



October 30, 2006

Deborah Platt Majoras, Chairman  
Federal Trade Commission  
Office of the Secretary  
Room H-135 (Annex J)  
600 Pennsylvania Avenue, N.W.  
Washington, DC 20580

Filed Electronically via: [https://secure.commentworks.com/FTC Alcohol Reports](https://secure.commentworks.com/FTC_Alcohol_Reports)

RE: “Alcohol Reports: Paperwork Comment, FTC File No. P064505”

Dear Chairman Majoras:

Thank you for the opportunity to comment on the Federal Trade Commission’s (FTC’s) October 24, 2006 Federal Register notice of proposed information requests (Section 6 orders) to manufacturers of alcoholic beverages regarding marketing and promotion of their products.

We are pleased to note the somewhat expanded scope of the proposed study, which would provide more detailed information than reported in previous FTC reports (in 1999 and 2003) on alcohol advertising practices. Given the limited federal oversight of the alcoholic beverage industry in general, expanding the range of information the FTC provides in these important reports greatly increases their utility to the public and to the federal government.

In particular, we are pleased that the FTC will request a broader range of information on expenditures to promote alcohol to consumers, including many categories of non-measured media suggested by consumer advocacy and public health and safety groups. Such data is essential to developing a more complete understanding of alcohol marketing practices, since (according to the FTC’s own estimate) measured media accounts for only about one-third of all alcohol advertising expenditures. We are also encouraged that the FTC intends to collect brand-specific *sales* data, and that the Commission will request any information companies may possess regarding the brands of alcohol consumed by underage drinkers.

However, we are disappointed that the FTC’s study will not collect and report information on brand- or company-specific *advertising* expenditures.<sup>1</sup> We urge you to re-

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<sup>1</sup> We recognize that the FTC is constrained from releasing certain data due to trade secret or confidentiality reasons as detailed in U.S.C. 15 Section 46(f). However, we believe that the data provided by the alcoholic-beverage industry for this report does not fall into the category of trade secrets or confidentiality, particularly since much of it is already available to other private sector entities that track and report on industry sales, marketing and promotion trends (e.g., Simmons, MRI, Maxwell).

consider this decision. Such data is essential, from a consumer-protection perspective, and potentially also as an enforcement tool for the FTC. They would help the public understand which companies and brands may be engaged in marketing tactics that are likely to target underage consumers. Collecting such information would allow the FTC to better detect problem companies or brands and more efficiently focus monitoring and enforcement efforts. It could also be used by parents to help them inoculate their children against the effects of advertisements for certain alcoholic- beverage brands found to disproportionately target underage audiences.

With regard to the FTC's examination of the placement of alcohol advertising, we are very concerned about the practical utility and helpfulness of the FTC's proposed audience demographic reporting category of "21 and under." We strongly urge the FTC to focus instead on the 12 to 20-year old segment of the underage demographic, which is by far the underage audience at greatest risk for underage drinking and for exposure to alcohol advertising. Children under 12 generally do not drink alcohol, have a low level of awareness of alcohol advertising, and are not being overexposed to alcohol advertising. In fact, youth ages 12 to 20 receive more than two-thirds of all alcohol advertising impressions among 2- to 20-year-olds. In addition, standard sources for measuring audience demographics for magazines and radio do not even include the under-12 population. To more accurately assess youth exposure to alcohol advertising, we hope the Commission will instead require audience composition to be reported on the basis of the total audience 12 to 20 and the total audience 21 and above.

We are pleased that the FTC intends to collect advertising placement data that includes audience demographic information in absolute numbers -- as well as percentages. For televised events that draw extremely large audiences, such as the Super Bowl, the percentage of underage youth may be within the 30% threshold -- yet the absolute number of underage viewers exceeds the underage audience of any other television program. For NASCAR advertising in particular, we strongly urge the FTC to report both the percentage and absolute numbers of underage viewers in the television audience as well as in attendance at the races, both for each race and *cumulatively* for the reporting period (January 1- June 30, 2006). This data will help the FTC and the public better understand the actual extent of youth exposure to alcohol advertising in auto racing.

Also, we appreciate the FTC's intent to seek advertising placement data that will help the FTC assess whether alcohol advertising targeted to an Hispanic or African-American audience complies with industry placement standards. However, we are disappointed that the FTC will not report on advertising expenditures that target specific racial or ethnic groups, given the importance of this data for understanding the nature and extent of alcohol promotion targeted to those groups. We understand the difficulty of separating targeted advertising from advertising that appeals to a broader audience. However, we ask that the FTC at least report on Spanish language advertising in all categories, since such advertising is quite clearly distinguishable as aimed at the Latino demographic.

We are pleased to know that the FTC is committed to ongoing monitoring of alcohol advertising and marketing. We are especially concerned about the growing extent and influence of alcohol advertising on the Internet, given the attractiveness of that media for young audiences and the new methods alcohol producers are using to attract young audiences to their brands, including the development of entire branded networks (for example, BudTV.com). We hope that future FTC studies of alcohol marketing practices will examine what -- if any -- steps alcohol producers have taken to better restrict and prevent underage access to company and product websites. This has been a key focus of FTC recommendations to producers in previous reports.

With regard to monitoring of industry "social responsibility" programs and messages, we are pleased that the FTC will collect expenditure data on such programs and messages. However, we regret that the FTC will not collect evaluative information on the effectiveness of those programs and messages or on public perceptions of them. We hope that the FTC will include this area as a focus of future study.

Thank you for your consideration of our views. We look forward to a strong report that will provide a helpful guide for the development of sound public policy on alcohol advertising issues.

Sincerely,

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Alcohol Policies Project

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Director  
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