Negative: 1502 Congo - good

By “Coach Vance” Trefethen

AFF Plan repeals Section 1502 of the Dodd-Frank Act. 1502 requires companies importing into the US to disclose if materials are being sourced in the Democratic Republic of Congo (DRC). This brief shows why 1502 is good and shouldn't be repealed.

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Negative: 1502 Congo - good

TOPICALITY

1. Effects topicality. 1502 is a "disclosure" policy, not an import/export policy

1502 is a stock market registration "disclosure measure." It doesn't tell anyone they can or can't import or export anything

Mvemba Phezo Dizolele 2017. (Director and Senior Fellow, Africa Program, Center for Strategic & International Studies) 22 Aug 2017 "Dodd-Frank 1502 and the Congo Crisis" (accessed 12 Apr 2023) https://www.csis.org/analysis/dodd-frank-1502-and-congo-crisis

The bipartisanship, however, has been tested as lawmakers have continued to debate the merits of [Dodd-Frank 1502](http://www.ey.com/us/en/services/specialty-services/climate-change-and-sustainability-services/conflict_minerals_dodd_frank_section), a section of the 2010 Dodd-Frank Act. Enforced by the U.S. Securities and Exchange Commission (SEC), Section 1502 is a disclosure measure that requires companies trading on U.S. securities exchanges to determine through supply-chain due diligence whether or not their products contain conflict minerals from DRC or [neighboring countries](http://www.ey.com/us/en/services/specialty-services/climate-change-and-sustainability-services/conflict_minerals_dodd_frank_section), and [report their findings annually](https://www.sec.gov/spotlight/dodd-frank/speccorpdisclosure.shtml) to the SEC.

Sec. 1502 contains no regulation or enforcement of any import or export activity

Prof. Karen E. Woody 2019 (Assistant Professor of Business Law and Ethics, Indiana Univ. Kelley School of Business) Univ. of Maryland Law Review, CAN BAD LAW DO GOOD? A RETROSPECTIVE ON CONFLICT MINERALS REGULATION (accessed 12 Apr 2023) https://deliverypdf.ssrn.com/delivery.php?ID=094105095110064012006089088022107024001033030064027066098110077088068000091005011071020045051127023056111099106025078086117074107001090050083100111080103091098103120036022056002077016084115122096120001029097094119119001075113003023117084027118087124127&EXT=pdf&INDEX=TRUE

Section 1502 does not include any penalties for the use of conflict minerals; rather, the provision is entirely a “name and shame” regulation. Because there is no sanction for continued use of conflict minerals, provided the company using the minerals merely discloses that use, the provision itself is essentially toothless ab initio.

AFF is arguing "effects" topicality

AFF"s argument is that even though no trade is changed by 1502, it "affects" trade, therefore it becomes topical. But there are some serious problems if you accept that argument.

Violation: Accepting "anything that affects trade" as topical opens the resolution to an infinite number of cases

There are literally millions of things that could affect trade. The weather, interest rates, taxes, environmental policies, energy policies, consumer safety regulations, the list is endless. If you accept "anything that affects trade" as topical, even if it's not a trade policy, you allow an infinite number of Affirmative cases. That's abusive to Negative teams because there's no way we can research and have a reasonable debate if we're expected to prepare for an infinite number of Affirmative cases.

Impact: Negative ballot justified

The best way to teach Affirmative teams not to try to stretch this already very broad resolution even further is to cast a Negative ballot. Losing debates on topicality grounds will help motivate them to stay within the resolution in the future.

2. Extra-topicality. Section 1502 goes beyond trade

1502 requires companies to do a list of things that aren't trade

Prof. Karen E. Woody 2019 (Assistant Professor of Business Law and Ethics, Indiana Univ. Kelley School of Business) Univ. of Maryland Law Review, CAN BAD LAW DO GOOD? A RETROSPECTIVE ON CONFLICT MINERALS REGULATION (accessed 12 Apr 2023) https://deliverypdf.ssrn.com/delivery.php?ID=094105095110064012006089088022107024001033030064027066098110077088068000091005011071020045051127023056111099106025078086117074107001090050083100111080103091098103120036022056002077016084115122096120001029097094119119001075113003023117084027118087124127&EXT=pdf&INDEX=TRUE

The process for complying with the law is as follows. First, a company must determine if its products contain one of the four enumerated minerals. If so, the company then must conduct a reasonable country of origin inquiry (“RCOI”) to determine the source of the minerals. If a company determines, after conducting an RCOI, that the conflict minerals in use originated in the DRC or an adjoining country, the company must submit a report to the SEC that includes: (1) a description of the due diligence process undertaken by the disclosing party with regard to the source and chain of custody of those conflict minerals, which must be independently audited; and (2) a description of the products manufactured or contracted to be manufactured that are not “DRC conflict free,” the identity of the independent auditor of the source and supply chain, the facilities that process the conflict minerals used by the disclosing party, the country from which the conflict minerals were obtained, and the efforts used to determine the origin (that is, the specific mine) of the conflict mineral.

