



Steven C. LaTourette
Congress of the United States
14th District, Ohio
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CHAIRMAN'S
CORRESPONDENCE UNIT

Mary L. Schapiro, Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: SEC Proposed Regulation of Section 1502

Dear Chairman Schapiro:

I write to express my concerns regarding the Security and Exchange Commission's (SEC) proposed regulation of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer's Protection Act's Conflict-Free Minerals provision. The proposed regulation lacks clarity and may put American manufacturers at a disadvantage by forcing them to use cost prohibitive compliance protocols. Clarification of this regulation is needed before it is finalized.

The SEC's proposed regulation classifies recycled and scrap conflict minerals as Democratic Republic of the Congo (DRC) conflict free. In classifying these minerals as conflict free, the SEC cites challenges to tracing these materials' lifecycle. Unfortunately, the proposed regulation fails to define the terms recycled and scrap, and it also fails to provide due diligence requirements for tracing the sources of scrap and recycled minerals. The result of this lack of clarity that is issuers of these recycled or scrap minerals may be subject to burdensome and costly disclosure standards that seem to conflict with the spirit of the proposed regulation, which is that of an exemption.

I request that the SEC evaluate the intent of the proposed rule while keeping in mind all economic and humanitarian realities, and exempt recycled and scrap minerals from these reporting requirements. I appreciate your consideration of this issue and I look forward to hearing from you.

Sincerely,

Steve LaTourette
Member of Congress