

Guidelines for Paper Stock: PS-2006—Export Transactions

Paper Stock: Export Transactions

Preamble

These Guidelines apply to paper stock for repulping only and are for use in export transactions from the U.S. and Canada.

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

In keeping with this, the following underlying principles have been accepted as necessary to the maintenance of amicable international dealings:

1. Seller must use due diligence to ascertain that shipments consist of properly packed paper stock and that shipment is made during the period specified.
2. Arbitrary rejections, deductions and cancellations 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 its use or the paper or paperboard manufactured therefrom.
4. Unless otherwise mutually agreed to by both Buyer-Seller, all transactions shall conform to the trade practice outlined in these Guidelines and the grade descriptions shown in the PSI Standards and Practices Circular.

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. If the quantity is specified in tons, the order shall be considered completed when aggregate shipments are 5% under or over the quantity ordered (unless Letter of Credit restrictions apply).
- b. If the quantity is specified in truckload and/or container load, this is defined as full visible capacity but not in excess of legal or freight line limits.

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 Paper Stock Industries Chapter Standards and Practices Circular should be specified and agreed to by both parties.

3. Packing

Whether units are to be bales, skids, rolls, pallets, boxes, or bundles should be stated. Where possible, approximate sizes or weights should be specified.

4. Price

The price agreed upon shall be clearly stated in U.S. dollars and cents.

5. Transportation Charges

These shall be clearly indicated with the use of the following phrases such as: "F.A.S. harbor;" or "C&F;" "C.I.F.," or "container yard" (CY), "ex-ship," "ex-frontier."

6. Shipping

- a. Instructions—Should be provided by Buyer at time of order. Information should include: consignee; party to be notified; identification marks; insurance information; and freight payment information.
- b. Time Frame—Shipment to be completed within 30 days of receipt of order, Letter of Credit and instruction information, unless otherwise specified.

7. Terms

Payment shall be made in U.S. dollars by means of an irrevocable Letter of Credit confirmed by a U.S. bank.

8. Method of Invoicing

Invoicing instructions shall be clearly stated in Letter of Credit.

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 be warranted to conform to those grading definitions.

3. Baling

Each bale must be secured with a sufficient number of bale ties drawn tight to insure a satisfactory delivery.

4. Tare

Sides and headers must be adequate to make a satisfactory delivery of the bale but must not be excessive. The weight of skids or iron cores should be deducted from a gross invoice weight.

5. Loading

Paper stock shall be loaded as follows:

- a. Before they are loaded, cars, trucks, and containers shall be in sound condition and free from odors and objectionable materials.
- b. Grades should be loaded in straight loads unless otherwise agreed to. When two or more grades are included in the same shipment, units of each grade should be kept together in a separate part of the container.

- c. 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 shipping notice or an invoice showing the date of shipment, container number and net weight of contents shall be mailed or telexed to the Buyer within 72 hours of shipment. On request, a bill of lading shall be furnished.

7. Invoicing

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

- a. Date of Shipment
- b. Container Number
- c. Ship Name
- d. Bill of Lading Number
- e. Customer's Order Number
- f. Shipper's Invoice Number
- g. Number of Bales, Rolls, etc.
- h. Quantity and Grade
- i. Price and Extension
- j. Terms

8. Claims

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

- a. Require the opportunity to inspect the quality of the material in question within five business days and during such period give Buyer final disposition.
- b. Agree with the Buyer to a compromise acceptance and settlement.
- c. Request 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 Buyer 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.

Note: The maximum quantity of "Outthrows" indicated in connection with the following grade definitions is understood to be the TOTAL of "Outthrows" and "Prohibitive Materials."

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."

Glossary of Terms

A supplemental glossary of paper stock terms is located on page 29. The purpose of this limited list of terms is to help the user better understand specific grade definitions contained within this Circular.

(1) Soft Mixed Paper

Consists of a mixture of various qualities of paper not limited as to type of baling or fiber content.

Prohibitive Materials may not exceed	2%
Total Outthrows may not exceed	10%

(2) Mixed Paper

Consists of a clean, sorted mixture of various qualities of paper containing less than 10% of groundwood content.

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

(3) (Grade not currently in use)**(4) Boxboard Cuttings**

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

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

(6) News

Consists of newspaper as typically generated from news drives and curbside collections.

