



**Department Correspondence
Environment, Health & Safety**

Date: April 29, 2009

**Subject: US Green Building Council's
Leadership in Energy and Environmental Design (LEED)
Rating System**

Recycled Content of Republic's Products

**To: Memo to EHSMS File
Record of Decision**

In 2008, Republic Engineered Products, Inc melted about 1.6 million tons of steel scrap at our Canton and Lorain plants. This includes the following typical "commodity types" of scrap.

Busheling	#1 Bundles	Clips
Plate & Structural	#1 Heavy Melt	Turnings
RR Wheels & Rails	#2 Heavy Melt	#2 Shredded (Frag)
Processed Iron	Steel Skulls	Flame Cut Plate
Revert Scrap	Municipal Wastes	Hot Briquetted Iron (HBI)
Pit Scrap	Pig Iron	Unrestricted Scrap

Utilizing information compiled by the Steel Recycling Institute, the American Institute of Steel Construction and the American Iron & Steel Institute (See Attached Document) Republic has made the following determination for steels melted at either our Lorain Plant (Basic Oxygen Furnace) or our Canton Plant (Electric Arc Furnace).

Republic Melt Source	Total Recycled Content	Post Consumer Recycled Content	Pre Consumer Recycled Content
Canton	93.3%	56.9%	31.4%
Lorain	32.7%	25.5%	6.8%

This document serves as our record of decision for this topic.

Leonard D. Wisniewski, Director
Environment, Health & Safety Department &
EHSMS Management Representative

Steel Takes LEED® with Recycled Content

steel beams and columns

steel studs

steel roofing

steel decking

steel doors

ductwork

steel siding

corrugated steel pipe

other steel components

Designers and builders have long recognized and lauded steel for its strength, durability, and functionality. Increasingly, however, architects are recognizing steel's important environmental attributes—especially its high recycled content and high reclamation rate.

For many years, there has been a strong economic motive to incorporate recycling into the process for making steel, but today's environmental concerns make recycling even more important. Recycling saves money while conserving energy and resources, as well as reducing solid, liquid, and gaseous wastes. Recycling also helps to spread the energy impact of the original extraction and manufacturing of the material over infinite generations of new steel.

The efficiency with which a material is recycled can be measured by either its *percentage of recycled content* or its *reclamation rate*. Recycled content is a measure of how much recycled material is contained in a finished product. The reclamation rate is a measure of how often a product is actually recycled at the end of its useful life. Steel is an exceptional performer by both measurements. In the construction industry, recent interest in recycling has been driven largely by the U.S. Green Building Council's *Leadership in Energy and Environmental Design* (LEED®) rating system. The LEED rating system only promotes the use of materials with high levels of recycled content. The equally important reclamation rate of the materials is not currently considered.

Scrap consumption in the United States is maximized between the two types of modern steel mills, each of which generates products with varying levels of recycled content. One type of mill produces much of the steel for light flat-rolled steel products with about 30% *recycled content*. The other type of mill makes steel for a wide range of products, including flat-rolled, but is the only method used domestically for the production of structural shapes, which have about 80% *recycled content*. (These processes are covered in detail on the following pages.)

The amount of recycled content in steel products varies over time, both as a function of the cost of steel scrap and its availability. As the world-wide demand for steel increases, the available scrap will be stretched between more and more steel products, meaning that more raw steel will have to enter the production stream to meet the demand. Fortunately, steel is the country's

most widely recycled material, and as more steel is used for construction and other products, more scrap is available for future recycling. At the end of their useful life, about 88% of all steel products and nearly 100% of structural steel beams and plates used in construction are recycled into new products—an amazing reclamation rate!

In addition to recycled content, steel can contribute toward several other LEED credits, either directly or indirectly. Steel is dimensionally stable and, when properly designed, can provide an exceptionally tight building envelope for less air loss and better HVAC performance over time. Steel is made to exact specifications, so on-site waste is minimized. Material from demolition or construction can be easily recycled, with the magnetic properties of steel greatly facilitating its separation from other materials. Thus, in addition to steel's outstanding recycled content and an enviable reclamation rate, steel's other functional properties contribute to the material's solid environmental performance.

