

## ALLIANCE FOR AMERICAN ADVERTISING

TO: Alliance for American Advertising  
FROM: Jim Davidson  
DATE: June 14, 2010  
SUBJECT: Contact Senate and House conferees to oppose House amendment to expand FTC rulemaking authority and media/agency liability

The conference on financial industry reform is underway. In opening remarks, Rep. Bobby Rush (D-IL) made a strong appeal for the conferees to adopt the House bill's expansion of the rulemaking authority of the FTC to allow the FTC to address "rampant unfair and deceptive practices" and listed businesses and professionals throughout the economy that should be the subject of new FTC rules, including accountants, attorneys, internet companies and mortgage lenders.

The proposal would make FTC rulemaking far less transparent and invite intrusion into every business sector. With only 1100 employees, compared to the 1800 the agency had in 1980, the expanded authority would dilute the effectiveness of FTC investigations and enforcement and result in diminished consumer protection. In addition, the provisions in the House and Senate bills that expand liability to media companies and advertising agencies for the unfair, abusive or deceptive claims of an advertiser reject decades of legal precedent and make those who prepare or carry an ad liable for the false claims of others.

Attached is a list of conferees and their staff contact on this issue or their chief of staff. Also attached are talking points on these issues. The White House has asked for this bill to be ready for a July 4 signing ceremony – that means it would have to be approved by Congress by Thursday, June 24, 2010.

**It is essential for you, your association or your company to contact conferees where you have businesses or good relationships this week and urge them to reject the expansion of FTC rulemaking authority and to correct or delete the liability for media companies and advertising agencies. Please contact them yourselves and generate grassroots from their districts and states. These provisions will not be stopped without your strong opposition.**

The conferees resume meeting on Tuesday. While opposition is beginning to form in the Senate and a letter from House members to conferees is being developed, we cannot wait to generate grassroots opposition to these proposals. In fact the grassroots will generate support for a House letter and help solidify our opposition.

With your help, we persuaded the Senate Commerce Committee not to expand FTC rulemaking authority as part of this legislation. We must maintain that momentum and we can with your support.