AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

THE WHITE HOUSE, THE NETWORKS AND TV CENSORSHIP

HEARING

BEFORE THE

SUBCOMMITTEE ON TELECOMMUNICATIONS, TRADE, AND CONSUMER PROTECTION

OF THE

COMMITTEE ON COMMERCE
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

FEBRUARY 9, 2000

Serial No. 106–91

Printed for the use of the Committee on Commerce

U.S. GOVERNMENT PRINTING OFFICE
62–969CC WASHINGTON : 2000

COMMITTEE ON COMMERCE

TOM BLILEY, Virginia, *Chairman*

W.J. "BILLY" TAUZIN, Louisiana
MICHAEL G. OXLEY, Ohio
MICHAEL BILIRAKIS, Florida
JOE BARTON, Texas
FRED UPTON, Michigan
CLIFF STEARNS, Florida
PAUL E. GILLMOR, Ohio
Vice Chairman
JAMES C. GREENWOOD, Pennsylvania
CHRISTOPHER COX, California
NATHAN DEAL, Georgia
STEVE LARGENT, Oklahoma
RICHARD BURR, North Carolina
BRIAN P. BILBRAY, California
ED WHITFIELD, Kentucky
GREG GANSKE, Iowa
CHARLIE NORWOOD, Georgia
TOM A. COBURN, Oklahoma
RICK LAZIO, New York
BARBARA CUBIN, Wyoming
JAMES E. ROGAN, California
JOHN SHIMKUS, Illinois
HEATHER WILSON, New Mexico
JOHN B. SHADEGG, Arizona
CHARLES W. "CHIP" PICKERING, Mississippi
VITO FOSSELLA, New York
ROY BLUNT, Missouri
ED BRYANT, Tennessee
ROBERT L. EHRLICH, Jr., Maryland

JOHN D. DINGELL, Michigan
HENRY A. WAXMAN, California
EDWARD J. MARKEY, Massachusetts
RALPH M. HALL, Texas
RICK BOUCHER, Virginia
EDOLPHUS TOWNS, New York
FRANK PALLONE, Jr., New Jersey
SHERROD BROWN, Ohio
BART GORDON, Tennessee
PETER DEUTSCH, Florida
BOBBY L. RUSH, Illinois
ANNA G. ESHOO, California
RON KLINK, Pennsylvania
BART STUPAK, Michigan
ELIOT L. ENGEL, New York
TOM SAWYER, Ohio
ALBERT R. WYNN, Maryland
GENE GREEN, Texas
KAREN McCARTHY, Missouri
TED STRICKLAND, Ohio
DIANA DeGETTE, Colorado
THOMAS M. BARRETT, Wisconsin
BILL LUTHER, Minnesota
LOIS CAPPS, California

JAMES E. DERDERIAN, *Chief of Staff*
JAMES D. BARNETTE, *General Counsel*
REID P.F. STUNTZ, *Minority Staff Director and Chief Counsel*

SUBCOMMITTEE ON TELECOMMUNICATIONS, TRADE, AND CONSUMER PROTECTION

W.J. "BILLY" TAUZIN, Louisiana, *Chairman*

MICHAEL G. OXLEY, Ohio,
Vice Chairman
CLIFF STEARNS, Florida
PAUL E. GILLMOR, Ohio
CHRISTOPHER COX, California
NATHAN DEAL, Georgia
STEVE LARGENT, Oklahoma
BARBARA CUBIN, Wyoming
JAMES E. ROGAN, California
JOHN SHIMKUS, Illinois
HEATHER WILSON, New Mexico
CHARLES W. "CHIP" PICKERING, Mississippi
VITO FOSSELLA, New York
ROY BLUNT, Missouri
ROBERT L. EHRLICH, Jr., Maryland
TOM BLILEY, Virginia,
(Ex Officio)

EDWARD J. MARKEY, Massachusetts
RICK BOUCHER, Virginia
BART GORDON, Tennessee
BOBBY L. RUSH, Illinois
ANNA G. ESHOO, California
ELIOT L. ENGEL, New York
ALBERT R. WYNN, Maryland
BILL LUTHER, Minnesota
RON KLINK, Pennsylvania
TOM SAWYER, Ohio
GENE GREEN, Texas
KAREN McCARTHY, Missouri
JOHN D. DINGELL, Michigan,
(Ex Officio)

CONTENTS

	Page
Testimony of:	
Corn-Revere, Robert, Partner, Hogan & Hartson	59
Franks, Martin D., Senior Vice President, CBS	63
Loeb, Jef, Creative Director, Katsin/Loeb Advertising	55
Vereen, Donald R., Jr., Deputy Director, Office of National Drug Control Policy	18
Wallau, Alex, President, Network Administration and Operations, ABC Television	53
Material submitted for the record by:	
Heekin-Canedy, Scott H., Senior Vice President, Circulation, The New York Times, letter dated February 8, 2000, to Hon. W.J. Tauzin	83

THE WHITE HOUSE, THE NETWORKS AND TV CENSORSHIP

WEDNESDAY, FEBRUARY 9, 2000

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
SUBCOMMITTEE ON TELECOMMUNICATIONS,
TRADE, AND CONSUMER PROTECTION
Washington, DC.

The subcommittee met, pursuant to notice, at 2:10 p.m., in room 2322, Rayburn House Office Building, Hon. W.J. "Billy" Tauzin (chairman) presiding.

Members present: Representatives Tauzin, Oxley, Cox, Wilson, Bliley (ex officio), Markey, Eshoo, Wynn, Luther, Sawyer, Green, and Dingell (ex officio).

Staff present: Mike O'Rielly, professional staff; Cliff Riccio, legislative clerk; Andy Levin, minority counsel.

Mr. TAUZIN. The committee will please come to order. Let me first announce that we have finally a high-tech timing system here. I am sure I would appreciate the committee that finally supplied us with one. Instead of the little egg meter clock, we have some real high-tech timing devices which we will use today. I welcome high technology——

Chairman BLILEY. You are not planning on using those on the members, are you?

Mr. TAUZIN. Not on the members, only on the chairman.

The committee will come to order. In 1997, Congress enacted legislation providing the Office of the National Drug Control Policy with funding to pay for a National media campaign aimed at reducing and preventing youth drug use in the United States. In 1998, Congress again appropriated funding for its media campaign with one all-important understanding, that the ONDCP would use the funding to purchase air time from broadcast networks and receive in return from the networks a 100 percent pro bono match of air time designated for additional anti-drug ads and public service announcements or PSAs.

Well, ladies and gentlemen, some have recently reported that this basic statutory authorized arrangement has been substantially altered by a surreptitious quid pro quo deal struck between the ONDCP and the broadcast networks. It has been alleged by some in the media that the ONDCP has relieved the networks, rather, of some of their matching quotas in exchange for direct consultative role in constructing the actual content of anti-drug messages in programs prior to them being aired. According to one Salon.com article which ran on January 13, this has enabled the White House

to create a "new, more potent strain of anti-drug social engineering that it wants."

Controversially, some broadcasters have apparently not objected to the government's added control over broadcasting content because it is in their economic interests not to do so. Essentially the ONDCP forbearance for requiring 100 percent matching has apparently allowed some in the industry to sell otherwise encumbered advertising time slots under the matching arrangements to the private sector for a profit; in short, in profit by the arrangement by which the government certifies that politically correct speech is contained in the programming. If, in fact, such a deal exists between the ONDCP and industry, I personally believe it is unconstitutional; that it is in violation of Federal communications law; and last but not least, contrary with what Congress intended when it appropriated funds for this project in the first place. I believe that it puts the government on a horrible slippery slope of interference with first amendment rights, the likes of which I have never witnessed in my tenure in the U.S. Congress. I am deeply troubled by the stories that portrayed ONDCP officials as "Washington script doctors who have cut dealing with networks in order to control the actual content of their programming." In my opinion, this, indeed, amounts to a serious affront on the first amendment to the Constitution.

I also find it interesting that some in the industry who generally defend the first amendment at every turn would choose to say nothing about this when doing so would jeopardize the bottom line.

Let me also say that I am deeply pleased that at least one American television network said no. Not only said no, but said hell, no. They would have no part of this arrangement and walked away from it. They frankly have my admiration for doing so.

Finally, I wonder if the affected parties' failure to announce their financial arrangements with the ONDCP during their programming broadcast might have violated the reporting requirements of section 317 of the Communications Act of 1934, the so-called Payola laws. With all of this having been said, I have called today's oversight hearing to get to the bottom of the allegations. I understand that the ONDCP contends that the various Salon.com articles are full of inaccuracies and misinformation. I received a call from General McCaffrey alleging the very same thing. I am, of course, interested in hearing about them, but at the end of the day, I want to leave here with an understanding of the relationship between the ONDCP and industry. I want to determine just how close the ONDCP has come to determining program content. And I want our panelists to provide some clarification of the Section 317 issue. Furthermore, I think ONDCP should explain to the subcommittee why it is necessary to establish new guidelines to clarify the pro bono match component of the media campaign and how these new policies will prospectively preclude any suggestions that the office is exercising control over the creative broadcast in broadcasting.

I would finally say that, as I told the General, he and the Office of ONDCP have my continued support and admiration for the work it does. Goals that it has embraced in reducing drug abuse in our country are not only admirable, but extremely necessary. The pro

bono match program that we designed and funded in Congress was designed to facilitate that effort. But if that program is now being used to allow government for any good reason to determine the political correctness of speech on our networks, and then to award those who politically correctly speak as opposed to those who don't with an indirect cash benefit, I think we have stepped incredibly far and hard upon the first amendment. I have compared it to a situation where the Governor or a president might read the newspapers each day, and if he liked the columns, they spoke well of him, then he authorized some kind of cash benefit, some tax credit. And if they spoke ill of him, he didn't like the content of that newspaper, would have denied a cash benefit or some tax credit.

Can you imagine the revolution in this country if that were to be allowed to stand? If the allegations we have read about are true, and a government agency in our country is reviewing scripts and rewarding the politically correct ones at the expense of those that are not, then I think we have a similar situation when it comes to broadcasting, and we ought to correct it immediately.

I look forward to learning the facts so we might understand whether that has occurred and what is being done about it. I thank you and look forward to hearing all of the testimony. I yield now to the ranking minority member, my friend, from Massachusetts, Mr. Markey.

Mr. MARKEY. Thank you, Mr. Chairman, very much. I want to thank you for calling this hearing today on anti-drug public service announcements, PSAs, and anti-drug messages in television network programs. I think this hearing will be very helpful in eliciting exactly what policies and practices are in place, both at the Office of National Drug Control Policy and the television networks while handling PSAs and incorporating important anti-drug messages in popular TV shows.

Obviously, I believe General McCaffrey is one of our great Americans. If we are going have a general leading this battle which is just as important as any war we would every fight overseas, I want General McCaffrey at the front of that line. So I am very proud to know that somebody of his caliber is willing to take on this most important of all battles being waged on the minds of the children in our country. In 1997, Congress tasked the Office of National Drug Control Policy to design a media campaign to help reduce and prevent the use of drugs by America's children. Under the guidelines issued by Congress and the drug office, it was authorized to purchase media time for the campaign and for "entertainment industry collaborations advancing anti-drug messages in motion pictures, television programming, and popular music."

So we in Congress told this office that that is the goal, try to go out there, try to accomplish this goal. We ordered them to do it, an order from Congress. In addition, Congress placed a limitation on the level of funding for this anti-drug effort, and required that such funding be matched by an equal amount of nonFederal funds or in kind contributions.

Recently this National youth anti-drug media campaign came under scrutiny, and the media for its practice for including anti-drug messages targeted to children within the popular programming aired on broadcast television. Concerns were raised and alle-

gations were made about government censorship of television programs. Concerns were also raised that taxpayers might not be getting the public service announcements that the program was designed to get because the TV networks were getting financial credit for anti-drug messages that the networks were incorporated into plots anyway. There is no question that as a society, we need to explore every way to get the attention of children. And the younger we reach them, the better with effective and compelling anti-drug messages. There is no question that when I was boy, I was powerfully influenced by what the Lone Ranger gave me as his message, good versus evil, much more important than the Kelloggs Corn Flakes ad in terms how that might give me a value that was positive or negative. It was the Lone Ranger, Superman, those were the people who were put in the television in the substance, in the content of the television programming.

There is no question that as a society, we have reached a point where the life expectancy of Americans, which was 48 years of age in 1900, has now been extended 30 years. We went to the Garden of Eden in 1900 and we have only extended it to 48. Today it is 78 or so on average for male and female. The interesting thing is that we have, in fact, eradicated or dramatically reduced the impact which the diseases that our grandparents died from. We have largely eliminated them. What we now die from are things that we do to ourselves. It is drugs. It is alcohol. It is tobacco. It is food. It is unsafe sexual practices. The images that are created for the young people in our society are inside the body of these programs.

Let's not kid ourselves. That is the new culture. As children watch it they can either be given good messages or bad messages. They can either embrace unhealthy behavioral practices or they can ignore them. And so that is why I think it is a noble thing that the networks have done in beginning to examine their own programming, beginning to question their own values how they would want their own children to—whether or not they would want them to be exposed to this kind of program.

I think that is a very healthy conversation, in fact, probably the most healthy conversation in America. We have got to get a behavior. We know statistically that if a child doesn't begin smoking by the age of 19, there is a 95 percent chance he will never start smoking. Same for drugs, alcohol, and everything. We have got to get them early. These programs without question deal with it. That is why we have children's television rules. That is why we passed the V chip and that is why we have rules governing what sort of language and restrictive times for adult themes permissible over the air waves because it understands how important the child audience is, how influenced they are by what they see on television. So I would like to welcome again our panel. I think this hearing will help to dispel much of the disinformation about the youth anti-drug campaign and hopefully generate additional ideas about how we might make this campaign more effective. I thank you, Mr. Chairman, and I certainly thank our witnesses.

Mr. TAUZIN. I thank the gentleman. The Chair recognizes the chairman of the full committee, the gentleman from Virginia, Chairman Bliley.

Chairman BLILEY. Thank you, Mr. Chairman. At today's hearing, we look at whether the anti-drug media campaign and the Office of the National Drug Control Policy, better known as the Drug Czar's Office, crossed any lines in getting into its desired objective.

First, let me state that I want illegal drugs out of our society. Illegal drug use is one of the biggest problems facing our country. It effects everybody and destroys all of the lives in its path.

Undoubtedly, we all agree that America's youth need to learn about the risks and dangers of using drugs. The goal of teaching our Nation's youth that drug use is not acceptable, not cool, not helpful to a productive future is a worthy one indeed. To teach this lesson, Congress armed the drug czar with significant funding to run a high stakes media campaign. But recent reports raised questions about just how the drug czar carried out in this campaign and that is the reason for this hearing today. We know that Congress wants a successful anti-drug campaign. We know that the Drug Czar's Office wants to decrease youth drug use. We know that with some type of financial consideration given for including anti-drug messages in network programming.

What I hope this will answer is how exactly did the Drug Czar's Office implement the anti-drug media campaign. I think we should know exactly what transpired between the White House office and the media outlets that participated with the anti-drug messages. Many decisions were made about how the funding and credits for the campaign were allocated. I would like to hear from our witnesses today about these decisions. I must admit that I am troubled by what I have seen and read on this matter.

Now, and again, we are forced to consider the age-old dilemma of whether the ends justifies the means. I think the Drug Czar and the networks' action get mighty close to some questionable means. I am concerned that the networks may have been happy to tilt their artistic control when advertising time became a hot commodity. While I agree we are working toward similar ends, these events represent a dangerous means to those ends. I will keep an open line and hope this hearing address my concern. Thank you, Mr. Chairman .

[The prepared statement of Hon. Tom Bliley follows:]

PREPARED STATEMENT OF HON. TOM BLILEY, CHAIRMAN, COMMITTEE ON COMMERCE

I thank Chairman Tauzin for yielding the time.

In today's hearing we look at whether the anti-drug media campaign of the Office of National Drug Control Policy—better known as the Drug Czar's office—crossed any lines in getting to its desired objective.

First, let me state that I want illegal drugs out of our society. Illegal drug use is one of the biggest problems facing our country. It effects everyone. And it destroys all of the lives in its path. Undoubtedly, we all agree that America's youth needs to learn about the risks and dangers of using drugs. The goal of teaching our nation's youth that drug use is not acceptable, not cool and not helpful to a productive future is a worthy one indeed.

To teach this lesson, Congress armed the Drug Czar with significant funding to run a high stakes media campaign.

But recent reports raise questions about.just how the Drug Czar carried out this campaign, that is the reason for today's hearing.

We know that Congress wants a successful anti-drug campaign. We know that the Drug Czar's office wants to decrease youth drug use. We know there was some type of financial consideration given for including anti-drug messages in network programming.

What I hope this hearing will answer is how exactly did the Drug Czar's office implement the anti-drug media campaign. I think we should know exactly what transpired between the White House office and the media outlets that participated with the anti-drug messages. Many decisions were made about how the funding and credits for the campaign were allocated. I would like to hear from our witnesses today about these decisions.

I must admit that I am troubled by what I have seen and read on this matter.

Now and again we are forced to consider the age old dilemma of whether the end justifies the means.

I think the Drug Czar's and the network's actions get mighty close to some questionable "means." I am concerned that the networks may have been happy to tilt their artistic control when advertising time became a hot commodity. While I agree we are working toward similar ends, these events represent a dangerous means to those ends.

I will keep an open mind and hope this hearing addresses my concern.

I yield back my time.

Mr. TAUZIN. I thank the chairman. The chairman is now pleased to welcome and recognize the ranking minority member of the full committee, the gentleman from Michigan, Mr. Dingell.

Mr. DINGELL. Thank you, Mr. Chairman, and thank you for holding this hearing. During the past month we have heard pious denunciations of a program to encourage anti-drug messages in television programs. Some of these denunciations have come from editorial writers whose newspapers have only been too happy to accept advertising dollars from the same anti-drug program they now decry. Others have come from Members of Congress who have had ample opportunity in the past years to raise questions about this program, yet have failed to do so.

I am compelled to ask what causes their belated outrage. I am reminded of the saying that my dear little mother used to say about how when people overslept, they tend to wake up in a very bad state of mind and in a bad humor. I think it is worth reviewing the history of this program. The proposal for this anti-drug campaign was unveiled with great fanfare amidst huge tub thumping and tremendous thunderous expressions of outrage by our good friend, then-Speaker Mr. Newt Gingrich in Atlanta in July 1998.

On August 20, the Los Angeles Times further detailed the substance of this program. The paper noted that the agreement had been reached for a $50 million package with Disney and ABC provided credits for such things as broadcast time, Internet sites, and further noted, I quote, that "the Fox Family Network may count as donations episodes in its entertainment programs that carry out an anti-drug message."

The legislation authorizing this anti-drug campaign was passed by the House just before the election on September 16, 1998. It had nine votes against it. I was one of those who voted against it. If any of the others of you here present voted against this proposal, I would like to see a show of hands saying that you had joined me in that opposition. In there I had the very interesting statement which I made. I said, "Since this legislation has been drafted behind closed doors by a task force composed almost entirely of Republican members with little opportunity for input from the other side of the aisle. What that means, Mr. Speaker, is that the ideas of all but very few Democratic members were not a part of the discussion when this bill was created. It also means we are considering a bill that was introduced only last Thursday and then re-

ferred to six committees, none of which has taken any action on the bill." The bill was on the floor the Monday following.

The USA Today noted that under the campaign, media outlets can receive credit for anti-drug messages in the following way. This is in November 1998. So this is not news to this committee or indeed to anybody else. I now quote: "For networks, donating commercial time counts. Talk show time can count. So do White House-approved scripts that promote the anti-drug theme. So does time on a prime time show when a kid is shown turning down a marijuana cigarette."

None of this is news, although I am delighted that we are finally awakened and inquiring into these matters. So when news of this program and its practices became a controversy earlier this year, I admit that I was somewhat baffled. I may have some personal doubts about the wisdom of this approach, but it cannot be said that the Congress could not have acted to prevent it back in 1998. In fact, had Congress fulfilled its responsibilities in 1998 or followed the orderly and ordinary and intelligent procedures of this body, perhaps we might not be holding this hearing today and we might not be hearing newly founded expressions of outrage from my Republican colleagues.

The legislation authorizing the anti-drug campaign was rushed to the floor with not a single hearing and without a single committee markup, despite the fact that the provisions fell within the jurisdiction of no less than six House committees. The legislation was a product of a task force led by government reform subcommittee chairman, the distinguished gentlemen from Illinois, our current Speaker, Mr. Hastert, who is now as I note, the Speaker of this body.