As with any building process or material, there are areas for improvement. A great benefit of LEED is that it can help the steel industry recover even more scrap as contractors improve their recycling collection methods at the job site, so less incidental iron and steel scrap escapes to landfills. Similarly, commercial buildings and residential housing can have better disciplined recycling systems for increased recovery.

As steel products reach the end of their useful life, we want to see even more recycled into new steel products for future service to society.

On-Line Steel Recycling Resources

www.recycle-steel.org

Includes detailed information on recycling rates, recycling databases, and the environmental benefits of steel for homes, buildings, steel roofing, and bridges.

www.aisc.org/sustainability

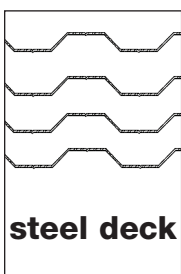
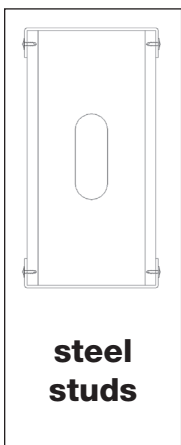
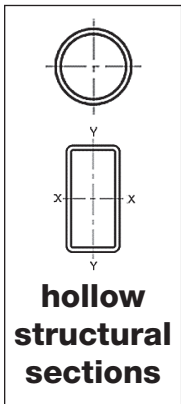
Includes detailed information on how steel factors into the LEED® rating system, steel mill recycled content documentation, and articles about the use of steel in sustainable projects.



American
Iron and Steel
Institute

Modern Steel Production Technologies

Typical BOF Products



plate

purlins

Steel is the most recycled material in North America and in the world, and in the United States alone, almost 83 million tons of steel were recycled or exported for recycling in 2007. This is done for economic as well as environmental reasons. It is always cheaper to recycle steel than to mine virgin ore and move it through the process of making new steel. However, it should also be clearly understood that many steel applications are durables, and even though two out of every three pounds of new steel are produced from old steel, the fact that cars, appliances, and bridges last a long time makes it necessary to continue to mine virgin ore to supplement the production of new steel. Economic expansion, domestically and internationally, creates additional demand that cannot be fully met by available scrap supplies.

Unlike other competing industries, recycled content in the steel industry is second nature. The North American steel industry has been recycling steel scrap for over 170 years through the growth of 2,500 scrap processors and some 12,500 auto dismantlers. Many of them have been in the business for more than 100 years. The pre-consumer, post-consumer, and total recycled content of steel products in the United States can be determined for the calendar year 2007 using information from the American Iron and Steel Institute (AISI), the Institute of Scrap Recycling Industries (ISRI), and the U.S. Geological Survey. Additionally, a study prepared for the AISI by William T. Hogan, S.A., and Frank T. Koelble of Fordham University is used to establish pre- and post-consumer fractions of purchased scrap.

Individual company statistics are not applicable or instructive because of the open loop recycling capability that the steel and iron industries enjoy, with available scrap typically going to the closest melting furnace. This open loop recycling allows, for example, an old car to be melted down to produce a new soup can, and then, as the new soup can is recycled, it is melted down to produce a new car, appliance, or perhaps a structural beam used to repair some portion of the Golden Gate Bridge.

Basic Oxygen Furnace

The basic oxygen furnace (BOF) facilities consumed a total of 14,552,500 tons of ferrous scrap in the production of 44,503,000 tons of raw steel

during 2007. Based on U.S. Geological Survey statistics, 950,000 of these ferrous scrap tons had been generated as unsalable steel product within the confines of these steelmaking sites. In the steel industry, these tons are classified as “home scrap,” but are a mix of runaround scrap and pre-consumer scrap. Estimates by the Steel Recycling Institute identify about 80% of this home scrap as pre-consumer scrap, equating to 760,000 tons ($950,000 \times 80\%$). Additionally, these operations reported that they consumed 10,000 tons of obsolete scrap (buildings and warehouses dismantled on-site at the mill) during this time-frame. This volume is classified as post-consumer scrap.

