

Jim Steitz

March 1, 2011

Ms. Elizabeth Murphy, Secretary
US Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Ms. Murphy:

I urge the SEC to establish the strongest possible rules to prevent the import of "conflict minerals," as required by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This is a long-overdue change in US policy to prevent American consumers and retailers from being the unwitting enablers of bloodshed and ecological devastation in the Democratic Republic of Congo.

Too often, the gold used in jewelry and electronics sends a profit signal back up the supply chain to a supplier that is unscrupulous, to state it lightly, to continue the most destructive forms of production. We have seen that an overseas market in America becomes a curse for countries such as the Democratic Republic of Congo without the appropriate governance structures to regulate and control its production. Moreover, because the importers, exporters, and other middlemen have a vested interest in concealing the true origins of the gold, even ethical consumers and retailers are often unable to determine the true location and circumstances of the production of the gold found in a device or jewelry item. Most Americans are unaware that the device in their pocket or bracelet on their wrist may be connected to the stripping of a rainforest or human slavery in the DRC.

The SEC must take immediate action to require a complete, transparent, and airtight chain of custody for all gold imported into the US, and put an end to this ecological and human tragedy. We must make "Blood Gold" a barbaric relic of the past. For this to occur, SEC must resist the immoral, selfish resistance being offered by mining companies and minerals importers, and establish rules on metals imports that are absolutely clear and free of loopholes on several key points:

- 1) The rules must fully include gold and metals mining companies.
- 2) The rules must apply to all possible companies, and not exempt small, foreign, or other companies. If any exemptions are granted based on company size or incorporation location, we may predict that companies will begin restructuring their ownership or location to evade the SEC rules.
- 3) Companies should "file" not just "furnish," conflict minerals disclosure, and that disclosure must include strong, defined due diligence and evidence and identification of all known countries of origin and actual specific origin of minerals if known for the DRC.

4) Finally, the rules must carefully define recycled metals as 100% post-consumer metals. Recycled metals that are labeled through a Conflict Minerals Report as "DRC conflict free" must be only post-consumer recycled metals. Without such a clear definition of "recycled," we may predict that unscrupulous suppliers will launder freshly mined gold under the guise of manufacturing scrap, which is a notoriously difficult category to define.

In this and other particulars of the conflict minerals rules, SEC must avoid creating potential safe harbors for plausible deniability, and instead design rules with ease of enforcement in mind, that place the burden of proof and disclosure on the company. The international trade in minerals is extremely opaque, and SEC is an already overburdened agency. Therefore, the rules must create points of enforcement that bring the full chain of custody of a particular minerals shipment into clear view, and maintain the burden upon the company to maintain this information in a manner not vulnerable to forgery or falsification of that documentation. SEC must require that all minerals shipments affirmatively carry their full chain of documentation to the mine itself or be denied access to the US market, rather than requiring SEC staff to prove otherwise in order to deny market access.

Please do not allow any weakening or dilution of this question of life and death for both the rainforests of West Africa and for many of the people, including would-be child laborers, who inhabit the same region. This is an absolute moral imperative, as well as a basic question of market transparency for the ethical decision capacity of American consumers, which SEC has a responsibility to facilitate with clear information and disclosures. Thank you for your attention to this urgent issue.

Sincerely,

Jim Steitz