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Heads Up

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In This Issue:

As Good as Gold?

SEC Issues Final Rule on Conflict Minerals

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On August 22, 2012, the SEC narrowly approved (by a 3–2 vote) a final rule[1] implementing Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").[2] Section 1502 instructs the SEC to promulgate regulations that require issuers to annually disclose a description of the measures they took to "exercise due diligence on the source and chain of custody of . . . conflict minerals."

The SEC originally expected to finalize its December 2010 proposed rule on conflict minerals in April 2011 but delayed issuance of the final rule to (1) consider feedback received in over 400 comment letters on the proposal; (2) assess input requested from key stakeholders at an October 2011 roundtable discussion; and (3) further evaluate the rule's implementation costs, which the SEC estimates will be between $3 billion and $4 billion. See Deloitte's November 29, 2011, *Heads Up* for a discussion of the proposed rule's key provisions and constituents' feedback.

Editor's Note: One of the primary ongoing concerns with the conflict minerals rule is the cost of implementing the provisions of Section 1502. The SEC's estimate of $3 billion to $4 billion is based on its revised economic analysis and is a significant increase from its original estimates. Estimates from outside the SEC have been as high as $16 billion.

Because the concepts underpinning the conflict minerals rule are rooted in the statutory language of the Dodd-Frank Act, the final rule's provisions are generally consistent with those in the proposed rule. However, to address stakeholder input, the SEC changed several of the key "mechanisms." For example, although the final rule retains the proposed rule's three-step process for evaluating a registrant's use of conflict minerals,[3] the final rule requires registrants to file such information with the SEC in a newly created Form SD rather than in their annual report (e.g., Form 10-K, 20-F, or 40-F).[4]

[1] SEC Final Rule Release No. 34-67716, *Conflict Minerals*.

[2] Section 1502 of the Dodd-Frank Act amends the Securities Exchange Act of 1934 by adding Section 13(p).

[3] The three-step process involves (1) determining whether the conflict minerals rule applies to the registrant, (2) performing a reasonable country-of-origin inquiry for determining whether conflict minerals in a registrant's process originated in the Democratic Republic of Congo and adjoining countries ("covered countries"), and (3) fulfilling requirements related to supply-chain due diligence and the independent private-sector audit.

[4] In explaining the rationale for requiring a registrant to "file" the conflict minerals information rather than "furnish" it as originally proposed, the final rule notes that the requirement to file subjects the registrant to potential liability under Section 18 of the Securities Exchange Act of 1934. However, the final rule notes that Section 18 does not create strict liability; rather, it requires a plaintiff asserting a claim to meet the statute's criteria for establishing a claim, including reliance and damages. Moreover, a registrant will not be liable for misleading statements under Section 18 if it can establish that it acted in good faith and did not knowingly provide false information. The change requiring registrants to file the information on a new form (outside of the registrant's annual report to the SEC) also means that conflict mineral reports will not be subject to CEO and CFO annual certifications.

In addition to summarizing the final rule's provisions and the changes made to the proposed rule, this *Heads Up* includes the following appendixes containing additional information about the conflict minerals final rule and related initiatives that have been undertaken or are in process:

- Appendix A — Summary of Differences Between the Proposed Rule and the Final Rule.
- Appendix B — Final Rule Decision Tree.
- Appendix C — Leading Industry and Nongovernmental Organization Initiatives.
- Appendix D — Legislative and Other Initiatives.

Determining Whether a Registrant Is Within the Scope of the Final Rule

All SEC domestic registrants, foreign private issuers, and smaller reporting companies need to assess whether they use conflict minerals[5] and whether such conflict minerals are "necessary to the functionality or production" of either (1) products they manufacture or (2) products that they have contracted to third parties for manufacture. Like the proposed rule, the final rule does not define certain key phrases such as "necessary to the functionality or production" or "contract to manufacture." Moreover, the registrant's evaluation of each of these concepts is not based on a de minimis threshold. However, the final rule outlines important factors for registrants to consider in performing this evaluation.

In determining whether a conflict mineral is necessary to the functionality or production of a product, registrants must assess whether the conflict mineral is necessary to the product and contained in the final product.

Editor's Note: The final rule does not specifically name emerging growth companies as an example of a type of filer that is within its scope. However, the final rule states that it "applies to any issuer that files reports with the Commission under Section 13(a) or Section 15(d) of the Exchange Act." It further states that any broad filer category exemptions — whether based on size or location — "would be inconsistent with this scheme and the statutory objective."