SOURCE INDICTMENTS

"Parker & Vadheim" study and the "Stoop" study. Both used old data before 1502 changes kicked in, so they aren't reliable

Prof. Bok Baik, Prof. Omri Even-Tov, Russel Han and David Park 2022 (Baik - Seoul National University. Assistant Professor of Accounting. Even-Tov - Assistant Professor in the Accounting Group, Univ. of Calif.-Berkeley. Han - Ph.D. student at the *University* of *Illinois* at Urbana-Champaign. Park - Department of Business Administration, Seoul National University, S. Korea) "The Real Effects of Conflict Minerals Disclosures" Feb 2022 (accessed 13 Apr 2023) https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3908233&download=yes (brackets in original)

We are aware of at least two prior studies on Section 1502’s impact on the DRC’s conflicts. Parker and Vadheim [2017] and Stoop et al. [2018] examine the legislation’s effects using the postperiod years of 2011–2012 and 2013–2015, respectively, and find that the regulation exacerbated the country’s conflicts. These studies appear to expect companies to have acted immediately after the enactment of Section 1502 in 2010 or when the SEC passed the final rule in 2012, rather than after 2014, which is when firms are required to disclose whether their products contain 3TG that originate in the covered countries. Our study differs by using 2015 through 2019 as our post-period years and by focusing on the real effects after the CMD rule takes effect. Appendix IV provides anecdotal examples that validate that firms did not take any action until the disclosure requirement. These anecdotal examples were also confirmed in many private discussions with industry experts.

INHERENCY

1. 1502 is voluntary

Federal appeals court ruled that 1502 violates the First Amendment. SEC now says compliance is voluntary -- companies aren't subject to enforcement if they don't do it

**[The First Amendment issue is about "compelled speech." Freedom of speech includes the freedom not to speak. Forcing people to say things is a violation of the 1st Amendment. So, legally, the SEC cannot actually enforce 1502, so any companies that feel harmed by it are welcome to ignore it and not say anything about their DRC minerals.]**

GAO (Government Accountability Office) 2022. "CONFLICT MINERALS Overall Peace and Security in Eastern Democratic Republic of the Congo Has Not Improved since 2014" Sept 2022 (accessed 12 Apr 2023) https://www.gao.gov/assets/730/722854.pdf

In response to Section 1502(b) of the Dodd-Frank Act, the rule, as adopted in 2012, required companies to file a conflict minerals report after performing the three steps outlined above, if necessary. Among other things, companies were required to describe in their conflict minerals report, if appropriate, the products that had “not been found to be ‘DRC conflict free.’” However, an appellate court decision found that Section 1502 of the Dodd-Frank Act and the rule violated the First Amendment to the extent they required companies to report to the SEC and to state on their websites whether any of their products had not been found to be “DRC conflict free.” Following the appellate court decision, SEC staff issued guidance in April 2014. This guidance indicated that, pending further action by the SEC or a court, companies required to file a conflict minerals report would not have to identify their products as “DRC conflict undeterminable,” “not found to be ‘DRC conflict free,’” or “DRC conflict free.” According to the 2014 SEC staff guidance, companies are not required to obtain an independent private-sector audit (IPSA) unless they choose to disclose that their products are “DRC conflict free” in a conflict minerals report. In April 2017, after the final judgment in the case, the SEC staff issued revised guidance indicating that, because of uncertainty about how the SEC commissioners would resolve issues related to the court ruling, it had determined it would not recommend enforcement action to the commission if companies did not report on specified disclosure requirements for due diligence. However, as we previously reported, SEC staff told us that the 2017 guidance is not binding on the commission, which could initiate enforcement action if companies do not report on their due diligence in accordance with the rule. The SEC Chairman released a statement in 2018 confirming that SEC staff statements are nonbinding and do not create enforceable legal rights or obligations of the commission. The statement clarifies that there is a distinction between the SEC staff’s views and the commission’s rules and regulations. According to SEC staff, the Chairman’s statement was a general statement regarding staff views and was not specific to staff statements regarding the conflict minerals rule. The 2017 guidance is temporary but still in effect, pending the commission’s review of the rule, according to SEC staff. As of June 2022, review of the rule was on the SEC’s long-term regulatory agenda, which means that any action would likely not take place within the next 12 months, according to SEC staff.

