

BILL SHUSTER

9TH DISTRICT, PENNSYLVANIA

DEPUTY REPUBLICAN WHIP

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Congress of the United States
House of Representatives
Washington, DC 20515-3809

March 12, 2012

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The Honorable Mary L. Schapiro
Chairman
Securities and Exchange Commission
100 F St NE
Washington, DC 20549

Dear Chairman Schapiro:

As the Securities and Exchange Commission (SEC) moves forward with pending regulations pursuant to Section 1502 of the Dodd-Frank Act, I am contacting you to request that the SEC take into full consideration all humanitarian, economic, and environmental consequences these regulations might impose.

I urge you to pay special attention to the impact your proposed regulations will have on the use of recycled materials. Currently, the SEC's proposed rule categorizes scrap as "DRC Conflict-Free," citing formidable challenges to tracing recycled materials' lifecycle. However, it my understanding that that the SEC may still impose full (costly and burdensome) disclosure standards.

In addition to the humanitarian and environmental benefits, the use of recycled materials can help minimize the negative economic impact of Section 1502 on U.S. companies. Access to recycled materials provides companies with a more financially feasible alternative to the potentially expensive sourcing requirements while fulfilling the original intent of the conflict mineral amendment.

Exempting scrap will help ensure manufacturers continue to use environmentally friendly recycled materials, whereas subjecting scrap to the costly and burdensome audit requirements may force some buyers to forgo that opportunity. It is imperative that the SEC protect the incentives for using recycled materials. I strongly urge you to consider the numerous alternative regulatory options available to you.

Thank you in advance for your attention and consideration of this important issue.

Sincerely,



Bill Shuster
Member of Congress

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