

Are Our Customers the Conflict in “Conflict Free”?

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“We thought that we were in the business to make parts, with zero defects and 100 percent on time. What do you mean I have to certify that they are conflict free? How would I know?” You may not have had this conversation with your customer, face-to-face, but I’ll bet that you had this conversation in your mind.

What do you think of when you open an unexpected mailing from a customer? ‘Hey look, maybe it is a new order?’ (That would be nice!) ‘Thanks for maintaining quality and delivery?’

You are already expert in a number of critical areas in your business. PMPA gives you a professional assist on managing regulatory risk.

(That’s why you count on us.) ‘Uh oh, I wonder what they want this time?’ (I’ll bet many of us share this line of thinking.)

As a plant manager, whenever I got an unexpected letter from a customer, as I opened the envelope, in my mind I could almost hear a back-up horn. A back-up horn on a large dump truck... getting ready to dump more work on my desk.

I’ll bet many of you are hearing that dump truck back-up horn these days, as your customers are sending you order addendums, revisions and annexes insisting that



you document and certify that the products you provide to them are “100% Conflict Free.” I have spoken with several PMPA members who had, at one time or another, five or ten such letters on their short “to do” pile.

How about you? Are you just starting to see conflict mineral documentation demands from your customers? If you are, how do you know if the demand is even relevant to your product? Clearly, your customer hasn’t figured it out. How do you tell them if it is not? What do you tell them if it is not?

PMPA Regulatory Assurance is what we call the fact that PMPA staff stays up to date on regulatory issues applicable to PMPA members and then apprises them as to the impact and the potential actions that they can take to stay compliant and minimize their exposure to risk. PMPA has been working on the conflict mineral issue for over two years, having filed an amicus in the NAM lawsuit against the SEC for the Conflict Minerals Final Rule earlier this year and produced a two-page guidance document for members that helps them make sense of the “truckload” of “you must document this” paperwork being dumped on

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their desks by their customers. PMPA member companies can access the guidance online at: <http://pmpa.org/news/latest-news/2013/03/19/pmpa-issues-dodd-frank-section-1502-conflict-minerals-guidance>.

It's a clear, easy-to-read and use two-page guidance document to make sense of the 356 pages of final rule that the SEC issued.

Our guidance document helps members gain clarity by identifying the key material constituents that trigger the need for conflict mineral reporting. It gives them links to the final rule, and shows the exact parts that may be applicable to their determination of whether or not they need to report. That's two pages of sense-making clarity, versus 356 pages of legal mumbo-jumbo.

Our guidance document helps members confidently craft a statement to their customers that handles the Conflict Free issue on the product “once and for all,” by providing rule citations that characterize their finding. **PMPA Regulatory Assurance** is about providing confidence in dealing with complex regulatory issues. You are already expert in a number of critical areas in your business, PMPA gives you professional assistance for managing regulatory risk.

Do you know the five questions to ask to determine if a job will require you to prepare a full conflict minerals audit and investigation? More importantly, do your sales and estimating personnel know? Should they? What do you

think the costs in staff time and money will be to trace the source of the raw material that you use back to its original source mine, anywhere in the world? What about your tooling? What do you know? How do you know? PMPA Assurance means that our members know.

Why is it that we have to determine if the products our customers are purchasing from us are Conflict Free? Why don't our customers know? Why do they just dump their regulatory issues on our desk? Maybe the conflict is between our customers not knowing and demanding that we do their job, just like the SEC is demanding that businesses do the work that U.S. Customs ought to be doing.

I don't know the answer to these questions, but I do know PMPA members have a guidance document that helps them determine the conflict free status of each and every part that they produce by just asking a handful of questions. That makes PMPA member shops the go-to shops for sense making and to assure regulatory compliance.

That's a positive, unexpected consequence of PMPA Regulatory Assurance. Open that letter. Hear that back-up horn. Feel the swoosh of hot air as the customer dumps his load of requirements on your desk. Then smile because PMPA Regulatory Assurance has already given you all the knowledge and confidence that you need to make that mess go away.

Why Join PMPA? Grow!

To grow and profit today, you have to work smarter. You have to relentlessly eliminate waste. PMPA is the way to expand your knowledge and increase your capabilities in order to grow your business. Through daily interaction with PMPA staff members, you have access to our expertise on important industry issues. You're also able to tap the collective knowledge of your peers; those who have “been there” and “done that.”

Through the meetings, resources and online connections, reports and more, we give you the tools to grow. We look at emerging markets and let you know what's hot and what's not. PMPA programs help you understand your markets so you can make sense of the issues. And, we provide relevant information to help you make informed decisions.