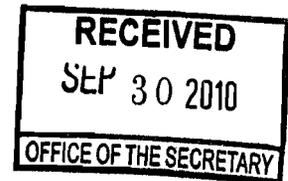


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September 29, 2010

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  
Attention: Mrs. Elizabeth M. Murphy, Secretary

Re: *Press Release No. 2010-135*  
*SEC Initiatives under the Dodd-Frank Act*  
*Comments with Respect to Section 1502 (Conflict Minerals)*

Dear Mrs. Murphy:

The Securities and Exchange Commission has requested comments as the Commission sets out to make rules required under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Tiffany & Co. respectfully submits the following comments in response to the Commission's request with respect to rulemaking under Section 1502 of the Dodd-Frank Act.

## **Tiffany & Co.**

Tiffany & Co. (the "Company") is a holding company that operates through its subsidiary companies. The Company's principal subsidiary, Tiffany and Company ("Tiffany"), is a manufacturing jeweler and specialty retailer whose principal merchandise offering is fine jewelry, generally made with gemstones, sterling silver, platinum, gold or some combination of the foregoing. Through Tiffany and other subsidiaries, the Company is engaged in product design, manufacturing and retailing activities.

The Company's manufacturing facilities produce approximately 60% of TIFFANY & CO. merchandise sold. These facilities include fine jewelry manufacturing facilities in New York and Rhode Island; none of Tiffany's proprietary jewelry manufacturing facilities is located outside the U.S. The balance of TIFFANY & CO. merchandise, including almost all non-jewelry items, is purchased from third parties.

Tiffany has been a leader in the responsible mining movement and, for its U.S. manufacturing facilities, seeks to purchase only recycled gold or gold produced by a single U.S. smelter from ore produced by a single U.S. mine. However, for the following reasons, Tiffany cannot unqualifiedly attest to mined source of all gold incorporated in all of its products:

- use of recycled gold;
- use by its smelter of a continuous process, which sometimes requires supplementary input of recycled gold or gold from other mines;
- purchase of jewelry components (“findings” such as spring closures) from third parties who do not attest to the source of their gold; and
- purchase of finished jewelry and watches from third parties who manufacture to Tiffany’s design and specifications, but who for various reasons, including logistical and alloy-dependent<sup>1</sup> manufacturing operations and supply constraints, cannot use gold from the aforesaid smelter.

The Company is committed to deal only with suppliers who observe the highest ethical standards and has instructed its vendors not to purchase “conflict” diamonds or precious metals. Tiffany is a founding member of the Council for Responsible Jewellery Practices, which seeks to exclude “conflict” diamonds and precious metals from legitimate trade through an international system of certification and legislation.

### **The Company’s Primary Concerns**

Rules promulgated under Section 1502 could have profound and unintended effects on the Company, could seriously affect its competitive position and significantly increase its annual costs of compliance with the provisions of the Securities Exchange Act of 1934, as amended by the Dodd-Frank Act. The extent of these effects will depend upon the approach the Commission takes with respect to the following issues:

- Will a “person” be defined for purposes of Section 13(p)(1)(A) as a company required to file reports pursuant to Section 13(a) or Section 15(d) – a “reporting company” – or would a “person” be defined as anyone required to file reports under Section 13(p) whether or not a reporting company?
- Will gold be considered a “conflict mineral” even if it was not mined in the Democratic Republic of the Congo or an adjoining country?
- What diligence will be required by a Section 13(p)(1)(A) reporting person in order to provide the certification generally described in Section 1502(b)(1)(B) of Dodd-Frank?

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<sup>1</sup> Gold is alloyed with various other metals to produce mixtures that exhibit various characteristics in manufacturing operations including ductility (important for drawing and shaping operations) and lack of porosity (important for molding operations).

### **“Person” as defined for purposes of Section 13(p)**

The general description of a “person” in Section 1502 of Dodd-Frank appears to authorize the Commission to define “person” very broadly, to include both reporting and non-companies and to include individuals as well as companies, partnerships and other entities, so long as “conflict minerals are necessary to the functionality or production of a product manufactured by such person”. Under paragraph (1)(A) of Section 1502(b) of Dodd-Frank, the Commission is directed to promulgate rules requiring any person “described in paragraph (2)(B)” to file reports, while paragraph (2)(B)(A) refers to any “person . . . required to file reports with the Commission pursuant to paragraph (1)(a) [of Section 1502(b)]. This referral back to paragraph (1)(A) appears to direct the Commission to promulgate rules requiring persons and entities to file reports under Section 13(p)(1)(A), whether or not they are “reporting companies”.

We believe that the Commission, in order to implement the intent of Section 1502 of Dodd-Frank, and to refrain from damaging the competitive positions of reporting companies compared to non-reporting companies, should define “persons” in the broadest possible sense. In making this request, Tiffany notes that there is persuasive precedent for the proposition that the Commission can and should require non-reporting persons to file disclosure reports pursuant to Section 13 of the Securities Exchange Act of 1934. Section 13(f) requires every institutional investment manager, whether or not it is a reporting company, to file periodic disclosure reports at such times and in such form as the Commission prescribes by rule.

