



Comment and Request for Hearing on  
U.S. Securities and Exchange Commission Acting Chairman Piowar's February 3, 2017,  
statement on the Commission's Conflict Minerals Rule

Comment of  
Jess F. Kraus IV  
CEO - Source Intelligence

February 22, 2017

Acting Chairman Piowar, as an interested person I am pleased to submit comments regarding the U.S. Securities and Exchange Commission reconsideration of the Conflict Minerals Rule.

My name is Jess F. Kraus IV. I am the CEO and Founder of the world's largest third-party provider of conflict minerals compliance programs. My company, Source Intelligence, successfully services hundreds of multinational companies headquartered in the United States and abroad. This customer base represents more than \$1 trillion in revenue and engages more than 350,000 suppliers around the world.

It is important to note that when this rule was implemented, some companies did find it difficult to effectively trace and verify conflict minerals in their products. Since then, technology and improvements in tracing and verification are contributing to higher success rates, better sourcing practices and a reduced burden associated with compliance. Several corporate trade associations have implemented their own initiatives to affect positive outcomes. The results show a positive trend for the United States. To date we have more than 350,000 users of our platform for cost-efficiently exchanging supply chain information to their respective customers. For as little as \$10/supplier per year, these companies are delivering verified conflict minerals declarations to their filing customers in order to fully comply with the SEC's requirements. Systems are now in place to better track minerals and other raw materials – as well as semi-finished goods – from their source of origin.

To the best of our knowledge NONE of our customers have terminated contracts with any company supplying products containing minerals originating from legitimate mines in war-torn regions of Africa. What's more, the rule has raised investor, enterprise and consumer awareness on the need for programs that assure legal and ethical sourcing. Further, the legal and financial risk of irresponsible sourcing practices has put conflict minerals, cobalt, cotton and palm oil and a number of other commodity traceability programs on the U.S. corporate agenda.



I would also remind you that the U.S. set the standard for this issue, and resulted in similar initiatives by U.S. states, the European Union and countries in Asia. Companies would rather appreciate consistent standards across the globe.

As the recognized expert in Conflict Minerals Compliance and the CEO of the #1 global third-party conflict minerals compliance programs provider to the world's largest brands, I submit the above data in opposition to your intentions to modify the rule and your position and respectfully request a special hearing before the end of the comment period. Again, we have no evidence that legitimate mines have lost business as a result of efforts to comply with this legislation.

Copied on this comment letter are U.S. Senators Feinstein and Harris both of whom I am encouraging to seek a field hearing of their own.

A handwritten signature in black ink, appearing to read "Jess F. Kraus IV", written in a cursive style.

Jess F. Kraus IV, CEO  
Source Intelligence

C: Senator Dianne Feinstein  
  
Senator Kamala Harris