

Guidelines for Paper Stock: PS-2017–Export Transactions

Paper Stock: Export Transactions

Preamble

These standards and practices apply to paper stock for repulping only and are for use in export transactions from the United States, Canada and Mexico. Transactions may be modified by mutual agreement between Buyer and Seller.

Basic to the success of any Buyer-Seller relationship is an atmosphere of "good faith."

In keeping with this, the following principles have been established:

1. Seller must use due diligence to ascertain that shipments consist of properly packed paper stock and that shipments are made during the period specified.
2. Arbitrary deductions, cancellations and rejections by the Buyer are counter to acceptable good trade practice.
3. Seller shall deliver the quality of paper stock agreed upon but shall not be responsible for the use of the paper or for the manufactured product.

I. The Purchase Agreement

Each transaction covering the purchase or sale of paper stock should be confirmed in writing and include agreement on the following items:

1. Quantity

Where possible, the quantity shall always be specified in terms of a definite number of metric tons of 2,204.6 pounds each, or short tons of 2,000 pounds each.

- a. When the quantity is specified in tons or tonnes, the order shall be considered completed when aggregate shipments are 5% under or over the quantity ordered.
- b. The Buyer and Seller shall establish minimum container-load weights.

2. Grades

Where possible, each grade purchased shall be specified in accordance with the grade as defined in the latest Paper Stock Industries Chapter Standards and Practices Circular. Any deviation from the grades listed in the simplified Circular should be specified and agreed to by both parties.

3. Packing

Unit type, i.e. bales, skids, rolls, pallets, boxes, or bundles should be specified.

4. Pricing and Terms

The agreed price and payment terms shall be clearly stated.

5. Shipping Terms

Shipping terms shall be indicated with the use of acronyms such as: "F.A.S.," "C&F," "C.I.F." or "CY."

6. Shipping Instructions

Shipping instructions should be provided by the Buyer at the time of the order. Information should include: consignee, notify party, documentation, and inspection requirements. Insurance and freight payment information should be mutually agreed upon.

7. Shipping Period

The shipping period shall be mutually agreed upon by the Buyer and the Seller.

8. Method of Invoicing

Invoicing instructions shall be clearly stated.

II. Fulfillment by the Seller

Practices of the Seller shall be in accordance with the following:

1. Acceptance

All orders shall be confirmed in writing.

2. Grading

Paper stock which is sold under the grade names appearing in the PSI Standards and Practices Circular shall conform to those grading definitions.

3. Packing

Each unit must be sufficiently secured to ensure a satisfactory delivery.

4. Tare

If agreed to by the Buyer, sides and headers may be used to make a satisfactory delivery of the bales but must not be excessive. The weight of the skids and other similar materials shall be deducted from a gross invoice weight.

5. Loading

Paper stock shall be loaded as follows:

- a. All loads shall consist entirely of one grade of paper stock unless otherwise agreed to. When two or more grades are included in the same shipment, units of each grade shall be kept together in a separate part of the container.
- b. Paper stock must be loaded in a manner that will minimize shifting and breakage. Excessive breakage prior to unloading may be cause for a claim.

6. Shipping Notice

A packing list, shipping advice and/or an invoice shall be sent to the Buyer within 72 hours of the vessel sailing.

7. Invoicing

Invoicing should conform to the instructions on the order and include the following data:

- a. Date of Shipment
- b. Container Number
- c. Steamship Line, Vessel, Voyage Number

- d. Bill of Lading Number
- e. Customer's Order Number
- f. Shipper's Invoice Number
- g. Number of Units etc.
- h. Weight and Grade
- i. Price and Extension
- j. Payment Terms

8. Claims

When notified of a claim, the Seller must, within five business days, advise the Buyer as to which of the following procedures the Seller has decided upon:

- a. Agree with the Buyer to a compromise acceptance and settlement.
- b. Require the opportunity to inspect the quality of the material in question.
- c. Request that the Buyer agree to submit the claim to arbitration.

