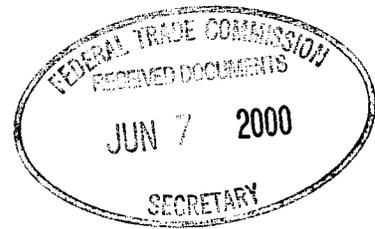




June 6, 2000

Mr. Donald S. Clark
Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580



CARU Safe Harbor Proposal – Comment, P004504

Dear Mr. Clark:

On behalf of the Association of National Advertisers (ANA), I am writing to offer our strong support for the “safe harbor” proposal submitted by the Children’s Advertising Review Unit (CARU). While that proposal does not specifically repeat or mirror each provision of the Commission’s Rule, we believe the CARU proposal, taken in its entirety, provides “the same or greater protections for children” as those contained in the Rule. Further, CARU is the nation’s premier self-regulatory body for promoting responsible children’s marketing with a recognized track record of more than twenty-five years. We strongly urge the Commission to approve the CARU proposal.

ANA is the advertising industry’s oldest trade association and the only organization exclusively dedicated to serving the interests of companies that advertise regionally and nationally. Our membership is a cross-section of American industry, consisting of manufacturers, retailers and service providers. Representing more than 8,500 separate advertising entities, these member companies market a wide array of products and services to consumers and other businesses. Many of our member companies market products and services to children and have websites that are covered by the requirements of the Children’s Online Privacy Protection Act (COPPA) and the Commission’s Rule.

The advertising community has always recognized that children are not miniature adults and deserve protections geared toward their special needs. In 1974, the National Advertising Review Council (NARC) established the Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus (CBBB) as the industry’s self-regulatory body that promotes responsible children’s marketing practices. CARU’s programs are administered by CBBB and funded directly by members of the children’s advertising industry, including many ANA member companies.

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Children's Advertising Guidelines have been in existence since 1972, when they were first published by ANA. The CARU Guidelines have been revised several times to meet changes in the marketplace. ANA, many of our member companies and other industry groups have worked since 1995 to develop the current guidelines, which specifically address online privacy and information collection practices. Those guidelines served as a model for COPPA and various self-regulatory initiatives, such as the Online Privacy Alliance (OPA). The guidelines have had real impact in the marketplace, as CARU has worked with many website operators over the past several years to help adopt privacy practices that protect children.

No government agency has the resources to effectively police cyberspace without the active support of strong, effective self-regulatory programs. CARU is such a program. We are confident that the CARU Guidelines, in combination with the policies and procedures outlined in their application, will offer an effective safe harbor program.

We also want to respond briefly to comments that have been filed by the Center for Media Education (CME), the Consumer Federation of America (CFA), and several other groups, in opposition to the CARU application. The CARU application describes in some detail the various practices it will use to ensure that websites comply with the guidelines, including routine monitoring, a certified self-assessment document, data seeding and the enforcement mechanism of the National Advertising Division/Children's Advertising Review Unit/National Advertising Review Board. CARU further explains how its application meets each of the requirements of COPPA and the Commission's Rule.

However, CME/CFA argue that the application be denied because it does not absolutely mirror in every respect the precise language of the Rule and because "CARU's Guidelines *themselves* do not contain the compliance assessment mechanisms." We believe the CME/CFA comments elevate form over substance.

CARU's application is a public commitment to the policies and procedures it would follow if the safe harbor application is approved by the FTC. The fact that these matters are included in a "separate statement" rather than the four corners of the CARU Guidelines is irrelevant. It is important to distinguish the CARU Guidelines from the CARU Safe Harbor Application. The latter includes all of the elements of the proposal, including the dispute resolution procedures of the NAD/CARU/NARB, the self-assessment form, the "Review and Seeding" form, and firm statements of the commitment to the safe harbor proposal.

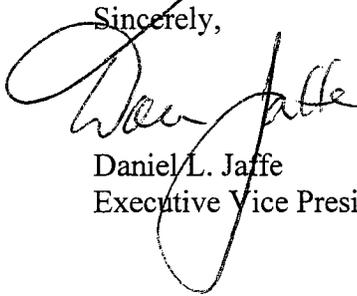
Further, CARU's bottom-line commitment is stated clearly in the Guidelines: "CARU's aim is that the Guidelines will always support 'notice', 'choice' and 'consent' as defined by the FTC, and reflect the latest developments in technology and its application to children's advertising." While the precise language of the Guidelines and the application does not mirror every detail of the Rule, it is not required to do so. CARU's intent and commitment are clear: they will provide "the same or greater protections for children" as those contained in the Rule.

Numerous FTC Commissioners have cited the NAD/NARB system as a model of effective industry self-regulation. CARU's proven track record in the children's marketing area is second to none. CARU had adopted online privacy guidelines several years before COPPA and the FTC's Rule.

We believe that the CARU application meets all of the criteria for approval specified in Section 312.10 (b) and (c) of the FTC rule. We strongly urge the Commission to approve the "safe harbor" application of CARU.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Jaffe", written over the typed name and title.

Daniel L. Jaffe
Executive Vice President

K/children/CARU safe harbor