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June 24, 2008

The Honorable Kevin Martin
Chairman, Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Martin,

I am writing to you today on the important topic of product integration, in which the Writers Guild of America, West has been engaged for some time. The WGAW appreciates your attention on this issue and has been encouraged by your efforts to address the problems related to this practice.

In September of 2007, I testified before the Federal Communications Commission at a Media Ownership Hearing held in Chicago. In my testimony I described the recent growth of product integration on broadcast television and the growing concerns over the implications of this practice. I would like to reiterate a few points made during this testimony.

Should the FCC initiate a rule-making process concerning the growing use of product integration, as recent news reports have suggested, the WGAW hopes this process will address the concerns of consumers and content creators.

The concept behind product integration is the embedding of commercial products within the storyline of a program, so as to subliminally advertise to viewers. The hope is that consumers, not expecting to find a commercial within their program, will fail to realize they are actually being advertised to. This practice exploits the emotional connection viewers have with shows and their characters in order to sell a product. The WGAW believes that broadcasters must adequately disclose the products that are integrated into a story in order to insure that viewers know they are watching a paid advertisement.

Additionally, we hope that the NPRM can serve to protect writers and other creative talent from the adverse effects of product integration. When writers are told we must incorporate a commercial product into the story lines we have written, we cease to be creators. Instead, we run the risk of alienating an audience that expects compelling

television, not commercials. In support of these goals, the WGAW supports the following rules regarding the rampant use of product integration.

Real Time Disclosure

The WGAW believes the proper policy would be to ban product integration from the already extremely commercialized public airwaves. We believe in principle that there should be a clear and distinct separation between advertising and entertainment content. As Andy Burnham, the United Kingdom's Secretary of Culture so eloquently stated, "Here and now I do want to signal that there are some lines that we should not cross, one of which is that you can buy the space between programmes on commercial channels, but not the space within them."¹

However, since that line has already been crossed in the United States, we believe the best way to alert consumers that products have been integrated into programming is for the FCC to create rules requiring "real time" disclosure at the time the product is mentioned, referenced, or exhibited. Since DVRs and other such devices allow viewers to skip or fast forward through opening and closing credits, requiring disclosure at some other moment in the programming will simply not offer adequate protection.

The WGAW believes that "real time" disclosure will be the most effective way to protect consumers from disguised commercials. The practice of placing text along the bottom of the screen, also known as a "crawl," is already used by many networks to announce news reports, sports scores, stock market updates, as well as to promote upcoming programming. Since crawls are used with relative frequency, and viewers are accustomed to this practice, such a crawl would be no more intrusive than the warnings required for pharmaceutical ads or the network identifiers or "bugs" that are now a mainstay of our TV visual field.

In order to insure maximum disclosure to viewers, the WGAW believes that a crawl should appear for a reasonable period of time, should move at a reasonable speed, should be clearly readable by the viewer with a reasonable degree of color contrast between the background and the text, and should not include logos or other product-related graphics. In addition, we would hope that any disclosure rules would require the name of the product and the parent company to be included in the crawl.

End the Use of Video News Releases

Just as dangerous to viewers is the growing use of so called "Video News Releases" or VNRs on local broadcast television. These clips are often paid for and developed by advertisers or companies and are sold to the local television stations and played as "news." It is amazing to watch at the audacity of both the advertisers and the broadcast affiliates who allow such blatant advertising opportunities to pass as news. For example,

¹ Rose, David. "Burnham: No relaxation on product placement rules." Broadcast 11 June 2008
<http://www.broadcastnow.co.uk/news/2008/06/burnham_no_relaxation_on_product_placement_rules.htm
| >

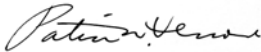
pharmaceutical companies and medical device companies have taken to creating VNRs to extol the latest drugs to hit the markets.

The WGAW urges the FCC to take immediate action to end the use of VNRs on broadcast news. This practice is unbelievably deceptive and is an attempt to trick the viewer to think that a paid advertisement is actually news. We hope the FCC will include in their rule-making strict guidelines to prevent viewers from the deceptive practices contained through the dissemination of VNRs on local and broadcast news programs.

I hope that the WGAW can work with the FCC to insure the highest protection for the American public against what has become the rampant and deceptive practices of some broadcasters. The WGAW believes the real time disclosure of products, as stated above, and a ban on the use of video news releases in broadcast news, are two very concrete proposals the FCC can enact to protect the American viewing public.

Thank you again for your attention to this important matter.

Sincerely,



Patric M. Verrone
President, WGAW