III. Fulfillment by the Buyer

The practice of the Buyer shall be in accordance with the following:

1. Unloading

After arrival of the shipment, the Buyer is to inspect the contents so far as possible while it is still loaded.

If the shipment appears to be in accordance with the order and shipping notice, the Buyer shall proceed with the unloading.

If the shipment does not appear to be in accordance with the order and shipping notices, or if the quality of the stock is not in accordance with specifications agreed to, the Buyer shall immediately notify the Seller before unloading.

If during the process of unloading, any portion of the shipment not visible in the original inspection is not in accordance with specifications, shipping notice and order, that portion shall be set aside and the Seller immediately notified.

If at any time within 21 days after receipt of shipment, the Buyer, upon opening the bales finds objectionable materials heretofore not visible, he shall immediately notify the Seller

In the event of any claim, the Buyer shall use due diligence to protect all controversial paper stock from external deterioration or contamination.

2. Claims Other Than Quality

The Buyer shall within 10 days of unloading notify the Seller of any necessary changes and shall furnish detailed information with regard to these changes.

3. Rejection

In the event of a rejection, the Buyer shall be responsible for any paper stock used by the Buyer and the freight thereon, other than such quantity as may be considered reasonable for laboratory sampling or testing purposes.

The Buyer must protect the shipment from weather or any other elements until the claim is settled.

IV. Miscellaneous Practices

1. Ownership

If the shipment is purchased on a "delivered destination" basis, and is in accordance with the agreement covering the transaction, it remains the property of the Seller until it is delivered to the Buyer by carrier.

2. Demurrage Charges

- a. Any demurrage accrued on a shipment due to the failure of the Seller to ship in accordance with the order, except with respect to quality, is the liability of the Seller.
- b. In the event that a rejection for quality stands, any demurrage accruing on the shipment prior to notification to the Seller shall be the Buyer's liability.
- c. In the event that negotiation of substantiated rejection for quality results in agreement by the Buyer to accept the shipment, then only the demurrage, following notification of the rejection—and including 24 hours after the agreement—becomes the liability of the Seller. Demurrage accruing prior to and including the day of notification becomes the liability of the Buyer.

3. Switching and Freight charges

Any extra switching or excess freight charges accruing on a shipment due to the failure of the Seller to protect the agreed upon minimum rate or to ship in accordance with the agreement is the liability of the Seller.

4. Weight Discrepancies

No debits, credits or adjustments shall be issued on any shipment of paper stock when the weight variation is 2% or less.

In the event that a discrepancy exceeds those mentioned above as "allowable;" the Buyer and Seller shall exchange copies of certified weight in containers. In the event that both parties have such records, and errors cannot be determined, it is recommended that the weight closest to the public carrier's scale weight shall be assumed to be correct, Buyer and Seller should agree on the location of the public carrier's scale prior to shipment. In the absence of such records on the part of one of the parties, the records of the other party shall govern.

5. Moisture Content

All paper stock must be packed air dry. A moisture content of 12% is deemed to be air dry.

Where excess moisture is present in the shipment, the Buyer has the right to request an adjustment. Whenever possible, such adjustment shall be made on an average air dry basis.

6. Replacement of Shipment

In the event that any shipment is rejected due to quality:

Whether or not the shipment is to be replaced is to be decided by mutual agreement between Buyer and Seller.

7. Promptness of Shipment

- a. In the event that Buyer causes shipment to be postponed:

On instructions of the Buyer, the Seller shall have the option of extending the time limit of the order by the same number of days of the postponement, or of canceling that portion of the order on which shipment was postponed. Seller shall promptly notify Buyer of option selected.

- b. In the event that Seller causes shipment to be postponed:

On instructions of the Seller, the Buyer shall have the option of extending the time limit of the order by the same number of days of the postponement, or of canceling that portion of the order on which shipment was postponed. Buyer shall promptly notify Seller of option selected.

