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April 28, 2017

Ms. Elizabeth Orlando
U.S. Department of State
2201 C Street NW., Room 3843
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Via email: ConflictMineral@state.gov

RE: March 27, 2017 Notice of Stakeholder Consultations on Responsible Conflict Mineral Sourcing (82 FR 15265)

IPC – Association Connecting Electronics Industries, represents more than 4,000 member facilities in the electronics industry, including design, material and equipment suppliers, printed board manufacturing, electronics assembly, and original equipment manufacturers. IPC members are significantly affected by the Securities and Exchange Commission’s (SEC’s) conflict minerals regulations. IPC appreciates the opportunity to comment on Responsible Conflict Mineral Sourcing.

IPC has been involved in the conflict minerals dialogue for years, including representing electronics manufacturers during congressional negotiations; meeting with SEI commissioners and staff throughout the Section 1502 rulemaking process; developing standards and guidance to promote industry compliance; actively participating in the Organization for Economic Cooperation and Development (OECD) implementation, and advising the European Union on its development of conflict minerals regulations.

IPC is deeply concerned by the human rights abuses in the Democratic Republic of Congo (DRC). Unfortunately, the measures under Section 1502 of Dodd-Frank which focus on product-related supply chain transparency have reportedly had questionable success in addressing the situation. We believe that attention to conflict minerals focuses on a symptom— illegal trade in conflict minerals — instead of the real problem — failed government and lack of security.

Although the human rights situation in the DRC and surrounding region remains a significant concern, it is unclear to what extent the sale of conflict minerals contributes to it. While advocacy groups have made ‘conflict minerals’ a centerpiece of their campaign to stop human rights abuses in the DRC, [a 2014 open letter by a group of 70 policy experts](#)¹ highlights questions regarding the benefits of the focus on conflict minerals. According to the experts, “the conflict minerals campaign fundamentally misunderstands the relationship between minerals and conflict in the eastern DRC.” In contrast to what advocacy groups imply, the academic consensus is that mining is neither the cause of conflict in the DRC nor necessary to keep the fighting going. Conflict minerals contribute to the violence, but they’re also

¹ <https://ethuin.files.wordpress.com/2014/09/09092014-open-letter-final-and-list.pdf>

vital to the Congolese people's survival. The result, according to the letter, is that the ore trade "holds as much potential to help steer the region away from conflict as it does to contribute towards it."

Testimony by the Government Accountability Office (GAO) in November 2015² reported that a difficult operating environment complicated U.S. Government implementation of the U.S. conflict minerals strategy, including insecurity because of the presence of illegal armed groups and some corrupt members of the national military, weak governance, and poor infrastructure.

Prior to 2009, Nongovernmental Organization (NGO) groups, such as Global Witness and the Enough Group focused on violence and lack of stability, with calls for action directed at the U.S. government. In April 2009, Enough Group launched a new strategy focused on electronics manufactures as the cause of the problem in the DRC,³ beginning the shift in dialogue from the problem of inadequate governance, to one of trade-driven violence to be solved by multinational electronics manufacturers.

As discussed in our March 16, 2017 comments to the SEC, the complexity of the supply chain in the electronics industries pose major challenges for downstream users attempting to establish a chain of custody from the mine to the product: 1) tracing conflict minerals from finished products back through complicated supply chains to the smelter; 2) tracing ores from the smelter back to the mines of origin; and 3) identifying which mines are conflict mines—that is, mines whose output is controlled by or taxed by warring factions.

While electronics manufacturers have taken leadership roles in supply chain transparency and a number of programs to improve the situation in the DRC, supply chain measures cannot solve the complex problems in the DRC. By focusing on the role of the private sector, Section 1502 of Dodd-Frank has acted as a proverbial red herring, distracting attention from the irreplaceable responsibility of governments to address the ongoing political, security, and humanitarian crises in the region. Governments must take the lead to bring about peace, security, and governance reform necessary to address human rights concerns.

The Department of State should expand existing diplomatic efforts to drive peace, security, and governance in Central Africa through increased diplomatic efforts and the provision of targeted development aid. IPC encourages Congress and the Administration to draw on the expertise of the Department of State to replace Section 1502 with appropriate and effective programs to address human rights issues in the DRC.

² Insights from Companies' Initial Disclosures and State and USAID Actions in the Democratic Republic of the Congo Region, Statement of Kimberly Gianopoulos, Director, International Affairs and Trade, before the Subcommittee on Monetary Policy and Trade, Committee on Financial Services, House of Representatives SEC CONFLICT MINERALS RULE. November 17, 2015.

³ Advocacy in Conflict: Critical Perspectives on Transnational Activism, Alex de Waal, May 14, 2015.

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IPC appreciates the opportunity to offer these comments. Please feel free to contact me at FernAbrams@ipc.org should you have any questions about these comments or if we can otherwise be of assistance to the SEC in this matter.

Sincerely,

A handwritten signature in black ink that reads "Fern Abrams". The signature is written in a cursive, flowing style.

Fern Abrams
Director Regulatory Affairs
IPC

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IPC encourages the SEC and Congress to consider modifications of the rule and Section 1502 to reduce the burden on U.S. manufacturing industries and the disruption of the minerals trade, which is vital to the livelihood of the people of the DRC.