In determining whether a conflict mineral is necessary to the functionality or production of a product, registrants must assess whether the conflict mineral is necessary to the product and contained in the final product. Accordingly, registrants should consider whether a conflict mineral:

- Was added intentionally to the product or its components and is not a naturally occurring by-product.
- Was added intentionally to the production process (however, the final rule explicitly excludes tools, machinery, and equipment from such a determination).
- Is necessary to a product's "generally expected function, use, or purpose."
- Was added "for purposes of ornamentation, decoration or embellishment, whether the primary purpose of the product is ornamentation or decoration."
- Was used only as a catalyst in the production process. If so, it is outside the scope of the final rule unless it remains in the final product.
- Was not merely mined. The final rule does not regard mining as a manufacturing process and thus explicitly excludes mining issuers unless they are also manufacturers.

[5] The final rule defines conflict minerals as "(A) columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives; or (B) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country."

The final rule specifies that in considering the use of conflict minerals in products that have been contracted for manufacture, registrants would need to evaluate whether they exerted influence over the third party's manufacturing process. In reaching this conclusion, the SEC rejected constituent feedback suggesting that whether a product has been contracted for manufacture should depend on whether the registrant has exerted "substantial" influence. Instead, the SEC gave the following examples of activities that would not indicate a sufficient level of influence over a third party's manufacturing process:

- The registrant's logo, brand, or label was merely affixed to generic products.
- Involvement is limited to servicing or maintaining a third party's manufactured product.
- Negotiations of contract terms are not directly related to the manufacturing of the product.

In addition, the final rule excludes from its scope conflict minerals that are "outside the supply chain" before January 31, 2013, and defines "outside the supply chain" as (1) after smelting of columbite-tantalite, cassiterite, and wolframite minerals; (2) "after gold has been fully refined"; or (3) "after any conflict mineral, or its derivatives, that have not been smelted or fully refined are located outside of the Covered Countries."

Upon concluding that it uses conflict minerals in its products and that they are necessary to the products' functionality or manufacture, the registrant must conduct a reasonable country-of-origin inquiry to determine whether any of its minerals are from a covered country or originated from scrap or recycled materials.

Reasonable Country-of-Origin Inquiry and Due Diligence Requirement

Upon concluding that it uses conflict minerals in its products and that they are necessary to the products' functionality or manufacture, the registrant must conduct a reasonable country-of-origin inquiry to determine whether any of its minerals are from a covered country or originated from scrap or recycled materials. Like the proposed rule, the final rule does not define "reasonable" or prescribe an inquiry process; however, the final rule notes that such an inquiry should be performed in good faith. Consequently, a registrant may satisfy the reasonable country-of-origin standard by obtaining "reasonably reliable representations" indicating the origin of the conflict materials (i.e., that they are not from covered countries) or that they are recycled or scrap materials. The final rule notes that such representations can be obtained from the facility or the registrant's immediate suppliers but that the registrant must have reason to believe them to be true (e.g., by considering the sources, the related facts and circumstances, and any relevant "warning signs").

Editor's Note: The final rule also indicates that as part of its reasonable country-of-origin inquiry, a registrant may not need to obtain representations from all of its suppliers as long as its country-of-origin inquiry is reasonably designed and in good faith.

Under the final rule, if a registrant concludes that conflict minerals are not from the Democratic Republic of Congo (DRC) or are from scrap and recycled sources, the registrant must briefly describe its country-of-origin inquiry process in its Form SD and must post this description to its Internet Web site. Although the final rule does not require registrants to maintain records supporting their reasonable country-of-origin process, it suggests that keeping such records "may be useful in demonstrating compliance with the final rule, and may be required by any nationally or internationally recognized due diligence framework applied by an issuer."

Conversely, if a registrant (1) has affirmatively concluded or "has reason to believe" that conflict minerals may have originated in a covered country or (2) has reason to believe that such minerals may not be from scrap or recycled materials, the registrant must perform due diligence on its supply chain to determine its sources and chain of custody. The final rule retains the requirement for a registrant to prepare a conflict minerals report and stipulates that a registrant's due diligence process must be performed in accordance with a nationally or internationally recognized due diligence framework.[6]

[6] Currently, the only nationally or internationally recognized framework available is the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals From Conflict-Affected and High-Risk Areas* (and the related *Supplement on Gold*), issued by the Organization for Economic Co-operation and Development.

