

## **Remarks of Lee Peeler , EVP for Policy and Development at the September 25, 2019 BBB NP National Partners Workshop.**

Good morning and welcome to our first National Partner Workshop on the NAD. It's something we've been looking forward to with great excitement.

### **The *New* BBB National Programs**

Before we begin, I'd like to tell you about our new organization, BBB National Programs, Inc (BBB NP). During the past 50 years, one organization, The Council of Better Business Bureaus (the CBBB), has been recognized as the "gold standard" for providing credible self-regulation and dispute resolution for national advertisers and auto manufacturers. To further that

mission and maintain that standard, this past June the CBBB restructured and formed two new organizations – BBB National Programs, Inc. and the International Association of BBBs. What used to be called the Advertising Self-Regulatory Council (ASRC) has been merged into the *new* BBB National Programs organization. This new organizational structure provides us - and by us I include all of you in this room - a unique opportunity to focus our efforts on industry self-regulation, dispute resolution, privacy initiatives, and other programs.

## **Our Program Portfolio**

Let me start with a brief overview of the fabulous suite of programs that the *new* BBB NP already operates:

- **BBB AUTO LINE** – Since 1983, BBB AUTO Line has consistently been recognized as one of the most respected and largest automotive dispute resolution programs in the United States. AUTO LINE helps manufacturers and consumers resolve warranty, lemon law and class action disputes in a timely and cost-effective manner. With its 36-year history Autoline is a time-honored leader in providing dispute resolution. Each year it resolves thousands of disputes between participating manufacturers and their customers, leaving customers feeling heard, fairly treated and loyal to the manufacturer providing the program.

- **BBB EU Privacy Shield** – Established in 2016 as the successor to the BBB EU Safe Harbor program, our Privacy Shield program is one of the largest Independent Recourse Mechanisms (IRMs) in the United States with over one thousand participating companies. Privacy Shield is a life boat for many small- and medium-sized businesses providing an affordable option for managing the complex hurdles to transfer data from the EU and again providing consumers with a forum where their concerns can be heard and fairly treated.
- **Children’s Advertising Review Unit (CARU)** – I know that many of you in the room are very familiar with CARU. For those who aren’t (yet) – CARU protects

children by reviewing and evaluating child-directed advertising in all media and online privacy practices. CARU's guidelines go beyond just truth in advertising by also considering the uniquely impressionable and vulnerable child audience. CARU and the CARU Supporters Council have established an enviable record of national and international leadership on children's advertising and marketing issues.

- **Children's Food & Beverage Advertising Initiative (CFBAI) & Children's Confection Advertising Initiative (CCAI)**  
– In CFBAI, leading food & beverage companies as well as restaurants recognize the need to use CFBAI's Uniform Nutrition Standards as a

benchmark for advertising foods to children under 12. Likewise, in a separate program for the confectionary industry, participants agree not to advertise to children under 12. Like CARU and the EU Privacy Shield, CFBAI has provided a helping hand to companies, a strong and dynamic program for responsible children's advertisers as they move forward to address the concerns about childhood obesity. Importantly, CFBAI was built by the CARU Supporters' Council and is an excellent example of how traditional program can be used to address new industry needs.

- **Digital Advertising Accountability Program** – Data is the oil for the modern advertising engine. The advertising and

data collection industry have stepped forward to help create the Accountability program (DAAP). DAAP provides consumers the transparency and control they need over the data they share with companies, while continuing to receive the benefits of interest-based advertising. DAAP also provides guidance to companies looking to come into compliance with important industry-leading privacy protections. DAAP provides strong responsive oversight over a key engine of the digital economy – put another way, DAAP provides “teeth” and credibility for the advertising industry’s self-regulatory response to consumer privacy concerns. With over 100 reported decisions DAAP has been a leader in developing

monitoring capabilities for the highly technical digital advertising eco-system.

- **Direct Selling Self-Regulatory Council (DSSRC)** – A new program created by BBB National Programs and the Direct Selling Association, the DSSRC provides independent, impartial, and comprehensive monitoring of direct-selling companies on an industrywide basis. DSSRC is pioneering an automated marketplace monitoring approach that offers new horizons for self-regulation.
- **Electronic Retailing Self-Regulation Program (ERSP)** – ERSP provides companies offering coaching and mentoring services in the wealth education industry a mechanism to

ensure that their claims can be substantiated. ERSP also monitors companies' representations to ensure that they are both truthful and accurate. ERSP demonstrates how industry members can come together to ensure that they play by the same rules and provide consumers with accurate information about the services they are marketing.