Now, this gives us a distinguished parentage, but I would note that one of the aides to the Speaker has had the temerity to say that, "It is very upsetting that the White House has control over the Nation's television programs." Terrible outrage over something which he did and they did. Funds have been appropriated for this anti-drug campaign in each year since its authorization. Indeed some were appropriated prior to the authorization of the program. Now, it seems that if the White House really did control these television programs, it would first move to cancel Jay Leno's monologues. Having said that, General McCaffrey has repeatedly testified before the Appropriations Committee on this matter. I think every member of this House has been out at one time or another making stump speeches telling how he had pushed through this legislation, which was going to make a massive contribution to publicizing the evils of use of drugs.

Now, I am not sure what awakened my colleagues from their deep and tranquil slumber, but I welcome today a belated opportunity to discuss the merits of the approach under discussion as we go into this matter. As we do, let us keep a few facts in mind. First, this program was enacted in broad daylight. Second of all, it is not mandatory. It creates financial incentives. I will address those in just a minute. But are we so terribly shocked to learn that broadcasters will respond to financial inducements? I opposed the legislation creating the program in part because it was procedurally flawed, because the House had not properly considered it, because

it was fraught with extremist provisions separate from the anti-drug campaign, all of which were of doubtful merit. Nevertheless, the campaign had strong bipartisan support and passed with only nine negative votes. And again, I would ask anyone who was opposed to it, please hold up your hand so that we can see that you were there to warn us of the evils that ended here.

Nonetheless, to the extent these practices are problematic, the responsibility is shared between the political parties and the executive and the legislative branches.

Now, I want to read to you some of the language that is in this bill, just so you will know what you are talking about today, Mr. Chairman. Let's go to section 1802, use of funds, A, authorized uses. Then let's go down to H which says "entertainment industry collaborations to fashion anti-drug messages in motion pictures, television programming, popular music, interactive (Internet and new) media projects and activities, public information, news media outreach, corporate sponsors and corporate sponsorship, and participation."

They go on. This is authorized expenditures of public moneys. Having said that, there is also a fine requirement later that says, C, a little bit further down in 1802, matching requirement. "amounts made available under section 1804 of this title should be matched by an amount equal to nonFederal funds for national media campaign or be matched with in-kind contributions to carry through the campaign of the same value."

Quite frankly, Mr. Chairman, I think you are quite frankly pumping a dry hole here today and I would say I wait with some interest to find out "where is the beef?" Thank you.

[The prepared statement of Hon. John D. Dingell follows:]

PREPARED STATEMENT OF HON. JOHN D. DINGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. Chairman, thank you for calling this hearing.

In the last month we've heard pious denunciations of a program to encourage anti-drug messages in television programs. Some of these denunciations have come from editorial writers whose newspapers have been only too happy to accept advertising dollars from the very same anti-drug program they now decry. Others have come from Members of Congress who have had ample opportunity in past years to raise questions about this program, yet failed to do so. I'm compelled to ask what causes their belated outrage.

It's worth reviewing the history of this program.

The proposal for this anti-drug campaign was unveiled with great fanfare, and the participation of then-Speaker Newt Gingrich, in Atlanta in July of 1998.

On August 20, 1998, the Los Angeles Times further detailed the substance of this campaign. The paper noted that agreement had been reached on a $50 million package with Disney-ABC providing credits for such things as broadcast time and Internet sites, and further noted, and I quote, that "the Fox Family Network may count as donations episodes of its entertainment programs that carry an anti-drug theme."

The legislation authorizing this anti-drug campaign was passed by the House just before the election, on September 16, 1998.

In November of 1998, USA Today noted that under the campaign, media outlets could receive credit for anti-drug messages in the following ways, and I quote:

> "For the networks, donated commercial time counts. Talk show time can count. So do White-House approved scripts that promote the anti-drug theme. So does time on a prime-time show when a kid is shown turning down a marijuana cigarette."

So when news of this program and its practices became a controversy earlier this year, I must admit I was somewhat baffled. I may have some personal doubts about the wisdom of this approach, but it cannot be said that the Congress could not have acted to prevent it back in 1998.

In fact, had Congress fulfilled its responsibilities in 1998, much of this controversy could have been avoided. The legislation authorizing the anti-drug campaign was rushed to the floor without a single hearing or committee markup, despite the fact that its provisions fell within the jurisdiction of six House Committees. The legislation was the product of a task force led by a Government Reform Subcommittee Chairman, the gentleman from Illinois, Mr. Hastert, who has now gone on to become the Speaker. Despite his parentage of this program, one of his aides has had the temerity to say, and I quote, it's "very upsetting that the White House has control over the content of the nation's television programs."

It seems to me that if the White House really did control television programs, it would first move to cancel Jay Leno's monologues.

Funds have been appropriated for this anti-drug campaign in each year since its authorization. General McCaffrey has repeatedly testified before the appropriations committees, yet we heard not a peep questioning these practices until January of this year.

I'm not sure what awakened certain members of Congress from their peaceful slumber, but I welcome the belated opportunity to discuss the merits of the approach under discussion here today.

As we do so, let us keep certain facts in mind.

One, this program was enacted in broad daylight.

Two, it is not mandatory. Yes, it creates certain financial incentives. But are we so terribly shocked, shocked to learn that broadcasters will respond to financial inducements?

I opposed the legislation creating the program under discussion today, in large part because it was procedurally flawed and because it included extraneous provisions, separate from the anti-drug campaign, that were of dubious merit. Nonetheless, this campaign had strong bipartisan support in the Congress. To the extent that these practices are problematic, the responsibility is shared between the political parties and the executive and legislative branches.

Mr. TAUZIN. I thank the gentleman. I would be interested in knowing why the department had to clarify its programs once the news reports were issued. The gentleman from Ohio, the vice chairman of the committee, is recognized for an opening statement.

Mr. OXLEY. Thank you, Mr. Chairman. This is indeed a serious subject. First of all I have an article that was in the Washington Post on Friday, January 21, an op-ed piece written by Charles Krauthammer I would like to make part of the record.

Mr. TAUZIN. Without objection, so ordered.

[The article follows:]

[Friday, January 21, 2000—Washington Post]

A NETWORK SELLOUT

by Charles Krauthammer

No one invokes the sanctity of the First Amendment more often and more passionately than the media. When music companies are criticized for purveying the most repulsive misogynistic rap lyrics, they hoist the First Amendment flag. When newspaper reporters who've given confidentiality pledges refuse to testify about their sources, the flag is run up again.

As it should be. For all its abuses, the First Amendment is perhaps the greatest of all bulwarks against the power of government. It turns out, however, that the TV networks are not quite the First Amendment purists they pretend to be. Dangle some cash in front of them and they will let the White House drug czar vet their scripts.

Salon magazine reported Jan. 13 that in return for being released from the obligation to show free anti-drug ads (and thus enabled to sell that ad time), the TV networks have allowed the White House to review primetime programs to make sure they send the right anti-drug message.

These networks are parts of some of the same media giants that make passionate protestations of their sovereign right to purvey syncopated CD incitement to rape and murder. They are quite willing, however, to accept government meddling in their prime-time shows if that makes them money.

How much money? There's the howler. The six networks combined sold their First Amendment soul for a grand total of $25 million, about what Arnold

Schwarzenegger gets for one movie. This for companies with combined revenues of about $5 *billion.*

It reminds me of that immortal line in "A Man for All Seasons" in which Sir Thomas More, condemned to death on the false testimony of his protege Richard Rich, sees him newly wearing the insignia of attorney general of Wales. "For Wales?" says More. "Why, Richard, it profits a man nothing to give his soul for the whole world. But for Wales!"

In reality, this ad-money-for-script-vetting swap is a novel form of product placement. Product placement is the practice of taking a bundle of cash from Coke in return for having the hero swig some prominently onscreen.

Disturbing as it is, gratuitously inserting a soda can or cereal box or muscle car into a scene for money is a trivial form of artistic corruption. However, inserting government-sponsored messages is not.

Unlike Coke and Kellogg, government has the power to tax, audit, subpoena, imprison. We allow companies and individuals and groups to put all kinds of pressure on media—through advertising, boycotts, lobbying. But we balk when government, with such unique and abusable power, steps in. In a system where liberty is preserved by the separation and diffusion of power, we rightly refuse to grant government even more power through control of the content of free media.

One reason is to prevent slightly Orwellian press releases of the kind issued by the White House drug office on Jan. 14. It is headlined: "New Study Finds Little Depiction of Illicit Drugs on Network Prime Time Television: White House Drug Czar Pleased with Accurate Portrayals." He should be. He paid for them.

No big deal, you say. This whole affair involves nothing more than promoting anti-drug messages on prime-time shows. What's so wrong with that?

The big deal is not these particular ads but the principle: government's hand in mass media script writing. If that is no big deal, what is to prevent government from doing it for other causes of its choosing?

President Clinton and his spokesmen were asked whether the vetting of scripts might not be extended to equally worthy messages about "gun control" and "youth violence" (and why not to recycling, ethnic tolerance, charitable giving and the correct use of the fork?). The response was not encouraging.

Press Secretary Joe Lockhart was defiant. We were "looking for other ways to get the [anti-drug] message out that allows networks in a robot advertising environment to sell to other people where they can make more money," he said.

Got a problem with that? Well yes. Some find the practice corrupting. And when they asked Lockhart if it does not raise questions about deceptive government influence, he responded in perfect Clintonian fashion: "As far as sort of theological questions for the entertainment industry," said Lockhart "I suggest you put the questions to the entertainment industry."

But of course. This is surely an airy abstraction for the likes of Thomas Aquinas, on retainer at DreamWorks.

Mr. OXLEY. Thank you, Mr. Chairman. By the way, I served for a number of years on the Committee on Narcotics Use and Control and have been involved in the anti-drug issues for a number of years. I have great respect for ONDCP and its leadership over the years including, of course, General McCaffrey. But I have to say that I have some real concerns when it appears that there is some involvement by government in drafting, or at least approving certain scripts, given the power of government and the power that the government has versus the private sector in this particular area as it relates to the first amendment. Let me quote Mr. Krauthammer. He says, "Unlike Coca Cola and Kellogg, government has the power to tax, audit, subpoena, and imprison. We allow companies and individuals and groups to put all kinds of pressure on the media through advertising, boycotts, and lobbying. We balk when government, with such unique and abusable power, steps in. In a system where liberty is preserved by the separation and diffusion of power, we rightly refuse to grant government even more power through control of the content of free media, indeed the very heart and soul of the first amendment."

Krauthammer goes on, "One reason is to prevent slightly erroneous press releases of the kind issued by the White House drug office on January 14. It is headlined, "New study finds little depiction of illicit drugs on network prime time television. White House Drug Czar pleased with accurate portrayals."

Krauthammer says, "He should be, he paid for them."

Well, indeed the real question lies as to where do you draw the line? If the anti-drug message is indeed a good one, and I think all of us would agree in general that that is the case, do we then follow with issues like gun control, youth violence, bad breath, or the heart break of psoriasis? Where does it end in terms of the involvement of the government in these issues, and where does it say that the first amendment ends at a particular level of government involvement?

Now, I would hope that the networks would have some kind of coverage of this hearing, Mr. Chairman, although I am not going to count on it. I do think that this is a story worthy of following, if nothing else but for those who profess to be saviors and protectors of the first amendment. And when it appears that the first amendment has been breached with prior approval by government agencies, whether it be in religious broadcasting or in commercial broadcasting, I think this committee has the legitimate right to inquire as to the propriety and the constitutionality of such acts. For that, I think all of us are pleased that we have an opportunity to air these issues and I yield back.

Mr. TAUZIN. The Chair thanks the gentleman.

Mr. Luther.

Mr. LUTHER. I will yield.

Mr. TAUZIN. Ms. Eshoo is recognized for an opening statement.

Ms. ESHOO. Well, let me get myself organized here, Mr. Chairman. First of all, I am delighted to be here. I want to thank you for holding this important hearing. I think it is the first one of the year 2000 for this subcommittee and we are—embedded in this hearing is our Constitution, the First Fmendment, and so it continues to live on. We continue to question what is appropriate, what the use of it is, the application or the misapplication of it. I am delighted to be here. I welcome everyone that is on the panel, but I have a 25-year friend, Jeff Loeb who is here on the panel. He has distinguished himself in what he has done, and I really value our friendship over all of these years and also to watch him grow in everything that he has done.

I am concerned about the reports that the administration influenced content on prime time television shows. I believe that this, indeed, raises serious first amendment questions that I hope will be answered quite directly at today's hearing. Although the intent of the ONDCP's program is a good one, and the messages that were encouraged throughout the anti-drug story lines of these shows are themes that I think all of us would approve, I do think the administration went too far. ONDCP's program created a situation where there is a clear, competitive, and financial advantage for shows that offered anti-drug themes. The administration, in my view, has no business doing that. I am pleased that General McCaffrey has clarified the policies that they are going to follow, particularly that

ONDCP will not review program episodes until after the programs have aired.

I think the updated policy leaves little doubt that the administration will not have any role in creating content. I agree with this policy, and I think there has to be a clear line drawn so that no one would make the mistake of thinking that the government is in any way controlling the content of our entertainment. The ONDCP program can and should be an effective way to broadcast the message of the terrible harms that abusing drugs can cause. The program should not be implemented, however, at the expense of a content-rich environment.

I look forward to the testimony of our witnesses today, Mr. Chairman, and I also think that the ranking member's testimony was really quite instructive. I don't know how many members actually read everything that was buried in what we voted on. He did. He objected obviously to the process. So while it is healthy to review some of the curiosities of who was involved and who didn't raise their voices about certain things and who does now, I still think it is important to have this hearing and to hear from our witnesses and to review something that has everything to do with how this Nation really has grown and functioned so well, and that is our Constitution and the first amendment. I yield back.

Mr. TAUZIN. Thank you. The gentlelady from New Mexico, Mrs. Wilson, is recognized for an opening statement.

Mrs. WILSON. Thank you, Mr. Chairman. I also appreciate you holding this hearing today. I have known General McCaffrey for quite a long time and served with him as a young lieutenant and captain when I was in the Air Force. I know of his commitment to this issue and his integrity, and I have a tremendous respect for him and for what he has done with national drug control policy. I am looking forward to some clarification today on facts and also on policy with respect to what the intent of the Office of the National Drug Control Policy was and what is and is not correct in the public accounts of what we have heard and read online and in the newspapers.

It seems to me the issue here and the problem is not the drug campaign or public awareness campaign to influence young people. All of us agree that that is a message that we want to get to young people. The issue is the means. In my mind there is nothing wrong with the government promoting a message. We do that all of the time, whether it is anti-smoking or anti-drugs. The issue is whether the people have a right to know when they are being propagandized by their government. That to me is the important part. With respect to the first amendment and government control or influence of speech, we are talking generally about things like smoking or anti-drug messages for kids. But what about messages where good and bad are less clear? What if the message was about abstinence or the importance of reference for children and prayer in schools, or even more controversial issues about the environment?

From the point of view of the broadcast media, are there only some messages that you are willing to carry or rewrite your scripts for or is it just a matter of price? I think that that is an important question to know. I would kind of like to know the answer to that

and I will be asking those questions today. Finally, Mr. Chairman, with respect to the question of what the law really says, and I have not been at this anywhere near as long as the distinguished minority leader of this committee. But I read the plain language of this authorization act. I don't understand it the same way he does as authorizing this kind of tradeoff without any public knowledge of what is going on with public dollars. I read that clause very straightforwardly.

I have no problem with authorizing entertainment industry collaboration to fashion anti-drug messages in motion pictures, television programming, popular music, and so forth. But that seems to me to be authorizing something quite different than government control or approval of scripts. That is what we are talking about here. As I said, I have no problem with the intent of sending a message to kids that drugs can ruin your life, and I think that that message has been clear from every public leader and every broadcast outlet and every medium that we can with kids.

The question is one of first amendment control and what the industry is willing to sell. And finally, whether the people have a right to know when the message is coming from their government as opposed to the creative license of a private individual. Thank you.

Mr. TAUZIN. I thank the gentlelady. The gentleman from Ohio, Mr. Sawyer, is recognized.

Mr. SAWYER. Thank you, Mr. Chairman. I have a longer statement today that I don't intend to read. I would like to make a couple of observations, however, the first of which is I think it is obvious that the government should not have prior approval of specific programming. But it is also true that if the government is going to be in the business of promoting a particular kind of message that we ought to make sure that that message is, in fact, that what is being paid for. The government is an advertiser in that regard. A message that says "just say no" is one thing. One that says "just say maybe" says something else. One that says "you can smoke but don't inhale" is something entirely different. It becomes a question of nuance. In that sense it may be—however valuable a message—open to question whether the government ought to be in that business at all in a way that is not a clearly separated from the content of programming, however effective that might be as a medium for sharing a message. I think back to the time that the gentleman from Massachusetts referred to the Lone Ranger and Superman, and then you think back to Robin Hood in a valuable but somewhat different message.

Mr. MARKEY. Democratic.

Mr. SAWYER. I wasn't going to get into that, Mr. Chairman.

Mr. TAUZIN. What was it, robbing?

Mr. SAWYER. I also recall in those same 1950's where advertising was a seamless part of the entertainment part of the program. And the host of the show, whether it was Milton Berle talking about the man with the Texaco star or people lighting up cigarettes, and as a part of the plot, referring to the brands and the pleasure they derive from it, or pouring a beer and making that an obvious part of the message.

That clearly goes on today in motion pictures. And the question becomes one of whether or not the government, per se, ought to be in that business of seamless message-sending at all. If they are going to be in that, they need to be able to be assured of the quality of the message. But it remains open whether that ought to be the case. With that, I think I will yield back the balance of my time except that before a panel like this, I would really be interested to note who is the first person on this side who asks "is that your final answer" and "do you want to call a friend." Thank you, Mr. Chairman.

[The prepared statement of Hon. Tom Sawyer follows:]

PREPARED STATEMENT OF HON. THOMAS C. SAWYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Thank you Mr. Chairman for holding this oversight hearing this afternoon regarding the Office of National Drug Control Policy's Youth Anti-Drug media campaign. I appreciate our witnesses coming to testify before us on this matter.

I want to commend the ONDCP for conducting such an aggressive youth anti-drug, antiviolence media campaign. When television was first introduced after World War II, I doubt many people expected it to have the effect on society as it has had. Today, television is a major influence in all of our lives. In fact, last November the Kaiser Family Foundation released its *Kids and Media at the New Millennium* study where it was reported that youth in America between ages 2 and 18 years old spend on average close to 3 hours per day watching television. I can only suspect that the amount of time spent watching television will increase dramatically with the manufacturing of better televisions in the future. Therefore, it seems only appropriate to me that the ONDCP provide some incentive that encourages television broadcasters to deliver anti-drug messages.

Less than a month ago, Salon.com reported that the Office of National Drug Control Policy received program scripts from several networks prior to their shows being aired to determine how much advertising credit the company would receive in exchange for promoting an anti-drug message. There has also been an assertion that the ONDCP asked to have the content of the scripts changed. It is also my understanding that there is little, if any, truth to those allegations, and I hope that through this process we learn more about the policies and practices of the ONDCP.

I believe we all can agree that no federal agency or office should be in the business of dictating the content of network shows. That is clearly a violation of the First Amendment, and I would hope that the networks would not allow that to happen. Although we may not approve of some of the programming that airs on television, the networks should remain independent of government.

Having said that, I believe that as an advertiser, and in this instance I believe the federal government is an advertiser because public service announcement credits are being given to the networks to free up advertising time for private sponsors, you want to know what it is you are paying for before you agree to buy the advertising slot. In this regard, I believe it's entirely reasonable for the ONDCP and the networks to be able to share the scripts, review them to evaluate the messages, and assign a credit prior to the program being aired. But there's a stipulation, and I made mention to it earlier, as long as the ONDCP does not modify the content of the program. In some instances, this may help reduce the costs of companies who need to buy advertising time because the network knows how much advertising time is available and they can sell those slots earlier rather than later. But I understand the Drug Czar recently issued a new policy clarifying that the credits will not be determined until after programs air.

Mr. Chairman, thank you again for calling this hearing. I am a little surprised by all of the negative reporting of what has happened. Nonetheless, I hope this becomes an opportunity for the ONDCP, and the networks to set the record straight and educate us and the public about this media campaign.

Mr. TAUZIN. I thank the gentleman. The gentleman from California, Mr. Cox is recognized.

Mr. COX. Thank you. I apologize for joining you late, and therefore, I missed all of the opening statements of my colleagues. But I am not going to miss the testimony. I look forward both to the

testimony and my opportunity to put questions to the panel. Thank you.

