious Metals by a Recovery Contractor.

C7.2.6.10.4.1 Do not ship/release material to a recovery contractor without authorization from DRMS-BCP. The authorization results from the issuance of a delivery order and can be a message, letter, the delivery order, facsimile or telephone call. Authorization will instruct the DRMO of the type and quantities of material to be released, DRMS-BCP requisition number and any special instructions involving pickup of material. The following guidance applies for issuing property to a recovery contractor:

C7.2.6.10.4.2 Pack material in structurally sound containers with lids, banded to pallets. Annotate each container with the gross, tare, and net weights. Also mark containers with the SCL code, DRMO's RIC, and serially assigned number, e.g., 1 of 3, 2 of 3, 3 of 3. If the DRMO is not sure as to what type of containers can be utilized, review the precious metals recovery contract, or contact DRMS-BCP for clarification.

C7.2.6.10.4.3 Complete a DD Form 1348-1A for each SCL code to be picked up. Documentation must have the following information on the DD Form 1348-1A.

C7.2.6.10.4.3.1 SCL code, net weight and unit of issue (pounds for P-coded and grams for V-coded property).

C7.2.6.10.4.3.2 DRMS-BCP provided requisition number.

C7.2.6.10.4.3.3 Contract/Delivery Order/CLIN or SUBCLIN numbers.

C7.2.6.10.4.3.4 Complete DRMO and Contractor address.

C7.2.6.10.4.3.5 Noun description.

C7.2.6.10.4.3.6 Gross weight and piece count. (If unable to obtain the true net weight, annotate what makes up the weight on the document, such as, *"the VSF package net weight includes 2 plastic bags."*)

C7.2.6.10.4.3.7 Seal number that is placed on the transporter and annotate any old seal numbers from other DRMOs removed to allow loading.

C7.2.6.10.4.3.8 Signature and Date of DRMO person(s) unloading the property.

C7.2.6.10.4.4 Complete a packing list for each shipment. As a minimum, the packing list will contain identification of each container in that shipment and its gross, tare, and net weights.

C7.2.6.10.4.5 Give one copy of the DD Form 1348-1a and one copy of the packing list to the truck driver. Place three copies of the DD Form 1348-1a and a packing list in a water repellent packet and attach to the outside of the last container loaded of each respective SCL loaded, and if possible make packets visible and accessible when the truck is opened at the refining facility.

C7.2.6.10.4.6 DRMOs may only load a contractor's conveyance after receipt of a delivery order from DRMS-BCP. Contractors are under Government contract to pick up and process Government material; therefore, DRMOs should load vehicle in such a manner that material/containers arrive at the contractor's plant intact. The DRMO is encouraged to safely ensure the transporter's vehicle is fully utilized by means of double rowing and double stacking. The DRMO is also responsible for complete loading of transporter's vehicle, but any extra blocking or bracing of the shipment is the responsibility of the contractor. The DRMO will follow all safety procedures while loading.

C7.2.6.10.4.7 Verify contractor identification prior to loading material. Documentation provided should contain at a minimum, DRMS-BCP requisition number, contract identification, delivery order, CLIN numbers, type of material to be picked up and contractor's name.

C7.2.6.10.4.8 Each truck must be sealed after loading. DRMOs are authorized to break another DRMO's seal. Seals may be obtained from DRMS-BCP.

C7.2.6.10.4.9 Forward one copy of the completed, signed, dated, DD Form 1348-1a with a copy of the packing list to DRMS-BCP, preferably the same day as the loading.

C7.2.6.10.4.10 Refer any problems incurred during contractor pick up to DRMS-BCP.

C7.2.6.10.4.11 Any changes or deviations to the shipping instructions on a recovery contract stated in the paragraphs above will come from DRMS-BCP.

C7.2.6.10.4.12 Remove the DRMO precious metals contract shipments from the DAISY accountable record utilizing the following DAISY MENU for material picked up by a recovery contractor:

C7.2.6.10.4.12.1 Go to the Warehousing Menu.

C7.2.6.10.4.12.2 Go to the Inventory Maintenance Functions.

C7.2.6.10.4.12.3 Go to the Issue Property Menu.

C7.2.6.10.4.12.4 Go to Issue Precious Metal to Contractors.

C7.2.6.10.4.12.5 Select either “1” (Usable Precious Metals) or “2” (Scrap Precious Metals).

C7.2.6.10.4.12.6 Complete data fields.

C7.2.7. Abandonment and Destruction (A&D).

