

# NARC® NEWS

Immediate Release

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**Prepared statement of James R. Guthrie, President and CEO, National Advertising Review Council (NARC), in response to the joint report of the Federal Trade Commission (FTC) and Department of Health and Human Services (HHS): “Perspectives on Marketing, Self-Regulation and Childhood Obesity” – May 2, 2006.**

“We are pleased that the FTC and HHS recognized that the current Children’s Advertising Review Unit (CARU) Guidelines provide a strong foundation for industry self-regulation and we appreciate the confidence the report demonstrates in the ongoing Council of Better Business Bureaus (CBBB)/CARU Guidelines Review Project.

“We are reviewing the report in greater detail and will carefully consider each recommendation. Importantly, CARU already has made considerable progress toward several of the recommendations.

“The report recommends that NARC expand CARU’s advisory board to include additional individuals with expertise in various fields related to childhood obesity (e.g., nutrition, children’s health, and developmental psychology); that NARC evaluate and determine whether CARU’s staff and resources are sufficient to monitor and adequately enforce the CARU Guidelines in light of any changes made in response to the report’s recommendations and that CARU allow parents and others to file complaints with CARU; and that CARU its decisions more readily available to the public.

“CARU welcomes and relies on the advice and counsel of its Academic and Expert Advisory Board. In the past year, CARU has expanded the board, adding a third nutritionist to the already-included experts in nutrition, child mental health, developmental psychology, communications and marketing. CARU anticipates adding additional experts to the advisory board

“Last summer, CARU established a complaint form on its Website to facilitate receipt of consumer complaints and other contacts with CARU regarding traditional or online media. To make CARU even more broadly visible and accessible to consumers, the CBBB has created a link to the “File a Complaint” pages of the more than 100 Better Business Bureaus as well as BBBOnLine, which may be accessed through the BBB’s main Website, [www.bbb.org](http://www.bbb.org). The Websites which link to the complaint system attract over 20 million visitors annually. The complaint pages themselves generate over 200,000 visits. As a result, CARU has received more than 100 complaints directly from consumers in the past year.

“CARU’s case decisions, archived online at [www.caru.org](http://www.caru.org), are free and available to the public. CARU is hiring a community outreach staff member, whose primary job will be to respond to complaints and requests from the public, to manage the free subscriptions to CARU's online case archive and assist in projects aimed at raising CARU's visibility among the general public.

“In addition to the community-outreach position, CARU has added an attorney to the staff, bringing the total to 8 and, going forward, will evaluate whether further additions are necessary.

“With the cooperation of the industry and the assistance of CARU’s Academic and Expert Advisory Board and under the direction of Joan Z. (Jodie) Bernstein, the CBBB/CARU Guidelines Review Project is making tremendous progress on revising its Guidelines. We intend to solicit public comment on a draft set of revised Guidelines sometime next month.”

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The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB’s National Advertising Division (NAD) and Children’s Advertising Review Unit (CARU), as well as for the National Advertising Review Board (NARB).

NAD and CARU are the investigative arms of the advertising industry’s voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children’s advertising industry, while NAD/NARC/NARB’s sole source of funding is derived from membership fees paid to the CBBB. For more information about advertising self regulation, please visit [www.narcpartners.org](http://www.narcpartners.org).