Mr. TAUZIN. The gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman. I appreciate the chance to hold this hearing because I watched this issue unfold over the last month. And much like Diet Coke and Budweiser ads, the Office of General Counsel paid money to the networks to display their product which was an anti-drug message. Think about the number of companies that pay for their product or message to be advertised within the content of a movie or TV series. In movies, companies allow their products to be shown for advertising value. Web advertisers pay the most popular web sites to carry a link to their products. Paying a media outlet to advertise a product or message in their content is not new.

We have heard that we want government to be run like a business and now we have it. I guess that is why we are having this hearing today to see if we really want the government running like a business. There has been government influence over military movies for years. If you want to make a pro Army, Marines, Navy, or Air Force movie, you can use their facilities. If the movie was anti-war or anti-military, I bet you were denied those facilities. In 1997, Congress appropriated funds for the development of a media plan to reduce and prevent drug use by America's youth. Drugs are a problem that we have faced as a Nation for some time. Frankly, I applaud the creativeness of this administration and their vision of a targeted youth anti-drug campaign. I don't believe there was any secret agenda or malicious intent. I assume they were just trying to use every vehicle in their command, in today's free market system, to get their message out.

Both the networks and ONDCP were trying to prevent and fight drug abuse among our children, and they are using the most visible communications medium, television. They are doing what other companies have been doing for years in movies and on television. As in Casablanca, Mr. Chairman, I am shocked. There is a commercial message that is built into the content. I just can't believe that. At least now it is not encouraging me to buy Diet Coke or Budweiser, but it is encouraging people to refrain from what is an unlawful and illegal activity and the message is "do not use illegal drugs." I yield back the balance of my time.

Mr. TAUZIN. The gentleman from Maryland, Mr. Wynn, is recognized.

Mr. WYNN. Thank you, Mr. Chairman. Let me begin by expressing my appreciation to you for calling this very important hearing. I wanted to make a brief comment from a somewhat different perspective. The congressional black caucus wrote to General McCaffrey in March of last year expressing our concern about the disparities in the allocation of funds, media funds, between majority- and minority-owned media outlets. We noted at that time that approximately $185 million was being spent by media outlets, and yet only about $3.2 million was being spent by African-American owned media outlets.

The response from the Office of the National Drug Control Policy, to say the least, was unsatisfactory. Again, there is a substantial allocation of funds in this year's budget for the office. We think it

is important that there be a representative and fair allocation, particularly since many of these funds are on a no-bid basis between majority- and minority-owned media outlets.

So I would very much like to get in the course of this hearing a response to those issues that were raised. And in the event in this hearing doesn't allow opportunity for full response, I would be happy and would request the chairman's permission to submit questions to the panelists so they could provide extensive response to the CBC. Thank you, Mr. Chairman.

Mr. TAUZIN. I thank the gentleman. It is a policy of the committee to keep the record open for at least 30 days. We will keep it open 30 days. If the gentleman or any other member wishes to submit written questions to the panel at the conclusion of this hearing, at any point we will certainly accommodate them in that request.

Mr. WYNN. Thank you, Mr. Chairman.

Mr. TAUZIN. Mr. Luther is recognized.

Mr. LUTHER. Thank you, Mr. Chairman. I appreciate the opportunity to be heard on this particular issue. A number of my colleagues have made reference to this, but I think it would be helpful if the witnesses could draw any similarities or contrasts between what we are talking about here and what is commonly known as product placement advertising. That has already been referred to by Mr. Sawyer, Mr. Green. This is just my sixth year here in Congress. Perhaps there have been hearings or outrage expressed in the past over product placement advertising. But that is where an industry like the tobacco industry actually pays the entertainment industry to include tobacco products or even name brand tobacco products, thereby altering the content of the program.

So for my way of thinking, something like that probably is a more serious concern than some of the issues that we are talking about here. But I think it would be very instructive to us if the witnesses could talk about that. In other words, how does this differ from that? What is the greater public harm coming about? And so that is the simple point that I wanted to make. If we are talking about really dealing with a very serious matter here, I think our focus ought to be on the serious part of the problem and not make too big of an issue about people who are legitimately trying to get a positive message out to the public. So that is simply the point. I think if the witnesses could address that it would be very helpful.

Mr. TAUZIN. I thank the gentleman.

[Additional statement submitted for the record follows:]

PREPARED STATEMENT OF HON. BARBARA CUBIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WYOMING

Thank you, Mr. Chairman, for holding this important hearing on the recent interactions between the major television networks and the Office of National Drug Control Policy.

It should concern all of us when we hear of the possibility that our government may be eroding the sanctity of our First Amendment rights.

We've seen it recently in the Federal Communications Commission's order regarding what constitutes religious programming over the public airwaves. Thankfully we've seen the subsequent reversal of the order. A few FCC commissioners, though, still maintain they have the authority to limit religious programming. It's an issue we must continue to monitor closely.

There is no doubt that the Office of National Drug Control Policy has its work cut out for it when it comes to preventing drug use by America's youth.

Regardless of the challenge the Administration has before it, it cannot and should not trample our First Amendment Rights for the sake of the *National Youth Anti-Drug Media Campaign.*

Obviously it is of utmost importance that the Campaign be successful in helping to prevent America's youth from using illegal drugs, alcohol and tobacco.

In 1997, when Congress appropriated funding for the Office of National Drug Control Policy, it expressed its support for an aggressive and strategic media plan to combat drug use.

This Administration, however, has gone way beyond the intent that Congress laid out in 1997. It was widely reported in a recent article in Salon.com that the ONDCP felt it necessary to review network television scripts for "anti-drug" content.

Fortunately, Director McCaffrey has seen the error of the ONDCP ways and recently issued a new policy that does not allow his office to review program scripts until the programs have been aired.

I believe the policy should be codified into law to ensure other agencies or offices within the Administration don't take these types of liberties in the future.

Mr. Chairman, there is certainly a lot of controversy surrounding today's hearing. It's unfortunate that a campaign meant to do good has become so tainted.

It is my sincere hope that we can address the issue before us today for the sake of our nation's youth who may be struggling with pressure from their peers to try illegal drugs.

Again, thank you Mr. Chairman for holding this important hearing. I look forward to hearing from the witnesses and yield back the balance of my time.

Mr. TAUZIN. Any further questions? The Chair is pleased to welcome the panel. Let me introduce them to you, first of all. Let me extend to this committee and the entire hearing the apologies of General McCaffrey. I think he is in Mexico at this time in anti-drug conferences. I had a conversation with him just this weekend and received his personal apologies for not being able to attend. I assured him that we would be very happy to receive your testimony, Dr. Vereen, and also that we wished him well. He is in Mexico and then Colombia after that. So we have with us the Deputy Director of the Office of National Drug Control Policy, Dr. Donald R. Vereen, Jr., who will be testifying for the gentleman in the program.

We have with us Mr. Alex Wallau, the president of Network Administrations Operations of ABC TV Network. We have Jeff Loeb, the creative director of Katsin/Loeb Advertising in San Francisco; Mr. Robert Corn-Revere, a partner in Hogan & Hartson here in Washington, DC; and Mr. Martin Franks, the senior vice president of CBS here in Washington, DC.

Gentlemen, again you heard the questions raised by the members of our committee in their opening statements. I know that you have all prepared written statements. If you can, please don't read those to us. We have them. If you can, summarize and hit the highlights and if you can in your presentations address some of the issues that the members have raised, so that we can get to Q and A as quickly as possible.

Dr. Vereen, this is not the first time that the Congress has passed a law that was implemented by an agency that we had questions about, but it has happened here and we do need an explanation and some answers. We would appreciate your testimony and welcome you to the committee. You are not recognized for that purpose.

STATEMENTS OF DONALD R. VEREEN, JR., DEPUTY DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY; ALEX WALLAU, PRESIDENT, NETWORK ADMINISTRATION AND OPERATIONS, ABC TELEVISION; JEF LOEB, CREATIVE DIRECTOR, KATSIN/LOEB ADVERTISING; ROBERT CORN-REVERE, PARTNER, HOGAN & HARTSON; AND MARTIN D. FRANKS, SENIOR VICE PRESIDENT, CBS

Mr. VEREEN. Thank you. On behalf of ONDCP and Director McCaffrey, thank you for this opportunity to testify and to clarify what the National Youth Anti-Drug Media Campaign is all about. Chairman Tauzin, Representative Markey and other members of the subcommittee, we want to tell you, up front, that we appreciate the congressional support for the media campaign. Thank you for those comments.

Mr. Chairman, I do have opening remarks. They are quite extensive and detailed and deal with the questions that have been posed and I respectfully request that they be included in the record.

Mr. TAUZIN. Without objection all written statements are made part of our record. So ordered.

Mr. VEREEN. The other thing that we are prepared to do is to present directly to you a sample of the ads as well as examples of what shows up in television programming, so that you can see for yourself directly the evidence that we are talking about. That is going to take the allotted time that I have. I have approximately 5 to 7 minutes.

Mr. TAUZIN. Without objection, the Chair would request that the Panel authorize Dr. Vereen to not count against his allotted testimony time, the time that would be used up in video presentation. Without objection, so ordered.

Mr. VEREEN. It is 4 or 5 minutes. I just wanted to clarify. I also want to make some acknowledgments because the media campaign is not just ONDCP. I must recognize Jim Burke and Mr. Dick Barnett from the Partnership for a Drug Free America. Dr. Alan Leshner, who is the director of the National Institute of Drug Abuse. Remember that, because this is not propoganda we are dealing with but scientific facts; Major General Art Dean and the 5,000 community anti-drug coalitions of America; Peggy Conlon of the Ad Council, an invaluable partner; Wally Snyder of the American Advertising Federation, and I would like to recognize law enforcement, public health, and community organizations. All have been a partner in this. I also have to point out our two media partners in advertising and communications, Shona Seifert, the executive group director and our project director for this campaign are here from Ogilvy & Mather. They have just been voted the best ad agency on the East Coast by Ad Week.

Beverly Schwartz, who is the project director for the media campaign and the senior vice president of Fleishman-Hillard. They have been named the agency of the decade by Inside P.R.'s report card. We are working with two of the best in the country. Brief introduction. It is a little unusual to have a physician working at the Office of National Drug Control Policy, but we have one. That person is me. I am a physician trained in psychiatry. I have been working at NIH for most of my career in the Federal Government. I know something about public health health promotion.

What I bring to the agency is the sense of science, that is, what we have based all of this on. It is important, Mr. Chairman, to understand that this campaign began a while back, 4 years ago. At the time this was the situation: There was 30 percent decrease in the number of public service announcements noted on public television in the early part of the 1990's. There was a general sense, we don't have the hard data, but a general sense that the drug use, in addition to violence and sex, were glamorized in television and films, and that at the very least, drug use and violence were shown without any negative consequences.

We refer to that as accurate depiction or inaccurate depiction of the problem. Third and perhaps more importantly, studies show that past month drug use in young people, ages 12 to 17, was increasing in the early 1990's. In other words, there was a crisis and we were able to articulate three very clear areas where we could respond to the crisis. Congress recognized the situation and passed legislation authorizing the National Youth Anti-Drug Media Campaign. It was a huge bipartisan commitment that established an historic public health communications program. This was not a willy nilly fly by-night operation. The campaign was approved by Congress in the Omnibus Bill. You heard about all of that. I don't need to go into the details.

Over the next 8 months, we, the Federal Government, collected the best and the brightest minds in behavioral science, substance abuse prevention and research. We gathered best practices from the public and private sectors, lessons learned from past campaigns. We obtained advice from over 200 experts and expert panels. We developed a comprehensive communications strategy. This communications strategy is a public document. It lists in here exactly what it was that we were about.

So what is the campaign? It is a program that is designed to carry out the first goal of the National Drug Control Strategy, to educate and enable America's children to reject illegal drugs, including alcohol and tobacco. It is science-based. This is not propoganda that we are talking about. Each and every message that shows up in a commercial has a scientific fact at its core, or a group of scientific pieces of information that ground the commercial. The purpose of this campaign is to increase awareness, change attitudes, and change behavior. We charged ourselves with doing that. Our target audience, young people, 11 to 13. The media campaign, as you can see from this, involves all media. It is not just television. It is the Internet; it is the radio; it is the print media; it is film. It is everywhere that children are. Based on past ad campaigns, they didn't go that far in reaching out to kids making sure that they were there where kids were. Everything we do, every dollar we spend for advertising or other communications efforts is linked to one of these message areas. Again, not propoganda. Science-based information in these categories. I can go over those in detail at some other point if you wish.

So the strategy was developed based on what experts told us. They said communicate with kids wherever they were, to penetrate at the community level, and to develop partners. We do that through our Ogilvy & Mather and Fleishman-Hillard partners. The campaign has six major components. The green box in the middle

are the main components. The most visible component are the ads. Most of you, if not all of you, have seen the ads on television. Most, the vast majority of the money appropriated for this program, something like 85 percent of the money, goes to buying ad time, not to make the ads; the ads are made pro bono. Sometimes we pay for a bit of the production cost. But we are buying ad time. We are buying air time. That air time, if a network chooses to accept the Federal dollars, has to be matched with what we call a public service obligation. Congress's wisdom was that if you are going to get taxpayer dollars, you had to give us something back in return for that money. What you get is what we refer to as the match, this public service obligation. The pro bono match or the obligation has a set of criteria. We have to have a set of benchmarks that are—next chart, please—that are open and not secret.

How is it that you would get something that in a sense counts for the pro bono match, that counts toward serving back this public service obligation? Let me underscore here: There is no money involved in the match. There is no money involved in the public service obligation part of this program. A pro bono match that fits these criteria developed by experts for us, and we use experts to determine what satisfies this, gets approved after you have proven, or shown to us, that you have met your obligation.

Now, at this point, let me show you the fruits of what has come about in our interaction with our partners, the networks.

Mr. MARKEY. Can you take down the sign here for a second?

Mr. VEREEN. What you are going to see first is a tape that features two public service ads.

[Videotape shown.]

Mr. VEREEN. Next are examples of television programming that qualified for the match.

[Videotape shown.]

Mr. VEREEN. I think that is the end of the tape. Let me clarify a couple of things that you may not have noticed—before I say that, ABC is also going to present some other information for you to judge for yourself. But if you notice, the two ads did not have ONDCP at the bottom. It was not labelled as a part of the media campaign. That is because those ads were already developed as a regularly occurring public service announcement, something that is completely legitimate, on fatherhood and volunteerism. Those are the issues that relate directly to the kinds of things that protect kids from using drugs. Those two ads qualify for our match because they attach themselves to those very issues that we want to be able to support. I can go into further detail about how this campaign has been supportive and helpful of other public service groups. That is very important.

In that same vein, the networks, in particular ABC, has been very good at putting responsible images on television. We just released the first study by Mediascope several weeks ago indicating that the perception, the second point that I made about why we initially started this campaign, the perception that television was not doing a very good job in depicting accurately the drug problem. You can see that the creative work that comes out of their shops is phenomenal. Through this work, we have developed a number of very important partners. We consider the networks a very important

partner. That is evidence of their work. One of the things that I wanted to offer for the official record in addition, are partnership letters clearly outlining how we work with them.

Mr. TAUZIN. Without objection, they are made a part of the record. Dr. Vereen, your time is just about up.

Mr. VEREEN. There have been some recent press stories and I want to take this time to set the record straight about misinformation. We didn't get many calls to clarify what was written in many of these stories because you would get what you are going to get now with a lot more time and a lot—as much detail as you would need to satisfy yourselves. Let me say that this has been the most public and open campaign of its kind. America should be proud of it. It is a model in terms of public health promotion. It is a matter of public law. We took our guidance from Congress on how to proceed with this. We report regularly.

These are examples of the regular reports to Congress and to the American public about what this campaign is and how it works. We have had a GAO audit. We have had three congressional hearings related to this and numerous other pieces of paper and information. We have never intruded in the creative process. I can let my colleagues here attest to that. The process by which we provide information, scientifically based information in terms of technical assistance to the networks and to the creative community, is a separate process from the media campaign and the match. With that I think I will end my remarks and cover other points through questions. Thank you.

[The prepared statement of Donald R. Vereen follows:]

TESTIMONY OF DR. DONALD R. VEREEN, Jr., M.D., M.P.H.
DEPUTY DIRECTOR
OFFICE OF NATIONAL DRUG CONTROL POLICY
The National Youth Anti-Drug Media Campaign
HOUSE COMMERCE COMMITTEE
SUBCOMMITTEE ON TELECOMMUNICATION,
TRADE AND CONSUMER PROTECTION

FEBRUARY 9, 2000

Introduction

On behalf of Director McCaffrey, I would like to thank the Committee for the opportunity to testify today about one of the most critical and important programs of the Office of National Drug Control Policy, the National Youth Anti-Drug Media Campaign. This campaign is an integrated youth and adult marketing and public-health communications effort to reach American audiences with traditional and modern communication strategies to influence attitudes and action regarding drug use.

Chairman Tauzin, Congressman Markey, distinguished members of the subcommittee, your interest in all aspects of drug control policy and your commitment to bipartisan support of the *National Drug Control Strategy's* number one goal – *to Educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco* – are much appreciated. We welcome this opportunity to explain important aspects of the National Youth Anti-Drug Media Campaign and to urge you to continue supporting its science and research-based communication strategy.

Before I move on to the topic, I would like to recognize several individuals and organizations that have played important roles in shaping and conducting this vital drug-prevention campaign. We are all indebted to Mr. Jim Burke and the Partnership for a Drug Free America. The Partnership has been our lead partner in implementing the campaign. The ads they have produced are helping change how our young people view drugs and drug use.

Dr. Alan Leshner and the National Institute on Drug Abuse play a critical role in the evaluation of the campaign, helping to ensure that we are producing the results we need. Dr. Leshner is, without question one of the world's leading authorities on drug abuse. NIDA sponsors roughly 85 percent of the world's research into drug addiction. The media campaign is bringing to bear the half a billion dollars worth of research on drug abuse conducted by NIDA every year.

Major General Art Dean and the Community Anti-Drug Coalitions of America (CADCA) are also key partners. For this campaign to succeed, we need to reach people not only via the airwaves, but also in their communities. Through the help of CADCA, and others such as the **Prevention Through Service Alliance** (an alliance of 47 service groups ranging from the Improved Benevolent and Protective Order of the Elks of the World, YMCA of the USA, Boys and Girls Clubs, Girl Scouts of the U.S.A., to 100 Black Men, Inc.), we are "localizing" the campaign. We are developing ways, from parenting programs to anti-drug soccer tournaments, to reach Americans, where they live, work and play.

Peggy Conlon of the Ad Council is the quarterback of the anti-drug campaign's public service component. The Ad Council is the nation's largest clearinghouse for public service advertising. Through the Ad Council's help, the campaign has succeeded in actually building new opportunities for campaign-related public service advertising efforts in support of forty-five national organizations and campaigns, even in a time of declining PSA air time.

Wally Snyder of the American Advertising Federation (AAF) is another of our key partners. As a leading representative of the advertising industry and advertising agencies across the country, the AAF, through its local chapters, provides leadership and facilitates development of local market public service announcements to include in our media match process at the grass roots level.

Tro Piliguian CEO, North America of Ogilvy our advertising contractor and **Paul Johnson Regional President, General Manager of Fleishman Hillard**, our public affairs contractor are here today representing their companies. We are very proud of the smart work these firms have done to help us develop and implement the National Youth Media Campaign.

The Congress has provided consistent, bi-partisan support for the National Drug Control Strategy. As the former Special Assistant to the Director for Medical Affairs, at the National Institute on Drug Abuse, I am keenly aware and appreciative of that support. Today, I ask the subcommittee to consider the fruits of this media campaign and the science base research that continues to guide us in identifying the messages that reach our children.

I have prepared a written statement and I ask that it be made part of the record of these proceedings. My oral statement will be brief.

Summary

Congress approved the Administration-proposed National Youth Anti-Drug Media Campaign in response to surging youth drug-use rates According to the National Household Survey on Drug Abuse, past-month drug use rates among 12-17 year olds rose from 5 3 percent in 1992 (the historical low in the trend since 1979) to 10 9 percent in 1995

The National Youth Anti-Drug Media Campaign is designed as an full-fledge, integrated public-health communications campaign using all communications vehicles required to inform our nations children about the dangers and consequences of drug use, as well as to change adolescent attitudes and behaviors. Popular culture (including media programming and advertising content) too often portrays drug use as common, something to be expected, or even humorous. The undisputed influence of popular culture on attitude formation and the manner in which it depicts illegal drugs and substance abuse are recognized by the *Communication Strategy* that orients all media campaign activities.

