



## General Board of Church and Society of The United Methodist Church

100 Maryland Avenue, N.E., Washington, D.C. 20002 • (202) 488-5600  
Fax: (202) 488-5619 • Email: gbcs@umc-gbcs.org • Website: www.umc-gbcs.org

April 19, 2012

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

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

Dear Chairman and Commissioners,

On behalf of The General Board of Church and Society of The United Methodist Church we write to you to express our deep disappointment and concern that the final rule on conflict minerals has yet to be released. As people of faith we are gravely concerned that for over 16 years the daily rape, sterilization, and murder of women and young girls has been a common tool of war in the Democratic Republic of Congo (DRC) used by groups financed through conflict minerals, this must end. This rule is a necessary step in addressing the humanitarian situation in the DRC and we cannot afford further delay, but we are concerned that the proposed rule will fail to satisfy congressional intent and our organization's interests. In order to effectuate the intent of the law the Securities and Exchange Commission's (SEC) final rule must include the points below.

The final rule must:

1. **Reject an indeterminate origin category.** Issuers should not be allowed to report that the minerals in their products are of indeterminate origin; rather, if an issuer fails 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 issuer 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.
2. **The reasonable country of origin standard should be defined.** The primary objective of the legislation is to determine whether issuers are using conflict minerals from the DRC and surrounding countries. If issuers do not know where their minerals are coming from, they could be — intentionally, recklessly, or otherwise — supporting civil war and contributing to an emergency humanitarian situation. The reasonable country of origin inquiry standard should

APR 24 2012



100% NON-DENIRED PULP



3. be one that requires a covered issuer to take sufficient steps to accurately determine and disclose whether its conflict minerals originate from DRC.
4. **Adopt OECD Due diligence standard.** Companies will benefit from additional guidance with respect to the due diligence standard required by section 1502. The SEC should build on the work carried out by the OECD and the UN Security Council by adopting the five-step due diligence framework set out in the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas. The OECD guidance was developed in coordination with a broad range of companies, NGOs, processing facilities, and regional governments and represents an international consensus approach to the trade in conflict minerals.

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..." Our concern is for the United Methodist, and all Congolese, who are daily affected by deadly violence. We will continue to be in contact with our sisters and brothers and inform them of efforts to end violence in their lives. In order for this provision to be effective in addressing the urgent humanitarian crisis, the SEC must issue strong final rules as soon as possible with robust reporting requirements.

Yours sincerely,



Jim Winkler  
General Secretary,  
General Board of Church and Society  
The United Methodist Church