

Ovt 014

On Divestment from Caterpillar, Hewlett-Packard, and Motorola Solutions—From the Presbytery of San Francisco.

RECOMMENDATION:

In service to God's love and justice for all of the people of Palestine and Israel, and in accord with international law concerning self-determination and human rights, the Presbytery of San Francisco overtures the 221st General Assembly (2014) of the Presbyterian Church (U.S.A.) to:

1. **Instruct** the Presbyterian Foundation and the Board of Pensions of the Presbyterian Church (U.S.A.), to disinvest from Caterpillar, Inc., Hewlett-Packard and Motorola Solutions, in accord with our church's decades-long socially responsible investment (SRI) history, and not to reinvest in these companies until the Mission Responsibility Through Investment Committee of the PC(U.S.A.) is fully satisfied that product sales and services by these companies are no longer complicit in:

a. the building and security of illegal Israeli settlements, which U.S. foreign policy, and most recent U.N. fact-finding mission determine to be an obstacle to peace;

b. the construction and maintenance of walls and fences that illegally encroach upon Palestinian lands, destroying Palestinian rights to own property and pursue livelihoods;

c. the management of checkpoints that dehumanize Palestinians and cut off innocent civilians from their property and natural resources;

d. contributing to and profiting from the relentless, 5 decade long, military occupation of the Palestinian territories.

2. **Affirm** that this action underlines the worsening situation in Palestine, calling attention to:

a. the occupation of Palestine, which destroys lives and entire cultures, and for the sake of justice between Jews, Christians, and Muslims, that it needs to end;

b. the violation of Palestinian human rights; through home demolitions, constricting movement for work, school, personal needs, business, essential (and emergency) medical care; and the illegal mass political imprisonment of Palestinians;

c. the disproportionate impact on the Christian minority due to restrictions on family unification, housing, the isolation of Bethlehem and other conditions of occupation;

d. the failure to attract investors to Palestinian businesses choked by the occupation matrix, the blockade of Gaza and restrictions on the West Bank economy, which adds more than 20% to business costs in Palestine.

3. **Recognize** that while the 220th General Assembly called upon the church to pursue only non-violent investment in Palestine and Israel, we still profit from companies engaged in violent pursuits in Palestine, by providing equipment and materiel supporting illegal occupation, contrary to our church position.

4. **Direct** the Stated Clerk to:

a. Communicate this action to all other PC(USA) councils and entities, and invite and strongly encourage those groups and organizations that hold assets in Caterpillar, Inc., Hewlett-Packard and Motorola Solutions to disinvest as well.

b. Inform our ecumenical partners of this action, nationally and globally—particularly within Israel and Palestine—encouraging them to hear this witness and to also consider applying socially responsible, human rights criteria to other companies in their portfolios that are complicit in the occupation of Palestine.

5. **Direct** the Presbyterian Mission Agency and the Advisory Committee on Social Witness Policy to monitor developments in international law and related to the occupation, to continue to advocate conditioning foreign aid for Israel to compliance with humans rights law, and to support all measures

designed to provide for viable statehood and a shared Jerusalem, including protection for Christian and Muslim and well as Jewish holy places.

Rationale

This rationale is in 4 parts:

I. Activity of the 2012 (220th) General Assembly with highlights of the report of the Mission Responsibility Through Investment Committee (MRTI) concerning its decades-long corporate engagement with companies profiting from non-peaceful pursuits in Israel/Palestine.

II. Conclusions from the February 2013 fact-finding report of the United Nations General Assembly Human Rights Council regarding the human rights situation in Palestine.