In recent weeks, there have been unfounded assertions that ONDCP is not complying with legislation This is not the case. 21 U S C § 1891 et seq outlines the requirement to conduct a national media campaign and provides specific instructions to ONDCP Congress requires media outlets to match federal anti-drug advertising dollars on a one-for-one basis Networks, magazines, and newspapers may elect to make this match with content, public-service activities, or free advertising Congress has wisely allowed ONDCP to "fashion anti-drug messages in . television programming " We fulfill this mandate by making available expert scientific advice and technical assistance through a Behavior Change Expert Panel and the National Institute on Drug Abuse. All ONDCP contracts related to the media campaign are consistent with this law

The media campaign is being developed and implemented by the best organizations in the fields of prevention and communication. The Partnership for a Drug-Free America is a key partner It is best known for its national, anti-drug advertising campaign Ogilvy & Mather is one of the largest and most respected advertising companies in the world. Its major task is media planning and buying The Advertising Council, the nation's leading producer of Public Service communications programs, oversees the National Media Match Clearinghouse on a pro-bono basis. Fleishman-Hillard, one of the largest and best-respected communications firms in the world, conducts media outreach, and oversees the use of the Internet and other "new media" outlets. The National Institute on Drug Abuse plays a critical role in the evaluation of the campaign, helping to ensure that we are producing the results we need.

Advertising (both purchased and pro-bono or public service contribution) on TV, radio, print and on the Internet is the cornerstone of the media campaign We programmed 178 584 million in FY 1999 for advertising National advertising follows specific anti-drug themes each month across 102 local markets with more than 2,250 media outlets We currently reach 95 percent of 12 to 17 year-olds an average of 8.3 messages per week The non-advertising component of the campaign delivers our messages through radio and television, print media, the Internet, faith communities, health professionals, community coalitions, schools, parents, coaches, and organized sports.

The role of television, music and film in carrying accurate depictions of youth drug use issues, and enlisting their support in making substance abuse prevention strategies better understood has been an important aspect of the campaign since its inception The experts who helped shaped this initiative underscored the need for messages to youth and parents to come from a variety of sources and venues. Youth receive information about illicit drugs, not only from advertisement, but from television programming, Internet, film, music and other media outlets, as well as from parents, teachers, coaches, the faith community and other influences No media vehicle is as impactful and delivers as broad a range of these audiences as does television, particularly broadcast television which produces the majority of original programming

Indeed, consistency of anti-drug messages reaching youth had been lacking in the media for years prior to this campaign. These areas - use of the Internet, television, film, music, etc were noted in the contractual documents with the advertising and communication companies carrying out the campaign.

Everything about this campaign -- including the pro bono match -- has been conducted openly with Congressional oversight, news coverage, publicity, and outreach to the media so that reporters could learn more about the process There were three congressional hearings in 1999 on the subject of the media campaign, so the notion that this project is being conducted "in secret" is inaccurate We have also written opinion editorials explaining all aspects of the campaign; these pieces have been published in newspapers, magazines, and journals throughout the country. Countless press releases, news conferences, and events with the President and congressional leadership were devoted to this topic as was much TV and radio coverage and a website (www mediacampaign.org) that was accessed 446,596 times in 1999

We take seriously concerns about the campaign's pro-bono match procedures. There can be no suggestion of federal interference in the creative process In the future we will review programs for pro-bono match consideration only after they have aired. We will continue to make available information and experts on drug prevention issues to any media that requests such assistance.

In the initial FY 98 appropriation for the media campaign, Congress stipulated that the campaign not supplant existing public service, a concern voice by the Ad Council and other non profit organizations These organizations believed that this campaign could have a negative impact on the declining amount of public service time and space contributed to a range of social and public health issues. During this first year of the campaign, there was no mandate for a match of any kind ONDCP met with the Ad Council, its ad buying contractors and other groups to discuss these concerns. Ultimately, ONDCP and its ad buying contractor agreed upon a negotiating concept for media outlets; one that included a dollar for dollar match in some form of public service time that was useful to the campaign (at least 50% or more of which had to be in time or space) had to accompany each "Buy " This approach was a negotiating concept, not a mandate. While less than 10% of 2200 media outlets did not meet the match and some outlets were slightly under, others delivered more than the required match Altogether, the overall match exceeded 100%, surpassing our best expectations. Given the success of this concept, in FY 1999 Congress mandated the pro-bono match in the appropriation.

We are enormously proud of our hundreds of media partnerships. Drug use by America's youth declined 13 percent between 1997 and 1998 We are convinced that if we continue to emphasize drug prevention, juvenile drug-use rates will drop further. Since illegal drugs cost this country more than one hundred billion dollars and 52,000 deaths a year, this media campaign addresses a vital issue of public health.

I - Rationale for an Anti-Drug Media Campaign

Let me begin by framing the problem that brought us here today: youth drug use. Adolescent drug use takes a great toll on our young people and society Most of the leading causes of death among adolescents – motor vehicle crashes, homicide, suicide and HIV infection – are more likely to occur under the influence of illegal drugs.

On September 4, 1996, following the release of the 1995 National Household Survey on Drug Abuse, Director McCaffrey testified before the Senate Judiciary Committee about juvenile

drug-use trends. At the time, he noted that past-month drug use rates among 12-17 year olds was 10.9 percent in 1995, up substantially from 8.2 percent in 1994, 5.7 percent in 1993, and 5.3 percent in 1992 (the historical low in the trend since 1979). The following excerpt of the Director's testimony identified two issues that, in ONDCP's view, contributed to the problem of rising youth drug use rates:

- **Lower public profile of the drug problem.**

  "According to the Partnership for a Drug-Free America, there was a 30 percent reduction in the number of public service announcements (PSAs) carried by TV, radio, and print media since 1991. From 1989 to 1994, there was also a progressive decline in drug coverage on network news. While 849 minutes of network news were devoted to drug-related issues in 1989, in 1994 only 135 minutes dealt with this topic. Attention to drugs did increase slightly in 1995, as reflected in 163 minutes of network news. Total media support for anti-drug messages (broadcast, print, and outdoor advertising) is down $100 million a year since 1991. We cannot afford to take our eye off the ball."

- **Glamorization of drugs, alcohol, and tobacco condones adolescent use.**

  "The glamorization of drugs has not been limited to television and film portrayals. It also occurs in videos and the lyrics of popular music, advertising and marketing (i.e. fashion's heroin chic look), comedy, the Internet, and merchandising where items like jewelry, T-shirts, temporary tattoos, candy, and soft drinks are among the products that promote drug use. The promotion of drugs permeates every facet of a child's life. The Budweiser frogs and Joe Camel are very familiar cartoon characters for our children. This inundation of pro-alcohol, tobacco, and other drug messages occurs at a time when new technology and techniques enable media to form more dramatic, multi-sensory, and powerful images than ever before. PSAs and other anti-drug messages have demonstrated the ability to influence attitudes towards drugs among today's youth. Prevention messages must be repeated with adequate frequency and in appropriate venues so that they can counter pro-drug messages."

ONDCP proposed a National Youth Anti-Drug Media Campaign to address these two issues. We very much appreciate the broad bipartisan support the proposal enjoyed and Congress' continuing support for the campaign in fiscal years 1998, 1999, and 2000. This support allowed a seamless transition from a twelve-city test phase (January – July 1998), to a year of nationwide testing and evaluation (August 1998 – July 1999), to a fully integrated media communications effort (August 1999 – present).

II - The Influence of Popular Culture

What we see and hear in the entertainment media influences our beliefs about the world around us.[1] Today's adolescents are deeply immersed in popular culture as it is conveyed through various forms of media. On average, American children are exposed to at least eight hours of media per day including television, radio, movies, recorded music, comics, and video games.[2] The ubiquitous presence of the media in our lives is underscored by the following statistics:[3]

1. Ninety-eight percent of American households have a television set. Among households with children, nearly 87 percent have two or more television sets, and 66 percent of American children have a television set in their bedrooms.

2. Children spend about 28 hours per week watching television. Over the course of a year, this is twice as much time as they spend in school

3. Sixty-three percent of kids aged 9-17 say that seeing the latest movies is important. 62 percent say that they watch a video at least once a week.

4. Between the 7th and 12th grades, American teenagers listen to an estimated 10,500 hours of rock music. More than three-quarters of American youth between the ages of 9-14 watch music videos.

5 Eighty-nine percent of teenagers use computers several times per week. 71 percent of young people use computers to play computer games, compared to 47 percent who use them for homework, and 31 percent for education. Teens spend an average of two and one-half hours per day on a home computer.

Unfortunately, popular culture (including media programming and advertising content) too often portrays drug use as common, something to be expected, or even humorous. For example, by his or her 18th birthday, an average adolescent will have seen 100,000 television commercials for beer,[4] and will have watched 65,000 scenes on television depicting beer drinking.[5] The ONDCP-sponsored Mediascope study *Substance Use in Popular Movies and Music* examined popular movie rentals and songs to determine the frequency and nature of depictions of substance use (illicit drugs, alcohol, tobacco, and over-the-counter and prescription medicines).[6]

The Mediascope study found that 98 percent of movies studied depicted substance use. Illicit drugs appeared in 22 percent. About one-quarter (26 percent) of the movies that depicted illicit drugs contained explicit, graphic portrayals of their preparation and/or ingestion. Less than one half (49 percent) of the movies portrayed short-term consequences of substance use, and about 12 percent depicted long-term consequences. All movies in which illegal drugs appeared received restricted ratings (PG-13 or R). However, 45 percent of the movies in which illicit drugs were used did not receive specific remarks identifying drug-related content from the Motion Picture Association of America. The major finding from the study's song analysis is the dramatic difference among music categories, with substance reference being particularly common in Rap. Illicit drugs were mentioned in 63 percent of Rap songs versus about 10 percent of the lyrics in the other categories. Neither movies nor music provided much information about motives for substance use.

Last month, ONDCP released a second Mediascope content analysis, Substance *Use in Popular Prime Time Programming* which examined the twenty five top-rated, most watched primetime broadcast network shows (for Hispanic, African American, and general market audience teens and adults). The research was commissioned by ONDCP as the first national study of the frequency and nature of alcohol, tobacco, and illicit drug portrayals on television. The research showed that illicit drugs are rarely depicted on primetime network television and that when they are depicted, drug use is usually associated with negative consequences.

We will use this study to take the discussion of the influence of TV programming out of the realm of subjective judgement and into the domain of verifiable and quantifiable data that can be tracked over time.

III - The Media Campaign's Communication Strategy

The undisputed influence of popular culture on attitude formation and the manner in which it depicts illegal drugs and substance abuse are recognized by the communication strategy that orients all National Youth Anti-Drug Media Campaign activities. Nearly a year of research went into developing this communication strategy. Hundreds of individuals and organizations were consulted, including experts in teen marketing, advertising, and communication; behavior change experts; drug prevention practitioners and representatives from professional, civic, and community organizations. These findings resulted in a comprehensive communication strategy that uses a variety of media and messages to reach young people, their parents, and other youth-influential adults.

Specific conclusions that make the case that the entertainment industry must be involved in drug prevention follow:

1. The Campaign should encourage action on the part of other people who influence the lives of youth.

2. Consistent messages conveyed through a variety of channels and in different contexts are necessary to produce an effect.

3 Professional groups ... must incorporate the communication strategy into their new and on-going programs.

4 To achieve the maximum effect, the Campaign should use a full range of media mechanisms and formats in an integrated fashion.

5 Effective message tailoring involves ... working with communications professionals who specialize in creating content for particular audiences.

IV - The Media Campaign & Public Law

1. Public Law

In recent weeks, there have been unfounded assertions that ONDCP is not complying with legislation. This is not the case. 21 U.S.C. § 1801 et seq. outlines the requirement to conduct a national media campaign and provides specific instructions to ONDCP. Pertinent excerpts of Sec. 1802 (Use of funds) are cited below.

> In general ... Amounts made available to carry out this chapter for the support of the national media campaign may only be used for ... "entertainment industry collaborations to fashion antidrug messages in motion pictures, **television programming,** popular music, interactive (Internet and new) media projects and activities, public information, news media outreach, and corporate sponsorship and participation."
>
> "Amounts made available under Section 1804 of this title should be **matched by an equal amount of non-Federal funds** for the national media campaign, **or be matched with in-kind contributions** to the campaign of the same value."

2. Binding Agreements

All ONDCP contracts related to the media campaign are consistent with this law. Pertinent excerpts of contracts are cited below.

(a) **Porter Novelli.** (Effective date 09/15/97) Task was to recommend a "**broad, comprehensive, cost-effective media strategy**, with appropriate sub-strategies, which links defined target groups and issues with **effective message techniques**, media of communication, and other components ..." (P. 10)

The contractor was specifically instructed to "determine the most appropriate and effective strategies ... techniques, and media, in addition to **other non-advertising components** necessary for motivating youth to reject illegal drugs." (P. 9)

(b) **Bates Advertising USA, Inc.** (Effective date 05/26/98) Major task was to "plan and execute media buying."

"The contractor must ... **negotiate pro bono time or in-kind public service contributions. Bonus weight shall include**, in addition to pro bono air and/or space, **appropriate programming**, public affairs efforts, publicity, or in-kind bonus weight equivalent offers." (Section C, Page 4)

(c) **Ogilvy & Mather.** (Effective date 01/04/99) Task was to "implement an integrated communications campaign."

This integrated communications campaign is required to include a "**public service ("media match") component** in which the Contractor shall, as part of the media planning and buying process, negotiate with media outlets to secure approximately 100% additional household exposures for public service messages (**or other relevant media programming**, public affairs, or other public service contribution) related to the well-being of the nation's youth." (Section C, Page 11)

"The contractor shall track and document the fulfillment of the public service ("media match") component and value of other media exposures generated by the campaign. **For example, a TV sitcom featuring an anti-drug story line as a result of campaign efforts shall be appropriately documented and assigned reasonable dollar value based on its contribution to the campaign communication strategy."** (Section C, Page 11)

(d) **Fleishman-Hillard, Inc.** (Effective date 12/03/98) Task was to conduct the "non-advertising component" of the media campaign.

One of the specified elements of non-advertising communication is "**outreach to, and collaboration with, the entertainment industry**, including television, movies, interactive games **for the purpose of encouraging media depictions that "denormalize" drug use and accurately portraying the negative consequences of drug use**." (Section C, Page 14)

V – The Media Campaign's Major Non-governmental Partners

1. The Partnership for a Drug-Free America (PDFA)

The **Partnership for a Drug-Free America** is a private, non-profit, non-partisan coalition of professionals from the communications industry. Best known for its national, anti-drug advertising campaign, its mission is to reduce demand for illicit drugs in America through media communication. PDFA has generated more than $2.8 billion in media exposure and created more than five hundred anti-drug ads. Its long-standing national campaign is the single, largest, public service ad campaign in history. For twelve years, PDFA's process was the paradigm for a public service campaign. No other organization was as successful in generating high-quality free ads and placing them pro-bono in the media.

PDFA is a key campaign partner. Mr. Jim Burke, Chairman of the Partnership has been one of the strongest advocates for this public-private media campaign. The Partnership had concluded that intense competition, brought on by the splintering of the media, brought new economic realities to the media industry in the 1990s. It became quite clear to PDFA that the glory days of 1989 and 1990 - when its combined, estimated media exposure reached $1 million a day - were simply not going to return. Indeed, with media donations to the Partnership down by more than $100 million since 1991, the outlook for national media giving was not at all promising. The ONDCP campaign promised something unprecedented for PDFA's public service advertising effort: precise placement of the right ads, targeting the right audience, running in the right media, consistently, over time. With first-rate anti-drug messages produced by advertising agencies through PDFA's creative process, that is exactly what the campaign is now delivering. Presently, PDFA has developed 37 television commercials, 36 print ads, and 21 radio spots for parents and 37 TV commercials, 35 print ads, and 35 radio spots for youth.

1. The Advertising Council

The **Advertising Council** is a private, non-profit organization, which has been the leading producer of Public Service communications programs in the United States since 1942. The Advertising Council's mission "*is to identify a select number of significant public issues and stimulate action on those issues through communications programs that make a measurable difference in our society.*" To that end, the Ad Council marshals volunteer resources from the advertising and communications industries, the media, and the business and non-profit communities for the public good. As the nation's largest producer of PSAs, the Ad Council has created more than 1,000 multi-media public service advertising campaigns addressing critical issues.[5] During 1998 alone, the Ad Council advertising received $1.2 billion in donated media in support of these efforts.

The Ad Council performs three crucial tasks in support of the anti-drug media campaign on a pro-bono basis.

(a) Oversee the National Media Match Clearinghouse—sharing over two hundred and sixty five thousand broadcast pro bono ad units with forty five public health organizations*

(b) Production Review

(c) Create an Anti-Drug Coalition Recruitment Campaign

2. Ogilvy & Mather

Ogilvy & Mather is one of the largest and most respected advertising companies in the world.[9] Ogilvy's media company, "**MindShare**", is by far the largest media organization in the world ($16 billion in worldwide billings). Ogilvy buys more national broadcast media in the U S than any other company and is the nation's number one radio buyer. Ogilvy's interactive company, **OgilvyOne**, is the largest purchaser of advertising in the world. The company is also third largest print buyer in the country. These factors give Ogilvy significant negotiating leverage, which results in the lowest possible market rates and access to substantial and unique media match opportunities. The Company also has considerable experience in social marketing campaigns having been responsible for the highly successful "America Responds to AIDS" campaign.

Ogilvy & Mather performs the following tasks in support of the anti-drug media campaign

(a) Media planning and buying.

(b) Oversight, negotiation, and implementation of media match.

(c) Internet media planning and buying.

(d) Strategic planning and consumer research.

(e) Creative development for advertising "gaps."

(f) Development of advertising copy rotation plans.

(g) Trafficking all advertising materials to media outlets.

(h) Management of the Behavior Change Expert Panel.

(i) Management of six multicultural subcontractors.

(j) Management of three target audience specialist subcontractors.

In its role as the primary advertising contractor on the ONDCP contract, Ogilvy offers added value to both ONDCP and PDFA in the following areas:

---

*100 Black Men, Alanon/Alateen, American Symphony Orchestra League, America's Promise, Big Brothers Big Sisters of America, Boys and Girls Club, Boys Town USA, Center for Juvenile and Criminal Justice/Justice Policy Institute, Center for Substance Abuse Prevention/Health and Human Services, Center for Substance Abuse Treatment/Health and Human Services, Centers for Disease Control, Connect for Kids (The Benton Foundation), Country Music Association, Do Good, Mentor a Child/Save the Children USA, Drunk Driving Prevention/US Department of Transportation, Education Excellence Partnership, Educational Testing Service, Girl Scouts of the USA, Give a Kid a Hand/International Advertising Association, Harvard Mentoring Project, Health and Human Services/Substance Abuse and Mental Health Services Administration, Hepatitis Foundation International, Kids Peace, Mentoring USA, Mothers Against Drunk Driving, National Action Council of Minority Engineers, National Committee to Prevent Child Abuse, National Council of Teachers of Mathematics, National Council on Alcohol and Drug Dependency, Inc., National Crime Prevention Coalition, National Fatherhood Initiative, National 4H Council, National Inhalant Prevention Coalition, National Institute on Drug Abuse, Parental Responsibility/Department of Health and Human Services, Parents as First Teachers/El Valor, Partnership for a Drug-Free America, President's Council on Physical Fitness and Sports, Points of Light Foundation, Prevent Child Abuse America, Recording Artists, Actors and Athletes Against Drunk Driving/Department of Transportation, Talking with Kids about Tough Issues (Children Now/Kaiser Family Foundation), The Reiner Foundation/Families and Work Institute (Early Childhood Development), YMCA.

Media Planning and Buying. With buying leverage based on handling the world's largest aggregate media budget and widely acknowledged planning and buying expertise, Ogilvy can secure the highest quality media for the lowest possible price. Moreover, Ogilvy's media plans and buys are creative and savvy, selectively identifying effective, intrusive and relevant vehicles from the plethora of media opportunities available to a contemporary advertiser.

Ogilvy's superior media planning and buying enables anti-drug messages to receive greater visibility than they have ever had in their history, getting more television in better time slots, for instance, than any other agency could have achieved for them. In addition, PDFA's volunteer agencies have many more media vehicles with which to show off their talents. This range of vehicles is an unprecedented opportunity to build the individual portfolios of agency creative personnel and expand an agency's new business book and reel of great advertising.

Creative Executions. The pre-testing, planning, and research regimen that Ogilvy is working to put in place greatly raises the odds of developing more effective creative material that will help prevent drug use among youth. Pre-testing will help hone specific messages, while generating learning that will inform ad creators Ogilvy manages an array of planning resources – from full-time agency planning staff to Target Audience Specialists to the BCEP – that provide invaluable input to the creative development process. No private sector marketer would mount an effort of this scope without conducting such extensive research.

Strategic Counsel. Ogilvy's strategic and planning resources not only have enhanced the creative message; they have also improved the development and implementation of the overall marketing plan. **Branding** and **flighting** are two useful examples.

