August 23, 2012

VIA EMAIL

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, D,C. 20529-1090

Re: File Number SR-NYSEArca-2012-28

Dear Ms. Murphy:

We are copper fabricating companies based in the United States, and together we represent about 50% of the copper fabricating capacity in the United States. We write in further opposition to the rule being proposed by NYSE Arca to list and trade shares of a physical copper-backed exchange-traded fund being promoted by JPMorgan. We are especially concerned that the launch of these new ETF products—and the supply disruption that it will create—will hurt not only us, and the markets we serve, but will have an extremely adverse effect on the U.S. economic recovery.

As copper fabricators, we take copper feedstock, in the form of highly purified copper cathode, and convert it into copper pipe, rod, wire, and tubing, which we then sell either to distributors, retailers, other U.S. manufacturers or to other divisions within our own respective companies. Our companies play a major role in the United States economy. The copper we fabricate is used in building construction, power generation and transmission, electronic product manufacturing, and the production of industrial machinery and transportation vehicles. Copper wiring and plumbing are integral to the appliances, heating and cooling systems, and telecommunications links used every day in homes and businesses. Copper is also an essential component in the motors, wiring, radiators, connectors, brakes, and bearings used in cars and

trucks. The average car contains 1.5 kilometers (0.9 mile) of copper wire, and the total amount of copper ranges from 20 kilograms (44 pounds) in small cars to 45 kilograms (99 pounds) in luxury and hybrid vehicles.

About 75% of the copper consumed in the United States is for electrical and electronic uses, finding widespread application in most end-use sectors of the economy. According to the Copper Development Association (CDA), 4,676 million pounds (2.1 million metric tons) of copper and copper alloy mill products were shipped for domestic end-use markets in 2009. The products were distributed in sectors as follows (electrical is distributed through all end-use markets): Building Construction (49%), Electrical and Electronic Products (20%), Industrial Machinery and Equipment (9%), Transportation Equipment (12%), and Consumer and General Products (10%). Though smaller in total tonnage than the electrical and electronics uses of copper, the copper powder and chemical industries also provide important products. Copper and copper alloy powders are used for brake linings and bands, bushings, instruments, and filters in the automotive and aerospace industries; for electrical and electronic applications; for anti-fouling paints and coatings; and for various chemical and medical purposes. Copper chemicals, principally copper sulfate and the cupric and cuprous oxides, are widely used as algaecides fungicides, wood preservatives, copper plating, pigments, electronic applications and numerous special applications.

Generally speaking, each of us purchases about 80-85% of our copper feedstock requirements every year directly from copper producers and merchants, and we do so pursuant to long-term contracts. Some of us purchase from U.S. copper producers, while others of us purchase from foreign suppliers. The reason we purchase between 80-85% of our needs through long-term contracts is, on one hand, to ensure that we always have enough supply on hand to

keep our fabricating plants operating, while on the other hand, due to the high costs of storage and the price risk we face if copper prices fall, we do not wish to store more copper than we need to, which helps protect us in the event there is a decline in demand.

However, we cannot always predict how much additional copper feedstock we will actually need or receive in any given month. Thus, even with long-term contracts, producers from time to time experience supply disruptions, and there are also times when, because of consumer demand, we simply need more copper on hand. Accordingly, when these situations arise, we must turn to the market for copper that is available for immediate delivery.

The market for copper available for immediate delivery consists of copper on warrant in LME and Comex warehouses. If there is any other copper available for us to purchase and be delivered within a week or two, we are generally not aware of it. For the most part, we rely on copper merchants to obtain this copper for us, and the reason for this is simple: In order for our respective plants to run efficiently, not all available brands of copper held at LME and Comex warehouses are acceptable. The copper merchants that do business with us know the specific brands we require and can assume responsibility for obtaining the copper we need by aggregating the lots from copper on warrant at LME and Comex warehouses.

The proposed ETFs by JPMorgan and BlackRock's iShares pose a threat not just to our business, but to the U.S. economic recovery as a whole. They propose to issue shares based on physical copper that will be acquired and taken off market. If their offerings are successful, they propose to remove from the market as much as 183,000 metric tons of such copper. As a practical matter, the only such copper we know of that they can acquire and remove from the market is copper on warrant at LME warehouses. Thus, the only copper that is acceptable to the

ETFs is copper that meets LME specifications and is on our consolidated list of acceptable brands. The only such copper we know of that satisfies our requirements, and would not otherwise be subject to long-term contracts, is copper held in LME warehouses.

The removal of as much as 183,000 metric tons of such copper would be huge in comparison to the total amount of such copper that is actually available, and would be just the kind of disruption to supply that could have severe repercussions for the construction and power transmission industries that we service.

