

ISRI gauging impact of coin buyback suspension

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PITTSBURGH — The potential impact of the prolonged suspension of the U.S. Mint’s mutilated coin redemption program on businesses throughout the recycling chain is being assessed by the Institute of Scrap Recycling Industries.

“We are seeking to find out just how many of our members are being affected. There are many domestic and foreign recyclers that handle coins,” Scott Horne, ISRI’s counsel, told AMM. “Once we have a better understanding on the suspension’s impact, we will be able to assess how we can approach the situation.”

The Washington-based trade association is surveying domestic and foreign recyclers to gauge the repercussions of the suspension since November, as well as going forward.

Coin recyclers were dealt a blow after the U.S. Treasury Department announced that its coin buyback program would be delayed for an additional six months. U.S. waste incinerators, auto shredders and heavy media plants have noted a negative effect on their business as a result of the program’s hiatus, with the future suspension expected to deepen this impact (amm.com, April 29).

The hiatus followed suspicion that Chinese counterfeiters were using the guise of mutilation to siphon millions of dollars in coins back into the United States through the Mint.

“This is not the first time that a government agency has reacted without any understanding, or even a reasonable understanding, of the industry,” Horne said, adding that coin recycling has been around for decades.

“Collecting coins out of scrap metal is a decades-old practice—particularly since the shredder came into being, and more so since the advent of advanced metal processing technology,” he said. “If it is hurting our members as a result of pricing of zorba or through the inability to sell direct back to U.S. Mint, then obviously we need to step in.”

An investigation by AMM in February revealed that the United States could be discarding up to \$61.75 million in coins in any given year through waste incineration—a figure that doesn’t take into account the value of money that may be found within cars during the automotive recycling and shredding process (amm.com, March 22).

Through these two waste streams, coins end up buried in processed piles of mixed metal called zorba, a shredded nonferrous scrap consisting predominately of aluminum, as defined by ISRI.

Millions of dollars in coin shipments from overseas sellers to the program have been seized by the U.S. government for laboratory testing (amm.com, Feb. 23).

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