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July 29, 2011

By E-mail

Chairman Mary L. Schapiro
Commissioner Luis Aguilar
Commissioner Elisse Walter
Commissioner Kathleen Casey
Commissioner Troy Paredes

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Dear Chairman and Commissioners,

The International Corporate Accountability Roundtable (“ICAR”) is a coalition of leading human rights groups including Amnesty International, EarthRights International, Global Witness, Human Rights First, and Human Rights Watch. We, along with our partner the Enough Project, and the undersigned organizations, are writing to express our strong support for Section 1502 of the Dodd-Frank Act and to urge the Securities and Exchange Commission (SEC) to issue the final rules no later than August.

Congress intended for this law to immediately address the urgent humanitarian situation in the eastern Democratic Republic of Congo (DRC) by curbing the trade in conflict minerals. It is crucial that the final rules allow no delays in implementation, including delays in reporting requirements.

Specifically, 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 engage in full due diligence, so that they may truthfully characterize their minerals as "indeterminate" for as long as possible. While "indeterminate" may sound better for public relations purposes, the truth today is that an unknown origin is worse than knowing the origin is DRC. The latter implies that the company has undertaken greater efforts to determine origins, and will sooner be in a position to eliminate human rights abuses and profits to illegal armed groups from their supply chain.

Any delay or phase-in period will have adverse impacts on the ground in eastern Congo. Delays violate the aim of the provision to cut off financing to armed groups. Delays also undermine efforts to demilitarize mining areas and remove incentives for companies to quickly adopt due diligence measures as mandated by the law. We also urge the SEC to incorporate the UN/OECD due diligence standards as part of its final rules.

We are strongly opposed to delays for the following reasons:

- 1. Delays exacerbate the ongoing humanitarian crisis in eastern Congo and impede efforts to demilitarize mining areas**

The human rights situation in the eastern Congo is dire. Human rights abuses, including gender-based violence such as sexual slavery, forced recruitment, forced prostitution, and rape, have reached catastrophic proportions. The UN Joint Human Rights Office in the DRC reported that over 300 civilians were raped by armed groups in an incident that took place in August 2010, in three villages located close to mining sites. The UN investigation revealed a direct link between the violence and competition over access to minerals.ⁱ

Members of the Congolese army and rebel groups have made tens of millions of dollars from illegal control of the mines and illicit taxation of minerals along trading routes. Miners often face harsh living and working conditions and "...quickly find that extortion and fraud in the mining zones make the cost of living prohibitive".ⁱⁱ

The Congolese government has expressed strong support for the conflict minerals provision as a "major opportunity to break the links between conflict, and production and trade in minerals" from DRC.ⁱⁱⁱ The provision has already played a significant role in pressuring the authorities in the DRC to begin to demilitarize some mining areas and to increase oversight of the mining sector. In April of this year, the Congolese army withdrew from the Bisie mine, the largest tin ore mine in the region, accounting for 70% of the cassiterite in North Kivu province. For over five years, factions of the Congolese national army have made millions of dollars per year through illegal mining and extortion of the trade at the Bisie mine alone.^{iv}

Companies must be required to carry out supply chain due diligence immediately in order to make the most of the opportunity to establish a clean trade in minerals from eastern Congo that will improve the livelihoods of miners and cut off funding to abusive armed groups. Delays in implementation would seriously jeopardize progress that has been made so far and hinder further efforts by the Congolese government to demilitarize the mining sector.

2. Delays in implementation would remove incentives for companies to comply with the law and carry out due diligence measures now

Section 1502 has provided a major impetus for companies to move forward over the past year with a number of initiatives to combat the trade in conflict minerals. In its most recent report, the United Nations Group of Experts on the DRC stated that the Dodd-Frank Act "...has proved an important catalyst for traceability and certification initiatives and due diligence implementation in the minerals sector regionally and internationally".^v

The UN Group of Experts' first report on the trade in conflict minerals was published in 2000, but it is only since the conflict minerals provision was passed last year that industry initiatives to address this deadly trade have been developed. In anticipation of the law, the Electronics Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) have designed the Conflict Free Smelter (CFS) scheme to audit due diligence measures carried out by companies that process the four minerals covered by Section 1502. Delays will decrease the incentive for companies to quickly implement due diligence measures that are urgently needed to stop fuelling conflict in eastern DRC. This will impede efforts to establish a clean trade in minerals and reduce the violence on the ground.

Conclusion

Section 1502 was prompted by the U.S. Congress' concern "that the exploitation and trade of conflict minerals originating in the DRC is helping to finance conflict characterized by extreme levels of violence in the eastern DRC..." In order for this provision to be effective in addressing an urgent humanitarian crisis, we urge the SEC to issue the final rules no later than August, incorporate the UN/OECD due diligence standards into the final rule and to follow the clear intent of the law by allowing no delays or phase-in periods for implementation and reporting requirements.

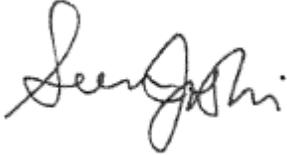
Yours sincerely,



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Lisa Shannon
Founder, A Thousand Sisters

ⁱ MONUSCO and UNHCHR, *Rapport Préliminaire de la mission d'enquête du Bureau Conjoint des Nations Unies aux Droits de l'Homme sur les*

ⁱⁱ Free the Slaves, *The Congo Report: Slavery in Conflict Minerals*, June 2011 <http://www.freetheslaves.net/Document.Doc?id=243>

ⁱⁱⁱ Letter to the Securities and Exchange Commission from the Minister of Mines of the Democratic Republic of Congo, July 15, 2011

^{iv} Global Witness, *Congo's Minerals Trade in the Balance*, May 2011

<http://www.globalwitness.org/sites/default/files/library/Congo's%20minerals%20trade%20in%20the%20balance%20low%20res.pdf>

^v The United Nations Security Council, *Group of Experts on the DRC*, June 6, 2011

http://www.un.org/ga/search/view_doc.asp?symbol=S/2011/345