September 16, 2014

Dear Valued Customer:

We have received your inquiry regarding Lock Joint Tube's source for steel and the nominal recycle content of our raw material. In brief, you are aware Lock Joint Tube purchases steel through service centers, which in turn purchase from both domestic and global sources. In all cases, LJT purchases steel from two types of steel making processes: Basic Oxygen Furnace and Electric Arc Furnace process.

In a typical charge make-up for the BOF system recycled scrap usually represents twenty-seven to forty percent of every charge. The balance of the charge is iron ore from a blast furnace operation. Additions used for alloying and steel conditioning make up a minor percentage of the initial charge. The relative amount of scrap, iron ore and alloy additions may change dependent on the steel grade to be melted. The typical recycled scrap content for BOF operations averages about 30 percent.

In the EAF process steel manufacturers have greater latitude to their steelmaking operation. While EAFs commonly used to melt scrap at up to 100%, modern steel grades require less variability in the final chemistry. Thus, a nominal percentage of hot briquailed or direct-reduced iron is typically added for general chemistry stability. A typical ratio of scrap/HBI-DRI is fifty/fifty. Depending on the relative price and availability of either commodity, the ratio could change to be as much as 100% of either charge commodity.

Total recycled material Lock Joint Tube experiences from our raw material sources would average over thirty percent in pounds consumed.

Should you have any questions or need further information please let me know.

Terri Schmeltz
Sales Manager