



Joseph Simon & Sons, Inc.

Specialists in non-ferrous metals.

May 24, 2004

The Honorable Don Evans Secretary
Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC. 20230

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U.S. DEPARTMENT OF COMMERCE

Dear Secretary Evans,

I am writing to you today on behalf of Joseph Simon & Sons, Inc., and the U.S. scrap metal industry as a whole. Our company is a large family operated firm located in Tacoma, Washington. We have been in business for over 80 years and employ approximately 50 full-time employees. Joseph Simon & Sons has been a major supplier of recycled scrap metal to the U.S. domestic market and also has supplied metal to the Asian markets through our trading offices in Japan, Korea, and Taiwan. We have been trading with mainland China for the last 15 years.

Recently, the Copper and Brass Council and the Non-Ferrous Founders Society have filed an export control petition arguing that copper is in short supply here in the United States. This petition specifically argues that copper should be protected under section 7 - C of the Export Control Act. A steel trade group may soon file a similar petition. Incidentally, we are not members and have never participated with either of these trade groups.

Mr. Secretary, please note the following facts:

1. Scrap copper and steel are not in short supply that these trade groups would like you to believe. Copper and steel, along with other metals, are global commodities and the markets they are traded in are cyclical in nature. Price rises are always followed by price declines. In fact, we have already seen some markets soften. These petitioners are attempting to control the price of scrap.
2. These export controls are mainly targeted against China whose economy has been very strong as of late and they have been buying a lot of scrap metal at higher prices. In fact, their prices are being lowered through their own government control policies and credit restrictions.

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3. History has shown, prices are not likely to be devalued by restricting exports, but actually have a tendency to rise.
4. Export controls can cause retaliatory acts from our foreign trading partners. We are seeing that now with China. They are requiring all companies doing business with their country to be registered.. These requirements are very time consuming and compliance with these requirements are quite difficult.. We believe this has been a direct result of the possible export controls that the United States may place on trading metals with China.

The trade groups who want these controls represent very few companies.. As Lee Iacocca said many years ago. "either you compete or get out of the business" .We saw his company came back from near collapse without the use of export controls of foreign autos brought in this country.

Our company is a member of the Institute of Scrap Recycling Industries (ISRI)that represents a large spectrum of the scrap recycling industry. They, like us, believe in free and unobstructed trade and are firmly opposed to all export controls our government may consider.

PLEASE let the open markets take care of our trade problems and do not let a few companies or trade groups place undue pressure on congress that may have devastating consequences for our economy and our industry in the long run.

Thank you for your time and consideration

Sincerely,



Marc Simon