As a result of the above, based on the total scrap consumed, outside purchases of scrap equate to 13,592,500 tons [$14,552,500 - (950,000 + 10,000)$]. According to the Fordham University study, the post-consumer fraction of the purchased ferrous scrap would be 83.4%, while 16.6% of these purchases would be pre-consumer. This equates to 2,256,400 tons of pre-consumer scrap ($13,592,500 \times 16.6\%$). This “prompt scrap” is mainly scrap generated by manufacturing processes for products made with steel.

Therefore, the **total recycled content** to produce the 44,503,000 tons of raw steel in the BOF is:

$$14,552,500 / 44,503,000 = 32.7\%$$

(Total Tons Ferrous Scrap / Total Tons Raw Steel)

Also, the **post-consumer recycled content** is:

$$(13,592,500 - 2,256,400) + 10,000 = 11,346,100$$

and

$$11,346,100 / 44,503,000 = 25.5\%$$

(Post-Consumer Scrap / Total Tons Raw Steel)

Finally, the **pre-consumer recycled content** is:

$$(760,000 + 2,256,400) / 44,503,000 =$$

$$3,016,400 / 44,503,000 = 6.8\%$$

(Pre-Consumer Scrap / Total Tons Raw Steel)

Electric Arc Furnace

The electric arc furnace (EAF) facilities consumed a total of 57,199,300 tons of ferrous scrap in the production of 61,329,700 tons of raw steel during 2007. Based on U.S. Geological Survey adjusted statistics, 15,403,700 of these ferrous scrap tons had been generated as unsalable steel product within the confines of these steelmaking sites. Again, in the steel industry, these tons are classified as “home scrap,” but are a mix of run-around scrap and pre-consumer scrap. Estimates by the Steel Recycling Institute identify about 80% of this home scrap as pre-consumer scrap, equating to 12,323,000 tons (15,403,700 × 80%). Additionally, these operations reported that they consumed 85,000 tons of obsolete scrap (buildings and warehouses dismantled on-site at the mill) during this time frame. This volume is classified as post-consumer scrap.

As a result, based on the total scrap consumed, outside purchases of scrap equate to 41,710,600 tons [57,199,300 - (15,403,700 + 85,000)]. According to the Fordham University study, the post-consumer fraction of the purchased ferrous scrap would be 83.4%, while 16.6% of these purchases would be pre-consumer. This equates to 6,924,000 tons of pre-consumer scrap (41,710,600 × 16.6%). This “prompt scrap” is mainly scrap generated by manufacturing processes for products made with steel.

Therefore, the **total recycled content** to produce the 61,329,700 tons of raw steel in the EAF is:

$$57,199,300 / 61,329,700 = 93.3\%$$

(Total Tons Ferrous Scrap / Total Tons Raw Steel)

Also, the **post-consumer recycled content** is:

$$(41,710,600 - 6,924,000) + 85,000 = 34,871,600$$

and

$$34,871,600 / 61,329,700 = 56.9\%$$

(Post-Consumer Scrap / Total Tons Raw Steel)

Finally, the **pre-consumer recycled content** is:

$$(12,323,000 + 6,924,000) / 61,329,700 =$$

$$19,247,000 / 61,329,700 = 31.4\%$$

(Pre-Consumer Scrap / Total Tons Raw Steel)

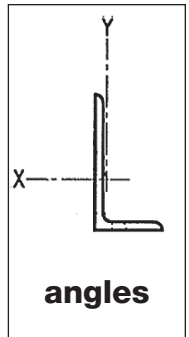
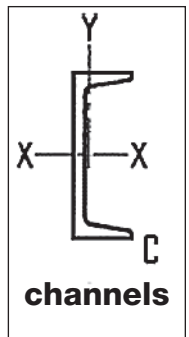
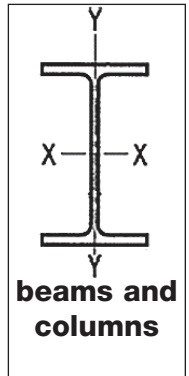
The above discussion and calculations demonstrate conclusively the inherent recycled content of today’s steel in North America. To buy steel is to “Buy Recycled.”