The requirement to perform due diligence in accordance with such a framework, if one is available, was added to the final rule to promote comparability and provide independent private-sector auditors with a basis upon which to evaluate management's assertions. Also unchanged from the proposed rule is the requirement for a registrant to post its conflict minerals report on its Internet Web site.

Audit Requirement and Conflict Minerals Report

Except for situations in which a registrant, after completing its reasonable due diligence measures, (1) confirms that its conflict minerals did not originate in covered countries or are from scrap or recycled sources or (2) cannot determine the origin of its conflict minerals (see "DRC Conflict Free" and "DRC Conflict Undeterminable" sections below), the final rule retains the audit requirement, which was mandated by the Dodd-Frank Act. In addition, like the proposed rule, the final rule requires that such an audit be an independent private-sector audit (IPSA) performed in accordance with the "Yellow Book."[7] In response to constituents' concerns about the nature of the IPSA, the SEC summarized the audit objective in the final rule as follows:

> The audit's objective is to express an opinion or conclusion as to whether the design of the issuer's due diligence measures as set forth in the Conflict Minerals Report, with respect to the period covered by the report, is in conformity with, in all material respects, the criteria set forth in the nationally or internationally recognized due diligence framework used by the issuer, and whether the issuer's description of the due diligence measures it performed as set forth in the Conflict Minerals Report, with respect to the period covered by the report, is consistent with the due diligence process that the issuer undertook.

While the final rule generally does not change the requirements for what registrants must provide in their conflict minerals report, it indicates that this report should also discuss the nationally or internationally accepted framework that a registrant used to perform its due diligence on the source and chain of custody of its conflict minerals.

While the final rule generally does not change the requirements for what registrants must provide in their conflict minerals report, it indicates that this report should also discuss the nationally or internationally accepted framework that a registrant used to perform its due diligence on the source and chain of custody of its conflict minerals. As discussed below, a registrant must also classify its minerals as (1) "DRC conflict free," (2) "not found to be DRC conflict free," or (3) "DRC conflict undeterminable."

DRC Conflict Free

This classification indicates that, while the registrant's products might contain conflict minerals from a covered country, the registrant has performed due diligence and concluded that such minerals did not originate from the DRC, originated from scrap or recycled sources, or did not finance or benefit armed groups. When a registrant concludes that conflict minerals did not originate from covered countries or affirms that conflict minerals are from scrap or recycled sources, it does not need to prepare a conflict minerals report or obtain an IPSA but must submit Form SD and disclose its conclusion and a brief description of its inquiry and due diligence processes. However, when a registrant concludes that its products contain conflict minerals that originated in the covered countries but did not finance or benefit armed groups, the registrant would need to file a conflict minerals report and to:

- Obtain an IPSA report of its conflict minerals report.
- Certify that such an audit was performed.
- Include the audit report in its conflict minerals report.
- Identify the auditor conducting the audit.

[7] Audit standards established by the U.S. Comptroller General that may consist of either a performance audit or an attestation engagement.

Not Found to Be DRC Conflict Free

This conclusion results when a registrant's products might have conflict minerals that originated from covered countries and the minerals may have helped finance or benefit armed groups. In addition to obtaining an IPSA report and complying with certification requirements, a registrant in this category must describe in its conflict minerals report:

- Any of its products in this category.
- The production facilities it used to process the minerals.
- The country from which the minerals originated.
- The efforts it made to identify the mine or location of origin for these minerals.

DRC Conflict Undeterminable

This temporary designation, which is limited to two years (four years for smaller reporting companies), applies when a registrant is unable to determine whether the conflict minerals in its products originated from a covered country or financed or benefited armed groups. When such a determination is made, an IPSA is not required and an IPSA report does not have to be filed. However, a registrant must file a conflict minerals report that discloses the same information as that in the "not found to be DRC conflict free" category and must further disclose the steps it took to improve due diligence since the end of the most recent period covered by the conflict minerals report.

Editor's Note: The use of the temporary designation will give affected registrants more time to appropriately develop their due diligence processes and therefore would only apply to the 2013–2014 reporting cycles (or 2013–2016 reporting cycles for smaller reporting companies). After this time, registrants will be required to describe these products in their conflict minerals report as "not been found to be DRC conflict free."

