



March 17th 2017

Chairman Michael S. Piwowar
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Piwowar,

Thank you for taking the time to review the following thoughts:

1. ***De facto boycott applicability:*** While this might have been true in 2011, most filers today encourage responsible sourcing from covered countries and ensure that their suppliers don't embargo sourcing from covered countries. The statistics below speak for themselves.
 - a. 66% of the [44 tantalum smelters certified by CFSI](#) are estimated to source from covered countries.
 - b. 20% of the total [247 smelters certified by CFSI](#) are estimated to source from covered countries. Not all smelters disclose where they source from - so the eventual numbers are higher.
 - c. Several key performance indicators published by non-profits point to improvements on ground, including number of conflict-free mines, the amount of conflict-free 3TG exported out of covered countries and the number of people in stable employment.
2. **National Security Implications:** Given the pervasiveness of 3TG in all modern electronics, including defense equipment, it is imperative that a secure and reliable supply of these metals is maintained. It is estimated that 65% of tantalum reserves are in covered countries. To that extent, staying engaged with covered countries and working on reducing the influence of militias enhances the long term security goals of United States. Corporations with stability in sourcing of raw materials are in better position to make better business decisions - KEMET Corporation is Exhibit A.
3. **Cost of Compliance:** As other comments indicate, the cost of compliance has been significantly lower than anticipated. Companies leveraged existing supplier management framework or put a new framework in place to amortize the costs.
4. **Supplier Management Framework:** The technological benefits created by man going to moon have been well documented. Similarly, the supplier frameworks are being leveraged to create efficiencies in other bread-and-butter aspects such as supplier quality, supplier contracts and issues relating to EHS (Environment, Health and Safety). For example, our customers are leveraging the same framework to ensure that hazardous substances (e.g. lead/mercury) are not in their products.
5. **De facto World-Wide Applicability and Upcoming EU Law:** If section 1502 reporting requirements are diluted, they will pop-up elsewhere and impact US companies anyway. As an example, EU Conflict Minerals law has already been finalized and is expected to take effect in 2021. Historically, regulations from a large

economic zone such as US or EU become de-facto world regulations due to intertwined supply chains. For instance EU regulations such as RoHS and REACH impact most US companies. Dodd-Frank has impacted most EU and Chinese corporations.

Thank you for your time and consideration.

Balu Sharma

SupplierSoft Inc.