III. Key maps showing current conditions in Palestine, as well as the conditions that led up to this point.

IV. Concluding statement of our responsibility as a Church that proclaims the Lordship of Jesus Christ.

I. Activity of the 2012 (220th) General Assembly

The 220th General Assembly (GA) was the first time the Mission Responsibility Through Investment Committee (MRTI) had brought a recommendation to disinvest from companies - Caterpillar, Hewlett-Packard and Motorola Solutions - engaged in Israel's occupation of Palestine and non-peaceful pursuits in Palestine, and the first time a GA Standing Committee ever recommended such action to the plenary. The recommendation to disinvest, approved by the Committee on Middle East and Peacemaking Issues (#15), was sent to the plenary floor by a 36-11-1 margin. Committee 15 had listened to hours of hearings and debate, and had at its disposal maps, resources and experts to sufficiently discuss Israel's occupation of Palestine, as well as our investment history in the three companies engaged in non-peaceful pursuits in the Holy Land. The morning of plenary debate, the Rabbi bringing interfaith greetings after being asked not to do so, said disinvestment may irreparably fracture relations with the Jewish community and implored voting against Committee 15's recommendation <http://www.youtube.com/watch?v=GZpRQBHqO8g>. Commissioners lodged complaints with the denominational leadership. The 220th GA vote for disinvestment failed by a 2 vote margin (333-331) in favor of a minority report (369-290-8), which instead called for positive investment.

Later the 220th GA voted overwhelmingly (457-180-3), calling for a boycott of all products coming from illegal Israeli settlements in the West Bank. The arguments in support of this action in both Committee 15 and on the plenary floor, were in essence, the same arguments in support of disinvestment delineating - how occupation and the nonstop expansion of settlements were destroying Palestinian life and culture. In both cases, the Committee 15 understood the logic and consistency of those arguments, voting for both disinvestment and boycott. Though that same dynamic occurred on the plenary floor, the General Assembly chose to support boycott and vote against disinvestment.

Further confusing the issue, the plenary later voted to provide Teaching Elders and Church Workers participating in the programs of the Board of Pensions a "relief of conscience" clause so that at their request their pension funds would not be invested in these companies. The plenary voted to do this even after an official from the Board of Pensions said it could not be done, and the Moderator of the General Assembly responded by saying that with God all things are possible. Following a break the Moderator returned to the podium to announce that he was ruling the action out of order. This further indicates that the plenary, after hearing of the truth of illegal Israeli occupation of Palestine, did everything short of disinvestment to send a clear signal that non-peaceful activities by companies supporting occupation cannot be tolerated.

Since the 220th General Assembly, nothing constructive regarding corporate practices in Palestine has occurred on the part of Caterpillar, Hewlett-Packard or Motorola Solutions. Also, there has been no sign that Presbyterians employed by them have sought to bring change from within so that the business practices of their employers are consistent with the clear moral investment strategies of their church.

To review the entire Mission Responsibility Through Investment record of corporate engagement with these companies, commissioners are strongly urged to read its report to the 220th General Assembly which can be located at <http://www.pc-biz.org/IOBView.aspx?m=ro&id=4021>.

Here are highlights of that report:

Caterpillar

An article in *Haaretz*, an Israeli newspaper, dated March 11, 2009, reported on the close relationship between Caterpillar's Israeli dealership and the Israeli military. This includes selling the Caterpillar D-9 bulldozers to the Israeli Defense Forces (IDF) who has them weaponized by an Israeli company. The article notes that the IDF has used these bulldozers from the mid 1980s, and has hundreds of them in its arsenal. After that, the Caterpillar dealer provides maintenance work. The dealership's mechanics provided maintenance in the recent Gaza war (these dealership employees maintained and serviced Caterpillar equipment near the battlefield during the Gaza War of January 2009, when more than 1,300 civilians were killed and the entire civilian infrastructure of the territory was destroyed) and the Second Lebanon War. The dealership noted publicly its close working relationship with the IDF, according to *Haaretz* in an article dated March 17, 2009, the IDF also "is planning to draft civilian bulldozer-maintenance personnel for reserve duty, marking the first time the army will be conscripting the staff of a private firm in wartime." This would permit the IDF to use Caterpillar dealership employees on the battlefield in future operations.

The dialogue clarified several issues, but did not produce any progress. Company officials made it clear that the company took no responsibility for the use of its products even by its dealers (the only party considered to be a customer), had no procedure in place for monitoring or ensuring compliance with Caterpillar's stated expectations even in a situation with a documented historic pattern of the equipment being used in human rights violations, and no desire to develop such a procedure. Further, they indicated that Caterpillar, although a global company doing business in virtually every country except where prohibited by U.S. law, had no capacity to evaluate whether particular actions are in accord with human rights conventions or international humanitarian law. Finally, Caterpillar did not provide information on whether its dealership was selling equipment to major construction companies building the illegal settlements, the separation barrier, or the Jewish Israeli-only roads in the occupied territories as requested

The 219th General Assembly (2010) action called for continued engagement within the context of the following clear and public policy denouncing the company from profiting from involvement in serious human rights violations and obstacles to a just peace in Israel and Palestine: "... the [General Assembly] strongly denounces Caterpillar's continued profit-making from non-peaceful uses of a number of its products. We call upon Caterpillar to carefully review its involvement in obstacles to a just and lasting peace in Israel-Palestine, and to take affirmative steps to end its complicity in the violation of human rights. We hope that, by God's grace, Caterpillar will come to exercise its considerable power and influence in the service of a just and lasting peace in Israel-Palestine" (*Minutes*, 2010, Part I, p. 363 of the printed version, p. 986 of the electronic version).

