

ADVERTISING, MARKETING & PROMOTIONS

>>ALERT

FTC TO ISSUE MANDATORY INFORMATION REQUESTS TO ALCOHOLIC BEVERAGE COMPANIES

Last year the Federal Trade Commission (FTC) announced that it intended to begin a study of the self-regulatory efforts of the alcoholic beverage industry and sought public comments on its proposed collection of data from these companies.

It is expected that the FTC will soon be issuing the mandatory information requests. The requests will likely focus on each company's efforts to reduce the likelihood that alcohol advertising reaches persons under the age of 21, but may also seek a broad range of additional company information, including non-public confidential data. After the requested information is received from alcoholic beverage companies, the FTC will issue its fourth major report on industry efforts. Past reports were issued in 2008, 2003, and 1999.

The FTC's 2008 *Self-Regulation in the Alcohol Industry* report was based on data provided by twelve major alcohol suppliers. The report:

- >> provided detailed information on how alcohol suppliers allocate their promotional dollars;
- >> announced a new system for monitoring alcohol industry compliance with self-regulatory programs;
- >> provided data on compliance with the industry's advertising placement standard;
- >> discussed external review of advertising complaints; and
- >> provided information about the FTC's "We Don't Serve Teens" alcohol consumer educational efforts to reduce teen access to alcohol.

THE BOTTOM LINE

Alcoholic beverage companies that receive the FTC's mandatory request for information should immediately contact their legal counsel to determine how to best respond. The request may seek to obtain highly sensitive, non-public data that should not be disclosed without appropriate consultation. In addition, because the responses will be used to determine whether or not additional federal regulations may be needed, all responses should be very carefully considered and crafted.

The 2008 report and additional related information is available [here](#).

The current information request will likely seek, among other information, data regarding:

- >> sales of alcoholic beverages;
- >> expenditures to advertise and promote alcohol in measured and non-measured media;
- >> compliance with the legal drinking age composition advertising placement standard;
- >> third-party or other external compliance review mechanisms; and
- >> data collection efforts, including data collection in connection with digital and social media marketing, and efforts to avoid collection of data from persons under 21.

While it is not yet known which alcoholic beverage companies will be issued the

mandatory information requests, it is anticipated that the FTC will attempt to gather information from a wider variety of companies than it did in 2008.

FOR MORE INFORMATION

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