Transition and Next Steps

Unlike the proposed rule, which would have required registrants to provide disclosures in an annual report filed with the SEC (and to furnish additional reports as exhibits to this annual report), the final rule requires all registrants that are subject to the rule's provisions to file Form SD containing (1) their conflict minerals disclosures and (2) if applicable, their conflict minerals reports as exhibits. Form SD must be filed on a calendar-year basis (regardless of fiscal year-end) beginning with the first calendar year ending on December 31, 2013, with such reports due on May 31, 2014 (and on May 31 of each year thereafter).

The final rule requires all registrants that are subject to the rule's provisions to file Form SD containing (1) their conflict minerals disclosures and (2) if applicable, their conflict minerals reports as exhibits.

Editor's Note: The change in the final rule to calendar-year reporting was made to promote comparability among registrants and ease potential burden on supply-chain participants. However, it will introduce additional reporting considerations for registrants whose fiscal year-end differs from their calendar year-end.

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Appendix A — Summary of Differences Between the Proposed Rule and the Final Rule

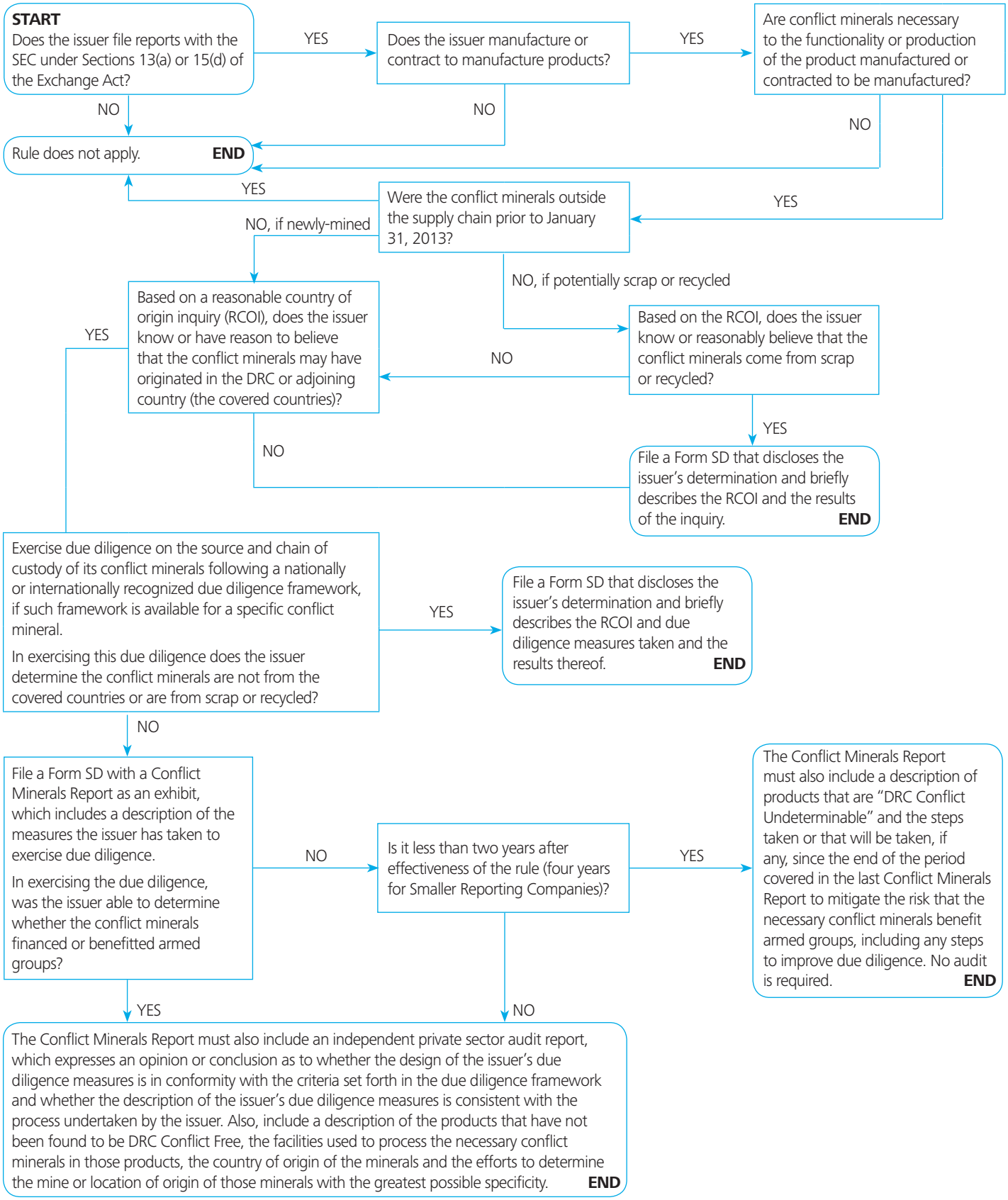
Factor	As Originally Proposed	Final Rule
Who is subject to the SEC's final rule on conflict minerals	Issuers (e.g., domestic companies, foreign private issuers, smaller reporting companies) that file reports with the Commission under Section 13(a) or Section 15(d) of the Exchange Act and for whom conflict minerals are necessary to the functionality or production of a product manufactured.	Same as the proposed rule.
Definition of "conflict mineral"	Same definition as that in Section 1502 of the Exchange Act — namely, cassiterite, columbite-tantalite, gold, wolframite, or their derivatives or any other minerals or their derivatives determined by the U.S. Secretary of State to be financing armed conflict in the covered countries.	Defined as cassiterite, columbite-tantalite, gold, wolframite, and their derivatives, which include tantalum, tin, and tungsten, unless the U.S. Secretary of State determines that (1) additional derivatives of these minerals, (2) other minerals, or (3) derivatives of other minerals are used to finance conflict in the covered countries.
Definition of "necessary to the functionality or production" of a product	Did not propose definition of "necessary to the functionality or production."	Does not propose a definition but provides certain factors for registrants to consider in making this determination.