While the action of the 219th General Assembly (2010) denouncing the company's continued profiting from its involvement in human rights violations was designed in large measure to convince Caterpillar that the church was serious about the gravity of this complicity, the company remained unresponsive. On April 19, 2011, MRTI sent its own letter to new CEO Douglas Oberhelmer, expressing hope for a new spirit of conversation around these issues and requesting dialogue (see Appendix 1 in [gamc-mrti-recommendations-appendix1.pdf](#) under "Additional Resources"). There was no response. On July 26, 2011, the United Methodist Board of Church and Society retransmitted the 2010 letter (see above) from eight religious shareholders to the new CEO requesting a meeting to discuss the issues described in the correspondence. Again, there was no response.

Motorola Solutions

The dialogue on June 18, 2007, focused on human rights standards and conventions, and explored the company's involvement in the occupation through sales of military communications products, fuses for bombs, security technology for Jewish Israeli settlements on the West Bank, and operating a cell phone business in the West Bank. Motorola denied that any of its activities implicate it in the Israeli occupation, or raise human rights concerns. A shareholder resolution addressing broader human rights issues was filed by several religious shareholders in the fall of 2007. In response, Motorola requested a follow-up meeting, which occurred on January 7, 2008. The company indicated its intent to review and amend its policies but would not specify the particular changes under consideration and made clear that its human rights policies would not be applied to their business relationships with foreign governments. This lack of clarity and limited scope led the religious investors, including MRTI representatives, to decline to withdraw their resolution, which went to a vote at the annual shareholders meeting on May 5, 2008. It received more than 12 percent of the shareholder vote, enough to be resubmitted in 2009. Although the conversation with Motorola has been less productive than hoped, religious shareholders agree that more in-depth dialogue on corporate social responsibility and human rights might potentially create a more productive arena for analyzing the Israel-Palestine conflict and other world situations and ought to be continued.

A shareholder resolution similar to the one from 2008 was filed with Motorola requesting that the company amend its human rights policies “to conform more fully with international human rights and humanitarian standards. ...” The resolution was co-filed by the General Board of Pensions and Health Benefits of the United Methodist Church, Mercy Investment Program, and the Episcopal Church. The company did not respond to a request in the filing letter for a meeting to discuss the resolution. When the filers tried to set one up following the annual meeting, the company declined, but offered to answer written questions. The stockholder meeting was held on May 4, 2009. Speaking in support of the resolution, which received 9.7 percent of the vote, were representatives of the United Methodist Church and the Presbyterian Church (U.S.A.). Following the 2009 annual meeting, religious shareholders requested another dialogue, but on June 12, an e-mail from Motorola’s legal department refused to meet in person saying the company would only answer questions in writing. Questions were submitted, but answers did not adequately respond to the concerns expressed. In an email of January 13, 2010, the company also declined to facilitate a meeting with Motorola Israel during the February 2010 visit of religious shareholders to Israel and Palestine. The 2010 shareholders meeting was held on May 3 where the human rights resolution was voted on again. It received a vote of 11.8 percent. Motorola also announced that it would be splitting into two new companies by the end of 2010: Motorola Solutions and Motorola Mobility.

Meanwhile, the involvement of Motorola in the Occupation lessened in some important ways. The sale of armaments work by Motorola Israel meant that it no longer made bomb fuses for the Israeli military. Motorola also announced its intention to sell its Israeli cell phone company, and has sought bids from potential buyers. The company supplied cell phones to the Israeli soldiers operating in the Occupied Territories, and built cell towers in the illegal settlements. However, the company maintained its stance of no face-to-face dialogues, but would answer some written questions.

