



United States Department of State

*Under Secretary of State
for Economic, Energy, and
Agricultural Affairs*

Washington, D.C. 20520-7512

March 17, 2011

Dear Mr. Cox:

Thank you for your recent correspondence concerning implementation of section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). As your letter notes, the trade in conflict minerals in the eastern Democratic Republic of the Congo (DRC) has been a primary focus for the State Department and one to which we have devoted significant resources and attention.

The Department recently delivered to Congress the conflict minerals strategy mandated by Dodd-Frank. This strategy builds on our March 2010 strategic action plan on conflict minerals and focuses on developing civilian regulatory capacity, helping end the role of illegal armed groups and criminal networks within the security forces, promoting corporate due diligence, and supporting regional and national efforts to address conflict minerals. We have allocated \$11 million in funds to implement these efforts. We believe this strategy will help bring us closer to ending the human suffering in the region that you rightly point to in your letter as the goal of all of our work on this issue.

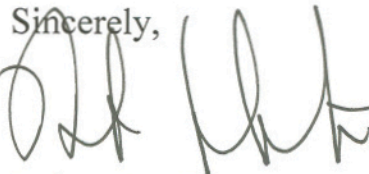
In particular, we recognize the support that Congress, through Dodd-Frank, has provided to international efforts to insist that companies sourcing minerals from the region exercise due diligence on their supply chains. Since Dodd-Frank’s passage, the Department has been in consultation with the Securities and Exchange Commission (SEC) and a wide range of stakeholders – including extensive and consistent discussions with many of your organizations – to promote effective due diligence regulations. These regulations and related efforts by other international actors have the potential, through market pressure, to restructure the minerals trade in a way that undercuts a key contributing factor to the conflict.

Larry Cox,
Executive Director,
Amnesty International USA,
5 Penn Plaza,
New York, NY 10001.

It is an important priority that companies perform meaningful due diligence in response to Dodd-Frank. It is our belief that reporting companies must begin to encourage and ensure legitimate, regulated, conflict-free trade that does not include possible conflict minerals nor contribute to human rights abuses. We have encouraged companies to use the guidance recently issued by the Organization for Economic Cooperation and Development (OECD) and also by the United Nations Security Council DRC Sanctions Committee's Group of Experts – or, alternatively, the five-step framework that is common to both sets of guidance.

At the same time, we acknowledge that implementation of these due diligence actions will be challenging for many companies, particularly as many of the mechanisms needed to facilitate transparency for in-region sourcing are still being developed. We intend to encourage companies that source minerals originating in the DRC and in adjoining countries to engage with the Department and with host government authorities to help establish credible and effective mechanisms for due diligence and monitoring in the region. We would encourage companies to make public these positive efforts, including participation in or support to pilot in-region sourcing initiatives and industry-wide smelter validation efforts, such as that currently being implemented by the electronics industry. We hope that you and your organizations will join us in these efforts.

In sum, we do not support a delay in the effective date of the regulations and recognize implementation of Dodd-Frank in a way that brings about the end we all seek will take time. We thus need your strong support of our efforts and those undertaken by the private sector in this regard to ensure that the legislation has the desired outcome.

Sincerely,


Robert D. Hormats

cc: Lisa Shannon, Author and Activist
John Bradshaw, Executive Director, Enough Project
Karen Stauss, Director of Programs, Free the Slaves
Corinna Gilfillan, Head of U.S. Office, Global Witness
Arvind Ganesan, Director, Business & Human Rights, Human Rights Watch
Tzivia Schwartz Getzug, Executive Director, Jewish World Watch
Morton Halperin, Executive Director, Open Society Policy Center
Rabbi David Saperstein, Director and Counsel, Religious Action Center of Reform Judaism
Kent Hill, Senior VP, International Programs Group, World Vision