### **Implementing the intent of Section 1502**

Section 1502(a) of Dodd-Frank states that “[i]t is the sense of Congress that the exploitation and trade of conflict minerals originating in the Democratic Republic of the Congo is helping to finance conflict characterized by extreme levels of violence in the eastern Democratic Republic of the Congo . . .”. The “sense of Congress” dealt exclusively with a perceived need to understand the extent to which the exploitation and trade of conflict minerals was helping to finance extreme levels of violence and to facilitate the design of policies intended to limit the exploitation and trade of conflict minerals for those purposes. Section 1502 does not even mention disclosure to or protection of investors, which suggests that the intent was not to limit the scope of Section 1502 to “reporting companies”. Furthermore, limiting the class of covered persons to reporting companies, while excepting all other persons from any obligation to diligence the source of any conflict minerals used in their products, would dramatically weaken the scope of Section 1502. Most users of gold, and certainly most jewelers, are not “reporting companies. Although the Commission is generally charged with investor-protection or market-integrity functions, in this instance, at least, the Commission has been charged with a consumer-advice function which cannot be fulfilled if reporting is limited to reporting companies.

### **Damaging the competitive position of “reporting companies”**

Persons that are required to file reports under Section 13(p) of the Exchange Act will incur significantly greater burdens of compliance, and of diligencing the source of materials used in the manufacture of products, than other persons would not incur. Depending on the nature of the rules promulgated by the Commission, these costs and burdens, monetary and non-monetary, could be very significant and could materially impair the ability of Section 13(p)

reporting persons to compete effectively. There is nothing in the text of Section 1502 that suggests that Congress intended or desired to weaken the competitive strengths of any class of persons who use gold in their products, and thereby to favor another such class of persons, by imposing significant costs and burdens on the one and not on the other.

**“Gold” defined as a “conflict mineral”**

Section 1502(e)(4)(A) can be read to define gold as a “conflict mineral” regardless of the location of the mine from which the gold was extracted. Section 1502(e)(4)(B), referring to other minerals besides gold, requires a determination by the Secretary of State that the minerals are “financing conflict in the Democratic Republic of the Congo or in an adjoining country”. That determination does not appear to be required in order for gold to be considered to be a “conflict mineral” for purposes of Section 1502.

It thus appears to be the case that, unless the Commission defines gold as a “conflict mineral” only when there is reason to believe that it was mined in the Democratic Republic of the Congo since the President signed Dodd-Frank, Section 1502 would treat gold, regardless of the time when it originally was mined in the case of recycled gold and regardless of the location of the mine from which it was extracted, as a “conflict mineral”. As a result, every Section (b)(1)(A) reporting person that uses gold in the manufacture of a product would be subject to the provisions of Section 1502, whether or not the gold was mined in the Democratic Republic of the Congo or adjoining countries and whether or not the sale of the gold was “financing conflict” in the Democratic Republic of the Congo or an adjoining country.

The Company believes that it would be wholly impracticable to define gold as a “conflict mineral” unless there is reason to believe that it was mined in the Democratic Republic of the Congo or in an adjoining country. Gold is mined in many different countries, with the Democratic Republic of the Congo and the adjoining countries accounting for only a small percent. According to industry statistics, recycled gold accounts for 39%, and newly-mined gold accounts for approximately 61%, of the supply of gold to the world market in 2009 and sources in the Democratic Republic of the Congo accounted for only 0.3% of the newly-mined gold. These industry statistics imply that it is highly unlikely that any of the gold used by fine jewelers in the manufacture of their products was mined in the Democratic Republic of the Congo or adjoining countries.

The Company believes that the burden on all manufacturers that use gold in the production of their products to comply with the diligence and reporting obligations of Section 1502 cannot be justified unless there is some reason to believe that the gold indeed was mined in the Democratic Republic of the Congo or in an adjoining country. The Company therefore suggests that the Commission take these facts into consideration and promulgate rules that would define gold as a “conflict mineral” only when there is some reason to believe that it was mined in the Democratic Republic of the Congo or in an adjoining country.

**The diligence required to provide the described certification**

The Company believes that it would be impracticable and extremely costly to attempt to trace the chain of custody “to determine the mine or location of origin” of the gold it uses in the manufacture and sale of its products.

Gold used by the manufacturers of fine jewelry, like Tiffany, has been alloyed to the desired level of purity, usually expressed in karats, which for the Company's fine jewelry is 75% (18 karat) pure gold. The Company purchases gold at this level of purity or greater from bullion banks and refiners, who in turn source their gold from recyclers, smelters and mines. Refined gold is a pure commodity that does not have any chemical characteristics that distinguish one gold bullion bar from another, and the process by which gold concentrate is refined to pure gold does not permit even the smelters to identify which mine or mines produced the gold, or even to distinguish recycled gold from newly-mined gold, once it has been refined into a gold bullion bar.

The lack of any identifying characteristics means that the Company, and any other purchaser of refined gold bullion, cannot identify where the gold "originated". Given the continuous process involved in the refining of gold, the Company does not believe that even the smelter could certify as to the countries of origin of any specific gold bullion that it has refined. The Company can, and does, require that its sources avoid delivering any raw materials from conflict zones. The Company requests that only gold that has been mined in North America be delivered to it, but cannot verify whether or not those requests are being complied with in full.

As a result, the Company does not believe that it, or any jeweler, whether or not it manufactures its products, can certify where the gold used in its products "originated". All that the Company can certify to is the identity of the party from whom it purchases its gold. The Company therefore suggests that, in promulgating regulations implementing Section 1502, the Commission require only that fine jewelers request an annual certification from its suppliers that they have no reason to believe that gold newly-mined from the Democratic Republic of the Congo or any adjoining country accounted for any significant portion of the gold sold to the jeweler.

The Company appreciates the Commission's consideration of these comments.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Patrick Dorsey', with a stylized flourish at the end.

Patrick Dorsey  
Senior Vice President, Secretary  
and General Counsel  
Tiffany & Co.