



World Diamond Council

For more information please contact:

Matthew Runci, 212-768-8777

Eli Izhakoff, 212-575-8848

WORLD DIAMOND COUNCIL WILL OFFER MODEL STATUTE TO CREATE EFFECTIVE GLOBAL BAN OF CONFLICT DIAMOND

NEW YORK, NY: October 16, 2000 – The World Diamond Council has retained a leading international trade law firm to prepare workable and effective model legislation to stop the trade in conflict diamonds, Eli Izhakoff, chairman of the WDC, announced today.

"This is a crucial element in our campaign to eliminate conflict diamonds entirely," Izhakoff said. "This is a complex global challenge. To meet it effectively, we must have an international framework allowing all nations involved to coordinate their efforts. That includes countries in which diamonds are extracted, those in which stones are processed and major polished diamond importing countries, starting with the largest importer, the United States."

The firm assigned to develop the model legislation, Akin, Gump, Strauss, Hauer & Feld, LLP, is expected to complete its draft in 90 days. "We will then urge the governments most concerned to consider the proposal on a priority basis," Izhakoff said. "There is broad agreement among all interested parties - including our industry and non-governmental organizations concerned with the

issue - on the principles to be followed. Now we have to agree on strong, workable measures and get the job done quickly."

Conflict diamonds are those that originate in areas under rebel control in troubled parts of Africa, such as Sierra Leone. Though these stones represent only a tiny percentage of the world supply, profits from their illicit sale have fueled violence and upheaval. Typically, contraband is funneled through neighboring countries with the connivance of corrupt officials, and then sneaked into normal channels.

Izhakoff said: "All sectors of our industry - producers, processors, distributors and retailers - are appalled by this practice. We are committed to ending it once and for all."

In consultation with humanitarian organizations, government officials, and the United Nations, industry representatives last July created the World Diamond Council. The WDC has been working to choke off transshipment of suspect stones. But a permanent solution requires a comprehensive system that will track stones from their point of extraction to the major diamond processing centers. Violators will be subject to criminal prosecution.

With that system in place, importing countries such as the United States would be equipped to bar entry to any shipment of suspicious origin. The model legislation now being written will provide the legal basis for these controls. Akin, Gump, which is based in Washington, was chosen because of its expertise. Its co-founder, Robert Strauss, served as U.S. Trade Representative in the Carter Administration.

The two attorneys in charge of the WDC project, Warren Connelly and S. Bruce Wilson, have extensive experience in areas relevant to the conflict diamond issue. Connelly heads the firm's international trade practice group. Wilson served as a negotiator in the U.S. Trade Representative's office and as staff director of the Subcommittee on Trade of the House Ways & Means Committee.

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