

HOUSE No. 2898

The Commonwealth of Massachusetts

PRESENTED BY:

Martin J. Walsh

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to Congo conflict minerals.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Martin J. Walsh</i>	<i>13th Suffolk</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>Cleon H. Turner</i>	<i>1st Barnstable</i>
<i>John Hart, Jr.</i>	<i>First Suffolk</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>
<i>Linda Dorcena Forry</i>	<i>12th Suffolk</i>
<i>Jason M. Lewis</i>	<i>31st Middlesex</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>
<i>Elizabeth A. Poirier</i>	<i>14th Bristol</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>
<i>Lori A. Ehrlich</i>	<i>8th Essex</i>
<i>Ruth B. Balse</i>	<i>12th Middlesex</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Bradford Hill</i>	<i>4th Essex</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>

<i>Gale D. Candaras</i>	<i>First Hampden and Hampshire</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Danielle W. Gregoire</i>	<i>4th Middlesex</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>Michael Barrett</i>	<i>Third Middlesex</i>
<i>Anthony W. Petruccelli</i>	<i>First Suffolk and Middlesex</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>Robert L. Hedlund</i>	<i>Plymouth and Norfolk</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Carlos Henriquez</i>	<i>5th Suffolk</i>
<i>Barry R. Finegold</i>	<i>Second Essex and Middlesex</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Ellen Story</i>	<i>3rd Hampshire</i>
<i>Denise Andrews</i>	<i>2nd Franklin</i>
<i>Gloria L. Fox</i>	<i>7th Suffolk</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>William C. Galvin</i>	<i>6th Norfolk</i>
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>
<i>Thomas M. McGee</i>	<i>Third Essex</i>
<i>Cory Atkins</i>	<i>14th Middlesex</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>Cheryl A. Coakley-Rivera</i>	<i>10th Hampden</i>
<i>Katherine M. Clark</i>	<i>Fifth Middlesex</i>

HOUSE No. 2898

By Mr. Walsh of Boston, a petition (accompanied by bill, House, No. 2898) of Martin J. Walsh and others for legislation to prohibit the Commonwealth from contracting with companies that do not comply with federal regulations for the certification of minerals originating in the Congo. State Administration and Regulatory Oversight.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 3982 OF 2011-2012.]

The Commonwealth of Massachusetts

An Act relative to Congo conflict minerals.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 7 of the General Laws is hereby amended by inserting after
2 Section 22N, the following Section 22O:

3 The Legislature finds and declares all of the following:

4 (a) The Democratic Republic of Congo was devastated by a civil war carried out in 1996
5 and 1997 and a war that began in 1998 and ended in 2003, which resulted in widespread human
6 rights violations and the intervention of multiple armed forces or armed non-state actors from
7 other countries in the region.

8 (b) Despite the signing of a peace agreement and subsequent withdrawal of foreign forces
9 in 2003, the eastern region of the Democratic Republic of Congo has continued to suffer from
10 high levels of poverty, insecurity, and a culture of impunity, in which illegal armed groups and
11 military forces continue to commit widespread human rights abuses.

12 (c) According to a study by the International Rescue Committee released in January
13 2008, conflict and the related humanitarian crisis in the Democratic Republic of Congo have
14 resulted in the deaths of an estimated 5,400,000 people since 1998 and continue to cause as many
15 as 45,000 deaths each month.

16 (d) Sexual violence and rape remain pervasive tools of warfare used by all parties in
17 eastern region of the Democratic Republic of Congo to terrorize and humiliate communities,
18 resulting in community breakdown which causes a decrease in the ability of affected
19 communities to resist control by illegal armed forces and a loss of community access to minerals.
20 Sexual violence and rape affect hundreds of thousands of women and girls, frequently resulting
21 in traumatic fistula, other severe genital injuries, and long-term psychological trauma.

22 (e) A report released by the Government Accountability Office in December 2007
23 describes how the mismanagement and illicit trade of extractive resources from the Democratic
24 Republic of Congo supports conflict between militias and armed domestic factions in
25 neighboring countries.

26 (f) In October 2002, the United Nations Group of Experts on the Democratic Republic of
27 Congo called on member states of the United Nations to adopt measures, consistent with the
28 guidelines established for multinational enterprises by the Organization for Economic Co-
29 operation and Development, to ensure that enterprises in their jurisdiction do not abuse principles
30 of conduct that they have adopted as a matter of law.

31 (g) In February 2008, the United Nations Group of Experts on the Democratic Republic
32 of Congo stated, “individuals and entities buying mineral output from areas of the eastern part of
33 the Democratic Republic of Congo with a strong rebel presence are violating the sanctions
34 regime when they do not exercise due diligence to ensure their mineral purchases do not provide
35 assistance to illegal armed groups” and defined due diligence as including the following:
36 determining the precise identity of the deposits from which the minerals they intend to purchase
37 have been mined; establishing whether or not these deposits are controlled or taxed by illegal
38 armed groups; and refusing to buy minerals known to originate, or suspected to originate, from
39 deposits controlled or taxed by illegal armed groups.

