

Mary L Schapiro, Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

March 1, 2011

**Re: Public Comments on SEC Regulatory Initiatives under the Dodd-Frank Act – Sec. 1502, Specialized Disclosures on Conflict Minerals**

Dear Chairman Schapiro:

We, the undersigned organizations and individuals, thank you for accepting public comment on the DRC Conflict Minerals law. This law has enormous potential to transform the conflict in eastern Congo. While the DRC government must take up its responsibilities to protect civilians and establish governance and infrastructure, U.S.-based companies and consumers also have a crucial role. We are all connected to the conflict through the minerals we use in so many everyday items.

With regard to your **Question 50**: the new law requires companies to disclose “due diligence on the source” of conflict minerals originating in the DRC. 15 U.S.C. 78m (p)(1)(A)(i). Due diligence on the source of these minerals must be defined to include a description of efforts to monitor the source of the supply chain for forms of modern slavery and other extreme violations of human rights.

The law provides additional guidance on the meaning of “due diligence on the source” in Sec. 1502(c)(1)(B)(ii), clarifying that due diligence does not simply require the production of written documentation of the chain of custody. Companies affected by the law must understand how their products contribute to conflict and human rights violations, including slavery, at the source for the minerals. To wit, the State Department is required to provide guidance to companies “seeking to exercise due diligence on and formalize the origin and chain of custody of conflict minerals used in their products and on their suppliers *to ensure that conflict minerals used in the products of such suppliers do not directly or indirectly finance armed conflict or result in labor or human rights violations* [emphasis added]”.

Companies may monitor for slavery and human rights violations directly, or they may require it of their intermediary suppliers who are closer to the source. While we have heard objections from companies that this would be difficult for them to carry out, Congolese human rights organizations regularly perform this type of monitoring. It is not cost-prohibitive, and further, the costs of due diligence efforts may be spread across the supply chain and also partially passed on to consumers.

We would also like to refer you to Organisation for Economic Co-operation and Development (OECD) guidelines on the responsible supply chain management of conflict minerals. The UN Security Council and eleven African nations endorsed the guidance document, which has received strong backing from the private sector. The OECD guidelines include a Model Supply Chain Policy for A Responsible Global Supply Chain of Minerals from Conflict-Affected or High-Risk Areas. The policy should be useful in harmonizing the SEC’s final regulation with widely-endorsed practices. Under the policy, a company sourcing from conflict-affected areas commits to “neither tolerate nor by any means profit from, contribute to, assist with or facilitate

the commission by any party of... **any forms of forced or compulsory labour**, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily; [or] **the worst forms of child labour**....”

Free the Slaves and Congolese human rights organizations have documented multiple forms of modern slavery in mining areas of North Kivu, eastern Congo. These abuses include forced labor and debt bondage connected directly to miners’ work, as well as the use of child soldiers, the abuse of children in prostitution, and sexual slavery. Regulations implementing the DRC Conflict Minerals Act must accomplish the purpose of this legislation to create real change.

Please contact Karen Stauss, Director of Programs with Free the Slaves, at 202-775-7480, or [karen.stauss@freetheslaves.net](mailto:karen.stauss@freetheslaves.net), if you have any questions.

Respectfully signed:

Coalition to Abolish Slavery and Trafficking

Free the Slaves

International Justice Mission

Not for Sale Campaign

Polaris Project