Prohibitive Materials may not exceed	1%
Total Outthrows may not exceed	5%

(7) News, De-ink Quality (#7 ONP)

Consists of sorted, fresh newspapers, not sunburned, containing not more than the normal percentage of rotogravure and colored sections. May contain magazines.

Prohibitive Materials	None permitted
Total Outthrows may not exceed	1/4 of 1%

(8) Special News, De-ink Quality (#8 ONP)

Consists of sorted, fresh newspapers, not sunburned, free from magazines, white blank, pressroom over-issues, and paper other than news, containing not more than the normal percentage of rotogravure and colored sections. This grade must be tare-free.

Prohibitive Materials	None permitted
Total Outthrows may not exceed	1/4 of 1%

(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
Total Outthrows	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%
Total Outthrows may not exceed	3%

(11) Corrugated Containers (OCC)

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

Prohibitive Materials may not exceed	1%
Total Outthrows may not exceed	5%

(12) Double Sorted Corrugated (DS OCC)

Consists of double sorted corrugated containers, generated from supermarkets and/or industrial or commercial facilities, having liners of test liner, jute, 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%
Total Outthrows may not exceed	2%

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

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

Prohibitive Materials	None permitted
Total Outthrows may not exceed	2%

(14) Fiber Cores

Consists of paper cores made from either chipboard 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%
Total Outthrows 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
Total Outthrows 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
Total Outthrows 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
Total Outthrows 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
Total Outthrows may not exceed	1%

(19) Grocery Bag Scrap (KGB)

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

Prohibitive Materials	None permitted
Total Outthrows may not exceed	1%

(20) Kraft Multi-Wall Bag Scrap

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

Prohibitive Materials	None permitted
Total Outthrows may not exceed	1%

(21) New Brown Kraft Envelope Cuttings

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

Prohibitive Materials	None permitted
Total Outthrows may not exceed	1%

(22) Mixed Groundwood Shavings

Consists of trim of magazines, catalogs and similar printed matter, not limited with respect to groundwood 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
Total Outthrows may not exceed	2%

(23) Telephone Directories

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

Prohibitive Materials	None permitted
Total Outthrows 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
Total Outthrows 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
Total Outthrows 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
Total Outthrows may not exceed	1%

(27) Flyleaf Shavings

Consists of trim from magazines, catalogs and similar printed matter. May contain the bleed of cover and insert stock to a maximum of 10% dark colors. Beater-dyed paper may not exceed 2%. Shavings of novel news or newsprint grades may not be included in this grade.

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

(31) Hard White Envelope Cuttings (HWEK)

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

Prohibitive Materials	None permitted
Total Outthrows 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
Total Outthrows 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, manila tabulating card trim, untreated milk carton stock, or manila tag.

Prohibitive Materials	None permitted
Total Outthrows may not exceed	2%

(36) (Grade not currently in use)**(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	2%
Total Outthrows 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%
Total Outthrows 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%
Total Outthrows 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 and free of nonimpact printing.

Prohibitive Materials may not exceed	1/2 of 1%
Total Outthrows may not exceed	2%

(42) Computer Printout (CPO)

Consists of white groundwood-free paper in forms manufactured for use in data processing machines. This grade may contain colored stripes and impact or non-impact (e.g. laser) computer printing, and may contain no more than 5% groundwood in the pack. All stock must be untreated and uncoated.

Prohibitive Materials	None permitted
Total Outthrows may not exceed	2%

(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
Total Outthrows 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
Total Outthrows may not exceed	2%

(45) Printed Bleached Board Cuttings

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

Prohibitive Materials may not exceed	1/2 of 1%
Total Outthrows may not exceed	2%

(46) Misprinted Bleached Board

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

Prohibitive Materials may not exceed	1%
Total Outthrows 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
Total Outthrows 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
Total Outthrows 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
Total Outthrows 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
Total Outthrows 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
Total Outthrows may not exceed	1%

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	Plastic Coated Cups
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	Waxed Boxboard Cuttings
10-S	Printed and/or Unprinted Bleached Sulphate Containing Foil
11-S	Waxed Corrugated Cuttings
12-S	Wet Strength Corrugated Cuttings
13-S	Asphalt Laminated Corrugated Cuttings
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	New Computer Print Out
22-S	Ruled White
23-S	Flyleaf Shavings Containing Hot Melt Glue
24-S	Carbon Mix
25-S	Books with Covers
26-S	Unsorted Tabulating Cards
27-S	Colored Tabulating Cards
28-S	Carbonless Treated Ledger
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