On November 4, 2010, in the filing of the shareholder resolution on human rights for the 2011 annual meeting, MRTI expressed its hope that the company would respond positively through constructive dialogue. The company did not respond. The corporate restructure was completed on schedule. The shareholder resolution was voted on at the annual meeting of Motorola Solutions on May 2, 2011. However, this time it received a lower vote total (5.4 percent), and could not be resubmitted for 2012. At the meeting, the CEO of Motorola Solutions announced that the company would be concentrating on the Middle East for its integrated communications products. Following the meeting, MRTI sought to determine how the restructure had affected the company’s business in Israel-Palestine. Motorola Mobility confirmed that the Israeli cell phone company had been sold to a French company, and that its business was now limited to marketing cell phones in civilian markets. It also confirmed that the business lines with the Israeli government remained with Motorola Solutions. Motorola Solutions did not respond to MRTI’s information request of July 11, 2011.

Hewlett-Packard

The company sells hardware to the Israeli Navy, and as a contractor manages all Information Technology (IT) including its operational communications, logistics, and planning including the ongoing naval blockade of the Gaza Strip. This blockade has included interdicting humanitarian supplies by attacking or turning back international vessels carrying the supplies, and attacks on Palestinian fishermen.

The company also is involved through its ownership of Electronic Data Systems in providing electronic biometric identification scanning equipment to monitor only Palestinians at several checkpoints inside the West Bank, including as part of the separate road system, restricting Palestinian movement. At these checkpoints, the 2.4 million West Bank Palestinians are required to submit to lengthy waits as well as the mandatory biometric scanning, while Israelis and other passport holders transit without scanning or comparable delays.

Hewlett-Packard also has extensive involvement with the Israeli Army. Soldiers in the IDF are issued a Tadiran Communications ruggedized personal digital assistant (RPDA) based on the Hewlett Packard IPAQ (handhelds and smart phones) as part of Israel’s Anog soldier modernization program. This equipment is used to enforce the Occupation. In July 2009, Hewlett-Packard won a contract for the installation of software products in a three-year IDF virtualization tender worth an estimated \$15 million, with a two-year option to extend.

Hewlett-Packard also has business relationships with the illegal settlements in the West Bank. A subsidiary, HP Invent, outsources information technology services to Matrix and to its subsidiary Talpiot, which has its main outsourcing center in the illegal West Bank settlement of Modi’in Illit. By using Talpiot’s services, clients of the company are profiting from the company’s relationship with an illegal settlement and are helping solidify the Occupation.

In addition, Hewlett-Packard worked with the government of the illegal settlement of Ariel in the occupied West Bank to develop specialized solutions for government data storage, and used this project in marketing publicity. Despite the fact that Ariel is deep in the Occupied West Bank, the company's published description of this work claims that Ariel is within Israel, including the use of a map making no reference to the West Bank as a separate occupied territory.

In addition, as with Motorola Israel, its Israeli subsidiary does not disclose its equal employment opportunity record of its hiring practices.

A shareholder resolution was developed requesting a review of Hewlett-Packard's human rights policies, and a report on their implementation. It was filed by the PC(USA), United Methodist General Board of Pensions and Benefits, and four Roman Catholic religious orders. The filing letters requested an opportunity for dialogue, and prompted a positive response by the company. On October 28, 2009, several religious participants met with company officials by conference call. The discussion reviewed Hewlett-Packard's policies and procedures, and identified issues of concern for further discussion. Participants were grateful for the positive atmosphere, and willingness to cooperate. As the company agreed to initiate a board of directors level review of its human rights policy, and committed to positive follow-up to the issues identified in the dialogue, the shareholders decided to withdraw the resolution.

However, the follow-up was spotty in some areas, and nonexistent in others. One positive aspect of the engagement though was meeting with a representative of HP Israel in Jerusalem in February 2010. The discussion was informative about the extent and variety of Hewlett-Packard's businesses. Requested information on the company's employment practices and how the human rights policy influences the company's business with governments was not provided.

