

ITEM B.101

ACTION ITEM FOR GAC COMMITTEE BUSINESS

| FOR GAC EXECUTIVE DIRECTOR'S OFFICE USE ONLY. ASSIGNED TO: | | | |
|--|----------------------------------|----------------------------|---------------------------|
| | A. Evangelism and Witness | D. Leadership and Vocation | G. PCUSA, A Corporation |
| X | B. Justice and Compassion | E. Shared Services | H. Executive Committee |
| | C. Spirituality and Discipleship | F. Audit | I. Personnel Subcommittee |

Subject:

MRTI REPORT ON REQUEST FOR DIALOGUE WITH HILTON HOTELS ON CORPORATE CODE RELATED TO CHILD PROSTITUTION AND TRAFFICKING

Recommendation:

That the General Assembly Council:

- 1. Receive the report of the Committee on Mission Responsibility Through Investment (MRTI) on the unresponsiveness of Hilton Hotels to a request for dialogue about a corporate code addressing child prostitution and trafficking.**
- 2. Urge Hilton Hotels to engage in dialogue with MRTI and other religious organizations about this serious issue, and how it can be addressed through pro-active corporate action.**
- 3. Encourage MRTI to inform Presbyterian Church (USA) entities and members about the situation with Hilton Hotels, and enlist their participation in communicating to the company about the need for positive action to address child prostitution and trafficking.**

Background:

Child prostitution and trafficking for sexual exploitation is a global problem of urgent importance. The Presbyterian Church (USA) has lifted up the need for action, particularly at the urging of Presbyterian Women. The 2006 General Assembly approved an overture from the Synod of the Northeast condemning sexual exploitation of children and international trafficking, and urged pursuit of several strategies to address the issue.

Among the strategies is the promotion of a code of conduct for the travel and leisure industry developed by ECPAT, whose work is to "End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes." The Code of Conduct for the Protection of Children from Commercial Exploitation in Travel and Tourism has been endorsed only by three U.S. companies: The Carlson Corporation and Radisson plus two travel agencies in Boston and Philadelphia.

Religious organizations working through the Interfaith Center on Corporate Responsibility (ICCR) have begun approaching other companies in the industry. Some headway has been made with Marriott. MRTI agreed to be the lead contact with Hilton Hotels (the Board of Pensions owns stock in the company). Eight Roman Catholic organizations, all owners of Hilton stock, are cooperating with MRTI in the engagement.

Unfortunately, to date Hilton has been unresponsive. MRTI first contacted the company by letter on October 26, 2006. When no response was received, phone follow-up began. After several attempts, contact was made with Hilton. The company's search for the letter failed to locate it. Hilton requested that

MRTI fax the letter to them, and stated that the appropriate official would respond. The letter was faxed on December 20, 2006. No response was received from Hilton. Phone messages left at the office of CEO Stephen Bollenbach were not returned. A phone conversation with Investor Relations resulted in the suggestion to contact Corporate Communications. Three voice mail messages to Kathy Shepard, Vice President for Corporate Communications, also were not returned.

This situation was reviewed with the Roman Catholic partners and by MRTI at its meeting on February 10, 2007. MRTI adopted the following motion:

That MRTI expresses its deep concern about the unresponsiveness of Hilton Hotels to the request by MRTI, on behalf of the Presbyterian Church (USA) and several Roman Catholic religious orders, to meet with Hilton management about steps the company could take to contribute positively to the international effort to end child prostitution and trafficking including endorsement of the EPCAT Code of Conduct. Further, MRTI believes it is appropriate to inform PCUSA agencies, committees, middle governing bodies and members along with ecumenical partners and the general public of this unresponsiveness, and solicit their support in communicating with Hilton on the seriousness of the need to address this issue.

Pending the response of Hilton Hotels to the above motion, MRTI authorizes the preparation and implementation of a letter writing campaign to increase church-wide attention related to Hilton Hotel's unwillingness to contribute positively to the effort to end child prostitution and trafficking.

This action was communicated to Hilton Hotels on February 13, 2007, and included a reaffirmation of MRTI's desire to hold a dialogue with the company. Any response will be communicated to the GAC at its March meeting.

Financial Implications:

None.