Branding is universally acknowledged by sophisticated marketers and leading advertisers as the way to ensure long-term, sustainable success, and to multiply the impact of advertising dollars Branding is essentially unites the diverse elements of our message platforms through one unifying concept—a brand, which is the sum of what our effort represents. Branding increases consumer mind share of anti-drug messages; maximizes the impact of advertising dollars; creates synergy between advertising and non-advertising messages; and unites an organization's messages. Branding is a business proven concept. Ogilvy's four-month Brand Stewardship research process (which entailed interviewing adults and youth of all ethnicities) led to the adoption by ONDCP of "*The Anti-Drug*" As the campaign's brand. Phone call response to the new branded ads has been excellent.

Ogilvy's **flighting** plan will enable ONDCP to focus all elements of the integrated communications plan on strategic message platforms that have been identified by ONDCP's behavior expert panel. The flighting approach schedules each message platform for a four to six week period and allows both youth and parent strategies to be "seeded" before shifting to the next message platform. This ensures that each platforms receives sufficient impact. As opposed to the first two phases, each individual platform will receive sufficient media exposure to change attitudes and ultimately behavior. Moreover, disparate local coalitions and community efforts can work synergistically with this focused national campaign to increase the effectiveness of the effort. PDFA and its Creative Review Committee have endorsed this strategic approach.

Multicultural Resources. Both ONDCP and PDFA have gained access through Ogilvy to substantial multicultural resources, from target audience specialists to ethnic advertising experts. Indeed, Ogilvy's subcontractors have helped PDFA develop much of the work that has been created to address critical ethnic "gaps."

Accountability. Ogilvy has helped ONDCP fulfill its responsibility to the public and its mandate from Congress that the National Youth Anti-Drug media effort be a completely transparent operation. Through sophisticated and proprietary methodologies like the econometric analysis of Pathways Plus and initiatives like the Tracking Study, Ogilvy will be able to monitor the campaign's successes and failures – and refine and improve its execution.

- **Fleishman-Hillard**

Fleishman-Hillard is one of the largest and best-respected communications firms in the world. Fleishman-Hillard has a 53-year history of delivering results for some of the world's best-known brands like McDonalds, Wal-Mart, Levi-Strauss and United Airlines. It is no accident they represent nearly a fifth of the top 100 of *Fortune* magazine's annual list of "Most Admired Companies." Their network of eighteen fully owned domestic agency offices and more than 850 employees are ready to support the needs of this challenging campaign.

For the fifth year in a row, a 1999 Harris-Impulse Poll rated Fleishman-Hillard as having the best reputation of any of the major public relations firms. This year they also rated Fleishman-Hillard as the top agency in the Washington, DC market. It is also the only agency to be ranked either first or second for overall quality of service by the industry's leading trade publication, *Inside PR*, for nine consecutive years.

The Fleishman-Hillard team has managed research-based social marketing and communications efforts for non-profit organizations and partnerships to educate Americans about health and social issues ranging from safe food handling, improving nutritional content in Americans' diet, to protecting our children from danger online.

Fleishman-Hillard performs the following task for the media campaign:

(a) **Media outreach** to generate earned media placements of key campaign messages and improve accuracy in coverage of facts and issues to educate the media about youth drug use

(b) **Partnerships and alliance building** with government, non-profit, professional, community and civic organizations designed to reach members of the target audiences with credible campaign messages and other programmatic activities to extend the impact of campaign messages.

(c) **Internet and other "new media" activities** including strategic analysis and use of "new media", web site design and maintenance, coordination with Internet advertising; other Internet, CD-ROM, and other interactive activities capable of delivering high impact campaign messages or coordinating campaign stakeholders.

(d) **Outreach to and collaboration with the entertainment industry** including television, movies, music, interactive games for the purpose of encouraging media depictions that "denormalize" drug use and accurately portray the negative consequences of drug use.

(e) **Graphics support and materials development** for press kits, fact sheets, publications, exhibits, and coordination of materials development by partner organizations.

(f) **Stakeholder communications** including a bi-monthly newsletter, update letters, meetings and briefings, interactive media, and other communications to keep stakeholders abreast of developments in the campaign and to generate further involvement and support.

VI – The Integrated Nature of the National Youth Anti-Drug Media Campaign

1. The anti-drug media campaign is anchored by a broad advertising effort

Advertising (both purchased and pro-bono) on TV, radio, print and on the Internet is the cornerstone of the media campaign. We programmed $153.017 million in FY 1998 for advertising and **increased allocations for advertising by 16.7 percent to $178.584 million in FY 1999.** The national advertising follows specific anti-drug themes each month across 102 local markets with more than 2,250 media outlets. The strategic use of advertising increases the reach and frequency of our key messages. We currently reach **95 percent of 12 to 17 year-olds an average of 8.3 messages per week.**

2. Complementary communications activities

The non-advertising component of the anti-drug campaign delivers our messages through radio and television, print media, the Internet, faith communities, health professionals, community coalitions, schools, parents, coaches, and organized sports. The drug prevention campaign also includes an entertainment industry component to ensure that drug use is depicted accurately on television and in film and music. We programmed $12.778 million in FY 1999 to anti-drug outreach media campaign programs that include the following activities:

- **Partnerships w/Community/Civic and other Organizations.** To extend and amplify the reach of campaign messages, the non-advertising component builds support for prevention programs with organizational and community partners; increases public information and news coverage about drug prevention issues and risks to target audiences; harnesses the power of the Internet and collaborates with the entertainment community.

  We have attracted thousands of partners in our effort to reach youth and adults – allowing a wide variety of public and private organizations to participate in and extend the reach of the Campaign. Here are some examples.

  (a) **Blast e-mail system.** There is a media campaign blast e-mail system that keeps more than 45,000 stakeholders aware of campaign activities and outreach. The 45,000 stakeholders we reach directly with these emails in turn generate more readers and viewers of campaign products through their own communication channels that reach literally millions.

  (b) **YMCA of the USA.** Another example is our partnership with the YMCA of the USA, which reaches out to sixteen million people (eight million kids). As a result of this partnership, for the first time in their history, the YMCA is incorporating drug prevention resources and messages into their publications and curriculum materials.

  (c) **Youth Service America.** Similarly, the Media Campaign is collaborating with Youth Service America – an umbrella organization of two hundred youth service groups representing thirty million young Americans – to regularly disseminate Media Campaign information through their network.

  (d) **National Future Farmers of America.** The National FFA is co-sponsoring a national PSA contest incorporating campaign themes.

  The campaign is also working through national organizations like the **Boys and Girls Clubs** and the **National Middle Schools Association** to strengthen anti-drug efforts at the local level.

3. **Entertainment Industry Outreach and Collaboration.** ONDCP and PDFA are engaging the entertainment industry to ensure that when drugs are portrayed in programming, an accurate depiction is communicated – including risks and consequences. We are also conducting content analysis studies to determine how drugs are portrayed in entertainment media.[10] We are meeting regularly with producers and entertainment executives in Hollywood to offer factual medical and behavioral perspectives on drug use. Our outreach initiatives to the entertainment industry are described in greater detail in Part VI of this testimony.

4. **Interactive (Internet/New Media) Projects/Activities.** This is the most comprehensive interactive media effort ever launched by the federal government. There are several reasons the Internet is a powerful vehicle for delivering our campaign messaging. In sum, they are: the medium is growing; our target audience's use of the medium is growing; the medium enables targeted, personalized messaging; success measures are granular and immediate; the internet is extremely cost effective; and synergies with the overall media plan are considerable.

   Internet usage growth has been 100 percent over the past two years, and is likely to continue to grow at a compounded annual growth rate of 53 percent over the next four years.[11] The Internet's expansion outpaces that of television and radio following their introductions. The penetration attained by the Internet in its first five years was matched by television after thirteen

years and radio after thirty-eight years.[12] Users spend an average of 7.5 hours on-line each month, and this time is increasing.[13]

While 22 percent of households with children are on-line, 34 percent of 12 to17 year-olds have access to the Internet today, and 60 percent are expected to have access by the year 2002. Parents are also on-line during work-hours, the Internet is the most accessible communications medium in the workplace. Parents access the web primarily for information. Health data is second only to news in terms of the reasons they log on.[15]

The World Wide Web, with eight million sites, allows for much narrower targeting than other media. Internet technology is becoming an integral component of other entertainment/infotainment vehicles (e.g. games, CDs, CD-ROMs, DVD), further increasing target breadth/engagement. Technology enables users to delve deeply and immediately into subjects of interest, with the potential for immediate two-way dialogue/response.

A distinct benefit of advertising on the Internet is the ability to closely track its effectiveness in reaching the target audience through site-specific information (e.g. clicks, page views, time visited). The power of the Internet experience is in the length and intensity of the interaction. Internet visitors tend to spend longer and get more involved in the subject matter than they do with printed or other non-interactive methods.

The Media Campaign manages eight web sites (Theantidrug.com, Freevibe.com, AOL Parents' Drug Resource Center, Projectknow.com, Mediacampaign.org, Straightscoop.org, Freevibe Teachers' Guide, AOL's It's Your Life) where parents, teens and tweens can learn, play and interact with others. The sites are widely publicized, including references and links through hundreds of other web sites focused on parenting, education, sports and general teen outreach. Current key site statistics follow:

(a) **Freevibe:**
Since its launch in March of 1999, Freevibe.com has received 3,088,600 page views.
Average Number of Page Views Per Day - 10,500
Average User Session Length - 8 minutes and 30 seconds.

(b) **Projectknow:**
This was the original campaign web site. It is currently being phased out of the campaign.
In 1999, ProjectkNOw.com was accessed 6,483,583 times by 1,647,967 users.
Average Number of Page Views Per Day - 15,465.
Average User Session Length - 10 minutes and 29 seconds.

(c) **AOL Parents' Drug Resource Center:**
Since the launch of the Parents' Drug Resource Center area, it has received 702,151 visits.
Average User Session length - 6 minutes and 30 seconds.
Most popular area – Be Informed (describes today's street drugs and their effects).

(e) **Theantidrug.com:**
In its first month of full-time operation, the site received 52,950 page views.
Average Number of Page Views Per Day – 1604
Average user Session length- 7 minutes and 13 seconds.

In addition to the web sites for which we have direct responsibility, we are now linked to many other government websites. You may recall that Representative Matt Salmon led the way by introducing legislation to include anti-drug messages on NASA's website – the government site most visited by young people. Since NASA agreed to carry anti-drug messages and link to our web sites, more than twenty other federal agencies have added anti-drug messages to their websites.

Beyond government sites, we are adding an average of three more web site links per week to educational groups, non-governmental organizations, advocacy groups and others in the prevention community. The campaign has developed and continues to develop on-line interactive resources for all campaign audiences, both on its own and in collaboration with major on-line media companies such as AOL and *SONY*.

1. **News Media Public Education Outreach.** Central to the media campaign are Public Information activities dealing with the news media, direct outreach, and special events to generate a steady flow of campaign messages to youth and adult audiences. Campaign news media outreach in 1999 alone has generated more than 124 million media impressions. Outreach ranges from national print and broadcast outlets to local community (and even school) newspapers in order to provide context, relevance and repetition for campaign messages, educate reporters, and leverage current events and trends. In addition, program activities and outreach initiatives have been developed to reach adults and kids where they spend the majority of their time - at work and in school.

   We have partnerships with the ***Chicago Tribune***, ***New York Times***, and ***USA Today***. The campaign created the **Straight Scoop School News Bureau** as a resource for middle and high school journalists. Seven television networks produced their own anti-drug PSAs as a result of ONDCP outreach. Some examples of public information outreach are:

   (a) Cub Reporters: A major cable company, **MediaOne**, and ONDCP co-sponsored a "Cub Reporter" bus tour from Miami to Washington, DC in the last week of August. The cub reporters talked with and filmed other kids' experiences and opinions about drugs. A 30-minute documentary based on their experiences will be broadcast in November.

   (b) School-based programs: In August, ONDCP unveiled a package of school-based programs for the 1999-2000 school year and beyond. They include:

   The Straight Scoop News Bureau, a resource for middle and high school journalists to give them factual "straight scoop" information on drugs and drug use. Partners in the new bureau include the **Annie E. Casey School of Journalism for Children and Families**, ***Chicago Tribune*** and the ***New York Times***. News bureau resources can be found at www.straightscoop.org.

   Just recently, the Straight Scoop News Bureau teamed up with **Sun Microsystems**, **OpenVoice** and **Athlete Direct** to host a live online chat with **San Francisco 49'ers Quarterback Steve Young**. Young discussed the importance of living a healthy, drug-free lifestyle. Student journalists were encouraged to ask Steve Young questions and publish articles in their school papers. This event was broadcast live via satellite to more than 250 cities across the country. Altogether, the online and satellite-link audience was estimated at over 3 million.

2. **Corporate Sponsorship/Participation.** ONDCP and PDFA are increasing the number of strategic campaign partners – both organizations and businesses – that help us deliver anti-drug information. **America On Line** created the Parents' Drug Resource Center (AOL Keyword: Drug Help) to help parents influence their children to remain drug free. Many **National Football League**, **Major League Baseball**, **National Basketball Association**, **and Major League Soccer** teams show our anti-drug ads during games.

VII - The Campaign's Entertainment Initiative

The media campaign's entertainment initiative has several major components, all of which are guided by a fundamental philosophy: the entertainment community is a crucial player in addressing substance abuse among teens. They are the most powerful creative force in the world, and we firmly believe they are part of the solution. We do not subscribe to the widely held view that popular culture is inevitably a destructive force in the area of drugs, and you will not hear this campaign attacking the entertainment community. What you will hear instead is a call for dialogue. We offer information, materials, experts, and a commitment to working together over the long haul. We do not proselytize. We realize that you cannot "shoe horn" a drug message in a script where it does not belong. It must appear organically, and the only way that can be done is if the creative community is aware of the issues and facts. We want creative people and organizations to understand drug use and prevention issues so they can depict them accurately. Parent denial, risk perception, peer refusal skills and other message strategies are most effectively communicated by creative talent that is aware of and sensitized to the issues. The media campaign's entertainment outreach goals follow:

(1) Encourage accurate depictions of drug use issues – including the consequences of drug abuse in programming popular with teens and parents

(2) Incorporate strategic drug prevention messages and themes into popular culture, and dispel myths and misconceptions about drug abuse

(3) De-normalize the image of drug use on TV, and in popular music and film.

(4) Use entertainment media to provide accurate drug information and resources on substance abuse to parents, caregivers, faith community leaders, and policymakers.

One of our key strategies is to inform the creative process through a series of briefings, roundtables, and workshops in New York and Hollywood. These events are a cost-effective way to educate and inspire television writers, film screenwriters, and executives to portray realistic substance abuse consequences and to spur ideas for future storylines or scenes. Sometimes only a one-second frown or wave of the hand when someone is offered marijuana is all that is needed. The payoff can be substantial. Campaign messages are incorporated into dramatic storylines that are conveyed on valuable airtime, via top-rated shows seen by millions of viewers. In fact, if the campaign were to rely exclusively on purchasing ad time, reaching audiences of this size would be prohibitively expensive.

Some of the sessions we conducted last year included briefings for network executives at ABC and Fox Television and a roundtable for creative executives involved in programming that targets children and teens. We met with a broad array of entertainment industry organizations and their leaders including the Writers Guild, Caucus of Producers, Writers and Directors, Entertainment Industry Council, Screen Actors Guild, Directors Guild, Producers Guild, Academy of Television Arts and Sciences, and other organizations. We also met with industry leaders in Hollywood including Rob Reiner, Richard Dreyfuss, Barry Diller, Frank Biondi, and senior executives of major networks. We participated in entertainment industry events and briefed executives from Hollywood talent agencies, and publicity and management firms. And we've provided information and subject matter experts to writers and producers of individual shows, including *Cosby*, *Chicago Hope*, *ER*, and *Beverly Hills 90210*.

As a result of these activities, we have captured the attention of key creative and programming executives at, among others, all six broadcast television networks (ABC, CBS, NBC, Fox, The WB, UPN), The Fox Family Channel, Warner Bros. Television, Disney Television, Universal Television, The Writers Guild, The Directors Guild, and The Screen Actors Guild. We will also partner with entertainment industry organizations, other federal agencies, and nonprofit organizations whose goals complement ours. For example, we are excited about a new partnership with *The Hollywood Reporter* -- a daily newspaper that delivers news coverage and in-depth stories to industry professionals around the world. It is one of the "must read" publications in the entertainment industry. They have agreed to work with the campaign to develop a series of workshops that will support our education efforts on the topic of substance abuse.

To support its outreach strategy, the ONDCP Entertainment Team identifies and provides experts and resources to the entertainment community, particularly writers who may have questions concerning substance abuse. This expertise is specifically tailored to meet the needs of the television industry, particularly the time constraints under which writers work. Experts are prepared carefully so that they can work effectively with television writers and producers, but remain true to the messages of the campaign. As a result writers gain a deeper understanding of how to depict substance abuse accurately.

To help us accomplish these goals, we work directly with many of the key entertainment industry organizations, particularly those on the creative side of the business. We also have retained expert counsel in New York and Los Angeles, the capitals of the entertainment world, to work with the campaign to develop our core strategies. Collectively, we work on the following activities.

1. **Providing resources and information** on substance abuse to industry leaders and the creative community through briefings, special events, collateral materials and access to experts.

We are working with and engaging writers, producers, directors, network executives, musicians, and entertainment industry associations, forming relationships and partnerships to encourage America's young people to reject illegal drugs By showing the range of negative consequences of substance abuse, by depicting drugged behavior as unglamorous and socially unacceptable, we can discourage drug use The creative community is in a unique and powerful position to communicate that drug use is neither normal nor mainstream; it is undesirable

Since the campaign began, ONDCP has maintained dialogue with a number of writers, producers, directors, and studio executives They are an extraordinarily talented and creative group of people who have consistently demonstrated their ability to combine positive messages with compelling entertainment. Popular shows like *The Practice, Home Improvement, 7th Heaven, ER, Cosby, Beverly Hills 90210,* and *Hang Time* have featured realistic, fact-based depictions about substance use in their storylines. All are award-winning programs watched by teens and parents. None of these shows saw declines in either quality or ratings because of their choice to both depict the negative consequences of substance use and show positive examples of families dealing with drugs. In short, entertainment and responsibility are not mutually exclusive, and we are privileged to be working with some of this country's most creative, talented, and committed individuals on this groundbreaking effort We believe our outreach to the television industry has helped to make this past year one of the best ones for accurate depiction of drug use and drug use issues on network television

2. **Engaging celebrities** who are positive role models in extending the reach of campaign messages through participation in such activities as personal appearances and on-line chats

Advertisers and marketers have long used celebrities to make their messages more appealing The technique is particularly effective with young people, who frequently try to emulate the looks, behavior, and attitude of their favorite stars. The media campaign is using support from popular public entertainment figures to enhance the campaign's credibility and visibility among youth; increase potential media coverage of illegal drug use and its consequences; and help campaign messages reach key target audiences in a compelling and effective manner by featuring celebrities in a setting more accessible than advertising. In order to appeal to the broadest audiences, we are using a diverse group of celebrities in a variety of ways.

An impressive range of celebrities has spoken publicly about campaign themes and goals. Youth and parents nationwide have heard celebrity voices from many of the entertainment genres, including: TV (e.g., Eriq La Salle of NBC's *ER*, Jenna Elfman of ABC's *Dharma & Greg*, Ken Olin of CBS's *LA Doctors*, Lisa Nicole Carter of Fox's *Ally McBeal*); film; popular music (e.g., Lauryn Hill, The Dixie Chicks); amateur and professional sports (e.g., U.S. Women's World Cup champion soccer team, Olympic Gold Medallist Tara Lipinski, Mike Modano of the National Hockey League champion Dallas Stars), comedy (e.g., Howie Mandel); and pop culture (e.g., Miss America 1999 Nicole Johnson, Marvel Comics' Spider-Man).All have generously donated their services to the American taxpayer. Seven television networks have produced public service announcements using celebrities from their most popular shows We do not pay for talent – which could amount to millions – but credit the cost of the time. These messages are reviewed by ONDCP to ensure they are supportive of the campaign's communication strategy. – **no fees have been or will be paid to celebrities to take part in Media Campaign activities.**

3. Recognizing and commending **accurate portrayals of drug issues** on TV, film and in other entertainment media, and honoring the creative efforts of writers, directors, producers, actors and studio executives.

The National Institute on Drug Abuse (NIDA) has long worked with the Entertainment Industry Council (EIC) to bring science-based information about alcohol, drugs and tobacco to creators of entertainment products. In 1996, NIDA and EIC developed the PRISM awards for accurate depiction of alcohol, drugs and tobacco. We expect that the media campaign's entertainment outreach initiative will result in a considerable increase in the number of candidates for PRISM awards at the March 2000 ceremony.