Text of the court ruling that found mandatory disclosure of DRC conflict minerals unconstitutional

US Court of Appeals for the District of Columbia Circuit 2014. Decision of the Court in the case of National Association of Manufacturers v. Securities & Exchange Commission Decided April 14, 2014 (accessed 12 Apr 2023) https://www.sec.gov/rules/final/2014/34-67716-decision.pdf

We therefore hold that 15 U.S.C. § 78m(p)(1)(A)(ii) & (E), and the Commission’s final rule, 56 Fed. Reg. at 56,362-65, violate the First Amendment to the extent the statute and rule require regulated entities to report to the Commission and to state on their website that any of their products have “not been found to be ‘DRC conflict free.’”

HARMS / SIGNIFICANCE RESPONSES

1. No "de facto boycott"

1502 didn't create a boycott of minerals. It led to stable and safer supply chain and benefits to the people of the Congo

Per Olof Loof 2017. (Chief Executive Officer KEMET Electronics Corporation) 26 Feb 2017 Letter to Acting Chairman Securities and Exchange Commission, RE: Reconsideration of Conflict Minerals Rule Implementation (accessed 12 Apr 2023) https://www.sec.gov/comments/statement-013117/cll2-1601388-132461.pdf

On behalf of KEMET Electronics Corporation (KEMET), I submit this statement in strong support of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We believe that the rule has not caused a “de facto boycott of minerals,” and that it has in fact led to the development of a more stable supply chain with many social and economic benefits for the people of the Democratic Republic of Congo (DRC) and adjoining countries.

Dozens of mineral operations are legally active in the region, they're not "boycotted" or all shut down

Richard E. Goss 2017 (Senior VP, Environment & Sustainability, Information Technology Industry Council, advocacy and policy organization for the world’s leading innovation companies) 10 Mar 2017 "RE: Response to SEC Request for Comments on the Conflict Minerals Rule " letter to Acting Chairman of the US Securities & Exchange Commission (accessed 13 Apr 2023) https://www.sec.gov/comments/statement-013117/cll2-1630525-137433.pdf

Today, about 80% of the known smelters of covered minerals are validated to be conflict free. Moreover, dozens of these smelters are sourcing from the covered countries in Central Africa, thus helping bring proper economic investment and development to the region. As responsible corporate citizens that have driven much of this progress, we do not want to see these gains eroded.

Best Evidence: The BAIK STUDY (Feb 2022) finds 1502 increases conflict-free sourcing of minerals and is "NOT" a "boycott"

Prof. Bok Baik, Prof. Omri Even-Tov, Russel Han and David Park 2022 (Baik - Seoul National University. Assistant Professor of Accounting. Even-Tov - Assistant Professor in the Accounting Group, Univ. of Calif.-Berkeley. Han - Ph.D. student at the *University* of *Illinois* at Urbana-Champaign. Park - Department of Business Administration, Seoul National University, S. Korea) "The Real Effects of Conflict Minerals Disclosures" Feb 2022 (accessed 13 Apr 2023) https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3908233&download=yes (CMD brackets added; all others in original)

Considering these factors, it is an open empirical question whether Section 1502’s CMD [conflict minerals disclosure] rule promotes sourcing transparency, let alone whether it reduces conflict in the covered countries. Our study examines whether CMDs nudge companies to take real actions to source conflict-free minerals and, if so, whether those actions mitigate conflicts in the DRC and neighboring countries. To establish whether CMDs lead companies to responsible sourcing, we hand-collect data on the number of conflict-free smelters and refiners disclosed in CMDs by all firms from 2014 to 2018. We supplement our proprietary hand-collected data with a dataset purchased from Developmental International, a not-for-profit organization that processed information in firms’ CMDs issued between 2014 and 2016. Using our hand-collected data, we find evidence that suggests a gradual increase in the percentage of conflict-free smelters after the CMD requirement. This is consistent with the extant literature finding that mandatory reporting standards induce improved information acquisition (e.g., Chenget al. [2018], Khan et al. [2019], Kang et al. [2021]). Increased public awareness of conflict minerals in firms’ supply chains offers a likely explanation for the observed trend toward responsible sourcing.