8. Outthrows

Outthrows shall be understood to be all papers that are so manufactured or treated or are in such form as to be unsuitable for consumption as the grade specified.

9. Prohibitive Materials

- a. Any materials which, by their presence in a packing of paper stock, in excess of the amount allowed, make the packing unusable as the grade specified.
- b. Any materials which, by their presence in a package of paper stock, pose a risk of damage to the equipment.

Note: In connection with Items 8 and 9, a material can be classified as an "Outthrow" in one grade and as a "Prohibitive Material" in another grade. Carbon paper, for instance, is "UNSUITABLE" in Mixed Paper and is, therefore, classified as an "Outthrow"; whereas it is "UNUSABLE" in White Ledger and in this case classified as a "Prohibitive Material."

V. Arbitration

In the event of a total disagreement between Buyer and Seller, the dispute should be submitted to ISRI arbitration.

In all cases, the cost of arbitration shall be borne by the party found to be at fault, or split in the event of compromise, as determined by the arbitrators.

VI. Grade Definitions

The definitions which follow describe grades as they should be sorted and packed. CONSIDERATION SHOULD BE GIVEN TO THE FACT THAT PAPER STOCK AS SUCH IS A SECONDARY MATERIAL PRODUCED MANUALLY AND MAY NOT BE TECHNICALLY PERFECT. Definitions may not specifically address all types of processes used in the manufacture or recycling of paper products. Specific requirements should be discussed between Buyer and Seller during negotiations.

Outthrows

The term "Outthrows" as used throughout this section is defined as "all papers that are so manufactured or treated

or are in such a form as to be unsuitable for consumption as the grade specified."

Prohibitive Materials

The term "Prohibitive Materials" as used throughout this section is defined as:

- a. Any materials which by their presence in a packing of paper stock, in excess of the amount allowed, will make the packaging unusable as the grade specified.
- b. Any materials that may be damaging to equipment.

A material can be classified as an "Outthrow" in one grade and as a "Prohibitive Material" in another grade. Carbon paper, for instance, is "UNSUITABLE" in Mixed Paper and is, therefore, classified as an "Outthrow"; whereas it is "UNUSABLE" in White Ledger and in this case is classified as a "Prohibitive Material."

Other Acceptable Papers

The term "Other Acceptable Papers" as used throughout this section is defined as "all other papers that are deemed acceptable by the buyer and allowed in that buyer's pack up to the percentage allowed."

Glossary of Terms

A supplemental glossary of paper stock terms is located at the end of the Domestic Transactions section. The purpose of this limited list of terms is to help the user better understand specific grade definitions contained within this Circular.

(4) Boxboard Cuttings

Consists of new cuttings of paperboard used in the manufacture of folding cartons, set-up boxes, and similar box-board products.

Prohibitive Materials may not exceed	1/2 of 1%
Outthrows plus prohibitives may not exceed	2%

(5) Mill Wrappers

Consists of paper used as outside wrap for rolls, bundles, or skids of finished paper.

Prohibitive Materials may not exceed	1/2 of 1%
Outthrows plus prohibitives may not exceed	3%

(9) Over-Issue News (OI or OIN)

Consists of unused, overrun newspapers printed on newsprint, or securely tied in bundles, containing not more than the normal percentage of rotogravure and colored sections.

Prohibitive Materials	None permitted
Outthrows plus prohibitives	None permitted

(10) Magazines (OMG)

Consists of coated magazines, catalogues, and similar printed materials. May contain a small percentage of uncoated news-type paper.

Prohibitive Materials may not exceed	1%
Outthrows plus prohibitives may not exceed	3%

(11) Old Corrugated Containers (OCC)

Consists of corrugated containers having liners of either test liner or kraft.

Prohibitive Materials may not exceed	1%
Outthrows plus prohibitives may not exceed	5%

(12) Double-Sorted Old Corrugated (DS OCC)

Consists of double-sorted corrugated containers, generated from supermarkets and/or industrial or commercial facilities, having liners of test liner or kraft. Material has been specially sorted to be free of boxboard, off-shore corrugated, plastic, and wax.