4. **Conducting content analysis and other research** to determine how entertainment media depict substance abuse issues. Careful examination of media content is a crucial first step in determining what role media may play in promoting substance use and abuse. The two Mediascope content analyses (whose principal findings were summarized in Section II of this statement) are examples of the factual way ONDCP is addressing the issue of the entertainment industry's depiction of illegal drugs.

5. **Cross-Marketing: Beyond Movies and Television.** To ensure that campaign messages reach teens and parents through as many outlets as possible, ONDCP's Entertainment Team is extending its activities beyond music and television, and focusing attention on the fashion and retail industries, home video, and motion pictures.

   We are also exploring partnering with home video distributors and retailers in the promotion of campaign messages via inserts in new home video releases and retail store promotions. This initiative is in its nascent stage, but initial outreach has begun with studio marketing executives and home video distributors.

VIII – The Role of Programming

In the 1980s, public-health advocates began to harness television programming to promote public-health issues. Since then, numerous campaigns have sought to communicate prevention messages within programming. Research underscores this approach.

1. **The National Designated Driver Campaign.** One of the best-documented examples of a media campaign incorporating entertainment programming is the *National Designated Driver Campaign* that was launched in 1988. According to Dr. Jay A. Winsten, Ph.D., Associate Dean and Director of Harvard School of Public Health's Center for Health Communication, **the campaign broke new ground when television writers agreed to insert drunk driving prevention messages in scripts of top-rated shows.** Dr. Winsten describes this campaign as "the first successful effort to mobilize the Hollywood creative community on such a scale, using dialogue in prime time entertainment as a health promotion technology." This integrated public-health communications campaign had a marked effect on alcohol-related traffic fatalities. Whereas in the three years before the designated driver campaign there had been 0 percent change in such fatalities, by 1992 (four years after the campaign's launch), annual fatalities had declined by 24 percent.[16]

2. **1999 Healthstyles Survey.** Centers for Disease Control and Prevention analysis of this report reveals that almost half (48 percent) of the people who report they watch soap operas at least twice a week learned something about diseases and how to prevent them from the daytime drama story lines. More than one-third (34 percent) took some action as a result. One in four (25 percent) told someone about it, 13 percent suggested someone do something about it, 7 percent visited a clinic or doctor, and 6 percent did something to prevent the problem.[17]

The media campaign's *Communication Strategy Statement* highlights programming's potential for communicating public-health messages. Excerpts of the document follow:

(a) "Research has repeatedly shown that media programs work best in conjunction with other community- and school-based anti-drug programs, when consistent messages are conveyed through a variety of channels and in several different contexts." (Flay & Sobel, 1983; Macoby, 1990; Schilling & McAllister, 1990; Sloboda & David, 1997) – P. 6.

(b) "Health information, including information about drug use issues, is provided through all forms of media including news, entertainment programming, and advertising. This information is so pervasive that most people report the media as their primary source of information about health issues." (Freimuth, Stein, and Kean, 1989) – P. 7.

(c) The media campaign must "harness a diverse media mix including television, video, radio, print, and Internet and other forms of new media to deliver both general and tailored messages. Within the media mix, messages will be delivered through the full range of

media content, including paid and public service advertising, news, public affairs, programming, and **entertainment programming** " – P 9

(d) "Effective message tailoring involves working with communications professionals who specialize in **creating content** for particular audiences " – P 9

Evaluations of the media campaign confirm this research

- **ONDCP September 1998 report to Congress** – (*Testing the Anti-Drug Message in 12 American Cities: National Youth Anti-Drug Media Campaign Phase I (Report No. 1)* – **found:**

(a) Youth asserted that "TV programming promotes drug use and violence." – P. ES-4.

(b) "Parents' perceptions of the cultural relevance and credibility of anti-drug ads, much like youth's perceptions, focused more on program content and presentation…" – P. ES-7.

(c) The Internet, television shows, and song lyrics heard on radio frequently condone the use of drugs. Youth are bombarded with these messages on a daily basis. Mothers and fathers frequently work long hours outside the home, leaving their children free during the after school hours to watch television and be exposed to messages that glamorize drug use. Youth, particularly high school students, are subjected to ever-increasing sources of stress in their daily lives. Future decisions about the design and implementation of the media campaign should be made within the context of these issues." – P. ES-13.

- **ONDCP June 1999 report to Congress** – (*Investing in our Nation's Youth: National Youth Anti-Drug Media Campaign Phase II Final Report)* –**found that:**

(a) "There was a significant increase in the percentages of both youth and teens who perceived that TV shows, news, and movies were important sources of anti-drug information."– P 5-2

(b) "The use of TV shows, news, and movies, outside billboards, and posters on buses, bus stops and subways are effective ways of reaching youth and teens with anti-drug messages " – P 5-3

Today, there are a number of national organizations working within the existing structures of the entertainment industry, attempting to have a positive influence on programming. They include the Henry J. Kaiser Family Foundation, the National Campaign to Prevent Teen Pregnancy, Mothers Against Drunk Driving, the Population Communications Institute, the American Lung Association, and the media campaign's own partner, Mediascope. Their efforts are complemented by those of federal agencies like ONDCP, NASA, the National Institutes of Health, the Centers for Disease Control and Prevention, as well as all of the branches of our armed forces, who work to ensure that entertainment portrays issues and situations realistically and accurately. **ONDCP remains convinced that for the National Youth Anti-Drug Media Campaign to be most effective, scientifically accurate drug-prevention messages must be conveyed through programming.**

IX - The Pro-Bono Match Requirement

One of the foundations of our strategy is the pro-bono match requirement outlined in Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277, October 21, 1998). The act stipulated that federal funds spent on advertising must be **must be matched with in-kind contributions of the same value.** ONDCP allows Public Service Advertising (PSA) time and space, public affairs activities, and programming to count as public service contributions. Individual companies decide how to meet this requirement. The only proviso is that the majority of the match must be in the form of equivalent PSA time and space.

Zenith Media (our advertising purchasing company in 1998) created a formula for valuing programming content similar to those used by product sponsors for a program episode. The formula is based, conservatively, on requirements for a product advertiser to officially sponsor a program. For example, an on-strategy storyline that is the main plot of a half-hour show can be valued at three thirty-second ads. If there is an end-tag with an 800 number or more information at

the end of a half-hour show, it is valued at an additional fifteen-second ad. A main storyline in an hour-long prime-time show is valued at five thirty-second ads, while such a storyline in a one-hour daytime show is valued at four thirty-second ads.

Indeed, considerable public service time and space has been generated by the media match requirement. According to Ad Age, the ONDCP campaign is a factor in increasing the public service time on prime time network TV. ONDCP retains all magazine, print and out of home space and uses it for campaign messages. The radio and TV time is shared with other organizations that have drug -related messages. More than 265,000 radio and TV public service messages have been played in support of forty-five organizations. The Ad Council oversees the process for national ads The American Advertising Federation plays a similar coordinating role in 102 local media markets In the coming year, we will see a much larger number of local organizations benefiting from the pro-bono match component of the Media Campaign.

1. **Criteria for evaluating consistency with the campaign's strategic message platforms**

Director McCaffrey personally approved procedures for determining valuation of "in-kind contributions" to the national media campaign on April 23, 1998 ONDCP and our contractors have followed these procedures. Specific elements of this decision included:

(a) **Eligibility for pro-bono match.** Media outlets were allowed to provide in-kind contributions provided that the majority of the match was satisfied with advertising time and space donations The balance of the match could be met by media outlets with relevant non-advertising efforts such as programming, locally or nationally sponsored community events, appropriate public affairs programming, in-school programs, or in-kind donations.

(b) **Requirement that current pro-bono public service time not be supplanted.** ONDCP contracted the Advertising Council to allocate national-level pro-bono PSA slots to eligible campaigns and to ensure that the media campaign did not reduce existing levels of pro-bono advertising time and space in accordance with the law and congressional intent.

(c) **Establishment of a Media Match Task Force.** This task force includes representatives from ONDCP, the Advertising Council, the Partnership for a Drug-Free America, the Department of Health and Human Services, the Department of Justice, and the Department of Education It assesses implementation of pro-bono match guidelines and recommends changes.

(d) **Specific criteria for qualification as "in-kind contributions" for programs** Programs that include messages promoting activities, behavior, and healthy environments that prevent drug use by youth can be considered for pro-bono match purposes The specific criteria that have been applied are: Does the program -

(1) Educate and support the development of good parenting practices.

(2) Encourage greater parental and caregiver involvement in a child's upbringing and effective drug-prevention parenting strategies.

(3) Provide early childhood development programs that strengthen the parent-child relationship

(4) Provide opportunities for youth through programs and services in school and after school such as mentoring.

(5) Foster high expectation and self-esteem for youth.

(6) Prevent drug abuse including underage tobacco and alcohol use.

(7) Emphasize the nexus between drugs and crime and violence.

(8) Emphasize the connection between substance use and AIDS.

(9) Support other drug-related messages and campaigns as determined by ONDCP.

These criteria have been consistently used to determine whether programs submitted by media outlets for pro-bono match consideration should indeed qualify for public-service credit. At no time during this process did ONDCP – or any person or organization affiliated with the media campaign – suggest script changes, nor were any episodes or programs resubmitted for reconsideration in exchange for pro-bono match credit. Indeed, we have always assumed that any transcripts or programs submitted for public-service credit consideration were final products and not subject to further change.

To date, **seven networks have submitted programs** to ONDCP's contractor, Ogilvy & Mather **for pro-bono match consideration**. **Thirty-nine separate programs** (with 130 original episodes and 353 repeats) **have been assigned a total of 21,820,329 dollars in public-service credit.** A list of all programs and episodes for which credits were given is enclosed at Tab 3.

ONDCP takes seriously questions about the campaign's pro-bono match procedures. There can be no suggestion of federal interference in the creative process. Accordingly, in the future, we will only review programs for pro-bono match consideration after they have aired. The attached January 18 ONDCP press release outlines the new procedures we are implementing to guard against any appearance of impropriety.

X – Results of the Anti-Drug Campaign

1. The anti-drug media campaign is surpassing initial expectations

PHASE I. During the initial twenty-six-week pilot in twelve cities (Phase I, January through June 1998), we exceeded our goal of reaching 90 percent of the overall target audience with four anti-drug messages a week.[18] The campaign's Phase I message delivery rate follows:

Overall	
Teens 12 – 17:	95 percent viewed an average of 8.5 messages a week.
Adults 25 – 54:	95 percent viewed an average of 7.5 messages a week.
African-American	
Teens 12 – 17:	96 percent viewed an average of 9.4 messages a week.
Adults 25 – 54:	96 percent viewed an average of 8.4 messages a week.
Hispanic	
Teens 12 – 17:	90 percent viewed an average of 5.9 messages a week.
Adults 25 – 54:	85 percent viewed an average of 5.8 messages a week.

We are extremely encouraged to note that significant increases in awareness of anti-drug ads occurred among the target audiences. The evaluations ONDCP submitted to Congress showed that youth and teens demonstrated significant increases in ad recall in the target versus the comparison sites -- youth increases ranged from 11 to 26 percent, teens ranged from 13 to 27 percent. Parents in target sites had an 11 percent gain in awareness of the risks of drugs and said that the campaign provided them with new information about drugs (a 7 percent increase). Meanwhile, the number and frequency of PSAs for other related social issues increased, demonstrating no interference from the paid ad campaign.[19]

PHASE II. When the anti-drug media campaign was expanded to a national audience (Phase II, July 1998 through June 1999), we maintained our planned message delivery rates:

Overall	
Teens 12 – 17:	95 percent viewed an average of 6.8 messages a week.
Adults 25 – 54:	92 percent viewed an average of 4.5 messages a week.
African-American	
Teens 12 – 17:	96 percent viewed an average of 7.6 messages a week.
Adults 25 – 54:	95 percent viewed an average of 7.2 messages a week.
Hispanic	
Teens 12 – 17:	88 percent viewed an average of 4.8 messages a week.
Adults 25 – 54:	84 percent viewed an average of 4.8 messages a week.

The anti-drug campaign's messages also began to influence attitudes. The percentage of youth who agreed that the ads "made them stay away from drugs" increased from 61 percent to 69 percent. The percentage reporting they "learned a lot about the dangers of drugs" from TV commercials also increased from 44 to 52 percent.[20]

PHASE III. (July 1999 - Present) Our broad-based advertising effort continues to exceed planned message delivery rates. As a result of the leverage the campaign is providing to other organizations and causes through the required pro-bono matches, we are increasing the number reach of the campaign.

Teens 12 – 17:

Paid	91 percent viewed an average of 4 4 messages a week.
Paid & anti-drug match	95 percent viewed an average of 5 2 messages a week.
Paid & all match	95 percent viewed an average of 8 3 messages a week.

Adults 25 – 54:

Paid.	82 percent viewed an average of 3 5messages a week.
Paid & anti-drug match	92 percent viewed an average of 3 7 messages a week.
Paid & all match	95 percent viewed an average of 5 9 messages a week.

The campaign's pervasive presence has also been manifested in increased demand for anti-drug information. Since the national launch of the campaign in July of 1998, inquiries received by the National Clearinghouse for Alcohol and Drug Information (NCADI) have increased dramatically. The number of inquiries received between July 1998 and June 1999 increased by 159 percent over the corresponding 1997-1998 period. NCADI also responded to 102 percent more requests for information and distributed more than sixteen million items between July 1998 and June 1999. On peak days – which corresponded with specific anti-drug campaign events (e.g. an article in *Parade* magazine, media coverage of national launch, and media "roadblocks") – requests surged by 367 percent over pre-campaign levels. Per month Internet requests for substance abuse information have increased tenfold since July 1998.[21]

To date, the campaign has exceeded its pro-bono match requirements; we have accomplished 107 percent of the media match at a value of $213 million. We formed partnerships with seven television networks that have produced their own anti-drug PSAs consistent with campaign themes. We attained 168 million pro-bono Internet impressions. The campaign's strategic messages have been supported in 130 TV programs that incorporated science-based anti-drug story lines.

2. **Additional indicators of success**

No child or adult "influencer" is being left behind. The campaign is reaching minority youth and parents at unprecedented levels, delivering $33 million worth of anti-drug messages By any standard, this is the strongest multi-cultural communications effort ever launched by the federal government; it rivals that of most corporate efforts. ONDCP is the largest governmental advertiser in African-American newspapers. We are now developing campaign materials in eleven languages.

Private sector support is exceeding ONDCP's goals and expectations. The anti-drug campaign's target is a one-for-one match, for every taxpayer dollar we spend, we require an equal added dollar's worth of anti-drug public service, pro bono activity. The campaign's private sector match is now at the 109 percent level (or $149 million gross) for the broadcast industry (matches of ad time on TV and radio). Overall, the corporate match for all campaign efforts is at the 107 percent level (or $213 million). In addition to the pro bono match, we have received over $42 million of corporate in-kind support.

As we move into an integrated campaign we are reaching young people throughout the Internet. The number of campaign Internet advertising impressions (ad "banners" on web sites) exceeds two hundred million. In 1999, ONDCP's campaign site, www.mediacampaign.com was accessed 446,596 times by 170,456 users. The prevention sites www.projectknow.com was accessed 6,483,583 times by 1,647,967 users.

XI - Youth Attitudes and Behavior have Changed since the launch of the National Youth Anti-Drug Media Campaign

The campaign is getting the nation's attention and influencing drug-related attitudes and behavior. Based on expert analysis of drug-use trends and media campaign impacts, we did not expect to see appreciable impacts on drug use until two years into the campaign. However, since the campaign's inception, we have seen noteworthy changes in drug-related attitudes and behavior among our youth:

(a) In September 1998, we reported to Congress – (*Testing the Anti-Drug Message in 12 American Cities: National Youth Anti-Drug Media Campaign Phase I (Report No. 1)* – that the campaign's ads were stimulating discussion between parents and children.

(b) In June 1999, we reported to Congress – (*Investing in our Nation's Youth: National Youth Anti-Drug Media Campaign Phase II Final Report)* – that the percentage of teens who said they had learned "a lot" from TV commercials that "drugs are bad" increased from 44 to 52. We also noted a 12 percent increase in the percentage of youth that agreed the ads made them stay away from drugs (an increase from 61 to 69 percent)

Additionally, various recent national surveys indicate that adolescent anti-drug attitudes have stiffened and some drug-use rates have declined.

(a) Adolescent drug use declined 13 percent between 1997 and 1998 (1998 National Household Survey on Drug Abuse).

(b) The percentage of 13-18 year olds strongly agreeing with the statement "kids who are really cool don't use drugs," increased from 35 percent in 1998 to 40 percent in 1999 (Partnership for a Drug-Free America, 1999 Partnership Attitude Tracking Study).

(c) The teenage belief that "most people will try marijuana sometime" declined to 35 percent in 1999, from 40 percent in 1998 and 41 percent in 1997 (Partnership for a Drug-Free America, 1999 Partnership Attitude Tracking Study)

(d) In 1999, 63 percent of teens reported parents were talking to them about the risks of drug use, up from 53 percent in 1998 (Center on Substance Abuse and Addiction, 1999 Back to School Survey).

(e) The number of young people reporting that their schools were drug free increased from 31 percent in 1998 to 44 percent in 1999 (Center on Substance Abuse and Addiction, 1999 Back to School Survey).

XII - Transparency of the Media Campaign

Everything about this campaign – including the pro-bono match – has been conducted openly with congressional oversight, news coverage, publicity, and outreach to the media. There were three congressional hearings in 1999 on the subject of the media campaign, so the notion that this project is being conducted "in secret" is inaccurate. We have also written opinion editorials explaining all aspects of the campaign; these pieces have been published in newspapers, magazines, and journals throughout the country. Countless press releases, news conferences, and events with the President and congressional leadership were devoted to this topic as was much TV and radio coverage and a website (www.mediacampaign.org) that was accessed 446,596 times in 1999

- **Excerpts of national coverage of the pro-bono match**

  Advertising Age "Networks 'donate' anti-drug messages" **(July 6, 1998)**

  " broadcast media are jumping to take the drug agency's offer of trading its large ad budget for an equal amount of free time, including not only spots but anti-drug programming and other activities."

Los Angeles Times "Ad Plan: Your Tax Dollars on Drugs" **(August 20, 1998)**

"The accompanying matches are not all straight gifts of time. Credit is also awarded, for example, for building an Internet site. Fox Family Network may count as donations episodes of its entertainment programs that carry an anti-drug theme..."

USA Today "White House anti-drug unit garners fortune in free ads" **(November 2, 1998)**

" ...the government is demanding more than it's paying for. Its requirement: that media match its purchase with free air time or space or other public service efforts. For the networks, donated commercial time counts. Talk show time can count. So do White House-approved scripts that promote the anti-drug theme."

Conclusion

Mr. Chairman, we are proud that the media campaign is bringing to bear the scientific information that results from the half billion dollars the federal government invests on drug abuse research through the National Institute on Drug Abuse every year. Director McCaffrey asked me to reassure you that the Anti-Drug Media Campaign has complied with all applicable laws and carefully taken into account congressional intent and mandates.

Our priority continues to focus on the five strategic goals, the cornerstone of the National Drug Control Strategy. As you know, the primary goal of the *Strategy* is to "educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco." Over the past four years, federal spending on prevention has increased by 55 percent. This public-health communications campaign is the most visible element of the national response to the juvenile drug-use crisis. These extensive prevention efforts are beginning to bear fruit. We are convinced that in order to equip and better inform our children about the dangers and consequences of drug use, we must continue to emphasize drug prevention, juvenile drug-use rates will drop further.

Chairman Tauzin, Ranking Minority Member Markey, all of us at the Office of National Drug Control Policy have appreciated the committee's bipartisan support of our efforts to reduce drug abuse and its consequences in America. Thank you for the opportunity to explain the National Youth Anti-Drug Media Campaign.