2. 1502 reduces violence in the DRC (Democratic Republic of Congo)

The BAIK STUDY (Feb 2022) finds 15% reduction in violence caused by 1502 and ruling out other factors

Prof. Bok Baik, Prof. Omri Even-Tov, Russel Han and David Park 2022 (Baik - Seoul National University. Assistant Professor of Accounting. Even-Tov - Assistant Professor in the Accounting Group, Univ. of Calif.-Berkeley. Han - Ph.D. student at *Univ.* of *Illinois* at Urbana-Champaign. Park - Dept of Business Administration, Seoul National Univ., S. Korea) "The Real Effects of Conflict Minerals Disclosures" Feb 2022 (accessed 13 Apr 2023) https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3908233&download=yes (CMD brackets added, others in original )

Next, we examine whether incidences of conflicts in covered countries’ mining regions decline after the conflict minerals disclosure rule takes effect. Specifically, following Berman et al. [2017], we exploit a georeferenced panel dataset that divides the entire continent of Africa into about 10,000 subnational units (i.e., square cells 55 × 55 kilometers in area at the equator) and compare changes in conflict incidence around covered countries’ mining areas relative to the contemporaneous changes in conflict incidence in the mining regions of non-covered countries. To obtain data on conflicts, we leverage information from the Armed Conflict Location & Event Database (ACLED), which includes dates, locations, and types of conflict events. To test our hypothesis, we employ a difference-in-differences (DiD) research design using a sample of 18,662 cell/year observations that includes 45 African countries from 2010 to 2019. We find that relative to non-covered countries’ mining regions, conflicts in covered-countries’ mining regions decrease by roughly 15% after the CMD [conflict mineral disclosure] mandate, indicating that human rights concerns in covered countries’ mining regions were alleviated. This result is robust to the inclusion of cell and year fixed effects as well as a battery of controls related to local economic and labor conditions. In particular, the use of cell fixed effects in our model controls for time-invariant codeterminants of violence and mining at the local level, such as weak state capacity and property rights enforcement in remote places or underlying political instability (Berman et al. [2017]). Our results are also robust to a variety of sensitivity checks, including parallel trends and placebo tests, ensuring the validity of the baseline results. Overall, our evidence suggests that Section 1502 achieves its intended humanitarian goal.

BAIK STUDY found 1502 reduced both violent and non-violent conflict and did NOT merely shift violence to other regions but totally reduced it

Prof. Bok Baik, Prof. Omri Even-Tov, Russel Han and David Park 2022 (Baik - Seoul National University. Assistant Professor of Accounting. Even-Tov - Assistant Professor in the Accounting Group, Univ. of Calif.-Berkeley. Han - Ph.D. student at *Univ.* of *Illinois* at Urbana-Champaign. Park - Dept of Business Administration, Seoul National Univ., S. Korea) "The Real Effects of Conflict Minerals Disclosures" Feb 2022 (accessed 13 Apr 2023) https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3908233&download=yes

To confirm that Section 1502 effectively mitigates different types of conflicts, we stratify our sample into violent and non-violent conflicts. We document that real effects prevail across both types. Further, to alleviate the concern that the CMD rule motivates the migration of mining areas’ armed groups to other regions, we examine whether conflict incidence spills over into non-mining areas and find that conflicts in the mining regions did not decrease at the expense of exacerbating violence elsewhere.

BAIK STUDY found the disclosures of 1502 motivated companies to stop using minerals that funded armed groups

Prof. Bok Baik, Prof. Omri Even-Tov, Russel Han and David Park 2022 (Baik - Seoul National University. Assistant Professor of Accounting. Even-Tov - Assistant Professor in the Accounting Group, Univ. of Calif.-Berkeley. Han - Ph.D. student at *Univ.* of *Illinois* at Urbana-Champaign. Park - Dept of Business Administration, Seoul National Univ., S. Korea) "The Real Effects of Conflict Minerals Disclosures" Feb 2022 (accessed 13 Apr 2023) https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3908233&download=yes (brackets in original)

Consistent with Christensen, Maffett, et al. [2021], we provide evidence of a more pronounced reduction in conflicts in covered countries with weak political institutions, where the political resource curse is more likely to be prevalent. In sum, our paper is the first to provide compelling evidence that Section 1502’s disclosure requirement motivates companies to dissociate themselves from sourcing conflict minerals that fund armed groups in covered countries, which in turn, results in conflict mitigation in the mining regions of covered countries. The effects of enhanced supply chain transparency appear to reverberate through transnational supply chains, thereby improving the humanitarian situation in the mining regions of covered countries.

