

In Scrap-Metal Market, Buyers Have to Tell 'Darth' From 'Vader'

U.S. committee picks names for junked goods; Tata, Toto, Tutu



The U.S. is the world's top scrap metal producer and exporter. An auto junkyard in Detroit.

Photo: John W. Miller/The Wall Street Journal

By

John W. Miller

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When Randy Goodman calls a customer in China, the 51-year-old scrap trader sometimes asks: Do you want Elmo, Shelmo or Zorba?

The world's \$100 billion trade in junked cars, refrigerators and other metallic goods hinges on 100 or so short, catchy terms.

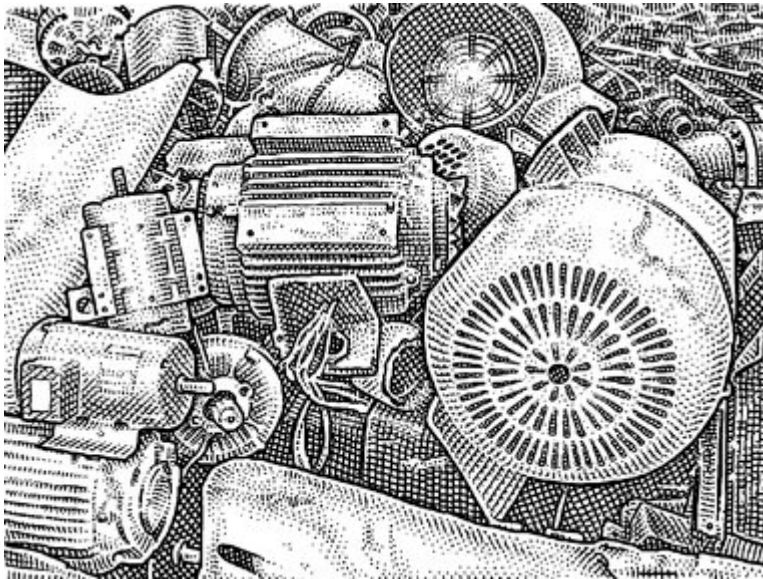
Candy: Heavy copper.

Lady: Brass shell case.

Thigh: Aluminum grindings.

Not only does Mr. Goodman, an executive vice president with Atlanta-based trading company Greenland America Inc., know and use all these code words to sell scrap aluminum, copper and zinc around the world. He gets to make them up.

Mr. Goodman is part of a tiny committee of Americans—just three or four people—who define new categories of scrap metal for the entire world, on behalf of the Institute for Scrap Recycling Industries Inc., the association of U.S. scrap dealers.



Elmos

Without ISRI's ability to come up with punchy, mellifluous words that can be pronounced in any language, traders say it would be hard to tell a buyer on the other side of the world exactly what's for sale. The nomenclature tells what is in a mix of scrap, including what condition it is in.

"I like a little double entendre," says Mr. Goodman, recalling how he made up "Elmo" so that U.S. traders could sell recycled electric motors to China, and "Shelmo" for shredded electric motors. "You should have heard the chuckles when I proposed that."

The result reads like absurdist poetry but helps buyers distinguish Cocoa (shredded wire containing at least 99% copper but no more than 0.25% tin) from Cobra (shredded wire with minimum 97% copper and not more than 0.5% aluminum). Zorba is a mix of eight metals.

Many definitions are deliberately boring. Ecstatic, for example, "shall consist of scrap borings and turning alloyed with copper, tin, bismuth and zinc."

Among other creations: Dream, Lark, Naggy, Ocean, Taboo, Taldork, Throb, Trump and Twist.

Every year, a few terms are added, and others removed. Bed brass was recently put to sleep.

Coining names has become particularly important since the 1990s, when global trade in scrap metal took off. U.S. ferrous scrap exports have risen to an average of 20 million tons a year, worth between \$4 billion and \$15 billion depending on prices, this decade, from an average of 10 million tons a year between 1995 and 2005.

Also, the products coming out of scrapyards, which grind up cars, computers and iPhones, have become increasingly complex. Changes in metallic ingredients—there is more aluminum in cars, for example—and inventions such as electric motors make it even more important to accurately summarize long, complicated definitions that easily make your eyes glaze over.

Some countries and regions have their own terms. ISRI, which is funded by the U.S. scrap industry, has emerged as the dominant definer. The U.S. produced the first modern industrial consumer boom, generating prodigious quantities of cars and refrigerators. It has the largest stockpile of recycled materials and the world's biggest scrap industry.

Every year, ISRI publishes a specifications guide, which scrap buyers from Brussels to Beijing read carefully. India requires all scrap imports to use ISRI specifications.

"The U.S. is a large exporter and those specs are convenient and easy to say," says Ross Bartley, trade and environmental director for the Brussels-based Bureau of International Recycling. "Honey sounds good."

Honey, of course, is brass that is "free of manganese-bronze, aluminum bronze, unsweated radiators or radiator parts, iron, and excessively dirty and corroded materials."

The names are short because they were originally used in teletype messages, and any word with more than five letters cost the price of two words.

The tradition of naming scrap categories goes back a long time. In 1914, the National Association of Waste Material Dealers published a list of specifications. A dominant category at the time was rags, used to make linen and paper. "No. 2 Whites," for example, were "white cottons, free of dump, street rags, scorched, painted, oily rags."

Companies' requests for new specifications are sometimes denied. In 2012, a company in Johannesburg, which had recently scrapped 69 large aircraft, asked for a new category for shredded aluminum aircraft scrap. ISRI rejected it, because aircraft scrap isn't often traded internationally. Instead, airplanes are sent to graveyards where they are disassembled for their parts and recycled locally.

Mr. Goodman says he prefers to come up with terms that make phonetic sense—such as having similar names for similar types of metal. He fondly recalls when he came up with "Tata, Toto and Tutu" to describe three categories of scrap aluminum Indian firms wanted to sell overseas. "I like inventing words that are esoteric but that have a meaning behind them," he says.

However, Mr. Goodman says the committee may have gone too far last year when it came up with "Darth" to describe "ballasts containing copper inside" and "Vader" for "steel-cased compressors" from air-conditioning units.

“We were just having a little fun, playing off popular culture,” says Matt Heitmeier, current chair of the naming committee, until mid-April. He said he has never heard of a name rejected as inappropriate.

Tom Werner, a professor of linguistics at Carnegie Mellon University, says the ISRI’s committee “should get credit for bringing some flair to the task.” When defining a new term, writers can coin new words or apply new meanings to existing words, he says.

“They’re mostly using the second strategy,” he says. “And you have wiggle room because a first principle in linguistics is that the sign is arbitrary, which means there is no necessary connection between the form of a word and its meaning.” Honey, he says, “isn’t something I would associate with crushed metal.”

Some local scrapyards dealers in the U.S. say they often don’t use the names. “I don’t deal much on export markets, so I just say what I’m selling, brass, copper or whatever,” says Randy Castriota, who owns two scrapyards in Pittsburgh and sells around \$3 million worth of metal a year.

Still, he adds, “I know what honey means.”

Write to John W. Miller at john.miller@wsj.com