C7.2.7.1. Abandonment and Destruction of scrap property takes many forms and is a property disposal action in many programs. Typically, this is property with little or no market value in many instances, and is property having a negative value. Many of these A&D programs are designed to minimize or eliminate disposal costs. Specific A&D programs include: the Greening Program, Demanufacturing and Return to Manufacturer (RTM). General A&D operations include a variety of service contracts and landfill disposal. DRMS A&D programs are designed with reduction of solid waste disposal by landfill as an objective.

C7.2.7.2. *Demanufacturing.*

C7.2.7.2.1. DRMS uses donation in lieu of A&D as a method of accomplishing demanufacturing through the Federal Prison Industries (FPI) also known as UNICOR. UNICOR is a Government owned corporation and is a part of the Department of Justice/Bureau of Prisons. DRMS and UNICOR have a Memorandum of Agreement (MOA) that governs the services UNICOR will provide to DRMS in the environmentally responsible recycling and reuse of electronic office equipment. A copy of the MOA is available at: FPI MOA <<http://www.drms.dla.mil/publications/suppdocs/fpimoa.pdf>>. DRMOs must leave a copy of the DD 1348-1 on CPUs and laptops being shipped to FPI so that FPI can record the DRMO name, DTID#, manufacturer, model, serial # etc. as required by Addendum 2 to the DRMS/FPI MoA.

C7.2.7.2.2. Operational procedures in referring quantities to FPI, preparing shipments and accounting requirements are detailed at: FPI SOP <<http://www.drms.dla.mil/publications/suppdocs/fpisop.pdf>>.

C7.2.7.3. *Return to Manufacturing (RTM).*
<<https://www.drms.dla.mil/drms/intranet/scrap/scrap.htm>>.

C7.2.7.3.1. Some material, including hazardous material, is suitable for a return to a manufacturing process in place of a waste disposal contract. These Return to Manufacturer agreements result in increased reuse and recycling while avoiding disposal costs. Operating procedures are detailed at: Section 4, Supplement 2, Environmental Program, Enclosure 4. Also see Section 3 under specific topic or item listed.

C7.2.7.3.2. RTM takes place after our sales efforts have failed or the property has been shown to attract no bids when sales have been attempted. Recycling efforts are intended to occur prior to disposal service contracts.

C7.2.7.3.3. Recycling efforts will continue to increase in the future, as additional low value commodities come under scrutiny to reduce solid waste disposal and increase recycling. Operating procedures are detailed at Section 4, Supplement 2, Environmental Program, Enclosure 4. Also, see Section 3 under specific topic or item listed.

C7.2.8. Scrap Venture (SV).

C7.2.8.1. The Defense Reutilization and Marketing Service (DRMS) has awarded a “proceeds sharing sales contract” for current and future generations of scrap property. The contract provides exclusive access to this material for a minimum of eighty-four (84) months, subject to both DRMS and the Contractor's options to cancel the contract earlier, if the Contractor does not achieve an objective minimum performance threshold. Property locations include multiple Department of Defense (DOD) installations throughout the Continental United States and Alaska.

C7.2.8.2. A group of locations in North Carolina, South Carolina, and Tennessee are retained as a control group. DRMOs in these locations will conduct scrap operations as usual, with sales functions performed by the Government. The Scrap Venture partner will operate all other locations.

C7.2.8.3. The SV POC personnel have the responsibility for the following:

C7.2.8.3.1. Receiving scrap into the DAISY record.

C7.2.8.3.2. Receiving and inspecting scrap material from generating activities.

C7.2.8.3.3. Receiving items which have been inspected by a Disposal Service Representative (DSR), and processing them as Downgrade to scrap upon receipt actions (XR3). If the DSR has made an incorrect assessment of the demil code, or other guidance has been provided, transfer the material to the MEO representative for processing as an XR1, usable receipt.

C7.2.8.3.4. Assuring that scrap accumulations do not contain any inappropriate items, such as demil required, hazardous materials, items containing refrigerants, etc.

C7.2.8.3.5. Weighing incoming scrap and scrap being sold by SV.

C7.2.8.3.6. Completion of the scrap yard inspection and documenting it in the DRMS Inspection Log CAMS Version on a weekly basis or as dictated by the CAMS.

C7.2.8.3.7. Preparing and processing shipments of scrap to the Central Demil Center (CDC), Demanufacturing contractor, and precious metals contractors, including preparation of the associated documentation for the shipment and DAISY transactions.