1502 minimizes violence and despair in the DRC by reducing funding to militia groups

Lauren Compere 2017 (Director of Shareholder Engagement, Boston Common Asset Management) 4 Apr 2017 "Repeal and Replacement of Conflict Minerals Rule 1502 Undermines Peace and Stability in the Congo" (accessed 12 Apr 2023) https://www.huffpost.com/entry/repeal-and-replacement-of-conflict-minerals-rule-1502\_b\_58e34778e4b02ef7e0e6e052

The 1502 rule has been the driving force for the momentum and action by corporations to research their supply chains, be transparent about their actions, and be responsible to the communities that deserve to prosper from the electronics craze sweeping across the world. As a result, U.S. companies are being more effective in addressing material risk in their supply chains while contributing to responsible economic development in the DRC. No single law can solve all the underlying problems that are causing conflict in the DRC region, but since 2010, this law has demonstrated success in diminishing revenue flows to militia groups. Section 1502 also exemplifies the need for and benefit of transparency within investment decisions. Not only does it support companies and investors by creating a level playing field to compare company actions, such as in RSN’s [Mining the Disclosures](http://www.sourcingnetwork.org/mining-the-disclosures) reports, but it also helps minimize violence and despair. Now is not the time to repeal and replace but to enforce and replicate 1502 to drive responsible manufacturing and empower developing economies.

3. 1502 improves living conditions in the Congo

1502 directly caused big improvements in poor communities in the DRC

Per Olof Loof 2017. (Chief Executive Officer KEMET Electronics Corporation) 26 Feb 2017 Letter to Acting Chairman Securities and Exchange Commission, RE: Reconsideration of Conflict Minerals Rule Implementation (accessed 12 Apr 2023) https://www.sec.gov/comments/statement-013117/cll2-1601388-132461.pdf

In 2011 we formed the KEMET Partnership for Social and Economic Sustainability. This project developed the electronics industry’s first vertically integrated, closed-pipe, sustainable sourcing models. We obtain tantalum ore directly from a conflict-free mine in the DRC that is operated according to a special agreement between KEMET, our mining partner, and the people of the mining town of Kisengo. The closed-pipe (it is processed and smelted by KEMET) allows us to be sure no tantalum from non-conflict-free sources enters our supply chain. Without Section 1502, this would not have been possible. Our solution helps stabilize the supply chain of tantalum for many of the largest electronics companies in the world. Our solution also proves that the mining sector and lives of miners in the DRC have been positively impacted by Section 1502. Prior to KEMET’s involvement in Kisengo, their mining process was old-fashioned and the community did not have access to stable health and educational resources. Our investments modernized the mine and made it more efficient and safer for the workers. We built a new hospital for the mineworkers and the people of Kisengo that has served almost 10,000 cases this past year. We built a new school that now has 1,492 students in the current session and outfitted it with resources to continue operating. We established access to clean water, installed solar powered street lights and refurbished basic infrastructure (roads and bridges). We have not stopped there and continually strive to make our investments in Kisengo more impactful.

4. A/T "Not solving for violence in DRC"

Even if 1502 doesn't completely solve, net benefits argue for keeping it until we have something better to replace it - not just repealing it

Richard E. Goss 2017 (Senior VP, Environment & Sustainability, Information Technology Industry Council, advocacy and policy organization for the world’s leading innovation companies) 10 Mar 2017 "RE: Response to SEC Request for Comments on the Conflict Minerals Rule " letter to Acting Chairman of the US Securities & Exchange Commission (accessed 13 Apr 2023) https://www.sec.gov/comments/statement-013117/cll2-1630525-137433.pdf

While section 1502 is not the perfect solution to a humanitarian challenge deeply rooted in complex socio-political origins, it does establish the principle that the private sector can play a role in helping to address the terrible and persistent conditions in Central Africa. Governments undoubtedly need to take the lead to bring peace, security, and stability to the DRC and its neighbors, and civil society also has an indispensable role to play in directing aid and development assistance. The private sector can and should stand shoulder-to-shoulder and use its economic demand to drive progress and help advance stability. Ultimately, though, we know our sector’s commitment to sustainability and corporate social responsibility alone cannot bring peace and security to the DRC, and in the absence of concerted government and civil society engagement, the tragic status quo will reign in Central Africa. In closing, we do not support efforts to repeal or suspend section 1502 without some replacement regime to maintain demand for conflict-free minerals.