40 (h) In its final report, released on December 12, 2008, the United Nations Group of
41 Experts on the Democratic Republic of the Congo found that official exports of columbite-
42 tantalite, cassiterite, wolframite, and gold are grossly undervalued and that various illegal armed
43 groups in the eastern region of the Democratic Republic of Congo continue to profit greatly from
44 these natural resources by coercively exercising control over mining sites from where they are
45 extracted and locations along which they are transported for export.

46 (i) United Nations Security Council Resolution 1857, unanimously adopted on December
47 22, 2008, broadens existing sanctions relating to the Democratic Republic of Congo to include
48 “individuals or entities supporting the illegal armed groups ... through illicit trade of natural
49 resources”; and encourages member countries to ensure that companies handling minerals from
50 the Democratic Republic of Congo exercise due diligence on their suppliers.

51 (j) Continued weak governance in the Democratic Republic of Congo has allowed the
52 illicit trade in the minerals columbite-tantalite, cassiterite, wolframite, and gold to flourish,

53 which empowers illegal armed groups, undermines local development, and results in a loss or
54 misuse of tax revenue for the Government of the Democratic Republic of Congo. The
55 development of stronger governance and economic institutions that support legitimate cross-
56 border trade in such minerals would help prevent the exploitation of such minerals by illegal
57 armed groups and enable the hundreds of thousands of people who depend on such minerals for
58 their livelihoods to benefit from such minerals.

59 (k) Metals derived from columbite-tantalite, cassiterite, wolframite, and gold from the
60 Democratic Republic of Congo are used in diverse technological products sold worldwide,
61 including mobile telephones, laptop computers, and digital video recorders.

62 (l) In February 2009, the Electronic Industry Citizenship Coalition and the Global e-
63 Sustainability Initiative released a statement asserting that use by the information
64 communications technology industry of mined commodities that support conflict

65 in such countries as the Democratic Republic of Congo is unacceptable and electronics
66 companies can and should uphold responsible practices in their operations and work with
67 suppliers to meet social and environmental standards with respect to the raw materials used in
68 the manufacture of their products.

69 (m) Notwithstanding the extensiveness of the supply chains of technological products and
70 the extensiveness of the processing stages for the metals derived from columbite-tantalite,
71 cassiterite, wolframite, and gold used in such products, companies that create and sell products
72 that include such metals have the ability to influence the situation in the Democratic Republic of
73 Congo by doing all of the following: exercising due diligence in ensuring that their suppliers
74 provide raw materials in a manner that does not directly finance armed conflict, result in labor or
75 human rights violations, or damage the environment; verifying the country from which the
76 minerals used to derive such metals originate, the identity of the exporter of the minerals, and
77 that all appropriate tax payments are made; and committing to support mineral exporters from
78 the Democratic Republic of Congo that fully disclose their export payments and certify that their
79 minerals do not directly finance armed conflict, result in labor or human rights violations, or
80 damage the environment.

81 (n) It is the sense of the Legislature that the exploitation and trade of conflict minerals
82 originating in the Democratic Republic of Congo is helping to finance conflict characterized by
83 extreme levels of violence in the eastern Democratic Republic of Congo, particularly sexual- and
84 gender-based violence, and contributing to an emergency humanitarian situation.

85 (o) The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into
86 law by President Barack Obama on July 21, 2010. This law requires those who file with the
87 Securities Exchange Commission and use minerals originating in the Democratic Republic of
88 Congo in manufacturing to disclose measures taken to exercise due diligence on the source and
89 chain of custody of the materials and the products manufactured.

90 SECTION 2.

91 (a) A scrutinized company is ineligible to, and shall not, bid on or submit a proposal for a
92 contract with a state agency for goods or services. (b) For purposes of this section, a "scrutinized
93 company" is a person that is required to disclose information relating to conflict minerals
94 originating in the Democratic Republic of the Congo, or its adjoining countries, pursuant to
95 Section 13(p) of the Securities and Exchange Act of 1934 where conflict minerals are necessary
96 to the functionality or production of a product manufactured by the person, where the person has
97 filed an "unreliable determination," as defined by Section 13(p) of the Securities and Exchange
98 Act of 1934, reported false information in their report whose requirements are described in
99 Section 13(p) of the Securities and Exchange Act of 1934, or failed to file a report as required by
100 Section 13(p) of the Securities and Exchange Act of 1934 and which the Securities and
101 Exchange Commission has, upon the completion of the commission's processes, determined that
102 a person has made a report that does not satisfy the requirements of due diligence described in
103 Section 13(p) of the Securities and Exchange Act of 1934.

104 SECTION 3. Section 2 of this bill shall become inoperative upon the disclosure
105 requirements termination date specified pursuant to Section 1502(b)(4) of Public Law 111-203.