Definition of "contract for manufacture"	"[I]ssuers that contract for the manufacturing of products over which they had **any** influence regarding the manufacturing of those products" (emphasis added).	Depends on the "degree of influence" a registrant "exercises over the materials, parts, ingredients, or components to be included in any product" on the basis of each issuer's individual facts and circumstances. Indicators of insufficient levels of influence are also included.
Contained in the product	Would have applied in all instances in which conflict minerals are used as part of the production process, regardless of whether any amount of conflict mineral remained in the final product.	Only applies when a conflict mineral is contained in the final end product (regardless of amount).
Conflict minerals outside the supply chain	Did not define or specify reporting requirements for conflict minerals "outside the supply chain."	Conflict minerals "outside the supply chain" before January 31, 2013, are excluded from the reporting requirements. Such minerals are considered outside the supply chain (1) after smelting of columbite-tantalite, cassiterite, and wolframite minerals; (2) "after gold has been fully refined"; or (3) "after any conflict mineral, or its derivatives, that have not been smelted or fully refined are located outside of the Covered Countries."
De minimis threshold	No materiality threshold was provided for disclosure or reporting requirements.	Same as the proposed rule.
Recycled and scrap minerals	• No formal definition provided. • Registrants would have been required to disclose that recycled or scrap materials exist in products. • Recycled or scrap conflict minerals would have been classified as "DRC conflict free"; registrants would have been required to furnish a conflict minerals report. • Registrants would have been required to perform due diligence and obtain an IPSA.	• Definition is consistent with OECD definition of recycled metals. • Reasonable country-of-origin inquiry must be performed to determine whether conflict minerals are from recycled or scrap materials. • Due diligence is required if, after its reasonable country-of-origin inquiry, a registrant concludes or has reason to believe that conflict minerals are not from scrap or recycled sources. In such cases, the registrant is also subject to due diligence reporting requirements (noted below). • Recycled or scrap conflict minerals can be classified as "DRC conflict free."
Reasonable country-of-origin inquiry	Did not specify requirements for a reasonable country-of-origin inquiry; indicated that such an inquiry would have been based on a registrant's individual facts and circumstances.	Does not specify steps necessary to satisfy the reasonable country-of-origin inquiry standard; however, such an inquiry must be reasonably designed and in good faith.
Due diligence standard in conflict minerals report	Due diligence would have needed to be reliable, though there were no explicit requirements.	Due diligence must be performed in accordance with a nationally or internationally recognized due diligence framework.