DISADVANTAGES

1. Public awareness

Link: Failure of 1502 as "hard law" (no enforcement, no change in trade, etc) doesn't mean it's useless. It still sets an example and raises awareness

Prof. Karen E. Woody 2019 (Assistant Professor of Business Law and Ethics, Indiana Univ. Kelley School of Business) Univ. of Maryland Law Review, CAN BAD LAW DO GOOD? A RETROSPECTIVE ON CONFLICT MINERALS REGULATION (accessed 12 Apr 2023) https://deliverypdf.ssrn.com/delivery.php?ID=094105095110064012006089088022107024001033030064027066098110077088068000091005011071020045051127023056111099106025078086117074107001090050083100111080103091098103120036022056002077016084115122096120001029097094119119001075113003023117084027118087124127&EXT=pdf&INDEX=TRUE

Although the jury may still be out on whether there will be a significant ripple effect from Section 1502 that will move the needle towards reduction of the conflict mineral trade, and optimistically a reduction of violence in the DRC, it is nevertheless worth considering how to leverage broadly the lessons of Section 1502. There likely will be more written about the failure of Section 1502 than any success that can be attributed to the provision, but I contend that the success of Section 1502 may exist because of its failure. That is, public awareness of Section 1502 and, by extension, of the crisis in DRC hopefully will continue to motivate consumers, corporations, legislators, and others to fashion more effective solutions in the form of corporate social responsibility guidelines or otherwise. This lesson suggests that there can be normative and societal benefits even in the wake of a hard law failure.

Link: 1502 is successfully raising awareness

Global Witness 2017. (international environmental research/advocacy group) 15 Nov 2017 " US Conflict Minerals Law" (accessed 12 Apr 2023) https://www.globalwitness.org/en/campaigns/conflict-minerals/dodd-frank-act-section-1502/

This was the first law of its kind, but is also part of a bigger movement that is changing the way minerals are sourced globally. At the heart of this movement is the idea that companies are individually responsible for the impact their business can have, anywhere along their supply chain. The leading international standard for this kind of supply chain [due diligence](https://www.globalwitness.org/en/campaigns/what-supply-chain-due-diligence/) was developed by the Organization for Economic Cooperation and Development (OECD), which translates the UN Guiding Principles of Business and Human Rights into a practical five-step [framework](http://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf) for all companies. Spurred by the U.S. law, there has been some welcome progress, especially on paper. Parts of Congolese civil society now actively advocate more responsible mineral trading. Some miners are now more aware of their rights, and the increased scrutiny generated by Section 1502 has encouraged more monitoring by local committees.

Link: 1502 is "the single largest driver of conflict mitigation"

Prof. Bok Baik, Prof. Omri Even-Tov, Russel Han and David Park 2022 (Baik - Seoul National University. Assistant Professor of Accounting. Even-Tov - Assistant Professor in the Accounting Group, Univ. of Calif.-Berkeley. Han - Ph.D. student at *Univ.* of *Illinois* at Urbana-Champaign. Park - Dept of Business Administration, Seoul National Univ., S. Korea) "The Real Effects of Conflict Minerals Disclosures" Feb 2022 (accessed 13 Apr 2023) https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3908233&download=yes

Leuz (2018) states that “regulation does not occur in a vacuum,” and we acknowledge that our empirical analysis is susceptible to other institutional changes. For example, there is the potential concern that the conflict reporting in ACLED data is biased toward certain countries due to differences in media coverage. But our empirical methodology renders it unlikely that this characteristic affects our results, as structural differences in media coverage are captured by cell fixed effects. In addition, we show that our results are obtained across both violent and non-violent conflicts. Moreover, our private discussions with industry experts confirm that while other initiatives have alleviated conflicts in the covered countries, Section 1502 has been the single largest driver of conflict mitigation.