The 219th General Assembly (2010) directed MRTI to continue its efforts to engage Hewlett-Packard on these issues. Although efforts began to schedule dialogue with company management in November 2010, the company repeatedly deferred and postponed this meeting. Attempts to schedule conference calls met with delays, but one was finally held on April 19, 2011. Unfortunately, it was not a productive dialogue. While the religious shareholders had communicated clearly their desire for an in-depth discussion of the biometric scanners at the checkpoints, Hewlett-Packard's representatives, including its person in charge of implementing its human rights policy, said that they were not knowledgeable on the issue and could not discuss it. They also did not offer to set up a subsequent call with Hewlett-Packard representatives who could. In addition, they announced that the human rights assessment they were conducting (which would include Israel-Palestine) would concentrate on systems evaluation, and any specifics would not be included in Hewlett-Packard's public reporting. Indeed, Hewlett-Packard's public report contained no reference to its business operations in Israel and the Occupied Palestinian Territories.

Hewlett-Packard produced a Global Citizenship Report for 2010, its most recent one. It states in its Global Issues section: "At HP, we believe technology is a driver of social progress, environmental sustainability and economic opportunity. We're committed to helping individuals everywhere use technology to connect and create a better world." The company reviews its involvement in the United Nations Global Compact, and its support for the Universal Declaration on Human Rights. It notes that it is one of eight founding members of the Global Business Initiative on Human Rights (GBI). However, nowhere does Hewlett-Packard discuss the relationship of its policy commitments to its involvements in non-peaceful pursuits in Israel-Palestine.

II. Recent United Nations Findings

Since the adjournment of the 220th General Assembly the Twenty-second session of the United Nations General Assembly Human Rights Council issued its report regarding the "Human rights situation in Palestine and other occupied Arab territories" (February 2013) and brought these conclusions:

Conclusions

100. The facts brought to the attention of the mission indicate that the State of Israel has had full control of the settlements in the Occupied Palestinian Territory since 1967 and continues to promote and sustain them through infrastructure and security measures. The mission notes that, despite all pertinent United Nations resolutions declaring that the existence of the settlements is illegal and calling for their cessation, the planning and growth of the settlements continues of existing as well as of new structures.

101. The establishment of the settlements in the West Bank, including East Jerusalem (see annex II), is a mesh of construction and infrastructure leading to a creeping annexation that prevents the establishment of a contiguous and viable Palestinian State and undermines the right of the Palestinian people to self-determination.

102. The settlements have been established and developed at the expense of violating international human rights laws and international humanitarian law as applicable in the Occupied Palestinian Territory, as recognized notably by the International Court of Justice in its advisory opinion of 9 July 2004.

103. The settlements are established for the exclusive benefit of Israeli Jews, and are being maintained and developed through a system of total segregation between the settlers and the rest of the population living in the Occupied Palestinian Territory. This system of segregation is supported and facilitated by a strict military and law enforcement control to the detriment of the rights of the Palestinian population.

104. The mission considers that, with regard to the settlements, Israel is committing serious breaches of its obligations under the right to self-determination and certain obligations under international humanitarian law, including the obligation not to transfer its population into the Occupied Palestinian Territory. The Rome Statute establishes the jurisdiction of the International Criminal Court over the deportation or transfer, directly or indirectly, by the occupying Power of parts of its own population into the territory it occupies, or the deportation or transfer of all or parts of the population of the occupied territory within or outside that territory. Ratification of the Statute by Palestine may lead to accountability for gross violations of human rights law and serious violations of international humanitarian law and justice for victims.

105. The existence of the settlements has had a heavy toll on the rights of the Palestinians. Their rights to freedom of self-determination, non-discrimination, freedom of movement, equality, due process, fair trial, not to be arbitrarily detained, liberty and security of person, freedom of expression, freedom of access to places of worship, education, water, housing, adequate standard of living, property, access to natural resources and effective remedy are being violated consistently and on a daily basis.

106. The volume of information received on dispossession, evictions, demolitions and displacement points to the magnitude of these practices. These are particularly widespread in certain areas and acute in East Jerusalem.

107. The mission noted that the identities of settlers who are responsible for violence and intimidation are known to the Israeli authorities, yet these acts continue with impunity. It is led to the clear conclusion that institutionalized discrimination is practiced against the Palestinian people when the issue of violence is addressed. The mission believes that the motivation behind this violence and the intimidation against the Palestinians and their properties is to drive the local populations away from their lands and allow the settlements to expand.

108. The mission is gravely concerned at the large number of children who are apprehended or detained, including for minor offences. They are invariably mistreated, denied due process and a fair trial. In violation of international law, they are transferred to detention centres in Israel.

