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

March 23, 2012

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

Re: SEC Proposed Rule – Special Disclosures for Conflict-Free Minerals
Section 1502 of the Dodd-Frank Wall Street Reform Act (Conflict Minerals)

Dear Chairman Schapiro:

I write to express my concern regarding a specific provision within the Security and Exchange Commission's (SEC) proposed implementation of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203), which may create impractical and cost-prohibitive compliance protocols for U.S. manufactures using recycled or scrap tungsten. Sec. 1502 of P.L. 111-203, the Conflict Minerals provision, considers wolframite, the metal ore used to produce tungsten, a "conflict mineral." However, Sec. 1502 does not specifically address recycled tungsten.

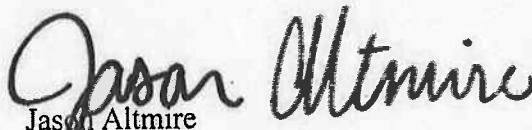
Only approximately one percent of the world's supply of tungsten is mined in conditions of armed conflict and human rights abuses, most notably in the Democratic Republic of the Congo (DRC). The majority of U.S. manufactures do not rely on the DRC sources and fully support the intent of Section 1502. It is important to note that China controls approximately 85 percent of the world's tungsten supply, dominating both production and exports. Additionally, China is cutting back on tungsten exports, causing the price to increase by 130 percent. This has resulted in American manufactures moving to a secondary source of tungsten, recycled scrap. According to the U.S. Geologic Survey, in 2011, the tungsten contained in scrap consumed by processors and end users represented approximately 55 percent of apparent consumption of tungsten in all forms. I believe that the use of recycled scrap is an effective, cost saving solution that helps ensure competitive prices and access to this important material for American manufactures.

The SEC's proposed rule allows for the different treatment of conflict minerals from recycled or scrap sources, stating that that if an issuer's conflict minerals are derived from recycled or scrap sources rather than mined sources, the issuer may consider those minerals DRC conflict free. However, the SEC proposed rules would not specify the due diligence required of such issuers nor would the rule define when a conflict mineral is recycled or scrap. Instead, any issuer seeking to use this alternative approach would have to provide its reasons for believing that the conflict mineral is from recycled or scrap sources in its Conflict Minerals Report, which would include the due diligence on the source of the mineral.

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I believe that exempting all recycled or scrap tungsten from the reporting requirements meets the intent of Section 1502. Thank you for your consideration of this letter. If you have any questions or concerns, please contact Jesse Haladay in my office at 202-225-2565.

Sincerely,


Jason Altmire
Member of Congress