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Thailand Smelting and Refining Co., Ltd.

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The Honourable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
USA

By email to: rule-comment@sec.gov

13th December 2010

Dear Chairman Schapiro,

COMMENT RELATING TO THE DODD FRANK SECTION 1502 CONFLICT MINERAL LEGISLATION

We write as one of the world's leading producers of refined tin. We are members of ITRI (formerly the International Tin Research Institute) and refer to their letter to you of 22nd November 2010 outlining the issues surrounding the conflict mineral legislation. Whilst we no longer treat minerals of DRC origin, we are significant contributors to the ITRI Tin Supply Chain Initiative (iTSCi), which is aimed at providing traceability for minerals mined in the Democratic Republic of Congo (DRC) and neighbouring countries. Always an ambitious target, it was hoped to have the iTSCi program implemented by April 2011. As you will likely know by now, the program has been delayed due to the suspension of mining in the Eastern DRC as declared by President Kabila. If this situation persists, critical minerals mined in all areas of the DRC will become 'conflict' under the Dodd Frank section of the legislation. This will only serve to formalise a de facto embargo of all minerals from the DRC, which is already becoming a reality as consumers seek to avoid the use of all tin which may have arisen from the DRC (regardless of the fact that it may be conflict free). The current difficulties, both economic and political, faced on the ground in the DRC will then be exacerbated. The correct diplomatic course of action we believe is to delay the introduction of this section of the legislation until the mining suspension is lifted and there is a clear timetable again for the full introduction of the iTSCi scheme.

Furthermore, we would like to draw to your attention two other factors we believe require re-assessment.

Tin, as most metals, is eminently recyclable, often at considerably lower energy cost than is involved in the production of prime material, something that should be universally encouraged. All the tin metal currently in circulation has long since lost its traceability back to



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the mine of origin. To categorise such material by default as 'conflict' will effectively condemn it to disposal at the end of the working life of the article to which is allied. We believe recycled metal should be exempt from the legislation.

Tin is a commodity of some significant price volatility and it is essential for users of tin to have the ability to hedge prices on a futures market, the key one of these being the London Metal Exchange (LME). The LME holds substantial quantities of the world's tin stock, most of which cannot be traced back to its mine of origin retrospectively. Again, it is in our view, essential that this stock does not become 'conflict' by default. Loss of end user confidence in 90% plus of the LME's world stock of tin is likely to perpetrate a supply and speculative price driven crisis of major proportions creating a disorderly market, which some financial speculators will be able to exploit to the detriment of all genuine users of the market. The longer term effects of this will be negative as consumers substitute tin out of their supply chains affecting most those on the extraction side of the industry, especially the small scale artisanal miners such as are found in the DRC. Again, without reconsideration, the legislation is at risk of harming those it was designed to protect.

ITRI have clearly itemised further a number of issues in their letter of 22nd November, which we endorse. We hope you find these comments constructive. If you require further explanation please contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "N. Thorne". The signature is fluid and cursive, with a large initial "N" and a stylized "Thorne".

Nick Thorne
Managing Director

For and on behalf of Thailand Smelting and Refining Co Ltd