



Interfaith Center on
Corporate Responsibility

Inspired by faith, committed to action

475 Riverside Drive, Suite 1842
New York, NY 10115-0050
www.iccr.org

Tel: 212-870-2295
Fax: 212-870-2023
info@iccr.org

August 31, 2005

Federal Trade Commission
Dick Kelly
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Mr. Kelly,

The Interfaith Center on Corporate Responsibility (ICCR) is concerned about the access children have to age-inappropriate video games with violent and sexual content. As a national coalition of 275 faith-based institutional investors with a combined portfolio value of \$120 billion, we believe this is a social and public concern as well as a corporate social responsibility issue. Our members are concerned not only with corporations' financial performance, but also with their social and environmental performance. Among the companies in our members' portfolios are video game software developers, console makers and retail companies.

For the past two years ICCR has met with five major retailers (Wal-Mart, Target, Best Buy, Circuit City and Toys "R" Us) on the issue of violent video games and children. We have found these companies to be responsive and making efforts to prevent children and teens under 17 from purchasing Mature-rated video games. We have encouraged the retailers to:

- Post video game policies both in stores and on the company's web site;
- Strengthen employee training on video game ratings and policies while checking identification to ensure the purchaser meets designated age requirement;
- Reward employees that successfully restrict access by youth to violent video games and exact disciplinary actions when policies are not followed;
- Audit the effectiveness of the policy, including conducting 'secret shopper' surveys;
- Allow consumers to shop by game rating on the company web site.

ICCR's goal in these efforts is to encourage retailers, game developers, and marketers of violent video games to follow and implement internal guidelines and keep games with graphic violence and strong sexual content out of the hands of under-aged youth.

For our members, the recent events related to "Grand Theft Auto: San Andreas" have raised serious concerns about the credibility and effectiveness of the Entertainment Software Ratings Board's (ESRB) ratings system, the system upon which retailers have depended.



Interfaith Center on
Corporate Responsibility

Inspired by faith, committed to action

475 Riverside Drive, Suite 1842
New York, NY 10115-0050
www.iccr.org

Tel: 212-870-2295
Fax: 212-870-2023
info@iccr.org

We believe the controversy around "Grand Theft Auto: San Andreas" is an example of the video game industry needing strong reforms of its rating system and marketing practices. As investors, we believe such reforms will protect our long-term shareholder value and at the same time protect children from access to inappropriate video games. While our engagement with the five retailers mentioned above has resulted in a strengthening their policies and practices, we find the game producers and their trade association to be less cooperative.

As shareholders, owners of corporations, we believe that consumer safety and public welfare should outweigh profits. We have followed the FTC's efforts over the last 5 years to monitor the marketing of violent entertainment to youth. We ask the FTC to consider taking the following measures:

1. Establish a committee of stakeholders in the video game industry (such retailers, game publishers, parents, educators, and health experts) to review all Take Two Interactive video games prior to their fall release;
2. Require the ESRB to produce a public report and post the report on their website. The report would include:
 - All violations and penalties the ESRB has imposed;
 - The names of members of the ESRB Board, ESRB management and Advertising Review Committee;
 - A description of the ESRB ratings process and the criteria used to give a game a certain rating.
3. Call for membership of the ESRB board to be more inclusive of the video game industry, with greater diversity including minorities and women.
4. Call for a video ratings system that:
 - Improves training and has transparent qualification requirements for video game raters;
 - Creates an additional rating category that designates gender violence and racial acts of violence and brutality;
 - Requires all retailers to separate "Mature" rated video games from games rated for children and adolescents under 17 years of age on stores shelves;
 - Uses distinct labeling for all "Mature" rated and "Adult" rated video games (for example, Costco uses bright orange labeling for Mature-rated video games).

We believe taking these steps will create a better ratings system and improve communication, education and cooperation among the video game industry, the industry's trade associations, shareholders, concerned citizens and consumers. We know it is possible to develop a positive system for people to enjoy age-appropriate video games. Video games offer a creative and potent venue for advancing positive learning experiences; game developers and retailers must help by following clear standards to which they are held accountable.



**Interfaith Center on
Corporate Responsibility**

Inspired by faith, committed to action

475 Riverside Drive, Suite 1842
New York, NY 10115-0050
www.iccr.org

Tel: 212-870-2295
Fax: 212-870-2023
info@iccr.org

We believe these actions will better protect retail companies, shareholder value, and consumers, and return credibility to the video game ratings system while at the same time protect children from inappropriate video games.

Sincerely,

Gary Brouse
Director
Interfaith Center on Corporate Responsibility
475 Riverside Drive, Suite 1842
New York, New York 10115
212-8702316

Don R. Kuespert
Presbyterian Church (U.S.A.)
7 Coniston Dr.
West Chester, Pennsylvania 19382-6937

Susan Jordan
Coordinator
Midwest Coalition for Responsible Investment
336 East Ripa Avenue
St Louis, Missouri 63125-2800

Mary Ellen Gondeck, SSJ
Office of Peace and Justice
Sisters of St. Joseph,
975 E. Gardenia
Madison Heights, Michigan 48071

Nora. M. Nash, OSF
Director, Corporate Social Responsibility
Sisters of St. Francis of Philadelphia
609 South Convent Rd
Aston, Pennsylvania 19014

Stella Storch, OP
CSA Justice Coordinator



Interfaith Center on
Corporate Responsibility

Inspired by faith, committed to action

475 Riverside Drive, Suite 1842
New York, NY 10115-0050
www.iccr.org

Tel: 212-870-2295
Fax: 212-870-2023
info@iccr.org

Congregation of the Sisters of St. Agnes
320 County Road K
Fond du Lac, Wisconsin 54935

Gwen Farry
Sisters of Charity of the Blessed Virgin Mary
205 W. Monroe
Chicago, Illinois 60606

Valerie Heinonen, O.S.U.
Sisters of Mercy, Regional Community of Detroit, Dominican Sisters of Hope, Unruliness
Sisters of Tildonk, U.S. Province, Mercy Investment Program
205 Avenue C, #10E
PO Box 1296
New York, New York 10009

Sister Pat Peach, BVM
Sisters of Charity of the Blessed Virgin Mary
1582 Yosemite Dr. #12
Los Angeles, California 90041

Pat Zerega
Evangelical Lutheran Church in America
9625 Perry Highway
Pittsburgh, Pennsylvania 15237
Ruth Kuhn, SC, Coordinator
Region VI Coalition for Responsible Investment
Sisters of Charity of Cincinnati - Corporate Responsibility Committee
5900 Delhi Road
Mt. St. Joseph, Ohio 45051

Kathleen Coll, SSJ
The Sisters of Saint Joseph, Philadelphia
Mount Saint Joseph Convent
9701 Germantown Avenue
Philadelphia, Pennsylvania 19118-2694

Sr Claire Regan
Sisters of Charity of New York
Corporate Responsibility Coordinator



**Interfaith Center on
Corporate Responsibility**

Inspired by faith, committed to action

475 Riverside Drive, Suite 1842
New York, NY 10115-0050
www.iccr.org

Tel: 212-870-2295
Fax: 212-870-2023
info@iccr.org

6301 Riverdale Avenue
Bronx, New York 10471

Catherine Rowan
Corporate Responsibility Consultant
Trinity Health & Tri CRI
766 Brady Avenue, Apartment 635
Bronx, New York 10462

Regina McKillip
Sinsinwa Dominican Promoter of Peace and Justice
Sinsinawa Dominicans
7200 W. Division
River Forest, Illinois 60305