

MEMORANDUM

TO: File No. S7-40-10

FROM: Lesli L. Sheppard
Counsel to Commissioner Elisse B. Walter

DATE: March 2, 2011

RE: Email to Commissioner Walter from Amy Goodman Regarding the
Specialized Disclosure of Use of Conflict Minerals under the Dodd-Frank
Act

From: Goodman, Amy L.
To: Walter, Elisse
Sent: Tue Feb 08 13:44:36 2011
Subject: ASECA dinner

Elisse,

It was great to see you Friday evening and have a chance to catch up.

I wanted to follow-up on our brief discussion of conflict minerals under Section 1502 of the Dodd-Frank Act, specifically, the need for a phase-in of the disclosure requirements. A phased-in approach would recognize that the infrastructure necessary to facilitate compliance with the proposed disclosure requirements does not yet exist and would provide issuers an opportunity to work with upstream suppliers to put such infrastructure in place. The new legislation clearly provides an incentive for the development of the necessary infrastructure.

Under a phased-in disclosure scheme, issuers could initially fulfill their statutory obligation by disclosing that they have conflict mineral sourcing policies in place, but due to a lack of infrastructure, are unable to determine the origin of the conflict minerals. Once the necessary infrastructure is operational, it would be reasonable for issuers to be required to report whether their conflict minerals originated in the DRC countries. In this regard, it would be appropriate for the Commission to work with interested parties to determine the appropriate length of the phase-in period.

Thank you for your consideration of this issue. Please let me know if you would like to discuss further.

Best regards,

Amy

Amy Goodman

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