

04-002235-2



M. GERVICH & SONS
INCORPORATED

SCRAP IRON - METAL
STRUCTURAL STEEL

AREA CODE 641
PHONE 753-3359
901 EAST NEVADA STREET
P. O. BOX 67
MARSHALLTOWN, IOWA 50158

FAX (641) 753-3340

The Honorable Don Evans, Secretary
Department of Commerce
1401 Constitution Avenue
Washington, D.C. 20230

May 25, 2004

MAY 25 2004
U.S. DEPARTMENT OF COMMERCE

Secretary Evans:

Our Company has been in the metal trades for 100 years, recycling both Ferrous and Non Ferrous scrap metals. The Company processes and sells approximately 400,000 lbs of nonferrous scrap and 3,000 tons of ferrous scrap per month.

We have been advised that certain American manufacturers, which utilize copper in their products, and are represented, by The Copper and Brass Fabricators Council, Inc. and the Non-Ferrous Founders Society may be petitioning the U.S. Department of Commerce to ban the export of copper scrap and ferrous scrap. The reason for their action is an alleged shortage. As Secretary of The Commerce Department we urge you to oppose any such export control petition.

Both commodities are freely traded whereby the price is simply a function of supply relative to demand. We sell to all major consumers of scrap in the Midwest and throughout the United States can state unequivocally that within the past 60 days the price for copper or copper bearing i.e. Brass scrap has declined by 18-25% and the prices for Steel scrap have declined by 40%. The decline is simply because current supply has outstripped demand.

Another undeniable fact is that as recently as April 2004 all major U.S. Steel Mills voluntarily had very limited purchase programs because of a surplus of scrap supplies and projected further price declines in May. In April we were able to sell only 50% of our available inventory. The so-called shortage is a myth arising out of scrap consumers desire to control the price of these supplies. In fact, history of past export controls suggests prices would rise higher if price or export controls were enacted.

We ask you Secretary Evans to protect free trade of copper scrap and ferrous scrap by opposing the copper petition for export controls and a steel petition if filed.

Respectfully,


Douglas Gervich, President
M. Gervich & Sons, Inc.