---

[1] Brown, Childers, & Waszak, 1990; Gerbner, Gross, Morgan, & Signorelli, 1986, Marc, 1984.
[2] Williams and Frith, 1993.
[3] *Mediascope Issue Brief*, "Popular Culture and the American Child," Brief Number 199G3d, January 1999.
[4] Monroe, 1994.
[5] Coombs, Paulson, & Palley, 1988.
[6] Office of National Drug Control Policy, *Substance Use in Popular Movies & Music*. Donald F. Roberts, Ph.D., Lisa Henriksen, Ph.D., Peter G. Christenson, Ph.D., April 1999.
[7] ONDCP, *The National Youth Anti-Drug Media Campaign Communications Strategy Statement*, 1997.
[8] Ad Council campaigns, characters and slogans are more than memorable -- they raise awareness, inspire individuals to take action and save lives. Campaigns the Ad Council has conducted include Smokey Bear and his famous words of wisdom, "Only you can prevent forest fires," (USDA Forest Service), "Friends don't let friends drive drunk" (DOT/NHTSA) McGruff the Crime Dog, who urged Americans to "Take a bite out of crime," (National Crime Prevention Council); and "A mind is a terrible thing to waste" (United Negro College Fund).
[9] Ogilvy's 377 offices in 98 countries service more Fortune 500 clients in 5 or more countries than any other advertising agency.
[10] See for example *Substance Abuse in Popular Movies & Music*. Office of national drug Control policy & U.S. Department of Health and Human Services, April 1999.
[11] EMarketer, September 20, 1999.
[12] Meeker, Mary and Pearson, Sharon, Morgan Stanley, *U.S. Investment Research: Internet Retail*, May 28, 1997.
[13] Jupiter Digital Kids, 1999.
[14] EMarketer, September 20, 1999 - While 22 percent of households with children are on-line, 48 percent of 12 to 17 year olds have access to the Internet today, and 60 percent are expected to have access by the year 2002.
[15] Media Metrix, August, 1999.
[16] Winsten JA. Promoting Designated Drivers: The Harvard Alcohol Project. *American Journal of Preventive Medicine*. 1994 May-Jun; 10(3 Suppl):11-14.
[17] The Healthstyles Survey is a proprietary database product developed by Porter Novelli. Its sampling is based on seven U.S. Census Bureau characteristics. The survey is used by organizations such as CDC to shape public-health outreach efforts.

[18] Findings regarding the effectiveness of Phase I were presented to Congress in September 1998 and March 1999, see *Testing the Anti-Drug Message in 12 American Cities National Youth Anti-Drug Media Campaign Phase I (Report No 1)*, September 1998 and *(Report No 2*, March 1999
[19] Ibid.
[20] ONDCP submitted an evaluation of Phase II to both Congressional Committees on Appropriations. See *Investing in our Nation's Youth: National Youth Anti-Drug Media Campaign Phase II Final Report*, June 1999.
[21] SAMHSA/NCADI briefing to ONDCP Director Barry McCaffrey, September 2, 1999.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

For immediate release **Contact:** **Steve Panton**
202-395-6618

January 18, 2000

STATEMENT OF WHITE HOUSE DRUG CZAR McCAFFREY
NEW GUIDELINES ISSUED TO CLARIFY PRO BONO MATCH COMPONENT OF ANTI-DRUG MEDIA CAMPAIGN

Washington, D.C. – Today, the White House Office of National Drug Control Policy Director, Barry McCaffrey, released this statement providing guidelines for the pro bono match component of the National Youth Anti-Drug Media Campaign:

"We are proud of the positive impact the Campaign is having on the lives and futures of our nation's children:

- Through the Campaign's pro bono match component alone we have generated over 100 million teen and tween impressions and 250 million adult impressions.
- We are reaching our youth and adult audiences at roughly twice our original goal of ninety percent of these target audiences receiving four anti-drug messages a week.
- Our Internet site was noted as one of the hottest sites of the year by *USA Today*. Programs that have played a role in the Campaign have received "Prism Awards" for socially responsible media.
- Most importantly, as reported in August 1999, youth drug use is down 13 percent — young people are beginning to reject drug use.

Recently, some from the media and entertainment community have expressed concerns about the involvement of the Federal government in the creative process.

GUIDELINES:
The following guidelines are established to eliminate any misunderstandings and prevent any inference of Federal intrusion in the creative process:

1st **The Anti-Drug Media Campaign will comply with all applicable law (21 USC 1801(a)). ONDCP will continue to require a 100 percent match for every Federal dollar spent on media outlets. The manner in which media executives elect to meet this match requirement will remain entirely up to each outlet.**
2nd **ONDCP and our contractors will not review program episodes for pro bono credit until after such program episodes have aired or been published.**
3rd **We will keep separate the process of providing scientific and technical assistance from the process of providing post-broadcast valuation decisions.**

CONTINUING A PROGRAM THAT WORKS:

- ONDCP, through its contractors, will continue to make available expert technical and scientific assistance to enhance the understanding of drug abuse. The National Institute on Drug Abuse, the Center for Substance Abuse Prevention and the Behavioral Change Expert Panel will remain available to the entertainment industry.
- ONDCP's contractors will continue to use a formula-based approach for the pro bono match credit evaluation process. We will continue to allow media match credit for program content messages.
- ONDCP will work cooperatively with the entertainment industry and periodically seek the industry's advice on the media match process.

We believe that these guidelines will eliminate any confusion about how the pro bono match process of the National Youth Media Campaign works. We have forged a strong partnership with the entertainment and media community and look forward to continuing to strengthen those ties. Together we are making a difference in the lives of our nation's children."

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

January 26, 2000

PROGRAMMING CONTENT CREDIT SUMMARY

Credit Recipients

NETWORK	TOTAL CREDIT	NUMBER OF PROGRAMS
ABC	$6,459,129	68 originals; 8 repeats (*12 programs*)
CBS	$1,750,958	4 originals; 3 repeats (*4 programs*)
ESPN	$796,796	17 originals; 20 repeats (*8 programs*)
FOX	$4,733,310	14 originals (*4 programs*)
NBC	$2,841,390	6 originals; 14 repeats (*6 programs*)
WB	$4,335,000	6 originals; 4 repeats (*3 programs*)
VH-1	$903,656	15 originals; 304 repeats (*2 programs*)

ABC Programming Content Credit
1998/1999

Date	Program	ABC Program Content	Original or Repeat
7/11/98	Doug	Doug's Minor Catastrophe/Tobacco	O
10/17/98	Doug	Doug's Minor Catastrophe/Tobacco	R
12/12/98	Doug	Doug's Minor Catastrophe/Tobacco	R
8/4/98	Home Improvement	What A Drag/Marijuana	O
8/28/98	Boy Meets World	If You Can't Be With the One You Love/Alcohol	O
9/29/98	Sports Night	The Apology/Marijuana	O
12/29/98	Sports Night	The Apology/Marijuana	R
10/7/98	Drew Carey Show	The Golden Boy/Cocaine	O
12/30/98	Drew Carey Show	The Golden Boy/Cocaine	R
10/23/98	Sabrina, the Teen Witch	Pancake Madness/Addiction	O
5/28/99	Sabrina, the Teen Witch	Pancake Madness/Addiction	R
11/13/98	Brothers Keeper	You're in Trouble/Drug Use	O
3/5/99	Brothers Keeper	You're in Trouble/Drug Use	R
11/24/98	NYPD Blue	Hearts & Souls/Alcohol	O
6/29/99	NYPD Blue	Hearts & Souls/Alcohol	R
3/7/99	The Practice	Target Practice/Marijuana	O
8/8/99	The Practice	Target Practice/Marijuana	R
11/27/98	The View	Segment on Parenting	O
7/9/98-7/28/98	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (11)
8/5/98-8/31/98	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (5)
9/3/98-9/29/98	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (7)
10/1/98-10/15/98	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (6)
10/27/98-11/19/98	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (7)
11/30/98-12/27/98	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (8)
12/29/98-1/20/99	General Hospital	Alan Quartermaine Story/Drug Addiction Pain Killers	O (4)
Dec-98	Port Charles	Frank Scanlons Story/Drug Addiction	O (10)

Total Value (net): $6,459,129

68 Originals
8 Repeats

CBS Programming Content Credit
1998/1999

Date	Program	CBS Program Content	Original or Repeat
10/26/98	L.A.Doctors	Drugs	O
11/22/98	Touched by an Angel	Drugs	O
3/21/99	Touched by an Angel	Drugs	R
12/3/98	Promised Land	Drugs	O
7/15/99	Promised Land	Drugs	R
4/26/99	Cosby	Drugs	O
8/11/99	Cosby	Drugs	R
		Total Value (net): $1,750,958	4 Originals 3 Repeats

ESPN Programming Content Credit
1998/1999

Date	Program	ESPN Program Content	Original or Repeat
10/22/98	Upclose with Cris Carter	Drugs & Alcohol	O/R
11/10/98	Outside the Lines/Andro Special	Drugs	O/R
11/19/98	SportsCenter/Andro Segment	Drugs	O/R
1/21/99	Upclose with Irving Fryar	Cocaine	O
1/22/99	SportsCenter/Terance Mathis Segment	Drugs & Alcohol	O
1/30/99	SportsCenter/Lawrence Taylor Segment	Crack Cocaine	O
1/30/99	Mon.Night Cntwdown-Super Bowl Spec. w/MM	Cocaine	O
2/7/99	SportsWeekly/Lawrence Taylor Segment	Crack Cocaine	O
2/9/99	Upclose w/Lawrence Taylor	Crack Cocaine	O
4/15/99	SportsCenter/Darryl Strawberry segment	Cocaine	R (8)
4/15/99	ESPNews/Darryl Strawberry/Khalid El Amin	Marijuana	O
4/15/99	SportsCenter/DS,KEA	Marijuana	O/R
4/15/99	ESPN2/Darryl Strawberry	Cocaine	O
4/15/99	ESPNews/Darryl Strawberry	Cocaine	O
4/15/99	ESPNews/DS & KEA Segment	Marijuana	O
4/15/99	ESPNews/Khalid El Amin Segment	Marijuana	O
4/15/99	SportsCenter/DS,KEA,Leon Lett	Marijuana	O
5/10/99	SportsCentury/Mark Tuinei & Steve Chiasson	Drugs & Alcohol	O
5/11/99	SportsCentury/Mark Tuinei & Steve Chiasson	Drugs & Alcohol	R (8)
		Total Value (net): $796,796	17 Originals 20 Repeats

FOX Programming Content Credit
1998/1999

Date	Program	FOX Program Content	Original or Repeat
8/8/98	America's Most Wanted	Drugs	O
9/12/98	America's Most Wanted	Drugs	O
10/10/98	America's Most Wanted	Drugs	O
11/7/98	America's Most Wanted	Drugs	O
11/14/98	America's Most Wanted	Drugs	O
1/9/99	America's Most Wanted	Drugs	O
1/20/99	Beverly Hills 90201	Heroin	O
1/27/99	Beverly Hills 90201	Heroin	O
3/20/99	America's Most Wanted	Drugs	O
3/27/99	America's Most Wanted	Drugs	O
5/12/99	Chicago Hope	Drugs	O
6/22/99	Fox Files	Drugs	O
7/27/99	Fox Files	Drugs	O
9/25/1999*	America's Most Wanted	Drugs	O
		Total Value (net): $4,733,310	14 Originals

*Note: 9/25 AMW valued at a time buy

NBC Programming Content Credit
1998/1999

Date	Program	NBC Program Content	Original or Repeat
10/3/98	Hang Time	High Hoops/Marijuana	O
2/13/99	Hang Time	High Hoops/Marijuana	R
4/17/99	Hang Time	High Hoops/Marijuana	R
8/2/99	Hang Time	High Hoops/Marijuana	R
10/10/98	Saved by the Bell	Cigar Wars/Cigar Smoking	O
2/20/99	Saved by the Bell	Cigar Wars/Cigar Smoking	R
4/10/99	Saved by the Bell	Cigar Wars/Cigar Smoking	R
7/10/99	Saved by the Bell	Cigar Wars/Cigar Smoking	R
10/17/98	One World	Twelve Steps to Ben/Alcohol	O
2/6/99	One World	Twelve Steps to Ben/Alcohol	R
4/17/99	One World	Twelve Steps to Ben/Alcohol	R
7/10/99	One World	Twelve Steps to Ben/Alcohol	R
11/14/98	City Guys	Over the Speed Limits/OTC Drugs	O
2/27/99	City Guys	Over the Speed Limits/OTC Drugs	R
5/15/99	City Guys	Over the Speed Limits/OTC Drugs	R
9/4/99	City Guys	Over the Speed Limits/OTC Drugs	R
10/29/98	ER	Masquerade/GHB&Alcohol	O
3/5/99	ER	Masquerade/GHB&Alcohol	R
1/25/99	Suddenly Susan	Last Call/Alcohol	O
5/13/99	ER	Responsible Partners/Alcohol	R
		Total Value (net): $2,841,390	6 Originals 14 Repeats

WB Programming Content Credit
1998/1999

Date	WB Program Content	Original or Repeat
10/4/98	7th Heaven Beginnings/Saturday	O
11/12/98	The Wayans Brothers/High Life	O
11/16/98	7th Heaven/No Sex some Drugs and a Little Rock&Roll	O
12/13/98	7th Heaven/Who Knew	O
2/22/99	7th Heaven/Paranoia	O
5/16/99	Smart Guy/Never to Young	O
7/29/99	The Wayans Brothers/High Life	R
8/2/99	7th Heaven/No Sex some Drugs and a Little Rock&Roll	R
6/14/99	7th Heaven/Paranoia	R
7/25/99	Smart Guy/Never to Young	R
	Total Value (net): $4,335,000	6 Originals 4 Repeats

VH-1 Programming Content Credit
1998/1999

Original Airing	Program	VH1 Program Content	Number of Times Aired
Dec-98	Motley Crue	Behind the Music	1
	Repeats		36
Aug-98	Keith Moon	Behind the Music	1
	Repeats		14
Aug-98	Stevie Vaughn	Legends	1
	Repeats		23
Aug-98	Johnny Cash	Legends	1
	Repeats		11
Aug-98	Milli Vanilli	Behind the Music	1
	Repeats		29
Aug-98	Led Zeppelin	Legends	1
	Repeats		31
Aug-98	Joe Cocker	Behing the Music	1
	Repeats		4
Sep-98	Steppenwolf	Behind the Music	1
	Repeats		13
Aug-98	Eric Clapton	Legends	1
	Repeats		26
Aug-98	David Crosby	Behind the Music	1
	Repeats		16
Aug-98	Bonnie Raitt	Behind the Music	1
	Repeats		12
Aug-98	The Who	Legends	1
	Repeats		12
Jan-99	Leif Garrett	Behind the Music	1
	Repeats		37
Aug-98	David Cassidy	Behind the Music	1
	Repeats		36
May-98	Alice Cooper	Behind the Music	1
	Repeats		4
	Total		*319*

Total Value (net): $903,656 15 Originals

Mr. TAUZIN. I thank the gentleman. There will be time for questions. The Chair is now pleased to welcome Mr. Alex Wallau, President of Network Administration Operations, ABC TV Network.

Mr. Wallau.

STATEMENT OF ALEX WALLAU

Mr. WALLAU. Thank you, Mr. Chairman. In deference to your request, Mr. Chairman, I will dispense with the part of my written testimony that addressed the issue of ABC's history of public service. Let me just suffice to say that we have had a history in public service generally for many years, specifically in drugs for 13 years with the Partnership for a Drug Free America, and we have donated through ABC Incorporated, the owned television stations and radio stations, radio networks, publishing, hundreds—literally in 13 years, hundreds of million dollars of valued public service.

Mr. TAUZIN. Let me interrupt. The gentleman would also have the same courtesy we extended to Dr. Vereen. If you have a television video presentation it will not be subtracted from your time. Without objection, so ordered.

Mr. WALLAU. Thank you, Mr. Chairman. Specifically with the ONDCP relationship, in 1998 the ONDCP, through its program purchased advertising time in return for an equal match and value from its media partner. The ABC network stepped up with a major commitment to this program. In the first buying cycle from covering a 15-month period from July 1998 to September 1999, the ONDCP bought $39 million worth of ads on ABC. In return, we agreed to match that figure with a combination of PSAs approved through the ONDCP and programming with anti-drug story lines. We gave over $34 million in PSA time, more than double our previous PSA level, and 88 percent of a commitment that we owed for the $39 million purchase. The remainder of our commitment of media value was met, and we believe actually far exceeded by programming with anti-drug themes, many in our signature prime time shows. We have a tape to give the subcommittee an idea of how they dealt with the issues. If we could roll the tape, please.

[Videotape shown.]

Mr. WALLAU. Just the points that were raised earlier, Mr. Chairman, about how these programs came to be. None of the programs that are on that tape or any that we submitted for the match for the first year of the ONDCP were done in response to requests of the networks. These were stories that the creators, like David Kelly and Steven Bochco wanted to tell on their shows, they were relevant to society, they wanted to make their viewers aware by telling strong powerful stories that you saw there. There was nothing from the network to them saying we need you to do these stories in order to get money. That wasn't the process.

We did submit these shows after the fact with not scripts, but synopses of what the story line was, how much time of the show the drug-related story contained and submitted them after the fact with those kind of synopses and cassettes to the ONDCP. I should mention that we never submitted any of the outstanding coverage of the subject of drug abuse that was done by ABC News because of the specific nature of that division.

In May of last year, our sales people met with the ONDCP and its ad agencies to negotiate renewal of the deal, the second year of our relationship. The senior sales executive at that meeting called me to say that the guidelines had changed. The ONDCP had stated at the meeting that in order for a program to qualify for the match, a script had to be submitted in advance. We told our executive we would not do that. The sales division then negotiated a new deal based solely on a PSA match.

There was no programming match component to our deal this year. A month later, the ONDCP brought $18,500,000 in time for this 1999-2000 season. We are a third of the way into that season. About a third of that money, over $6 million of ONDCP ads, have aired on the network and we are pacing well ahead of our commitment goal to match just with PSAs and almost $10 million in PSA match value has already been broadcast on the ABC television network.

One other important fact, Mr. Chairman, that has been raised here and in some of the articles written about this and I think misunderstood, the relationship with the ONDCP did not, in any way, create a windfall for us. The fact is it cost our network tens of million dollars in revenue. If we had not entered into the relationship with ONDCP, we would have made at least $50 million more to our bottom line. We could have sold this extra PSA time we added to make the PSA match, especially as was referenced of the members in the booming advertisement marketplace we have today. Instead, that time went to messages dealing with solutions to problems facing millions of children and their parents every day. We know our medium is a powerful one and the impact of these messages hopefully changed lives and perhaps helped save some lives. I welcome any questions that you, Mr. Chairman, and the subcommittee have.

[The prepared statement of Alex Wallau follows:]

PREPARED STATEMENT OF ALEX WALLAU, PRESIDENT, ADMINISTRATION AND OPERATIONS, ABC TELEVISION NETWORK

Mr. Chairman: Thank you for giving me the opportunity to testify before you today. I'd like to give a brief overview of ABC's public service efforts and then address our relationship with the ONDCP.

ABC's overall commitment to public service has been serious and significant for a long time, and our involvement in the war against drugs specifically goes back more than a decade, when we began airing the messages of the Partnership For A Drug Free America. Since April of 1987, the Television Network, our Owned Television Stations, our Radio Networks, our Owned Radio Stations, and our Publishing division have devoted media time and space worth hundreds of millions of dollars to this effort.

The relationship with the PDFA created an unprecedented model for cooperation between a media company and a public service organization. In 1995, the Executive Vice President of the PDFA said, "ABC is by far the biggest supporter of the Partnership. Without them, the Partnership would never have survived."

We built on our commitment in March of 1997 by launching our own initiative. We called it "March Against Drugs," an entire month dedicated primarily to encouraging parents to talk to their children about drugs. We ran anti-drug PSA's every hour for the entire month, representing about $8 million in media value, and virtually every day we aired programming that addressed the issue, with tie-ins to our website.

A year later, the ONDCP began its program of purchasing advertising time in return for an equal match in value from its media partner.

The ABC Network stepped up with a major commitment to this program. In the first buying cycle, covering the 15-month period from July 1998 through September 1999, the ONDCP bought $39,400,000 of ads on ABC. In return, we gave

$34,600,000 in PSA time for ONDCP-approved messages, more than doubling our PSA time from its previous level.

The remainder of media value was exceeded by programming with anti-drug messages, many in our signature prime time shows.

To qualify these shows for the match, we submitted plot summaries and cassettes after the airing of the show. We never submitted any of the outstanding coverage of the subject done by ABC News because of the special nature of that division.

In May of last year, our Sales people met with the ONDCP and their ad agency for the negotiation of the deal renewal. The next day, the senior Sales executive at that meeting called me to say that the guidelines had changed. The ONDCP had stated at the meeting that, in order for programming to qualify for the match, a script had to be submitted in advance. We told him we would not do that.

The Sales division then negotiated a new deal based solely on a PSA match, without any programming. A month later, the ONDCP brought $18,500,00 in time for the upcoming season. So far this season, the ONDCP has bought $6,086,850 in ad time, and we have aired $9,841,560 in PSA match value.

One important fact has been sometimes misunderstood in the recent events that have resulted in today's hearing. The relationship with the ONDCP did not result in a windfall for us. It cost our Network tens of millions of dollars in revenue. If we had not entered into the relationship with the ONDCP, we would have made at least $50 million more by selling the extra PSA time we added to make the PSA match, especially in today's booming advertising marketplace. Instead, the time went to messages dealing with solutions to problems facing millions of children and their parents every day. Our medium is a powerful one, and the impact of these messages hopefully changed lives and perhaps helped save some.