Prohibitive Materials may not exceed 1/2 of 1%
Outthrows plus prohibitives may not exceed 2%

(13) New Double-Lined Kraft Corrugated Cuttings (DLK)

Consists of new corrugated cuttings having liners of either test liner or kraft. Treated medium or liners, insoluble adhesives, butt rolls, slabbed or hogged medium, are not acceptable in this grade.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(14) Fiber Cores

Consists of paper cores made from either recycled paperboard and/or linerboard, single or multiple plies. Metal or plastic end caps, wood plugs, and textile residues are not acceptable in this grade.

Prohibitive Materials may not exceed 1%
Outthrows plus prohibitives may not exceed 5%

(15) Used Brown Kraft

Consists of used brown kraft bags free of objectionable liners and original contents.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1/2 of 1%

(16) Mixed Kraft Cuttings

Consists of new brown kraft cuttings, sheets and bag scrap free of stitched paper.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(17) Carrier Stock

Consists of printed or unprinted, unbleached new beverage carrier sheets and cuttings. May contain wet strength additives.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(18) New Colored Kraft

Consists of new colored kraft cuttings, sheets and bag scrap, free of stitched papers.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(19) Kraft Grocery Bag (KGB)

Consists of new brown kraft bag cuttings, sheets and misprint bags.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(20) New Kraft Multi-Wall Bag

Consists of new brown kraft multi-wall bag cuttings, sheets, and misprint bags, free of stitched papers.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(21) New Brown Kraft Envelope Cuttings

Consists of new unprinted brown kraft envelopes, cuttings or sheets.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(22) Mixed Flyleaf Shavings

Consists of trim of magazines, catalogs, inserts and similar printed matter, not limited with respect to groundwood, uncoated or coated stock, and may contain the bleed of cover and insert stock as well as beater-dyed paper and solid color printing.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(23) Telephone Directories

Consists of clean telephone directories printed for or by telephone directory publishers.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1/2 of 1%

(24) White Blank News (WBN)

Consists of unprinted cuttings and sheets of white newsprint or other uncoated white groundwood paper of similar quality.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(25) Groundwood Computer Printout (GW CPO)

Consists of groundwood papers which are used in forms manufactured for use in data processing machines. This grade may contain colored stripes and impact or nonimpact (e.g., laser) computer printing.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(26) Publication Blanks (CPB)

Consists of unprinted cuttings or sheets of white coated or filled groundwood content paper.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(27) Coated Flyleaf Shavings

Consists of lightly printed trim from magazines, catalogs and similar printed matter, not limited with respect to groundwood, uncoated or coated stock. The bleed of cover, insert card stock, and beater-dyed paper may not exceed 2%.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(28) Coated Soft White Shavings (SWS)

Consists of unprinted, coated, and uncoated, shavings and sheets of white groundwood-free printing paper. May contain a small percentage of groundwood.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(29) (Grade not currently in use)**(30) Hard White Shavings (HWS)**

Consists of shavings or sheets of unprinted, untreated white groundwood-free paper.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1/2 of 1%

(31) Hard White Envelope Cuttings (HVEC)

Consists of groundwood-free cuttings, shavings or sheets of unprinted, untreated and uncoated white envelope paper.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1/2 of 1%

(32) (Grade not currently in use)**(33) New Colored Envelope Cuttings**

Consists of groundwood-free cuttings, shavings, or sheets of untreated, uncoated bleachable colored envelope paper.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(34) (Grade not currently in use)**(35) Semi Bleached Cuttings**

Consists of sheets and cuttings of unprinted, untreated, groundwood-free paper such as file folder stock, untreated milk carton stock, or manila tag.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(36) Unsorted Office Paper (UOP)

Consists of printed or unprinted paper typically generated in an office environment that may include a document destruction process. This grade may contain white, colored, coated and uncoated papers, manila and pastel colored file folders.

