

Congress of the United States
Washington, DC 20515

August 2, 2012

Mary L. Schapiro, Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

*Re: SEC Initiatives under the Dodd-Frank Wall Street Reform and Consumer Protection Act –
Section 1502 Conflict Minerals Disclosure*

Dear Chairwoman Schapiro:

With the pending August 22 public SEC meeting for a vote on the regulations related to conflict minerals under the Dodd-Frank Wall Street Reform and Consumer Protection Act (PL 111-203), we write to express our concern regarding the impact on the U.S steel industry. Unless scrap steel is specifically exempted as a conflict mineral, the rule will put U.S. steelmakers at a severe competitive disadvantage globally. We respectfully request the SEC to recognize the inherent impossibility of tracking and tracing the conflict minerals in scrap steel and to incorporate in the rule the classification of product produced from scrap as a conflict-free mineral. Doing so will uphold the true congressional intent of the provision: stopping the mining of valuable minerals used to fund violent criminals guilty of committing human rights abuses in central Africa.

Scrap metal originating from both “new” industrial scrap generated by downstream manufacturers and post-consumer scrap is a primary feedstock for the steel industry. Steelmakers melt, cast and process the steel into semi-fabricated products. During this process, the source for alloying elements that may include conflict minerals such as tantalum and tungsten is recycled scrap. The tungsten or tantalum contained in the scrap may have been mined years or decades in the past or recycled numerous times over. It is inherently impossible to trace, track or otherwise know the original source of these elements.

Although U.S. manufacturing is leading the country’s economic recovery, many manufacturers are facing barriers to continued growth. The proposed regulation under section 1502 of the Dodd-Frank Act will cause U.S. steelmakers to incur substantial and unnecessary costs for compliance, including audits and filings with the SEC. Forcing users of scrap to declare that finished products “may contain conflict minerals” would cast a pall over the materials, discouraging use of scrap to the detriment of sustainability while failing to contribute to the humanitarian purpose of the law. If forced to use virgin raw materials rather than scrap, the industry will be put at a competitive disadvantage with foreign producers and with competitive substitute materials such as ceramics and other metals.

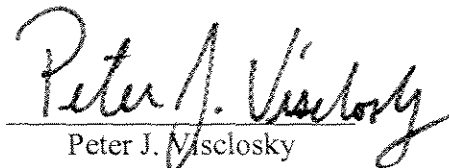
These negative unintended consequences need not happen. The SEC should exempt recycled scrap steel so manufacturers are encouraged to continue engaging in this environmentally-friendly method of reuse, or alternatively, product using recycled scrap should be classified “DRC conflict mineral free.”

For the sake of U.S. steelmakers and all its downstream customers that rely on steel based products, we urge the Commission's to consider this recommendation. If you have any questions or concerns, please do not hesitate to contact our offices.

Sincerely,



Tim Murphy
Chairman
Congressional Steel Caucus



Peter J. Visclosky
Vice Chairman
Congressional Steel Caucus