

Congress of the United States
Washington, DC 20515

September 23, 2011

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

Dear Chairman Schapiro:

I am writing to urge the Securities and Exchange Commission (SEC) to issue final rules as soon as possible in order to implement the Conflict Minerals provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Congress passed the law in July 2010 to stop the financing of a decade-long conflict in the Democratic Republic of the Congo (DRC) that has caused untold tragedy, wide-spread destruction, and more than five million war-related deaths. The perpetrators of this violence financially benefit from the illicit extraction and export of valuable minerals used in electronic products around the world.

Section 1502 of the Act requires companies that report to the SEC to disclose the measures they use to certify that their products do not contain conflict minerals from the Congo. Companies also have to track their supply chains back to a mineral's origin.

Earlier this year, the SEC announced that the issuance of final rules for Section 1502 would be delayed beyond the April 17 date established in law. We are now almost five months past that April deadline. Unless the regulations are promulgated soon, we risk missing an entire year of implementation, since the law requires companies to begin reporting in the first fiscal year after regulations are finalized. For many companies, the fiscal year begins in January.

Additionally, as you conclude your rulemaking, I urge you to consider the following requirements:

1. **Full implementation of the reporting requirements without delay or a phase-in process.** Delays in implementation will seriously undermine the aim of the provision to reduce violence on the ground as quickly as possible and will send the wrong message to companies about the importance of this provision. I understand that reporting during the first year of implementation could be uneven as it will take some companies more time to fully track their supply chains. However, I believe that it is necessary to fully implement the rules in order to ensure that companies are not directly or indirectly financing armed groups.

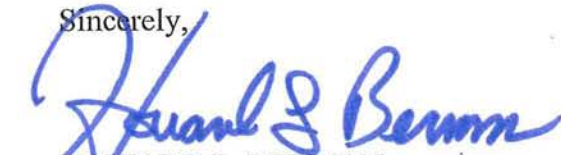
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2. **Allow only "DRC conflict free" or "Not DRC conflict free" determinations.** Companies should not be allowed to report that the minerals in their products are of "indeterminate origin". Rather, if companies fail to determine the origin of the minerals in their products, they must describe them as "Not DRC conflict free" in their Conflict Minerals report. Otherwise, a perverse incentive is created for companies not to exercise full due diligence, which could result in "indeterminate" mineral characterizations that would render the determinations meaningless.
3. **Utilize the OECD due diligence standard.** I encourage the SEC to build upon the work and experience of the Organization for Economic Co-operation and Development (OECD) and the United Nations Security Council by adopting the five step due diligence framework set out in the OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas". The OECD guidance was developed in coordination with a broad range of companies, non-governmental organizations, processing facilities, and regional governments. It represents an international consensus on how to approach the minerals trade without contributing to violence and human rights violations. In July, the Department of State endorsed this framework.
4. **Equal reporting standards for all conflict minerals.** Tin, tungsten, tantalum, and gold were defined as conflict minerals in section 1502 specifically because their trade is fueling conflict and human rights abuses in eastern Congo. Allowing different reporting standards for different minerals would lessen the desired impact of the law on the humanitarian situation in Congo, create an uneven playing field for issuers, and make it much more difficult for consumers and investors to access and understand reporting information.
5. **All manufacturing companies must be included.** Section 1502(b) intended for all manufacturing companies that use minerals in their products, regardless of how small the percentage or what label they manufacture under, to be required to trace and disclose information on their supply chains. This intention should be reflected in the final regulations.

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The Conflict Minerals provisions, if robustly implemented, can promote greater transparency and accountability in the minerals trade, improve the lives of people in the DRC, and contribute to lasting peace in the Great Lakes region. I urge the SEC to issue its final rules without delay. Thank you for your consideration.

Sincerely,




HOWARD L. BERMAN
Member of Congress



DONALD M. PAYNE
Member of Congress



JIM MCDERMOTT
Member of Congress



KAREN BASS
Member of Congress



BARNEY FRANK
Member of Congress