April 4, 2011

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex J)
Alcohol Reports Paperwork Comment
Project No. P114503
600 Pennsylvania Avenue, NW
Washington DC, 20580 Submitted Online

RE: FTC Solicitation of Public Comments on Proposed Information Requests to Beverage Alcohol Manufacturers
Alcohol Reports Paperwork Comment; Project No. P114503

Dear Commissioners:

Marin Institute appreciates the opportunity to comment prior to the Federal Trade Commission's (FTC) submission of compulsory process orders to alcohol advertisers seeking information concerning, among other things, compliance with voluntary advertising placement provisions, sales and marketing expenditures, the status of third-party review of complaints regarding compliance with voluntary advertising codes and alcohol industry data collection practices.

Founded in 1987, Marin Institute is a nonprofit organization working to protect the public from the alcohol industry's negative practices. We monitor and expose the alcohol industry's harmful activities related to its products, promotion, and political influence. Throughout our history, we have called for stronger alcohol advertising regulations.

We consistently hear from constituents who are concerned with both the excessive amount and types of alcohol advertising that youth are exposed to, and its inappropriate content. Whether in traditional forms such as television commercials, print advertisements, and sports sponsorship, or in higher-tech forms such as social networks and digital media, people of all ages are exposed to advertising in nearly every aspect of daily life. From a public health perspective, increased exposure to alcohol advertising by youth is the most concerning. The science is clear that the more alcohol advertising youth are exposed to, the more likely they are to consume alcohol.

Underage drinking represents a significant health and safety problem in the United States. Through stronger policies to reduce underage exposure to alcohol advertising, the FTC can help reduce underage drinking. Unfortunately, after three previous FTC reviews of alcohol industry self-regulatory practices, underage exposure to alcohol advertising continues to rise.

It is troubling that while the FTC continues to champion and promote industry self-regulation, the evidence suggests that it is a complete failure. The FTC must stop rubber-stamping the alcohol industry's failed efforts to self-regulate and instead implement policies that actually reduce underage exposure to alcohol advertising. Marin Institute recommends that the FTC consider the following:

1. End self-regulation of the alcohol industry and implement a truly independent third-party body that includes public interest representatives;
2. Increase focus on digital advertising and social media; and
3. End the industry partnership, "We Don't Serve Teens" campaign.

<u>End Self-Regulation</u>

The FTC previously issued reports on self-regulation of the alcohol industry in 1999, 2003, and 2008. With the exception of 1999, these reports have largely focused on the benefits of self-regulation rather than determining whether self-regulation is effective. Though the FTC makes recommendations as to how the alcohol industry can advertise in a more responsible manner, no specifics are given about the best practices or most effective means of reducing underage drinking. By merely evaluating the relative conformity of the alcohol industry to its own arbitrary measures, the FTC fails to address the larger issue of overall effectiveness.

Recommendation: FTC should not assume that self-regulation is working when it obviously is not. As each of the prior reports made clear, the alcohol industry is committed to doing the bare minimum to reduce underage exposure to advertising. Without review by a truly independent third-party body, the alcohol industry will continue to advertise in a harmful manner. FTC should stop relying on a failed non-system. Instead, the FTC should establish a truly independent, third-party review agency with the authority to set objective standards, conduct impartial reviews, and impose meaningful penalties for accountability.

<u>Increased Focus on Digital Marketing</u>

The FTC should evaluate how the alcohol industry is using new media to market its products in order to establish better regulatory standards. The prior three studies have identified emerging advertising technologies such as the Internet; however, the FTC has generally avoided establishing any policy regarding their use for advertising. Since 2008, online social networks such as Facebook and Twitter have become extremely popular with youth. The FTC must establish methods to evaluate the influence of these evolving technologies in a timely fashion. Furthermore, the FTC must establish clear rules regarding how advertisers can use these media to reach consumers, and thus limit underage exposure to alcohol related messages.

Recommendation: The FTC must move beyond merely tracking emerging media and establish mechanisms for creating clear standards and penalties regarding their use.

End the “We Don’t Serve Teens” Campaign

In its 2008 Report, the FTC recommended continued participation by the alcohol industry in campaigns such as “We Don’t Serve Teens” without any evaluation of whether such activity actually reduces underage drinking. By partnering with industry on questionable efforts to reduce underage drinking, the FTC undermines its ability to pursue stronger, more effective methods. At the same time, the FTC is providing an excellent opportunity for the industry to look like a real prevention partner while it builds brand recognition, loyalty, and positive public opinion through this campaign. At the very least, the FTC should evaluate the effectiveness of corporate social responsibility efforts such as “We Don’t Serve Teens” before continuing to partner with industry.

Recommendation: The FTC should end the “We Don’t Serve Teens” program. Responsibility campaigns are among the least effective methods for reducing underage drinking and only serve to further the alcohol industry’s public relations goals.

Conclusion

If the Federal Trade Commission continues to release reports that accomplish little more than endorsing a failed system of self-regulation, we recommend the agency stop publishing the reports altogether. The alcohol industry quotes directly from them to bolster its own public relations agenda, thereby undermining any potential public health messages the reports could convey. Nor have recent FTC reports resulted in any improved industry practices. To the contrary, corporate marketers continue to expose youth to more harmful alcohol advertising. We need a better solution to this problem.

Thank you for the opportunity to comment on this matter.

Sincerely,

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Marin Institute