Link & Brink: Losing the pressure from 1502 is bad because progress on conflict minerals is fragile and easily lost

Richard E. Goss 2017 (Senior VP, Environment & Sustainability, Information Technology Industry Council, advocacy and policy organization for the world’s leading innovation companies) 10 Mar 2017 "RE: Response to SEC Request for Comments on the Conflict Minerals Rule " letter to Acting Chairman of the US Securities & Exchange Commission (accessed 13 Apr 2023) https://www.sec.gov/comments/statement-013117/cll2-1630525-137433.pdf

We worked with members of Congress and with the Securities and Exchange Commission (SEC) on the development and implementation of section 1502 of the Dodd-Frank Act, and have been advising the European Union as that entity nears finalization of its own conflict minerals regulation. We have testified to Congress regarding the efficacy of the conflict minerals requirements, and have worked with the State Department and other impacted sectors to drive common efforts to advance transparency on minerals sourcing. The federal conflict minerals law – while not ideal – has advanced due diligence practices related to minerals sourcing in Central Africa, and has brought desperately needed attention to the plight of civilians in the Democratic Republic of Congo (DRC) and neighboring countries. Collective pressure on the supply chain from numerous sectors – including apparel, automotive, aerospace, ICT, jewelry, retail, and others – can be credited in part with the overall improvement in transparency in the region. High-tech companies have led the charge to drive continuous improvement on minerals sourcing practices while directly engaging in development activities in Central Africa (see attachment). We are concerned by reports that the federal conflict minerals reporting and disclosure requirements may be repealed or otherwise set aside with nothing to take their place. Absent collective action, and the unremitting pressure it brings to bear on global supply chains to institute necessary reforms, we may lose the fragile progress on clean minerals sourcing that we have collectively achieved.

Impact: Human suffering. Suffering in Congo would absolutely get worse if 1502 were repealed

Lauren Compere 2017 (Director of Shareholder Engagement, Boston Common Asset Management) 4 Apr 2017 "Repeal and Replacement of Conflict Minerals Rule 1502 Undermines Peace and Stability in the Congo" (accessed 12 Apr 2023) https://www.huffpost.com/entry/repeal-and-replacement-of-conflict-minerals-rule-1502\_b\_58e34778e4b02ef7e0e6e052

A second reason [stated](https://www.sec.gov/news/statement/reconsideration-of-conflict-minerals-rule-implementation.html) by Acting Chairman Piwowar for the potential repeal is that it is unclear if the 1502 rule has reduced the control of armed gangs or eased human suffering in the Congo. Again this is misinformed, as great strides have been achieved. The most recent study conducted by the International Peace Information Service (IPIS) found that 79% of tin, tantalum, and tungsten miners surveyed now work in conflict-free mines; 204 mines have been officially certified as conflict-free; and 75% of smelters/refiners worldwide for the four conflict minerals have passed audits by the [Conflict-Free Sourcing Initiative](http://www.conflictfreesourcing.org/) (CFSI) or associated programs. All of the momentum from the past six years will be lost if companies no longer feel the pressure to source responsibly because they don’t have to submit annual mandatory disclosures.

2. Weaker national security / Loss of US hegemony

Link: 1502 strengthens the supply chain for strategic minerals critical to US national defense

Per Olof Loof 2017. (Chief Executive Officer KEMET Electronics Corporation) 26 Feb 2017 Letter to Acting Chairman Securities and Exchange Commission, RE: Reconsideration of Conflict Minerals Rule Implementation (accessed 12 Apr 2023) https://www.sec.gov/comments/statement-013117/cll2-1601388-132461.pdf

KEMET now has a unique position in the supply chain as both an upstream and downstream supplier. Currently, our vertically integrated supply chain meets the majority of our tantalum needs—and as a result, the needs of our customers. Critically, many of our customers rely on our capacitors for military and defense applications. Having stable long-term pricing and availability of tantalum is of utmost importance to these customers, and we believe that 1502 allows us to ensure this. We hope our business model can serve as a roadmap for other manufacturers to follow—and we would not have been able to do this without Section 1502.

Link: US hegemony depends on access to critical minerals

Morgan Bazilian, Emily Holland and Joshua Busby 2023 (Morgan D. Bazilian is the director of the Payne Institute and a professor of public policy at the Colorado School of Mines. Emily J. Holland is an assistant professor at the U.S. Naval War College. Joshua Busby is a professor of public affairs at the University of Texas at Austin) America’s Military Depends on Minerals That China Controls 16 Mar 2023 FOREIGN POLICY (accessed 12 Apr 2023) https://foreignpolicy.com/2023/03/16/us-military-china-minerals-supply-chain/