109. Children endure harassment and violence, and encounter significant obstacles in attending educational institutions, which limits their right to have access to education. The occupying Power, Israel, is failing in its duty to protect the right of access to education of the Palestinian children and failing to facilitate the proper working of educational institutions.

110. Information gathered by the mission showed that some private entities have enabled, facilitated and profited from the construction and growth of the settlements, either directly or indirectly.

111. Women alone in their homes, the Bedouins and other vulnerable groups are easy targets for settler violence, creating a sense of insecurity in Palestinian society in general.

The above information may be located in the following report:

Human Rights Council

22ND session - Agenda item 7

Human rights situation in Palestine and other occupied Arab territories

Report of the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the Occupied Palestinian Territory, including East Jerusalem*

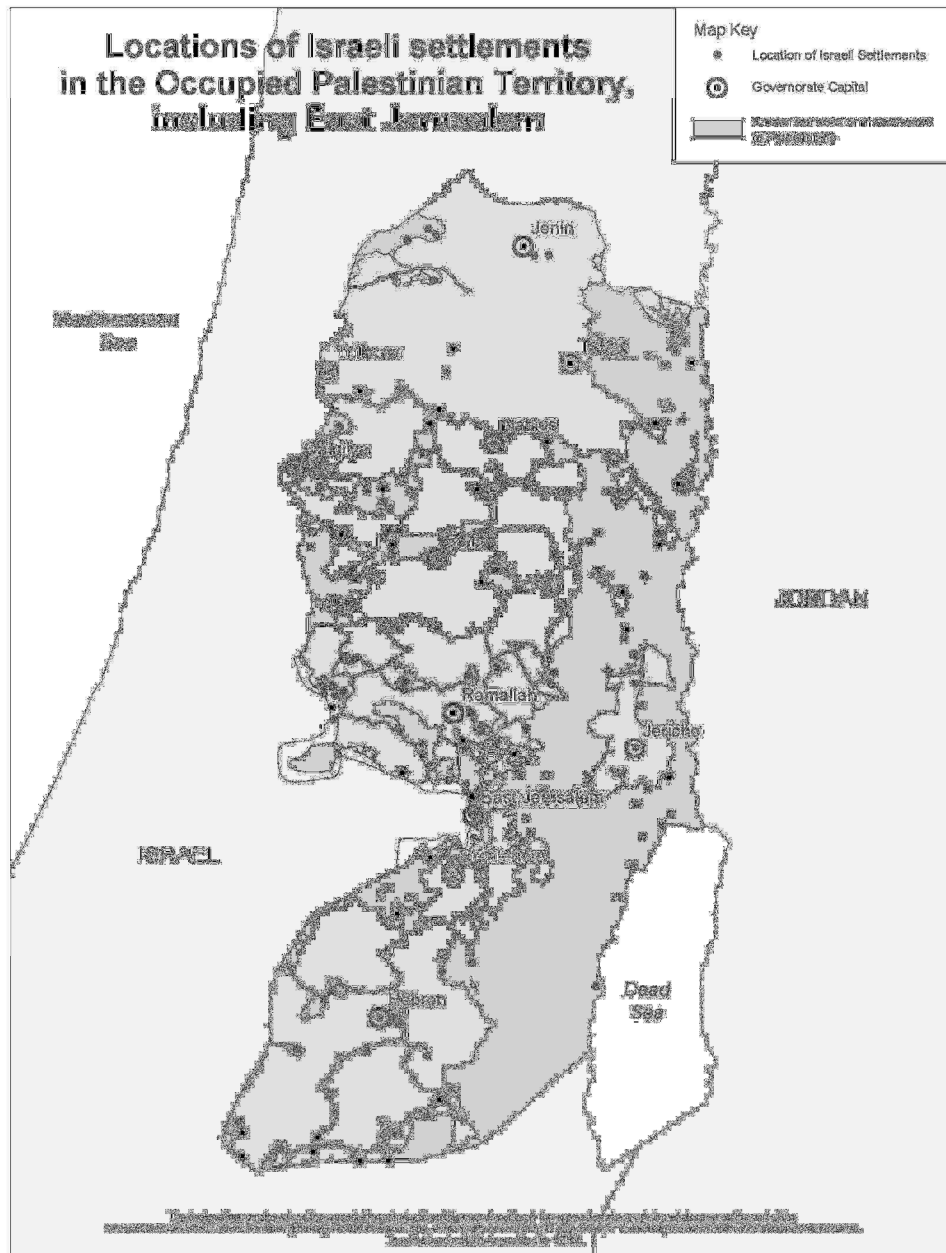
This report in pdf format can be accessed by inputting this information in the appropriate Internet search engine: *G.E. 13-10742 Human Rights Council, Twenty-second Session Agenda, Item 7, Human Rights Situation in Palestine and Other Occupied Arab Territories.*

III. Maps

Map 1 is part of the (above) report of the United Nations General Assembly Human Rights Council.

