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MEMORANDUM

TO: Files

FROM: Paul Rankin, RIPA President

DATE: January 1, 2012

RE: IBC Agreement Between Reconditioners and Emptiers

Attached to this memorandum is a draft "Agreement" developed by RIPA as a tool for you to use in your business. We recommend that you show it to your legal counsel, and that you adapt it to suit your company's documentation and operations. It is meant to provide a way to address the return of "heavy" IBCs that are rejected under your IBC acceptance policy, by establishing a contractual agreement between your company and the emptier.

This draft agreement not only can provide a legal mechanism by which to manage the costs and effort of returning unaccepted units, but it can be helpful in explaining to emptiers why it is so important that IBCs be emptied thoroughly.

A reference to the RIPA Web Site and our IBC Container Management Policy has been included in the text of the document, to ensure that no part of this message will be overlooked.

(Reconditioner's Letterhead)

Agreement Between IBC Reconditioners and Emptiers

In consideration of mutual benefits of proper container disposition and reuse of valuable industrial packaging, _____ ("Reconditioner"), a company engaged in routine maintenance, repair, and remanufacturing of intermediate bulk containers (IBCs), and _____, an emptier of IBCs ("Emptier"), agree as follows:

1. IBCs that will be offered by Emptier to Reconditioner shall have been thoroughly emptied, not damaged beyond a serviceable condition¹, and shall meet the quantitative definition of an empty container in the Environmental Protection Agency's definition of that term in title 40 of the Code of Federal Regulations, Section 261.7 (*see below*). This requirement and definition shall apply to all former contents, not just those regulated by the Environmental Protection Agency.
2. The IBCs shall contain only residue of their former original contents, and shall not contain other materials, contaminants, or excessive external residues. All IBCs shall continue to bear original product markings and labels, and all closures shall be in place and tight.
3. Reconditioner shall accept properly emptied IBCs and shall manage the IBCs and former contents in accordance with applicable laws and regulations.
4. It is agreed that any IBC sent by Emptier and received by Reconditioner, that has not been emptied in complete satisfaction of Paragraphs 1 and 2, above, shall be returned to Emptier as if it were still full of its original product contents. When not rejected upon arrival and sent back with the same shipping papers, an appropriate signed shipping paper for the return of the IBC shall be provided to the Reconditioner by the Emptier or a designated third party. The

¹ For further details, view the RIPA Empty Intermediate Bulk Container Management Policy at www.reusablepackaging.org (go to "container use" information).

Emptyer agrees to accept the returned IBC and its contents, shall reimburse Reconditioner for the costs of initial transportation of the non-empty IBC to Reconditioner and its return to Emptyer. All liabilities associated with the handling and transportation of a non-empty IBC shall be the responsibility of Emptyer.

Agreed:

For Reconditioner

For Emptyer

Date:

U.S. EPA Empty Container Rule (40 CFR 261.7)

The U.S. Environmental Protection Agency (EPA) regulates the status of IBCs that retain residues of hazardous materials. The general policy is that containers which retain any amount of hazardous material must be treated as hazardous waste unless the following standards are met **by the emptyer**:

- (a) All residues have been removed that can be removed using the practices commonly employed to remove materials from that type of container, e.g., pouring, pumping, and aspirating; and
- (b) No more than 2.5 centimeters (one inch) of residue remain on the bottom or inner container; or
- (c) No more than 0.3 percent by weight of the total capacity of the container remain in the container or inner liner if the container is greater than 110 gallons in size.

Note: Paragraph (c) has been interpreted to mean that for IBCs with capacities between 275 and 330 gallons, slightly less than one gallon of product may remain in an "empty" IBC.