- **National Advertising Division (NAD) and National Advertising Review Board** -- These are the programs with which you are most familiar. Since 1971, the NAD has provided independent self-regulation overseeing truth and accuracy in national advertising. The NAD process delivers meaningful protection to consumers, while leveling

the playing field for brands. The NAD handles approximately 150 cases per year, publicly reports its decisions. The National Advertising Review Board (NARB) is the appellate body of the self-regulatory forum which assures an independent and even-handed review of NAD decisions and, in so doing, constitutes another layer in an already effective self-regulatory process.

- **National Partner Program** – As everyone in this room knows, the BBB NP National Partners are an exclusive network of leading organizations dedicated to advancing marketplace trust by championing industry self-regulation, ethical business practices, and truth and accuracy in advertising.

As you can see, BBB National Programs now has a rich portfolio of “best in class” offerings, deep expertise in the design and execution of self-regulatory and dispute resolution programs, and a highly skilled and motivated staff to deliver them. I believe we have the best assets – both products and people – available. And that’s the foundation upon which we will build.

## **Our Goal Today – “Make It Better”**

I want to tell you about today’s NAD Workshop. Here’s what the most influential Chairman in the history of the FTC said about the NAD process in 1998:



"I consider myself as having been present at the creation of advertising self-regulation. Some of your founders asked for a meeting with Miles Kirkpatrick, then-FTC Chair. We held a meeting at a hotel in Washington, D.C. on Massachusetts Avenue, and a plan was presented in a very general and vague way, and I think most of us then and thereafter were supportive.

"But if truth be known, there was some skepticism about how the whole thing would work. The Commission had been burned time and time again by unkept promises of self-regulation by other

industries. But this group proved the skeptics wrong.

“I recognize that advertising today is more truthful and more informative than was the case 27 years ago. Today, it has the best self-regulatory system of any industry in this country.” – **Robert Pitofsky, Chairman, Federal Trade Commission, Oct. 1998.**

Let me repeat that: **the best self-regulatory system of any industry in the country.** Wow. And since those comments were made, the program has gotten even better. Five years ago, a Working Group of the American Bar Association Antitrust Section conducted a soup-to-nuts

review of the NAD process. The report's theme was "make it better" and under NAD's Director, Laura Brett, NAD has done just that.

Focusing on "making it better," Laura set out to meet many NAD participants on a one-on-one basis. She heard both your appreciation for NAD's staff and your good ideas on how to continue to improve the process.

Today we are taking that work to the next step. We look forward to engaging with you both to improve the full range of our current offerings, and to gain your input as we develop new products. We are in this together, sharing a common goal: to demonstrate in the most meaningful way

our combined and enduring commitment to a truthful and ethical marketplace.

## **Three Pillars of Success**

But before we move to that discussion , let's take just a moment to look back for a moment to think about what we can learn from the past. There are three interrelated pillars of our past success.

### **Industry Commitment**

The **first** and overriding point is that self-regulation works because it is supported by the industry and not imposed from the outside. The advertising industry has long recognized the value of truthful ads to maintaining consumer trust. The advertising industry's recognition of that bedrock value

underlies the effectiveness of the NARB and NAD. I have the privilege of sitting in NARB hearings where a panel of your peers sits to review decisions of the NAD, and, trust me, it is awesome to see that value in action.

## **Consumers First**

**Second** self-regulation is credible because, like great advertising, it puts consumers first. The public interest focus of the NAD/NARB is what distinguishes them from other less successful efforts in the eyes of consumers, government and the media. In the end the metric against which we must measure ourselves is whether self-regulation quickly and effectively delivers more truthful ads to consumers.

## A Culture of Excellence

And **third**, self-regulation is successful because it can and has been dynamic, constantly improving over time. The improvements are driven both by industry support and the strong professional staff that we have been able to recruit and maintain because of that support.

It is always tempting to take the quality of the current U.S. programs for granted. The continued success of these programs requires building on these three important lessons and the strong foundation they have laid.

Thank you for being here today and for your continued support. We look forward to your

active participation, both today and in the future.