As of August 3, 2012, there were warrants available in LME warehouses for a total of only 200,925 metric tons of copper, and of that total, slightly more than 50% of it was stored in warehouses in the United States, specifically in St. Louis, New Orleans, Chicago and Baltimore. JPMorgan states that it intends to acquire its copper from the locations with the cheapest locational premiums because it wants the cost of acquiring the copper to be as close as possible to the LME price for such copper without a premium. It makes sense that BlackRock would to do the same. However, at present, according to JPMorgan's own website, the lowest premiums right now are in the United States. Thus, JPMorgan lists premiums in Baltimore, Chicago, and New Orleans at $10 per metric ton, while premiums in Europe, Asia and China are $58, $80 and $135 per metric ton, respectively. See http://www.jpmxf.com/cm/Satellite?UserFriendlyURL=etfholdings&pagename=etfWrapper. Consequently, it is obvious that these ETFs are designed to remove from the market all or nearly all of the copper available for immediate delivery in the United States.

The implications of this practice would be grave for our companies, our industry, and, indeed, for the U.S. economy. Copper prices generally increase as the number of weeks of

supply of copper stock diminishes. With LME stocks at around 200,000 metric tons, there is generally only about one week's supply on hand. Prices in our business move on expectations. Thus, the potential removal from the LME warehouses of as much as 183,000 metric tons of copper – which is virtually all of the copper available for immediate delivery worldwide – would result in prices moving up very sharply. In all likelihood, our costs for feedstock would increase dramatically and it is possible that, should we experience an increase in demand because of improvements to the U.S. economy, or because of a disruption in supply from one or more of our long-term suppliers, one or more of us will not be able to get delivery of the copper we need.

What is more, while we generally are able to pass on higher costs to our customers, a huge increase in the cost of feedstock will strain our working capital lines and will almost certainly cause some of us to have to curtail production of at least one or more product lines. At the same time, our competitors abroad will undoubtedly be advantaged. In China, which already consumes about 40% of the world's production of copper, and where premiums are substantially higher than in the United States, the squeeze will have less of an impact because there will simply be more copper available there than in the U.S. For this reason, Chinese copper fabricators will probably be better able to supply some of our U.S. markets than we will be.

In addition to rising copper prices and potential supply shortages, the proposed ETFs will also lead to substantial price volatility, which for our industry in particular, could be even worse. Feeding the demand for more copper to be held for investment purposes by the ETFs is the expectation that the more copper the ETF can remove from the market, the higher the price for copper itself and, accordingly, the higher the price for the ETFs' shares. However, at some point the incremental increase in price will either not be sufficient to cover the increasing costs of storage or won't be enough to generate enough of a profit. When that occurs, copper in the ETF

warehouses will likely be returned to the market as quickly as possible in order to maximize the value of the shares.

As the market gets flooded with metal, near term prices will likely plummet. As a result, we will likely be faced with having purchased feedstocks at a substantial premium while at the same time, because our business is so highly competitive, as prices drop, it will be more difficult to pass on these higher costs to our customers, and our margins will be squeezed.

We understand that the ETF promoters have been representing that our concerns are exaggerated, that their removing from the market for copper for immediate delivery as much as 183,000 metric tons is not likely, and that even if it was, such removal will not have much impact either because there is plenty of metal available or, because as prices rise, there won't be any hoarding because ETF shareholders can always redeem their shares for metal. We do not take much comfort in these assurances.

First of all, the registration statements for both ETF sponsors emphasize that far from being the outer limit of what might be removed from the market, there is in fact no limit to the amount of metal they might seek to acquire. Second, both sponsors acknowledge that the more metal that is removed from the market, whether alone or together with similar types of instruments, the greater the likelihood that copper prices will move upward, independent of the normal forces of supply and demand. Obviously, if the offering fails to attract much investor interest, there won't be much of an impact. However, there is no guarantee that the offering will fail. Indeed, we assume the sponsors do not expect it to fail at all. And contrary to what the sponsors say, the only copper available to satisfy the ETFs is copper available for immediate

delivery and the only such copper we are aware of is copper on warrant in LME or Comex warehouses. All other copper is already in the pipeline between producers and consumers.

Finally, this is not a situation where we can protect ourselves by purchasing shares of an ETF ourselves. For one thing, our working capital cannot be used to speculate, much less to speculate on the price of our primary feedstock. Nor would we acquire ETF shares for the purpose of exercising redemption rights. The ETF's redemption rights would in theory give us a right to acquire metal, but the metal we would receive might be at a location far from our plants or might be of brands which are not acceptable to our plants. In short, it is difficult to imagine how any consuming copper company would be able to make any practical use of the ETFs' redemption rights.

Accordingly, for the reasons set forth herein, we respectfully request that the SEC disapprove the proposed rule allowing the listing and trading of shares of a physical copper-backed ETF.

Respectfully submitted,

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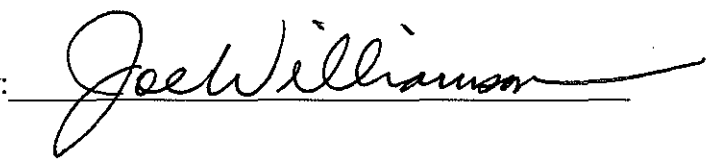
By: 

Joe Williamson, Senior Vice President, Strategic Sourcing

[Signatures continue on the following page.]

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