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March 14, 2017

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

**Subject: Impact of Dodd-Frank Section 1502- Conflict Mineral Rule on  
Graybar Electric Company, Inc.**

Dear Acting Chairman Piwowar:

Thank you for providing Graybar Electric Company, Inc. with the opportunity to share the following comments to your January 31, 2017 statement regarding Section 1502 of Dodd-Frank.

Graybar is a distributor of electrical, communications and industrial material. We do not manufacture or contract to manufacture goods. Additionally, the majority of the material that we sell is for the consumption of our customers in the construction, maintenance, operation and repair of their own facilities. Most of the material that Graybar sells is not integrated into manufactured goods that enter the stream of commerce.

Because Graybar is not a manufacturer (and does not contract to manufacture), we are not subject to the reporting requirements of the Conflict Mineral Rule. However, many of our customers are subject to reporting, and as part of their due diligence, often query Graybar to provide information to support their effort. Providing that information has proven to be onerous for the reasons that I list below. Additionally, there is confusion and a general lack of understanding of how to apply the rule on the part of both customers and suppliers in our business.

Seeking, implementing and maintaining data to support customer's compliance with the Conflict Mineral Rule places an unfair burden on wholesale distribution.

Distributors provide supply-chain services to move products from manufacturers into the hands of construction, industry, and government customers. Agility in doing so is a crucial element in providing logistics, warehousing, and timely delivery within a very thin margin of profitability (just 2% on average across the \$5.6 trillion wholesale distribution industry). The Conflict Mineral Rule, and other similar regulatory obligations impair Graybar's ability to provide efficiencies and cost controls in supply chain management.

We would like to share our experience in supporting our customers as they try to comply with the Conflict Mineral Rule. Please consider the information listed below in your review and consideration of either rescinding or suspending the regulation until more guidance and concise direction can be developed. Some of our issues are as follows:

1. Many non-public manufacturers, even minority-owned, disadvantaged, small and large family-owned businesses, are being required to provide the Conflict Mineral Rule information when they have a public company customer (directly or through distribution), and they are burdened with completing their own investigations into their supply chain, unable to rely upon any publicly available information. They are faced with the choice of engaging in the process, which restricts growth in other areas – such as the ability to do business and create jobs, or avoiding selling to larger customers, but ultimately, they have no control over who their customers will be.
2. The rule applies only to material that is necessary for the functionality of a manufactured product that enters the stream of commerce. Hence, material that is consumed in production of the customer's products or used for MRO is exempted. Some customers have adopted a policy of applying the rule across all of the materials purchased regardless of the use, which has expanded the scope of diligence and reporting.
3. Graybar must rely on suppliers or manufacturers to provide the data, and many are still engaged in their own due diligence process or choose not to report in the format demanded, i.e. the "Conflict Mineral Reporting Template" (CMRT) as adopted from the Electronic Industry Citizenship Coalition.
4. The CMRT template is poorly designed and does not take into account the role of distribution; it is designed for manufacturers. Customers often require distributors to submit and certify the CMRT rather than accept it from the manufacturer, or for us to submit just one CMRT across

everything that we sell to them, regardless of how many items or manufacturers from which we source. This points to a general lack of understanding on the part of the folks that are requesting or collecting the information.

5. A cottage industry of third party CM data content collectors has developed, often serviced by off-shore companies with a “check the box” approach and little regard on the part of these companies for the quality of the information submitted.
6. The Rule does not account for material with a long shelf life or held for the purpose of storage as spares.
7. There is no de minimis tolerance at the information collector (our customer) level.
8. There is no recycle, reclaim or rework allowance after 2013.
9. Reports in news media (and your statement) point out there is little evidence that the implementation of the Conflict Mineral Rule has aided the plight of the people that it was intended to protect, and may in fact have harmed those people. That assessment has been publicly available for a considerable amount of time, making this regulation especially unpopular and difficult to impose upon our suppliers.

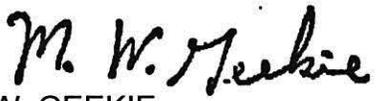
Finally, in the course of your continued review, if the global benefit of the Conflict Mineral Rule is determined to be sufficient in light of the domestic resources required to attain the geopolitical goal, please explore other means of achieving this goal. Some possibilities for consideration include:

1. Fostering the development of a consolidated database into which manufacturers must deposit Conflict Mineral Information;
2. Adoption of a clearer definition of where and to whom the Conflict Mineral Rule does and does not apply, which excludes purchases from wholesale distributors;
3. Improvement of the CMRT for reporting with clearly defined terms and explanation of standards;
4. Exempting materials with long shelf life or held as spares;
5. Addition of a de minimis standard; and
6. Developing and providing better instruction for managing the reporting requirements around recycled, reclaimed or reworked material.

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Please let us know if we can provide additional information or other support to the SEC during this time.

Respectfully,

  
M. W. GEEKIE