



United States Department of State

Washington, D.C. 20520

August 23, 2004

Colleen Freeman
Friends of the Earth-United States
1717 Massachusetts Avenue, NW
Suite 600
Washington, DC 20036

Patricia Feeney
Rights and Accountability in Development
1 Bladon Close
Oxford, OX2 8 AD
United Kingdom

Dear Ms. Freeman and Ms. Feeney:

Thank you for your letter of August 4, 2004 restating concerns about the continuing conflict in the Democratic Republic of Congo and some of the U.S.-based companies named in relation to the OECD Guidelines for Multinational Enterprises in the United Nations Panel of Experts Report on the Illegal Exploitation of Natural Resources in the Democratic Republic of Congo.

As you may recall from our previous communications, the U.S. NCP acts as a source of information about the OECD Guidelines for Multinational Enterprises; serves as a channel to keep respective parties informed of communications regarding issues raised under the Guidelines; and where the issues merit further examination, offers its good offices to assist in resolving issues. OECD member countries encourage their multinational enterprises to follow the Guidelines in their global operations. However, the NCP neither acts as a judicial body nor do we have significant investigative resources at our disposal. As noted in our response to the original request to look into the UN Panel's allegation in its draft report that some OECD member firms were in violation of the Guidelines, the UN Panel did not provide us any specific information regarding U.S. firms' activities. It concluded in its 23 October 2003 final report that all the questions it had

with respect to the activities of Trinitech, Eagle Wings, and OM Group had been resolved.

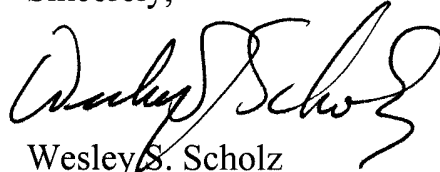
The procedural guidance of the Guidelines is designed primarily to deal with situations where a party raising an issue has specific information about behavior they believe raises questions under the Guidelines. The information available to us consists of allegations that have not been adequately substantiated, denied by the firms concerned, and called into doubt by the party that originally made them. As our efforts to obtain information from the source of the allegations have not proved fruitful, there is little to justify further action on our part. We understand that the circumstances with respect to other OECD members' firms may differ, and, thus, other NCPs may have acted differently. However, we have based our conclusion on the circumstances relating to U.S. firms and the information available to us.

You noted in your letter that the UK NCP had recently been successful in obtaining additional information from the UN archives regarding its firm's activities. We have confirmed this with the UK NCP. However, we understand that this information did not relate to the companies with respect to which the Panel saw no need for further action. As we noted in our earlier letter, our efforts to obtain additional information on the U.S. firms cited was unsuccessful. Nevertheless, we are prepared to make further inquiries with the UN regarding the availability of any further information on the U.S. firms mentioned in the UN Panel's report.

We will be pleased to inform you if we are able to obtain additional information, and if so, whether it alters our conclusion that further involvement of the U.S. NCP in this matter is not warranted.

If we can be of further assistance, pending a response to our request to the UN for further information, please contact Nathaniel Hatcher in the Office of Investment Affairs at telephone number (202) 647-9453 or at email address: usncp@state.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Wesley S. Scholz". The signature is fluid and cursive, with a large initial "W" and "S".

Wesley S. Scholz
Director,
Office of Investment Affairs
U.S. National Contact Point