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Dear Customer:

Thank you for your letter regarding the new "Conflict Minerals" rule finalized on August 22, 2012, by the Securities and Exchange Commission as directed by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The new reporting requirements are based on concerns that revenues obtained from mining and transport of conflict minerals finance the ongoing conflict in the Democratic Republic of Congo and surrounding countries and the resulting humanitarian crisis. The final rule applies to products containing four conflict minerals (tin, tantalum, tungsten and gold) if the minerals are "necessary" to the functionality or production" of the products manufactured.

We and our trade association, the Metals Service Center Institute, have followed the development of this rule closely and responded to the SEC's request for comments, raising several critical issues related to the inability to trace the origin of conflict minerals in recycled scrap. We are pleased to report that the SEC responded to our comments and recognized that it is impossible to trace the source of conflict minerals in scrap. The original proposal would have required a Conflict Minerals Report, due diligence, and third-party audits for all recycled scrap sources of conflict minerals. In the final rule, we will be required only to conduct a "reasonable inquiry" procedure to determine whether the conflict minerals comes from scrap sources.

Any of the conflict minerals in our products are from recycled or scrap sources. As defined in the rule, conflict minerals from these sources are considered "DRC Conflict free."

We want to assure you that, with respect to the rule's requirement for reporting on conflict minerals, our company will comply with the SEC requirements. At this time, we are not aware of the inclusion of any covered conflict minerals in our products that would require a finding of "not DRC conflict minerals free." We will continue working with our suppliers to assure that our products are DRC conflict free.

Thank you for the opportunity to address your concerns regarding the SEC's Conflict Minerals Rule, and most importantly, for the opportunity to be your supplier. We appreciate your confidence and continuing patronage.

Sincerely,

THE STEEL SUPPLY COMPANY