Factor	As Originally Proposed	Final Rule
Conflict minerals report	Registrants would have been required to furnish conflict minerals report in all instances in which a registrant was unable to determine, through a reasonable country-of-origin inquiry, that its conflict minerals did not originate in covered countries. Report would have: • Included a description of measures taken by registrant to perform its due diligence on the source or conflict minerals chain of custody. • Contained descriptions of products that are not "DRC conflict free." • Required a registrant to certify the audit and include an IPSA report.	Conflict minerals report is required for registrants that know or have reason to believe that their conflict minerals (1) originated in a covered country, (2) financed armed conflict in a covered country, or (3) did not come from scrap or recycled materials. The conflict minerals report: • Must include description of measures taken by registrant to perform its due diligence on the source or conflict minerals chain of custody. • Would require the registrant to certify the audit and include an IPSA report. • Would require (1) description of products that are not "DRC conflict free" and "DRC conflict undeterminable," (2) description of facilities used to process conflict minerals, (3) country of origin of conflict minerals, and (4) efforts to identify mine or location of origin of conflict minerals. • Would require, if "DRC conflict undeterminable," disclosure of steps undertaken to improve due diligence process in most recent period. However, after completion of due diligence, a registrant is not required to file a conflict minerals report if it concludes that its conflict minerals are "DRC conflict free" because conflict minerals did not originate in a covered country or are from scrap or recycled sources. The registrant must provide certain disclosures in Form SD.
IPSA requirements	• IPSA should be conducted in accordance with the standards established by the U.S. Comptroller General (GAGAS). • Statutory provisions require that the GAO establish standards for this IPSA. • Did not formally establish an audit objective.	• Except when a registrant concludes "DRC conflict undeterminable," it is required to obtain and file an IPSA report with its conflict minerals report. • IPSA should be conducted in accordance with GAGAS. • Clarifies certain independence matters related to IPSA auditors as follows: o IPSA auditors are required to follow GAO independence standards. o SEC did not adopt additional independence standards. o If the IPSA auditor also performs the registrant's financial statement audit, the IPSA (alone) is not considered an independence-impairing activity under Regulation S-X, Rule 2-01. Other services would need to be evaluated separately. o The IPSA is considered a "non-audit" service that requires preapproval from a registrant's audit committee. • Establishes a formal audit objective of expressing an opinion or conclusion regarding whether (1) the design of the registrant's due diligence measures materially conforms with the criteria in a nationally or internationally recognized due diligence framework and (2) the due diligence measures performed by the registrant are consistent with the due diligence process it undertook (since each is disclosed in the registrant's conflict minerals report).
Implementation timing	Statutory provision would have required registrants to disclose conflict minerals information annually, beginning with their first full fiscal year after adopting the rule.	Applies to all registrants for calendar years beginning January 1, 2013. Form SD, a new Exchange Act form, and all required conflict minerals information must be filed by May 31, 2014 (and every May 31 thereafter). The use of the designation "DRC conflict undeterminable" would be allowed for a temporary two-year period (four-year period for smaller reporting companies).

Factor	As Originally Proposed	Final Rule
Reporting requirements	• Disclosures about conflict minerals would have been included in a registrant's annual report (on Form 10-K, 40-F, or 20-F). • A registrant would have been required to provide initial conflict minerals disclosures and the conflict minerals report, if necessary, for the first full fiscal year after adopting the rule. • A registrant would have been required to furnish its conflict minerals report and IPSA report as exhibits to its annual report. • A registrant would have been required to disclose certain information related to conflict minerals, including the conflict minerals report when required, on its Internet Web site.	• The required conflict mineral information should be disclosed on Form SD. • Registrants are required to file their conflict minerals report and IPSA report as exhibits to Form SD (as applicable). • Certain conflict mineral information, including the conflict minerals report when required, must be disclosed publicly on the registrant's Internet Web site.

Appendix B — Final Rule Decision Tree

Below is a flowchart, reproduced from the final rule, to help registrants determine the reporting and disclosure requirements related to conflict minerals.



Appendix C — Leading Industry and Nongovernmental Organization Initiatives

Below is a list of various organizations' initiatives for identifying and tracking of conflict minerals that has been obtained from each organization's Internet Web site. Click on the links below for additional information.

