

MEMORANDUM

February 24, 2011

To: File No. S7-40-10 (Conflict Minerals)

From: Zachary S. May
Office of Commissioner Luis A. Aguilar

Re: Meeting with Representatives of The Enough Project

On February 17, 2011, Commissioner Luis A. Aguilar and Zachary S. May, counsel to the Commissioner, met with the following representatives of The Enough Project: Darren Fenwick (Senior Manager of Government Affairs), Sasha Lezhnev (Project Consultant and Executive Director of the Grassroots Reconciliation Group), Andrew Matheson (Founder, Boston Silicon Materials), and Deborah Mashulam (Partner, DLA Piper). The participants discussed the Commission's proposal to implement Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act, titled Conflict Minerals.

At the meeting, the representatives of The Enough Project presented the attached Citizen Petitions concerning the Commission's proposal. A copy of the petitions, as well as documents identifying the signatories and their supplemental comments, have been placed in the public comment file associated with the above-referenced matter.

**Citizen Petition to U.S. Securities and Exchange Commission Regarding Section 1502 of the
Dodd-Frank Act**

17 February 2011

Honorable Commissioners:

As concerned consumers and constituents here in the United States, we applaud the U.S. Securities and Exchange Commission for its solid proposal to ensure that conflict minerals legislation deliver on its intended purpose: **Clean and transparent supply chains that do not source minerals from conflict mines in eastern Congo or contribute to the ongoing violent conflict waged by armed groups in the region.**

As you work to finalize these regulations we write to ask you to ensure the following essential points remain included in the final rules so that consumers can be confident that companies are conducting thorough checks and accurately disclosing critical information to the public about their supply chains:

- **1. Supply chain checks by companies that are specific and verified.** It is critical that the SEC specifically lay out the "Due Diligence" steps that companies take to check their supply chains. If a company does not source from Congo, it should issue a detailed third-party audit report saying how it verified that information. If a company does source from Congo, it should specifically report on the capacity of each mine it sources from, along with the weights and dates of individual mineral shipments and the taxes paid to the government or armed groups. This report should be independently audited and all information should be available to the public. "Business confidentiality" is a valid argument for not disclosing the price paid for minerals, but not for this information; it is essential to curb smuggling and does not harm companies' competitive interests.
- **2. Equal reporting standards for all four minerals.** While the 3 T's (tin, tungsten, tantalum) and gold are unique, different reporting standards only weaken the regulations and create the possibility of loopholes. Furthermore, numerous companies from the electronics to jewelry industries have confirmed that it is reasonable and possible to secure disclosure on each of these supply chains.
- **3. All manufacturing companies must be included.** Within the legislation passed, Congress intended for all manufacturing companies which use minerals in their products, regardless of how small the percentage or what label they manufacture under to be required to trace and disclose information on their supply chains. This intention must be delivered on through comprehensive regulations.

It is vitally important that companies at minimum undertake the steps above to ensure transparency in the minerals supply chain. As consumers and investors, we believe these steps, most of which already have the support of the United Nations Security Council and the Organization for Economic Cooperation and Development, are the only way to ensure a transparent system that will give consumers and investors the choice not to support violent conflict in eastern Congo.

Sincerely,

12,257 Concerned Consumers

**Citizen Petition to U.S. Securities and Exchange Commission Regarding Section 1502 of the
Dodd-Frank Act**

17 February 2011

Honorable Commissioners:

We the undersigned write to express our great concern about conflict minerals in the Congo. The high demand for these minerals has helped fuel some of the worst warfare in history.

We believe that the current U.S. Securities and Exchange Commission proposal to require mining companies disclose all information regarding where their minerals came from is a powerful beginning to ending this horrible conflict.

Please don't give into the pressure from large mining and electronic companies to loosen the regulations you've proposed.

Sincerely,

13,660 Concerned Consumers