

Auto Recycling – Industry Snapshot

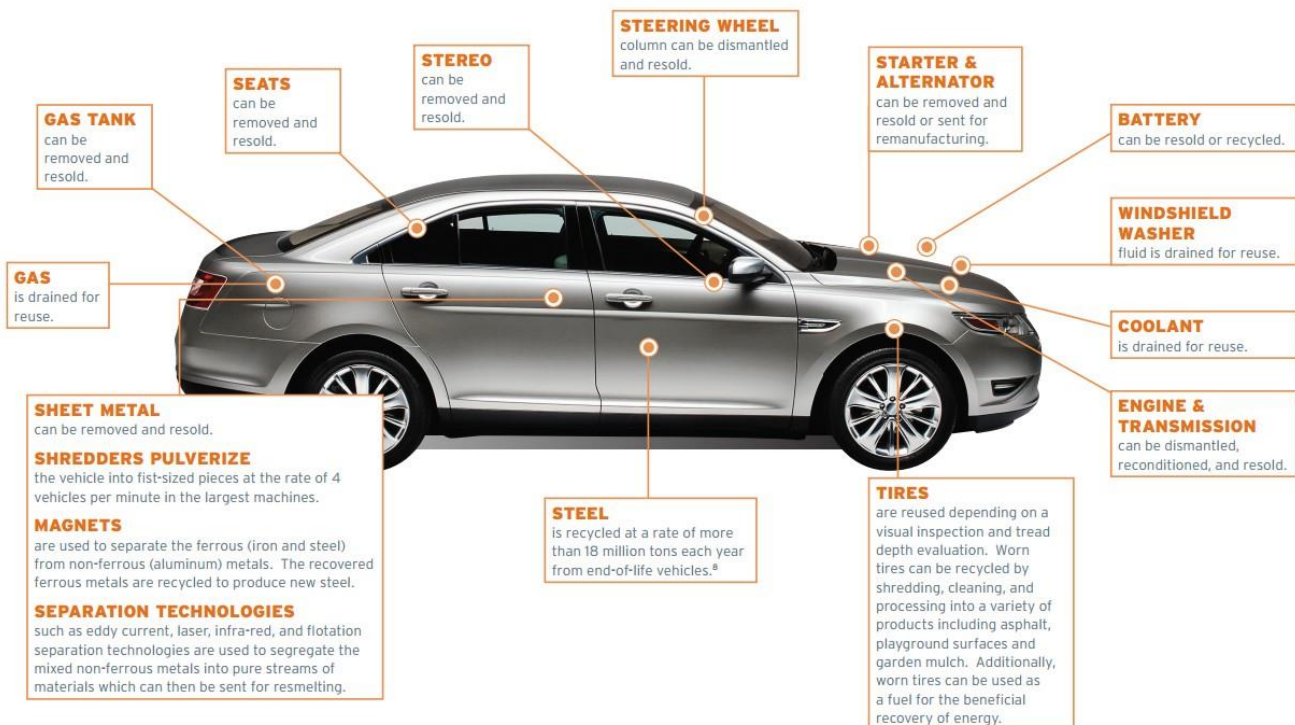
The United States automotive recycling industry is a vital, market driven industry with more than \$32 billion in sales annually, plays a crucial role in the efficient, environmentally responsible recycling of end-of-life vehicles. Automotive recycling businesses employ over 140,000 people in more than 9,000 locations around the country.

We strive to collect automobile components for reuse and to recycle the remaining valuable materials into specification-grade commodities that can be used in the manufacture of new basic materials such as steel, aluminum, plastic, copper and brass.

Auto recyclers remove parts such as engines, transmissions, doors and bumpers for reuse in other vehicles. Other parts that can also be remanufactured include starters, alternators and water pumps. Batteries, catalytic converters, tires and some plastics are removed and their materials are recycled into new products. Fluids such as engine oil, coolant, and gasoline are carefully managed to prevent releases by storing them in double-walled tanks and/or secondary containment prior to being reused or recycled.

How Recycled Products Become New Products

Through the recycling process, end-of-life vehicles (ELVs) are recycled into new vehicles, old consumer products are recycled into components of new vehicles, and parts of old vehicles are recycled into new consumer products. Typically vehicles in North America are composed of approximately 20% post-consumer recycled material by weight. Everything from old carpet to blue jeans may end up in your new vehicle.



Salvage Benefits

The goals of ARA are to allow for efficient removal and reuse of automotive parts, and the safe disposal of inoperable motor vehicles. ARA is also dedicated to allowing consumers to obtain environmentally friendly, economically sustainable, and safe recycled products.

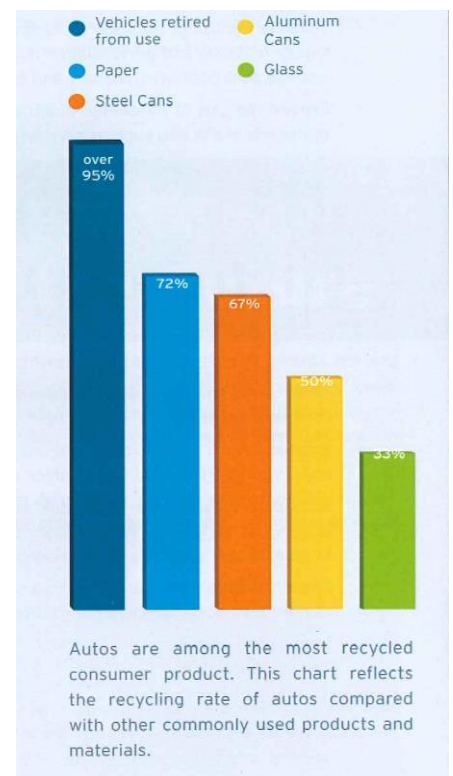
Here are 6 major benefits from the salvage industry:

1. Automotive recyclers are able to provide wholesale and retail customers with quality parts that sell for up to 50% less than the comparable new parts. This option in the marketplace even allows for OEM's to reduce their prices.
2. Automotive recyclers are a valuable source for economical and often hard to find used motor vehicle replacement parts. Professional auto recyclers are able to use computer communication systems that enable for direct inventory assessment to locate specific and unique parts.
3. Automotive recycling decreases insurance rates by purchasing inoperative vehicles from insurance companies, thus allowing for recovery of financial losses. These vehicles come primarily from individual owners and salvage auctions.
4. Automotive recycling keeps highways and roads clear of abandoned and disabled vehicles by providing a place to deposit these vehicles.
5. The environmental benefits of the salvage industry are substantial - recycling is a perfect example of a sustainable industry which yields environmental benefits while also using market driven principles to create "green" jobs. ARA estimates that each year the industry collects and reuse or recycles:

- 100.8 million gallons of gasoline and diesel fuel
- 24 million gallons of motor oil
- 8 million gallons of engine coolant
- 4.5 million gallons of windshield washer fluid
- 96% of all lead acid batteries**

6. Using recycled scrap iron and steel reduces the use of virgin iron ore, among other environmental benefits. Every ton of new steel made from scrap steel conserves

- 2,500 lbs. of iron ore
- 1,400 lbs. of coal
- 120 lbs. of limestone**



Information from:
www.epa.gov/osw/nonhaz/municipal/msw99.htm and www.recycle-steel.org/en/Steel%20Markets/Automotive.aspx

* <http://www.a-r-a.org/content.asp?pl=779&contentid=779>

**Norstar Steel Recyclers, www.norstar.com.au/Recycling/Processing/Benefits.aspx