Prohibitive Materials may not exceed 2%
Outthrows plus prohibitives may not exceed 10%

(37) Sorted Office Paper (SOP)

Consists of paper, as typically generated by offices, containing primarily white and colored groundwood-free paper, free of unbleached fiber. May include a small percentage of groundwood computer printout and facsimile paper.

Prohibitive Materials may not exceed 1%
Outthrows plus prohibitives may not exceed 5%

(38) (Grade not currently in use)**(39) Manifold Colored Ledger (MCL)**

Consists of sheets, shavings, and cuttings of industrially-generated printed or unprinted colored or white groundwood-free paper. All stock must be uncoated and free of nonimpact printing. A percentage of carbonless paper is allowable.

Prohibitive Materials may not exceed 1/2 of 1%
Outthrows plus prohibitives may not exceed 2%

(40) Sorted White Ledger (SWL)

Consists of uncoated, printed or unprinted sheets, shavings, guillotined books, and cuttings of white groundwood-free ledger, bond, writing, and other paper which has similar fiber and filler content.

Prohibitive Materials may not exceed 1/2 of 1%
Outthrows plus prohibitives may not exceed 2%

(41) Manifold White Ledger (MWL)

Consists of sheets, shavings, and cuttings of industrially-generated printed or unprinted white groundwood-free paper. All stock must be uncoated.

Prohibitive Materials may not exceed 1/2 of 1%
Outthrows plus prohibitives may not exceed 2%

(42) (Grade no longer in use)**(43) Coated Book Stock (CBS)**

Consists of coated groundwood-free paper, printed or unprinted in sheets, shavings, guillotined books and cuttings. A reasonable percentage of paper containing fine groundwood may be included.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(44) Coated Groundwood Sections (CGS)

Consists of printed, coated groundwood paper in sheets, sections, shavings or guillotined books. This grade may not include news quality groundwood paper.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 2%

(45) Lightly Printed Bleached Board Cuttings

Consists of groundwood-free printed bleached board cuttings, free from misprint sheets, cartons, wax, greaseproof lamination, metallic, and inks, adhesives or coatings that are insoluble.

Prohibitive Materials may not exceed 1/2 of 1%
Outthrows plus prohibitives may not exceed 2%

(46) Printed Bleached Board

Consists of groundwood-free misprint sheets, cartons and cuttings of bleached board, free from wax, greaseproof lamination, metallic, and inks, adhesives or coatings that are insoluble.

Prohibitive Materials may not exceed 1%
Outthrows plus prohibitives may not exceed 2%

(47) Unprinted Bleached Board

Consists of groundwood-free unprinted, untreated bleached board cuttings, sheets or rolls, free from wax, greaseproof lamination and adhesives or coatings that are insoluble.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(48) #1 Bleached Cup Stock (#1 Cup)

Consists of untreated cuttings or sheets of coated or uncoated cup base stock. Cuttings with slight bleed may be included. Must be free of wax, poly, and other coatings that are insoluble.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1/2 of 1%

(49) #2 Printed Bleached Cup Stock (#2 Cup)

Consists of printed, untreated formed cups, cup die cuts, and misprint sheets of coated or uncoated cup base stock. Glues must be water soluble. Must be free of wax, poly, and other coatings that are insoluble.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1%

(50) Unprinted Bleached Plate Stock

Consists of groundwood-free bleached coated or uncoated, untreated and unprinted plate cuttings and sheets.

Prohibitive Materials None permitted
Outthrows plus prohibitives may not exceed 1/2 of 1%

(51) Printed Bleached Plate Stock

Consists of groundwood-free bleached coated or uncoated, untreated printed plates and sheets. Must be free of coatings or inks that are insoluble.