Map 2 shows the disintegration of Palestinian land on the West Bank preventing the creation of a viable Palestinian State.

Map 3 shows the historical progression of the Palestinian loss of land from 1946 to 2005.



Fragmentation of Land on the West Bank Blocks Creation of a Viable Palestinian State

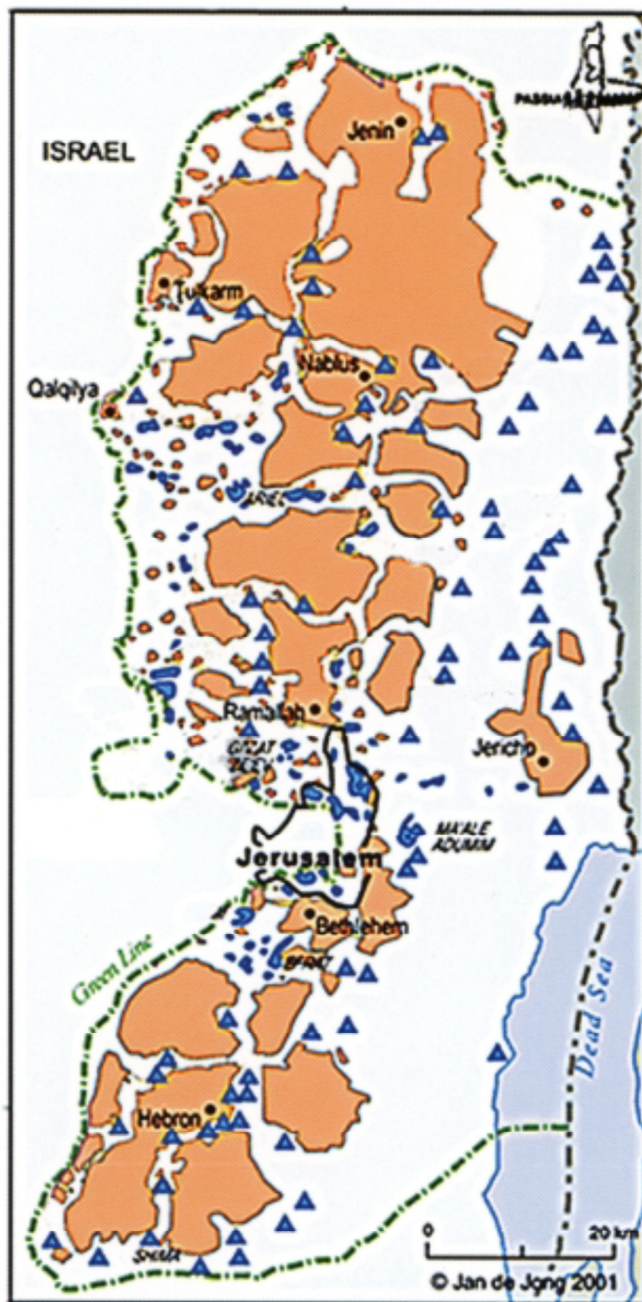
"Everybody has to move, run and grab as many hilltops as they can ... Everything we don't grab will go to them."

Ariel Sharon, 1998

"We'll make a pastrami sandwich of them. We'll insert a strip of Jewish settlement, in between the Palestinians, and then another strip of Jewish settlement, right across the West Bank, so that in 25 years time, neither the United Nations, nor the United States, nobody, will be able to tear it apart."

