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Congress of the United States
House of Representatives
Washington, DC 20515-3505

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

Dear Chairman Schapiro,

I am writing to request that you reconsider the Security and Exchange Commission's (SEC) proposed rulemaking on the Dodd-Frank Wall Street Reform Act's (Dodd-Frank) Conflict-Free Minerals provision. This provision, Section 1502 of Dodd-Frank, does not address recycled or scrap minerals, presumably because it would be too difficult to determine their origin. However, despite the law being silent on these minerals, as written, this proposal may disadvantage U.S. manufacturers by creating costly, impractical, and at times impossible, compliance requirements for manufacturers who use them. While I commend the intentions of Section 1502, and agree with the section's humanitarian goals, I respectfully request that you revisit this rule proposal to achieve those same ends without negatively affecting American manufacturers.

Specifically, manufacturers are concerned about the proposed rule's lack of clarity. The SEC's proposal states that the minerals covered by Section 1502 can be considered "conflict free" if they are derived from recycled or scrap sources, rather than mined sources. However, the proposal does not define "recycled" or "scrap" and fails to specify how the issuer would exemplify that the mineral at issue is covered by the exemption. As a result, the issuer seeking protection under the exemption would be required to provide its reasons for believing the exemption applies in a Conflict Minerals Report, which would describe the issuers due diligence process on determining the source of the mineral, offsetting the reduced burden provided by the exemption.

Modifying the rule proposal to exempt all scrap and recycled minerals would uphold the intent of Section 1502, without causing unnecessary damage to U.S. manufacturers and further prolonging our economic recovery. Thank you for your consideration. Please do not hesitate to contact me or my Legislative Counsel, Shane Skelton, at 202-225-6405 with any questions.

Sincerely,



Robert E. Latta
Member of Congress

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