

OUTLINE OF REMARKS BY

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**BEFORE THE
BUREAU OF INDUSTRY AND SECURITY
UNITED STATES DEPARTMENT OF COMMERCE
HEARING ON COPPER SHORT SUPPLY CONTROLS**

MAY 19, 2004

1. Personal Introduction
 - a) Who we are – Metalsco, Inc.
 - b) What we do – The merchant function
 - c) ISRI participation
2. “All Scrap is Not Created Equal”
 - a) A brief description of the 5 main copper scrap grades. Bare bright; ordinary #1; #2 copper; smelter items; brass ingot scrap.
 - b) Who does what with which – brass and tube mills – smelters & refineries – special consumers – brass ingot makers
3. Lack of a consuming industry in the United States for the bulk of the copper scrap being exported. Brief history – closures.
4. Other misc. minor domestic consumption of #2 copper – brass ingot makers – shredded for some leaded brass mills – innovation to enhance supply at lower cost.
5. Copper prices – terminal markets – world wide refined copper stocks – supply/demand curves – hedging.
6. Cathode & bare bright #1 – an ongoing ordinary relationship #1 copper similar ordinary spreads to Comex.
7. Our ability to cover our scrap needs – merchant alternatives for suppliers here.
8. Consumers able to cover needs – all a function of price. No scrap shortage.
9. Several major consumers delayed deliveries due backlog or technical reasons.