Ariel Sharon, 1973
to Winston Churchill III

Info-maps:
PIAG <piag_@mac.com>



▲ Illegal Israeli Settlements ■ Palestinian Fragments

Palestinian loss of land 1946 to 2013

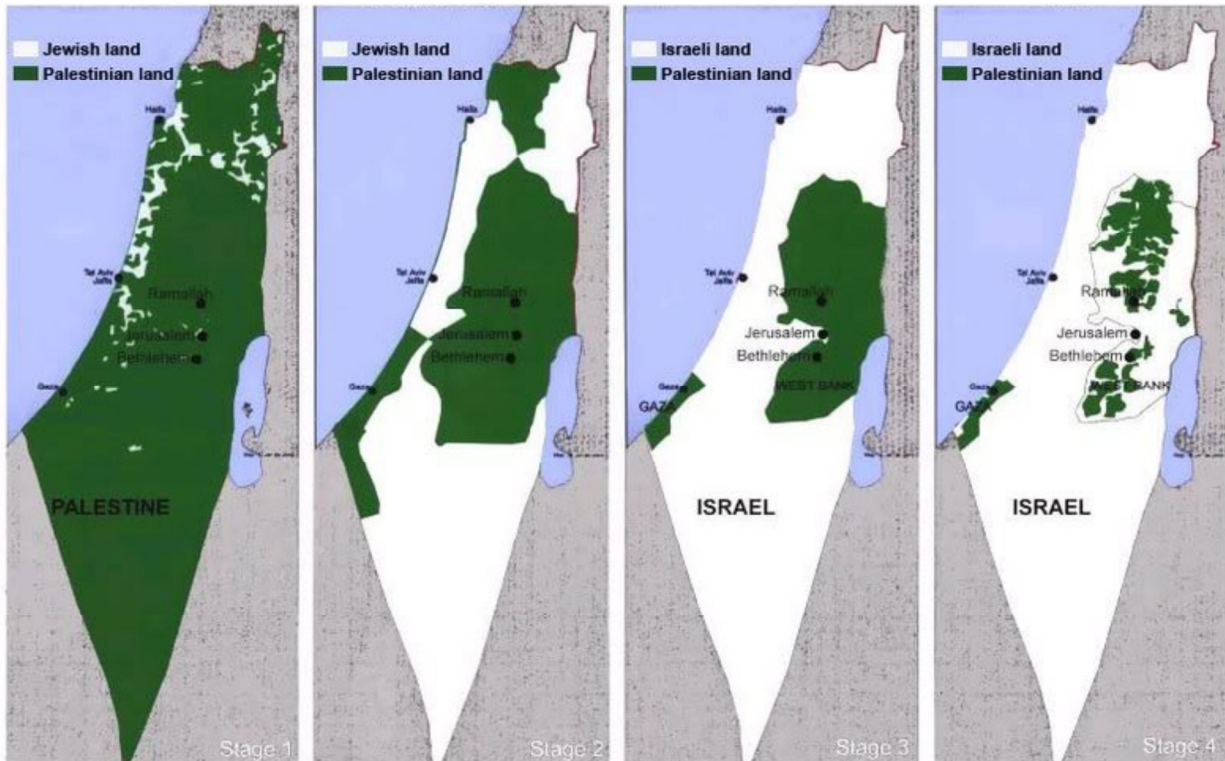
The green areas are under Palestinian Control

Palestinian and Jewish land 1946

UN Partition plan 1947

1949-1967

2013



Map 1: Palestinian Loss of Land 1946-2013

The green area shows land under Palestinian control.

IV. Conclusion

The writers and endorsers of this overture are convinced that as circumstances presently stand, we can do no less than become part of a global human rights movement (ecumenical, interfaith and secular) to disinvest from corporations whose business practices violate the human rights of the Palestinian people through occupation by the Israeli government. It is unconscionable that the PC(USA), which has already called upon Presbyterians to boycott products made in the illegal settlements, continues to invest in and profit from corporations engaged in activities that are not peaceful and labeled illegal by the United Nations Human Rights Council. If the actions of Caterpillar, Hewlett-Packard and Motorola Solutions in regard to their business practices with the Israeli government do not violate PC(USA) policy regarding its prohibition on investments that benefit from non-peaceful pursuits, what actions ever would? It is our plea that through faithfulness towards the justice taught by our Lord Jesus Christ, the investment policies and decisions of our denomination will be consistent with the following statement: *We are the Church of Jesus Christ. When the powers of the world decide that they will conduct business as usual, and that business is contrary to the teachings of Christ and the will of God for humanity, then it is time for the church to end its complicity in this sinful behavior.*