

04-002447-2 001

RICHARD SHELBY
ALABAMA

CHAIRMAN—COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS
COMMITTEE ON APPROPRIATIONS
CHAIRMAN—SUBCOMMITTEE ON TRANSPORTATION
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United States Senate

WASHINGTON, DC 20510-0103

June 2, 2004

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Ms. Jane Bobbitt
U.S. Department of Commerce
Legislative Affairs
14th and Constitution Ave. N.W.
Room 5421
Washington, D.C. 20230

Dear Ms. Bobbitt:

Enclosed, please find a copy of correspondence I received from Bob Grace.

Please review the enclosed and address the concerns raised. I have notified my constituent to expect a timely reply directly from you.

Sincerely,

Richard Shelby

RCS/jjg
Enclosure

2004 JUN 16 AM 9:43

Shelby, Senator (Shelby)

From: Joanne Grissom [JGrissom@PROGRESSRAIL.com]
Sent: Thursday, May 27, 2004 2:49 PM
To: Shelby, Senator (Shelby)
Subject: Copper and Brass Fabricators Co.

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May 27, 2004

The Honorable Richard C. Shelby
United States Senate
Washington, DC 20510

Dear Senator Shelby:

I am writing you on behalf of Progress Rail Services Corporation. Progress Rail is major supplier of material and services to the railroad industry in the United States as well as a significant supplier of recycled scrap metal to steel mills and foundries in the Southeastern U.S. Progress Rail's corporate headquarters is located in Albertville, Alabama and it employs over 500 Alabama citizens in its operations and approximately 3,000 in the entire United States.

It has recently come to our attention that the Copper and Brass Fabricators Council and the Non-Ferrous Founders Society have recently filed an export control petition with respect to the export of copper scrap metal. These organizations represent the users of copper and within their petition they have argued that copper is in short supply in the U.S., and therefore must be afforded protection under Section 7(c) of the Export Control Act. Progress Rail sells recyclable copper scrap and other recyclable scrap metals and it has been our experience that copper is not in short supply. We believe that the assertions made by these trade organizations are primarily self serving and further were made in an attempt to influence the trading price of copper scrap beyond a free enterprise system.

The truth is that copper scrap is a global commodity and prices are not likely to be lowered by export restrictions. Historical experience indicates that a restriction might cause prices within the U.S. to rise. Scrap metal prices, like those of most commodities, are cyclical and prices naturally rise and fall based on a wide variety of market conditions. Unwarranted influence of these prices is not necessary and tends to destabilize the customary pricing inherent in such commodity markets.

We respectfully ask that you resist and oppose any efforts to enact controls related to the export of copper, steel or other scrap metals. In addition, we ask that you contact the Honorable Donald L. Evans, Secretary, U.S. Department of Commerce and request that he also oppose any such restrictive petitions.

We appreciate your representation of the residents and businesses in the great state of Alabama. Please contact us if you have any questions related to our comments.

Very truly yours,
PROGRESS RAIL SERVICES CORPORATION

Bob Grace

Senior Vice President