But beyond the national security implications of energy security, a steady and secure supply of critical minerals is just as essential if the United States wishes to maintain its role as a military superpower. This national security aspect of critical minerals does not garner the same public attention as the energy transition due, in part, to the necessary secrecy that surrounds military preparedness and planning. But the fact remains: The United States and its allies do not produce anywhere near enough of these minerals to maintain our military’s technological edge in the coming decades

Brink: China is the alternative, and that's a bad choice for US national security

Morgan Bazilian, Emily Holland and Joshua Busby 2023 (Morgan D. Bazilian is the director of the Payne Institute and a professor of public policy at the Colorado School of Mines. Emily J. Holland is an assistant professor at the U.S. Naval War College. Joshua Busby is a professor of public affairs at the University of Texas at Austin) America’s Military Depends on Minerals That China Controls 16 Mar 2023 FOREIGN POLICY (accessed 12 Apr 2023) https://foreignpolicy.com/2023/03/16/us-military-china-minerals-supply-chain/

A host of so-called critical minerals are [essential](https://foreignpolicy.com/2019/06/11/how-china-could-shut-down-americas-defenses-rare-earth/) to building and maintaining modern weapons systems. In today’s globalized world, the United States and other major world powers are alarmingly dependent on other nations—first and foremost China—for these materials. China’s rapid buildup of a sophisticated military has rendered it America’s most consequential strategic competitor and has set the so-called pacing threat for American defense strategy.

Link & Brink: Global order is in crisis, multiple trends make the international system fragile, and US leadership is in danger of retreat

Prof. [Alexander Cooley and Prof. Daniel H. Nexon](https://www.foreignaffairs.com/author) 2020. (COOLEY is Claire Tow Professor of Political Science at Barnard College and Director of Columbia University’s Harriman Institute.  NEXON is an Associate Professor in the Department of Government and at the Edmund A. Walsh School of Foreign Service at Georgetown University) July/Aug 2020 “How Hegemony Ends” <https://www.foreignaffairs.com/articles/united-states/2020-06-09/how-hegemony-ends> (accessed 5 Oct 2022)

Multiple signs point to a crisis in global order. The uncoordinated international response to the COVID-19 pandemic, the resulting economic downturns, the resurgence of nationalist politics, and the hardening of state borders all seem to herald the emergence of a less cooperative and more fragile international system. According to many observers, these developments underscore the dangers of U.S. President Donald Trump’s “America first” policies and his retreat from global leadership.

Link: China is growing its military, intends to become a challenger to American power, and not just in East Asia

Dr. Kim R. Holmes 2015 (PhD in history from Georgetown Univ.; formerly worked for the Defense Policy Board, the U.S. defense secretary’s primary resource for expert outside advice; and public member of the U.S. delegation to the Organization for Security and Cooperation in Europe) 3 June 2015 China prepping for regional hegemony <https://www.heritage.org/asia/commentary/china-prepping-regional-hegemony> (accessed 8 June 2021)

The Chinese government is putting its money where its mouth is. It announced a 10 percent increase of the military budget for 2015. That would make China the second-largest military spender in the world. Increases in defense spending have been outpacing GDP growth rates for years, and although China’s defense spending is still far below America’s, it is growing while the U.S. is cutting its defense expenditures. All of this adds up to a bold new role for China’s armed forces. Long thought to be content with the mere defense of its mainland territory, China is clearly staking a larger claim for itself. It is striving to become the dominant military power in East Asia for sure, but also, in the long run, a rival challenger to American military power.

Impact: World peace & prosperity at risk without US influence. US hegemony is key to global peace & prosperity

Capt. M. V. Prato 2009 (United States Marine Corps, Command and Staff College, Marine Corps Combat Development Command, Marine Corps University) “The Need for American Hegemony” <https://apps.dtic.mil/sti/citations/ADA508040> (accessed 3 June 2021)

The world witnessed a vast shift in the polarity of geopolitics after the Cold War. The United States became the world’s greatest hegemon with an unequalled ability to globally project cultural, political, economic, and military power in a manner not seen since the days of the Roman Empire. **[END QUOTE]** Coined the “unipolar moment” by syndicated columnist Charles Krauthammer, the disparity of power between the U.S. and all other nations allows the U.S. to influence the world for the mutual benefit of all responsible states. Unfortunately, the United States is increasingly forced to act unilaterally as a result of both foreign and domestic resentment to U.S. dominance and the rise of liberal internationalism. [**He goes on to conclude later in the same context QUOTE**:] The United States must exercise benevolent global hegemony, unilaterally if necessary, to ensure its security and maintain global peace and prosperity.