

For Immediate Release

## CARU News



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### **CARU Launching Complete Review of Children's Advertising Guidelines** *CBBB Retains Former FTC Official to Lead New Self-Regulatory Working Group*

**February 6, 2006** -- The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus (CBBB) will convene the children's advertising industry to assist in a thorough review of CARU's Self-Regulatory Guidelines (*Guidelines*) for Children's Advertising. That review will be led by Joan Z. (Jodie) Bernstein, a public member of the CBBB Board of Directors and former director of the Bureau of Consumer Protection at the Federal Trade Commission (FTC). Ms. Bernstein is of counsel in the Washington, D.C. office of Bryan Cave LLP.

"CARU is focused on providing the children's advertising industry with the best possible guidance. CARU's *Guidelines*, which were written more than 30 years ago, affect all children's advertisers. To be sure they reflect the changing environment and full range of marketing issues that have become important in recent years, it makes sense to examine them in their entirety. We welcome Jodie to the process. She is well-respected as a champion for consumers and she's spoken eloquently on issues important to families, particularly on practices that affect children," said Steven J. Cole, President and CEO of the Arlington, Va.-based CBBB, a partner in the National Advertising Review Council (NARC) and CARU's administrative parent.

The *Guidelines* review project will incorporate the work underway to examine interactive online games, paid product placement in children's television and the appropriate use of third-party licensed characters. The working group will ensure through the course of its review that all companies engaged in marketing to children have the opportunity to provide their perspectives. The working group will also welcome comment from regulators, consumer groups and other interested parties.

"CARU intends to be a leader in the ongoing public debate regarding the relationship between childhood obesity and marketing practices. We believe the health issues confronting our children require responses from parents, schools, communities – and marketers," Cole added.

"We know that many food companies are working individually to develop best practices and internal guidelines regarding food marketing to children. This review -- which will also draw on the expertise of CARU's academic advisors -- will allow all children's advertisers to come together to share best practices and have a voice in how those practices are incorporated into the self-regulatory program," said CARU Director Elizabeth Lascoux.

"We are seeing an increasing number of children's advertisers incorporate the principles that underlie the *Guidelines* into the creative process and into their own in-house advertising review

systems. We're also seeing more companies bring their ads to CARU for pre-screening. Those are remarkably positive developments," said James R. Guthrie, NARC President and CEO.

"This project offers companies that advertise to children the opportunity to accelerate the changes they are already making and establish common standards by which advertising to children will be evaluated," Guthrie added.

As the FTC's consumer director, Bernstein served as a spokesperson on many consumer issues, particularly practices affecting children. She is recognized as a leading national authority on consumer and environmental health and safety issues. The working group will operate under Bernstein's direction with industry and staff support. The scope of the review will be broad.

Following the review period, Bernstein will present the working group's recommendations to the Board of Directors of the NARC. NARC sets policies and procedures for the CARU, as well as for the National Advertising Division of the Council of Better Business Bureaus, the National Advertising Review Board and the Electronic Retailing Self-Regulatory Program.

Following approval by the NARC Board, the recommendations will be posted for public comment. Following the comment period, the NARC Board will consider and act on the recommendations.

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Founded in 1970, the CBBB is the national organization for Better Business Bureaus. Through the network of BBBs in the United States and Canada, and its membership of 275 national corporations, the CBBB provides voluntary self-regulation and consumer and business education programs, including national and cross-border dispute resolution, national advertising review, BBB *OnLine* trustmark programs, BBB Wise Giving Alliance charity review and BBB MILITARY LINE. Since the founding of the first BBB in 1912, the Better Business Bureau system has grown to become the most recognized advocate for promoting ethical marketplace business and advertising practices, providing more than 60 million instances of service to consumers and businesses in 2004.

The National Advertising Review Council (NARC) was formed in 1971 by the CBBB, the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), and the American Advertising Federation, Inc. (AAF). 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).