Understanding the recycled content of BOF and EAF steels, one should not attempt to select one steel producer over another on the basis of a simplistic comparison of relative scrap usage or recycled content. Rather than providing an enhanced environmental benefit, such a selection could prove more costly in terms of total life cycle assessment energy consumption or other variables. Steel does not rely on “recycled content” purchasing to incorporate or drive scrap use. It already happens because of the economics. Recycled content for steel is a function of the steelmaking process itself.

After its useful product life, regardless of its BOF or EAF origin, steel is recycled back into another steel product. Thus steel with more than 80% recycled content cannot be described as environmentally superior to steel with 30% recycled content. This is not contradictory because they are both complementary parts of the total interlocking infrastructure of steelmaking, product manufacture, scrap generation and recycling. The recycled content of EAF relies on the embodied energy savings of the steel created in the BOF.

Steel is truly the most recycled material.

Typical EAF Products



plate

steel deck

piling

Contact Us

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To: Architects, Engineers, Designers, and Specifiers

Re: LEED®-NC Version 2.2 and LEED®-NC 2009 Recycled Content Value of Steel Building Products

The U.S. Green Building Council Leadership in Energy & Environmental Design (LEED®) Green Building Rating System aims to improve occupant well-being, environmental performance and economic returns of buildings using established and innovative practices, standards, and technologies.

Materials & Resources Credit 4: Recycled Content intends to increase demand for building products that incorporate recycled content materials, therefore reducing impacts resulting from extraction and processing of new virgin materials. As discussed and demonstrated below, steel building products contribute positively toward points under Credits 4.1 and 4.2. The following is required by LEED-NC Versions 2.2 and 2009:

Credit 4.1 (1 point) "Use materials with recycled content such that the sum of post-consumer recycled content plus one-half of the pre-consumer content constitutes at least 10% (based on cost) of the total value of the materials in the project."

Credit 4.2 (1 point) "Use materials with recycled content such that the sum of post-consumer recycled content plus one-half of the pre-consumer content constitutes at least 20% of the total value of the materials in the project."

"The recycled content value of a material assembly shall be determined by weight. The recycled fraction of the assembly is then multiplied by the cost of assembly to determine the recycled content value." Since steel (the material) and steel (the building product) are the same, the value of the steel building product is directly multiplied by steel's recycled content, or:

$$\text{Steel Recycled Content Value} = (\text{Value of Steel Product}) (\text{Post-Consumer \%} + \frac{1}{2} \text{Pre-Consumer \%})$$

The information contained within this brochure provides post-consumer and pre-consumer recycled content percentages for North American steel building products. These percentages and values of steel building products are easily entered into LEED Letter Template spreadsheet for calculation. To illustrate the application of these steel recycled content values to LEED, manual calculations are shown below for typical Basic Oxygen Furnace (BOF) and Electric Arc Furnace (EAF) steel building products with nominal \$10,000 purchases, using 2007 data. Steel building products include steel stud framing, structural steel framing (wide-flange beams, channels, angles, etc.), rebar, roofing, siding, decking, doors and sashes, windows, ductwork, pipe, fixtures, hardware (hinges, handles, braces, screws, nails), culverts, storm drains, and manhole covers.

BOF Steel Recycled Content Value for Typical Product:

Steel Stud Framing

$$\text{Value} = (\$10,000) (25.5\% + \frac{1}{2} 6.8\%) = (\$10,000) (28.9\%) = \$2,890$$

(Positive net contributor to 10% and 20% goals)

EAF Steel Recycled Content Value for Typical Product:

Wide-Flange Structural Steel Framing

$$\text{Value} = (\$10,000) (56.9\% + \frac{1}{2} 31.4\%) = (\$10,000) (72.6\%) = \$7,260$$

(Positive net contributor to 10% and 20% goals)



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