

NARC Board Adopts Revisions to Policies and Procedures That Govern Advertising Self-Regulation

New York, NY – September 10, 2007 – The Board of Directors of the National Advertising Review Council (NARC) has approved revisions to the policies and procedures that guide the advertising industry’s system of self-regulation.

The revisions, effective immediately, include an expansion of the categories of case dispositions reported by the National Advertising Division (NAD) of the Council of Better Business Bureaus, the implementation of a filing fee for competitive challenges brought before the Electronic Retailing Self-Regulation Program (ERSP) and an increase in the filing fee for appeals before the National Advertising Review Board (NARB).

Prior to the revisions, NAD decisions have reported whether the advertising claims at issue in an NAD inquiry were “substantiated” or should be “modified” or “discontinued.” Revisions to the procedures allow NAD, founded in 1971, to report that claims at issue are “substantiated in part/discontinued in part.”

“The new reporting category will allow us to more accurately report the final outcome of many NAD cases,” said C. Lee Peeler, NARC president and CEO. “In the majority of cases, the advertiser provides adequate substantiation of at least some of the challenged claims, even though NAD may also recommend that other claims be modified or discontinued.”

ERSP was launched in 2004 when the Electronic Retailing Association (ERA) requested that NARC develop an advertising self-regulation program for the electronic direct-response industry. ERSP examines the truth and accuracy of claims in direct-response marketing and ERSP’s work is funded by the ERA. Under the revised procedures, non-ERA member companies will pay a filing fee of \$2,500.

“The ERSP program has been a tremendous success and the number of competitive challenges filed before ERSP speaks to the industry’s confidence in the ERSP process,” said Mr. Peeler. “The new filing fee, which will help defray the administrative expenses of the ERSP program, will help ensure that the program can continue to provide timely, high-quality decisions.”

The Board approved also an increase in filing fees for appeals brought before NARB, the appellate body for the advertising industry’s system of self-regulation, to \$1,500 from \$1,000 for members of the CBBB, and to \$2,500 from \$2,000 for non-members of the CBBB.

Finally, the Board approved revisions that expand existing confidentiality provisions for the advertising industry’s system of self-regulation.

The full text of the revised procedures is available at www.narcpartners.org.

###

About NARC: 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) and Electronic Retailing Self-Regulation Program (ERSP).

NAD, CARU and ERSP 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. ERSP is funded by the Electronic Retailing Association (ERA). For more information about advertising self regulation, please visit www.narcpartners.org.