March 10, 2017

Commissioner Michael S. Piwowar
Acting Chairman
United States Securities and Exchange Commission
100 F Street, NE
Washington DC 20549

RE: Response to SEC Request for Comments on the Conflict Minerals Rule

Dear Acting Chairman Piwowar,

The Information Technology Industry Council (ITI) is the global voice of the information and communications technology (ICT) sector and the premier advocacy and policy organization for the world’s leading innovation companies. Through our Environmental Leadership Council, an additional two dozen companies engage with us on sustainability and supply chain priorities.

On behalf of our members, ITI has been integrally involved in the conflict minerals policy dialogue since 2009. We worked with members of Congress and with the Securities and Exchange Commission (SEC) on the development and implementation of section 1502 of the Dodd-Frank Act, and have been advising the European Union as that entity nears finalization of its own conflict minerals regulation. We have testified to Congress regarding the efficacy of the conflict minerals requirements, and have worked with the State Department and other impacted sectors to drive common efforts to advance transparency on minerals sourcing.

The federal conflict minerals law – while not ideal – has advanced due diligence practices related to minerals sourcing in Central Africa, and has brought desperately needed attention to the plight of civilians in the Democratic Republic of Congo (DRC) and neighboring countries. Collective pressure on the supply chain from numerous sectors – including apparel, automotive, aerospace, ICT, jewelry, retail, and others – can be credited in part with the overall improvement in transparency in the region.

High-tech companies have led the charge to drive continuous improvement on minerals sourcing practices while directly engaging in development activities in Central Africa (see attachment). We are concerned by reports that the federal conflict minerals reporting and disclosure requirements may be repealed or otherwise set aside with nothing to take their place. Absent collective action, and the unremitting pressure it brings to bear on global supply chains to institute necessary reforms, we may lose the fragile progress on clean minerals sourcing that we have collectively achieved.
Today, about 80% of the known smelters of covered minerals are validated to be conflict free. Moreover, dozens of these smelters are sourcing from the covered countries in Central Africa, thus helping bring proper economic investment and development to the region. As responsible corporate citizens that have driven much of this progress, we do not want to see these gains eroded.

Importantly, section 1502 has also shaped other global initiatives on due diligence for minerals sourcing. The European Union conflict minerals regulation, which is due to gain final approval on March 15 of this year, was developed to complement the U.S. approach. Should section 1502 be repealed without any replacement, Brussels may elect to take a different approach when it conducts its first mandated review of the effectiveness of its regulation. This uncertainty does not serve the interests of an American business community that has committed significant time and resources to comply with existing federal requirements.

In fact, several ITI members have already publicly committed to continuing to conduct due diligence on minerals supply chains and to report out on their findings, regardless of the outcome of the current debate on the future of section 1502. These companies have determined that their ongoing commitment is needed to satisfy their customers, their stakeholders, their investors and their corporate principles. The ICT sector will continue to drive these practices throughout our own supply chain, but we will find it harder to generate ongoing improvement without the involvement of other industries.

While section 1502 is not the perfect solution to a humanitarian challenge deeply rooted in complex socio-political origins, it does establish the principle that the private sector can play a role in helping to address the terrible and persistent conditions in Central Africa. Governments undoubtedly need to take the lead to bring peace, security, and stability to the DRC and its neighbors, and civil society also has an indispensable role to play in directing aid and development assistance. The private sector can and should stand shoulder-to-shoulder and use its economic demand to drive progress and help advance stability. Ultimately, though, we know our sector’s commitment to sustainability and corporate social responsibility alone cannot bring peace and security to the DRC, and in the absence of concerted government and civil society engagement, the tragic status quo will reign in Central Africa.

In closing, we do not support efforts to repeal or suspend section 1502 without some replacement regime to maintain demand for conflict-free minerals. We would urge the Commission and other policymakers to look closely at the OECD Due Diligence Guidance for Responsible Supply Chains as a framework for a replacement approach that advances transparency efforts, emphasizes continuous improvement in an efficient and effective manner, and provides for strong reporting requirements.
We stand ready to engage in any dialogue to institute practical reforms that improve conditions on the ground and ameliorate the lives of civilians in the DRC and throughout Central Africa.

Sincerely,

Richard E. Goss  
Senior Vice President  
Environment & Sustainability

About ITI. The Information Technology Industry Council (ITI) is the global voice of the tech sector and the premier advocacy and policy organization for the world’s leading innovation companies. In both the U.S. and in countries around the world, ITI navigates the relationships between policymakers, companies, and non-governmental organizations, providing creative solutions that advance the development and use of technology. Visit www.itic.org to learn more and follow us on Twitter for the latest ITI news @ITI_TechTweets.
ATTACHMENT

The high-tech sector continues to demonstrate its leadership on minerals sourcing priorities by advancing the Conflict Free Sourcing Initiative (CFSI); engaging with governments and other stakeholders via the Public-Private Alliance for Responsible Minerals Trade; implementing the OECD Due Diligence Guidance for Responsible Supply Chains; and, championing additional projects to bring peace and transparency to Central Africa.

Corporate responsibility and ethical conduct are in the high-tech sector’s DNA – and our customers expect no less of us. We hold our suppliers to elevated standards on human rights, labor conditions and environmental practices, and these programs help us meet our twin objectives when it comes to minerals sourcing:

- **Source Responsibly.** Any mining activities that fuel conflict are unacceptable, and the high-tech industry will continue to work with the international community to ensure transparency and responsible practices within global supply chains.

- **Support Economic Activity in Central Africa.** Hundreds of thousands of people in Central Africa rely on mining and related activities for their subsistence. The high-tech sector is leading efforts to develop clean sourcing mechanisms in the region so as to avoid a *de facto* economic embargo.

Beyond these broad-based efforts, numerous ITI member companies have taken leadership positions on driving clean sourcing and transparency throughout their global supply chains. Our sector brings a strong and consistent dedication to the topic and a documented commitment to resolving this issue.