Prohibitive Materials	None permitted
Outthrows plus prohibitives may not exceed	1%

(52) Aseptic Packaging and Gable-Top Cartons

Consists of liquid packaging board containers including empty, used, polyethylene (PE)-coated, printed one-side aseptic and gable-top cartons containing no less than 70% bleached chemical fiber and may contain up to 6% aluminum foil and 24% PE film.

Prohibitive Materials may not exceed	2%
Outthrows plus prohibitives may not exceed	5%

(54) Mixed Paper (MP)

Consists of all paper and paperboard of various qualities not limited to the type of fiber content, sorted and processed at a recycling facility.

Prohibitive Materials may not exceed	2%
Outthrows may not exceed	3%

(56) Sorted Residential Papers & News (SRPN)

Consists of sorted newspapers, junk mail, magazines, printing and writing papers and other acceptable papers generated from residential programs (such as residential household and apartment collections and drop-off centers) sorted and processed at a recycling facility. Material should be free of containerboard and brown grades (OCC, Kraft bags, boxboard and Kraft carrier board).

Prohibitive Materials may not exceed	2%
Outthrows may not exceed	3%

(58) Sorted Clean News (SCN)

Consists of sorted newspapers from source separated collection programs, converters, drop-off centers and paper drives containing the normal percentages of roto gravure, colored and coated sections. May contain inserts that would normally be included in the newspaper in the proper proportions. Grade must be free of excessive ink, brown grades and non-paper material. (Some mills may require pack to be free of flexographic inks.)

Prohibitive Materials may not exceed	1/2 of 1%
Outthrows plus prohibitives may not exceed	1%
Other papers may not exceed	10%

Specialty Grades

The grades listed below are produced and traded in carload and truckload quantities throughout the United States, and because of certain characteristics (i.e., the presence of wet strength, polycoatings, plastic, foil, carbon paper, hot melt glue), are not included in the regular grades of paper stock. However, it is recognized that many mills have special equipment and are able to utilize large quantities of these grades. Since many paper mills around the world do use these specialty grades, they are being listed with appropriate grade numbers for easy reference.

The Paper Stock Industries Chapter of ISRI is not establishing specific specifications, which would refer to such factors as the type of wet strength agent used, the percentage of wax, the amount of polycoating, whether it is on top of or under the printing, etc. The specification for each grade should be determined between Buyer and Seller, and it is recommended that purchase be made based on sample.

These specialty grades are as follows:

1-S	White Waxed Cup Cuttings
2-S	Printed Waxed Cup Cuttings
3-S	Poly Coated Cup Stock
4-S	Polycoated Bleached Kraft-Unprinted
5-S	Polycoated Bleached Kraft-Printed
6-S	Polycoated Milk Carton Stock
7-S	Polycoated Diaper Stock
8-S	Polycoated Boxboard Cuttings
9-S	(This Grade No Longer in Use)
10-S	Printed and/or Unprinted Bleached Sulphate Containing Foil
11-S	Waxed Corrugated Cuttings
12-S	Wet Strength Corrugated Cuttings
13-S	(This Number Not Currently in Use)
14-S	Beer Carton Scrap
15-S	Contaminated Bag Scrap
16-S	Insoluble Glued Free Sheet Paper and/or Board (IGS)
17-S	White Wet Strength Scrap
18-S	Brown Wet Strength Scrap
19-S	Printed and/or Colored Wet Strength Scrap
20-S	File Stock
21-S	(This Number Not Currently in Use)
22-S	Ruled White
23-S	Flyleaf Shavings Containing Hot Melt Glue
24-S	(This Number Not Currently in Use)
25-S	Books with Covers
26-S	(This Number Not Currently in Use)
27-S	(This Number Not Currently in Use)
28-S	(This Number Not Currently in Use)
29-S	(Not currently in use)
30-S	Plastic Windowed Envelopes
31-S	Textile Boxes
32-S	Printed TMP
33-S	Unprinted TMP
34-S	Manila Tabulating Cards
35-S	Sorted Colored Ledger
36-S	Computer Printout (CPO)