

Congress of the United States
Washington, DC 20515

October 29, 2021

David J. Ryder
Director
United States Mint
801 9th Street NW
Washington, D.C. 20220

Dear Director Ryder,

We write regarding the recent proposed rulemaking pertaining to the Mutilated Coin Redemption Program and potential impacts on domestic recycling processors. In 2015, the U.S. Mint suspended the program to examine the security of the United States coinage after allegations that shipments of mutilated coins containing counterfeit coins were being submitted to the Mint by Chinese companies. The program was reinstated in 2018, and subsequently suspended again on April 29, 2019 to develop additional safeguards against counterfeit coins. As the U.S. Mint finalizes a new rule, we urge you consider these concerns that have been brought to our attention.

On May 5, 2021, the U.S. Mint published a Notice of Proposed Rulemaking in the Federal Register pertaining to the Mutilated Coin Redemption Program. Under the current proposed rule, coins damaged through any industrial or recycling process (including shredders, burnishers, and incinerators), exposed to elevated temperatures, and coins that have been drilled, punctured, ground, polished, etched, or chemically treated by any industrial or recycling process will be excluded from the program.

Domestic recycling processors play a critical role in recycling both ferrous and non-ferrous metals. The conversion of natural ore deposits into finished metals consumes significantly more energy than that consumed in making finished metals from recycled materials. The use of recycled materials in the development of new coins reduces our country's reliance upon finite natural ore deposits and also substantially reduces energy consumption and subsequent emissions.

Domestic recycling processors have historically provided mutilated coins to the Mint that are crucial, economically and environmentally, in the production of coins. Often these coins come from the shredding of vehicles, vending machines, washing machines, dryers, and other large machinery in these facilities, resulting in the coins being significantly mutilated. These coins are then separated from other metals and submitted to the Mint for future use in minting new U.S. coins.

There are concerns that excluding domestic suppliers and recycling processors that have historically provided these materials through this prohibition will ultimately lead to increased costs and negative environmental effects by requiring the U.S. Treasury to mint all new coins from primary metals rather than recycling these materials through the repurchase program.

Domestic recyclers have historically provided mutilated coins to the mint without issue which confirms the stringent measures they take to ensure the integrity of the shipments submitted for redemption. While counterfeiting of U.S. currency is a legitimate concern, three lawsuits brought by the government against coin recyclers accusing them of submitting counterfeit coins in 2015 were all dismissed and settled, with the government ultimately paying the defendants more than \$5,000,000 for the coins they submitted to the Mint without any finding of wrongdoing on the part of the defendants.

It is crucial we preserve the integrity and security of this important program. It is also important to not eliminate the tender of mutilated coins by, or to impose artificial volume limitations upon, U.S. companies that have provided mutilated coins to the Mint without issue for decades. We therefore urge the Mint to collaborate with coin recyclers on establishing necessary safeguards under the final rule to ensure the legitimacy of submitted coins.

As you examine necessary safeguards and changes to the Mutilated Coin Redemption program, we request that you take these concerns into consideration while promulgating a final rule. Additionally, we request any details that the U.S. Mint can provide regarding an expected timeline of when a final rule will be published to the Federal Register.

Thank you for your attention to this important matter and consideration of this request. I look forward to your response and continuing to work with you on these critical issues.

Sincerely,

Debbie Dingell
Member of Congress

John Moolenaar
Member of Congress

Mike Rogers
Member of Congress

Tim Walberg
Member of Congress

Fred Upton
Member of Congress

Larry Bucshon, M.D.
Member of Congress

David P. Joyce
Member of Congress

Haley Stevens
Member of Congress

Bob Gibbs
Member of Congress

Lisa McClain
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Jack Bergman
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Peter Meijer
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