Electronic Industry Citizenship Coalition (EICC) www.eicc.info	Working jointly, they launched the Conflict-Free Smelter (CFS) Program, which is a voluntary program aimed at tracing the supply chains of minerals used in electronics.
Global e-Sustainability Initiative (GeSI) www.gesi.org	
Automotive Industry Action Group (AIAG) www.aiag.org	AIAG seeks "to define industry-wide processes a company can use" to identify conflict minerals. AIAG collaborated with EICC and GeSI to develop a Web-based data management tool designed to help companies in the automotive, electronics and other industries meet the due diligence requirements of Section 1502.
International Tin Research Institute (ITRI) www.itri.co.uk	ITRI is an organization dedicated to supporting the tin industry and expanding tin use. iTSCi (ITRI Tin Supply Chain Initiative) assists companies (from mine to smelter) to conform with the OECD Due Diligence Guidance.
World Gold Council (WGC) www.gold.org	Published an exposure draft, *Conflict-Free Gold Standard* (the "Standard"), which seeks to ensure that companies producing, transporting, and refining gold meet the Standard and thus may claim that their product is conflict-free. The Standard is intended to be aligned with Section 1502.
Responsible Jewellery Council (RJC) www.responsiblejewellery.com	Launched "Chain-of-Custody (CoC) Certification [in March 2012] for precious metals (gold, platinum, palladium and rhodium). CoC Certification is voluntary for RJC Members and can be used as a tool to support responsible sourcing and conflict-sensitive due diligence." According to RJC, CoC Certification supports the implementation of Section 1502.
Resolve www.resolv.org	Launched a new pilot project — the CFS Early-Adopters Fund, which "is designed to support responsible minerals sourcing by encouraging smelters and refineries (smelters) to become early-adopters of the CFS Program" and help "offset transition and start-up costs if [companies] successfully comply with the CFS Program protocol."
Global Witness www.globalwitness.org	Seeks to lead "campaigns [against] natural resource related conflict and corruption and associated environmental and human rights abuses." Global Witness "carries out in-depth investigations . . . that form the basis of detailed evidence-based case studies [that it uses] to advocate for policy change."
Enough — The Project to End Genocide and Crimes Against Humanity www.enoughproject.org	The Enough Project ranks "the largest electronics companies on their efforts [to curb the use of,] and investing in conflict-free minerals in their products."
Public-Private Alliance for Responsible Minerals Trade (PPA) www.resolv.org/site-ppa	An initiative sponsored by the U.S. Department of State and U.S. Agency for International Development (USAID) in partnership with leading companies and civil society to support compliance with Section 1502. The PPA seeks to advance "on the ground" solutions in the DRC and to demonstrate that it is possible to secure legitimate minerals from the DRC.

Appendix D — Legislative and Other Initiatives

Enacted Legislation

California SB 861

Effective in January 2012, the law prohibits publicly traded companies who fail to comply with Section 1502 from procuring contracts with the State of California until they are in compliance.

California SB 657

While unrelated to conflict minerals, by analogy, the California Transparency in Supply Chains Act requires certain companies doing business in California to disclose efforts taken to eliminate human trafficking and slavery from supply chains. The law became effective in January 2012.

Maryland SB 551

Effective in October 2012, the law prohibits the State of Maryland from doing business with companies that do not comply with federal disclosure requirements in Section 1502.

Pittsburgh City Council

In April 2011, the city council adopted a proclamation on conflict minerals, becoming the first city in the country to call for "electronic companies and other industries to take the necessary steps to remove conflict minerals from their supply chain."

St. Petersburg, Florida

In October 2011, the city council approved a resolution to change its purchasing practices in favor of products that are free of conflict minerals.

Edina, Minnesota

In May 2012, the Edina city council adopted legislation that recommends that the city seek to purchase electronics from conflict-free companies.

Other Actions/Proposals

United States Department of State

Issued a statement in July 2011 to (1) encourage compliance with Section 1502 and (2) note possible U.N. sanctions for individuals or entities that support the armed conflict and human rights abuses in the DRC.

Massachusetts H.3982

The proposed legislation would prohibit the State of Massachusetts from contracting with companies that do not comply with Section 1502.

Vancouver, Canada

The city council of Vancouver will soon consider a conflict-free resolution.

Universities

At least "[e]ight universities have issued conflict-free resolutions, including Stanford University, the University of Pennsylvania, and Duke University, more than sixty other colleges and universities throughout the United States and Canada have begun [similar campaigns]."

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