I would be happy to answer any question that you, Mr. Chairman, or the Subcommittee may have.

Mr. TAUZIN. Thank you, Mr. Wallau.

Mr. Jeff Loeb, creative director, Katsin/Loeb Advertising, San Francisco.

Mr. Loeb.

STATEMENT OF JEF LOEB

Mr. LOEB. Thank you, Mr. Chairman. Before I start, I would be remiss not to express my thanks to Congresswoman Eshoo. I think it is we who are proud of her and how much she was done for all of us.

Mr. TAUZIN. And so are we.

Mr. LOEB. I woke up this morning with kind of a couple of things running through my mind. The first one was, I am glad the members have been talking about their favorite TV shows. One of the lines that came into my mind was Blazing Saddles, where he said Mongo is just a pawn in the game of life. I am here because through an odd set of coincidences, I wound up on the Nightly News with Jim Lehrer in the unfortunate position of having to criticize what ONDCP policies were to Dr. Vereen. I felt kind of bad about it, because ultimately, what they are doing is all of the right things.

But unfortunately, the way in which this has transpired is somewhat controversial. And I think what my strongest counsel to you is, since I have zero axe to grind, I am not an agency representing ONDCP or any other government agency, is that you do not throw the baby out here with the bathwater. The baby in this case is that ultimately the business of advertising, more and more, is about building brands. By that, we mean what the emotional and intellectual attributes that we hope to thread to our products. You are familiar with that concept. The reality is ONDCP's job is to build an anti-brand. We don't want to build bridges to drugs, we want to divide them up, we want to distance ourselves from that. In that con-

text you would say to yourself that logic suggests that if product placement works for a brand, wouldn't anti-product placement work for anti-brand particularly geared to young people whom we all know when they see a commercial that specifically targets them tend to reject it. That is the hardest in dealing with generations X and Y.

The question becomes in that situation, do the rules of the engagement change when it is government doing the advertising. In thinking of this way, I am sort of mindful of one of my favorite books before I met Anna actually was Drew Pearson's—a lot of his stories about Washington. I have always loved this place. He said in government oftentimes the right things get done for the wrong reason. I have to say this is a case where the wrong thing got done for the right reason.

I think what is important to do is to draw lessons from that and move forward. Frankly, if I were with my distinguished panelists from CBS and ABC, I would say, boy, this is an interesting possibility. I know NBC isn't here, but if Coke could convince NBC to get Jennifer Aniston on Friends to say, no, thanks, I will have a Coke instead of a Pepsi because it is healthier for me, I think they have a uncovered huge new stream of revenue.

Certainly they would be held as marketing geniuses. Unfortunately, this is not the case here. ONDCP is not a company. It is not a private advertiser. It isn't anything like one of those kinds of things, the kind of people that I typically represent. What they are is an element of government with a legitimate public policy interest. If the threshold question is should government become involved with the business of marketing, the next follow-up question is how do we make government the most effective in the way it markets? I don't know if you are familiar with the statistics on how many ads we as citizens or consumers are confronted with every day. I have seen numbers right now approaching 20,000. How do you make an impact in the face of that? How do you get awareness? How do you get people, particularly young people, to pay attention?

Product placement works in that situation and I would suggest to you that anti-product placement could be equally efficacious. The problem here is that product placement unlike the anti-product placement is fully disclosed to the audience. I see a movie, it is James Bond, there is a BMW, an ungodly amount of money spent on it. I know they are paying for that. I accept that. It doesn't interfere with my enjoyment of the show or the willing suspension of disbelief. I see a message about my behavior and what I should or should not think and then it get as little dicier, because I don't know for a fact that the government played any role in that.

More importantly, I think one of the members alluded to this, there is the question of precedent and where do you stop. At what point does it become impermissible for product anti-placement or the promotion of behaviors in our public policy context to occur. I am mindful of the fact that in this situation—the Marines are huge advertisers—I wonder if we want the Marines reviewing shows and commenting on content of programming. On the other hand, and I say this from a standpoint of a relatively modest-sized agency in San Francisco, the amount of money that you are talking about in

this case, the technical term of the networks would be peanuts. We are not talking about enough money to really influence things.

Let me wrap this up. If the real problem here is disclosure and audience understanding, it is a very simple problem to conclude. You merely, in the titles and credits of programs, indicate that there was some consultation in government or an ONDCP problem.

The second thing is if Congress is going to authorize these kinds of programs in the future, Congress needs to be informed about what they are. Network negotiations are hugely complicated and there really is totally negotiation. There is no cost for a commercial when these guys are doing the work because it is really about how much we promise to get and how much they deliver when we negotiate. This is a clever negotiation. Last, I would urge you not to handicap your advertising agencies, including the ones here who are excellent, in being creative. The stakes here in drug control are too great. I think the trick here is merely to put the thing on the right course.

I apologize for taking all of my time. I really meant to do half of it.

[The prepared statement of Jef Loeb follows:]

PREPARED STATEMENT OF JEF LOEB, CHAIRMAN/CREATIVE DIRECTOR, KATSIN/LOEB ADVERTISING, INC.

It is a great honor to have been asked to appear before you and to have the opportunity to discuss a subject of deep interest to anyone involved in affecting public attitudes and behaviors—particularly given the governmental context.

For the record, I would like to state that I do not represent any advertising industry group and that my viewpoints are not endorsed either by my agency or any of our clients. They are, however, supported by more than 20 years in advertising, creating and writing advertising campaigns on behalf of commercial, industrial, manufacturing, health care, e-commerce, media, governmental and public service organizations. My own work, and the work of my agency, has been recognized at the international, national and regional level in a variety of advertising competitions. Additionally, by way of further credentials, I have taught marketing, advertising and copywriting at several schools and have been published in various advertising industry trade magazines.

The events that provoked today's hearing reflect the inevitable collision between three dynamic forces—the national interest in defeating a pernicious threat to public health and welfare; the evolution of 21st century marketing practice in a world where getting attention, much less making an impact, is increasingly daunting; and, most important, the role of government when it assumes the mantle of an advertiser.

In considering the results of this intersection, I would like to underscore my belief that what happened in no way, shape or form reflects any evil or malignant intent by the White House, ONDCP or any of its advertising advisors. Rather, it's the product of people of good will going the proverbial bridge too far in pursuit of a very legitimate objective.

In that spirit, let's begin by talking about the advertising underpinnings of this program and why, from that limited perspective, ONDCP's actions actually made a great deal of sense.

In our pop-culture world, most of us are familiar with the concept of "product placement." Whether it's a can of soda placed in a movie scene or a manufacturer paying millions of dollars to make their car the star of the show, product placement is an inevitable feature of today's entertainment industry. Advertisers use this tool for reasons ranging from building product awareness to creating favorable associations for their brands. After all, if James Bond drives the car, it must be cool.

This is particularly true for youth markets who, repeated studies have shown, often reject messages specifically targeted at them in the form of 30-second TV spots or magazine ads. The twin keys in reaching these groups seem to be creating the kind of aggressive ubiquity that allows Generations X and Y to "discover" and adopt the brand or the product on their own.

Of course, ONDCP's mission isn't to create a brand at all, but rather its diametrical opposite—call it an "anti-brand." So, logic suggests, if we know that product placement works in brand-building, why not try the inverse—having negative references about our "anti-brand" organically inserted into entertainment?

When *Salon* broke the story about this program, I was caught by the thought that product placement is now commonplace—but this is the first example of *anti-product placement* in recent history.

In fact, it is an exceedingly clever notion. Let me assure you: if Coca Cola were somehow able to magically persuade a network like NBC to have Jennifer Anniston on *Friends* reject a Pepsi in favor of a Coke—it would be hailed as an astonishing marketing coup.

But ONDCP isn't Coke; it isn't a company with products to sell; it isn't even an advertiser in the ordinary sense. ONDCP is an arm of the Federal Government—and that is where the wheels begin to fall off on what, otherwise, would be regarded as an ingenious advertising innovation.

The question is: do the advertising rules change when government is the sponsor? I submit to you that they do and for two common sense reasons.

The first is rooted in the nature of non-traditional marketing tools like product placement. Creatively these are effective because they lend verity to the production, are sometimes unexpected and, from the audience standpoint fundamentally non-directional. Unlike conventional advertising, a product placement doesn't say "think this, feel this, buy this." It only introduces us to the product in a context where it gains cachet. Audiences buy into the placement because they are more than well aware of the intent and willing to accept its intrusion.

In this instance, however, "anti-product placement" has one other, more opportune but less fortunate attribute: the fact of persuasion is not only non-disclosed, but invisible to any member of the audience who hasn't happened to read the Congressional Record.

This lack of disclosure leads to a second, and far more transcendent, concern: if it's okay for the government to engage in undisclosed marketing tactics when it comes to drugs, how about tobacco? If it's okay for tobacco, how about teen pregnancy? If it's okay for teen pregnancy, how about any of a hundred other issues that could legitimately lay claim to the national interest? And if it's okay for the Federal Government, how about the states? After all, in most states lotteries are established to support public education.

Most important, and of greatest concern, if this precedent is set now, what about the future? Will an administration with vastly different predilections—and the ability to rally sufficient Congressional support—be able to utilize these tools on subjects like abortion or religion or lifestyles?

Boiled down, it all comes down to this: there is a bright but exceedingly fine line between promotion and propaganda when government attempts to influence public behaviors or attitudes. In light of the stakes involved in many of these issues, a democratic society can and should embrace the former. And utterly reject the latter.

At the outset of this presentation, I characterized this situation as a collision between national interests that often justify government stepping out from behind the bully pulpit to use tools like advertising to promote the welfare of its citizens; the demands of marketing efficacy in the 21st century; and, the role of government as an advertiser.

None of these forces ever needs to come into conflict again, if the Congress sets and lives by three policies.

The first must be strict avoidance of any action that would promote the reality or the appearance of exerting pressure on the creative content of programming. Even the perception of such activities is crippling—a vital point when you realize that advertising is as much about perception as it is reality. And that government's mission in these exercises is to create perceptions that motivate and lead to positive actions.

Second, whenever the government is involved, a rule of strict disclosure must be enforced. It's already normal in TV spots and print ads. It should become standard in titles and credits that follow movies and television shows, where appropriate.

Third, I would suggest that those who have an oversight role in these matters also need to be informed about the involved dynamics. According to the news stories I have read, this all occurred as part of the typical bargaining that attends most network buys. If you are going to pass judgement on the efficacy of those purchases, you may be well advised to have your own experts on call to evaluate the proposal.

These are not earthshaking recommendations. Nor do they imply that the government needs to shut off the creative wellsprings of its advertising agencies and advisors. In fact, ONDCP's revised policy itself may well represent a pragmatic solution to this complex problem.

But in the fluid, ever changing and always negotiable world of marketing, extreme care must be taken to ensure that government never steps over the bright line from promotion to propaganda. Which, in the end, is what this particular issue is all about.

Mr. Chairman and Members, thank you for your time. If there are any questions I can answer, I would be delighted to give them my best response.

Mr. TAUZIN. Thank you.

The Chair recognizes Mr. Robert Corn-Revere, a partner of Hogan & Hartson here in Washington, DC.

Mr. Corn-Revere.

STATEMENT OF ROBERT CORN-REVERE

Mr. CORN-REVERE. Thank you, Mr. Chairman, and members of the committee. Thank you for inviting me to testify on this important subject. I have been asked to address the potential first amendment issues that arise from the question of the possible practice of providing financial credit for anti-drug messages in prime time entertainment programming. Before addressing that issue, I would like to touch on a couple of the issues or practices that I think clearly do not raise first amendment concerns. First, obviously, the practice of having a public information campaign and purchasing public service announcements by itself raises absolutely no constitutional concerns. Freedom of the press doesn't mean that the government is disabled from entering the marketplace of ideas, it can add its voice to others. Personally, I was very taken with the Emperor Penguin ad. It made me feel a little bit bad since I left my kids on vacation to come to this hearing.

Second, the practice of the entertainment industry outreach by ONDCP that has been presented in testimony elsewhere by members of the office also doesn't raise any constitutional concerns. In the material that I have read, ONDCP personnel meet regularly with producers and entertainment executives in Hollywood to provide factual and medical information on drug use. And that again raises no concern. It is laudable. While these practices are not controversial, the allegation that a number of prime time programs have had specifically governmentally approved messages inserted in them for exchange for public service announcement time does raise some controversial issues.

I realize there is a factual dispute over how this transpired and the extent it took place. I am not here to weigh in on that. I really don't know. I think that hopefully with hearings like this, those factual issues will be sorted out. While I can't evaluate the respective versions of events, I really would like to offer some perspective on some of the constitutional issues that are raised. Obviously, as we have heard about today, perspectives on this can vary widely. One columnist in the Washington Post asked, is it really so alarming that Uncle Sam is undermining the creative integrity of Sabrina, the Teenage Witch?

Other columnists have raised a totally different perspective as the column from Charles Krauthammer that has already been introduced into the record here. My own view is that for a Nation dedicated to freedom of expression, the United States should resist the use of propoganda as acceptable policy regardless of how meritorious a particular message might be. I know that Dr. Vereen has described this as not being propaganda, that it is medical or sci-

entific fact. I don't dispute his characterization of what the messages are. I don't think that keeps it from being propoganda when the government is inserting it into programs or using incentives to make sure those messages are inserted into programs, the viewers of which I am sure are not aware that they are receiving a government-sponsored message.

Like the wall of separation between church and State envisioned in the Constitution, I believe that the first amendment calls for a separation of press and state. Just as Robert Jackson wrote over half a century ago, the first amendment was intended to foreclose public authority for assuming a guardianship of the public mind and for protecting the public against false doctrine.

It is true that this program did not involve compulsion in the sense that it wasn't based on a government directive or a government rule. However, the adoption of such a rule is not necessarily prerequisite to raising serious first amendment concerns. For example, 25 years ago the broadcast networks were persuaded to develop a family viewing policy in which programming was inappropriate for viewing by a general family audience would not be presented before 9 p.m. These networks' decisions were voluntary in the sense that no official edict issued from the FCC required them to adopt this policy.

Nevertheless, the Federal district court that reviewed the agreement that limited the family viewing policy described it as a per se violation of the first amendment. The same kinds of first amendment concerns can arise from funding decisions, whether or not it is subsidized postal rates or tax exemption based on a person's willingness to say a certain thing or got a royalty of. Certainly we have seen this kind of concern raised with respect to grants for the National Endowment of the Arts, one that the Supreme Court approved limited the kinds of conditions it was imposing in that case, it cautioned that if specific kinds of messages were required in order to receive those Federal grants, that would raise grave first amendment problems.

I think the same kinds of concerns are raised by the kinds of policies that have been described. Once again, I don't presume to know what all of the facts are. I see that my time has expired. I would be happy to answer any questions later on.

[The prepared statement of Robert Corn-Revere follows:]

PREPARED STATEMENT OF ROBERT CORN-REVERE

Mr. Chairman, and Members of the Subcommittee. Thank you for inviting me to testify on this important subject.

A little less than a month ago, the story broke in *Salon* magazine that the White House Office of National Drug Control Policy ("ONDCP") had used its authority and spending power under the National Youth Anti-Drug Media Campaign, 23 U.S.C. § 1802, et seq. to insert anti-drug messages into prime time entertainment programming presented by the national broadcast networks. According to the story, the networks received approximately $25 million worth of credit for time that under the law would have been devoted to anti-drug public service announcements. The credits were given under the auspices of a five-year, $1 billion media campaign that ONDCP described in a 1998 press release as "the largest and most complex social-marketing campaign ever undertaken."

It was reported that under this program government officials and their contractors began approving, and in some cases altering, the scripts of shows before they aired in order to conform to the government's preferred message. ONDCP reportedly used a numerical formula to assign a financial value to the anti-drug messages that

appeared in each program: Half hour programs that presented an approved theme received three "credits," or the value of three 30-second ads, while hour-long programs received five credits. The value of the credits depended on the ratings of the program that presented the approved message, creating an incentive to alter the story lines of the most popular programs. Accordingly, the Salon article named "Beverly Hills 90210," "ER," "Chicago Hope," "Sports Night," "7th Heaven," "The Wayans Bros," "Cosby," "The Smart Guy" and "Home Improvement" as among the shows that received credit for approved themes. The story noted that almost none of the producers and writers who crafted the anti-drug episodes were aware of the deal.

Reactions to the revelations have varied widely. One response is that the story is no big deal. Writing in the Washington Post, Marjorie Williams asked if it is "really so alarming that Uncle Sam is undermining the creative integrity of 'Sabrina the Teenage Witch?'" Marjorie Williams, "*...But Really, What Was Sold?*" WASHINGTON POST, January 21, 2000 at A29. She concluded that "the propaganda in question here was distinctly benign" because drug use "is one of the few uncontested zones in our perennial culture wars." Writing the same day, Charles Krauthammer pointed out that the big deal is that the government "has the power to tax, audit, subpoena [and] imprison" and that in a system "where liberty is preserved by the separation and diffusion of power, we rightly refuse to grant government even more power through control of the content of free media." Charles Krauthammer, "*A Network Sellout...*" WASHINGTON POST, January 21, 2000 at A29. He also asked whether such tactics might not be applied to "equally worthy messages" about gun control, youth violence, recycling, ethnic tolerance or charitable giving. These two examples are fairly representative of the range of opinion on this issue.

My own reaction is that, as a nation dedicated to freedom of expression, the United States should resist embracing the use of propaganda as an acceptable policy, regardless of the merits of any particular message. By propaganda, I am not referring to the campaign to purchase advertising time in order to deliver an anti-drug message. Such efforts to persuade the audience are readily recognizable as such to the viewers, who can form their own impressions of the message. Instead, I am concerned about the use of federal funds and advertising credits to induce the networks to transmit an officially approved message. Like the "wall of separation" between church and state envisioned in the Constitution, the first amendment requires a separation of press and state. "At the heart of the first amendment lies the principle that each person should decide for him or herself the ideas and beliefs deserving of expression, consideration, and adherence. Our political system and cultural life rest upon this ideal." *Turner Broadcasting System v. FCC*, 512 U.S. 622, 641 (1994). "Government action that stifles speech on account of its message, or that requires the utterance of a particular message favored by the Government, contravenes this essential right." *Id.*

As Justice Robert Jackson wrote over half a century ago, the First Amendment was intended to "foreclose public authority from assuming a guardianship of the public mind," and from "protect[ing] the public against false doctrine." *Thomas v. Collins*, 323 U.S. 516, 545 (1945) (Jackson, J., concurring). The ONDCP initiative to influence prime time programming appears not only to have crossed the line marking the First Amendment's underlying philosophy, but to have scrambled it.

Of course, the act of purchasing public service advertisements, by itself, raises no constitutional concerns. There is no question but that ONDCP's actions in conducting a media campaign was well within its legitimate authority. Freedom of speech "does not mean that government must be ideologically 'neutral,'" or "silence government's affirmation of national values," or prevent government from "add[ing] its own voice to the many that it must tolerate." Laurence Tribe, AMERICAN CONSTITUTIONAL LAW 588, 590 (1978). But that is not all that appears to have taken place here. As Justice Scalia has noted, "[i]t may well be that threat and thus suppression would be the consequence of a scheme for systematic review of books and films by an official evaluator, in order that the government may label their content approved or condemned." *Block v. Meese*, 793 F.2d at 1314.

Without a doubt it would violate the First Amendment if the government adopted a rule requiring broadcasters to include anti-drug messages in prime-time programming. *Turner Broadcasting System*, 512 U.S. at 650 ("the FCC's oversight responsibilities do not grant it the power to ordain any particular type of programming that must be offered"). The question here is whether less coercive means of exerting influence raise similar concerns. I believe that government actions that fall short of a law or regulation can violate the First Amendment.

Twenty-five years ago, the broadcast networks were persuaded to adopt the "family viewing policy," in which programming "inappropriate for viewing by a general family audience" would not be presented by 9 p.m. The network programming decisions were "voluntary," in the sense that no official order emanated from the FCC

requiring the policy. But the District Court that reviewed a challenge found the policy to be a per se violation of the First Amendment because it resulted from a concerted plan by the Commission to influence licensees' programming decisions. *Writer's Guild of America, West v. FCC*, 423 F. Supp. 1064 (C.D. Cal. 1976). The decision was reversed on appeal on jurisdictional grounds, because the reviewing court held that the complaint should have been presented to the FCC in the first instance and not to a federal district court. *Writer's Guild of America, West v. FCC*, 609 F.2d 355 (9th Circuit 1979). But at the same time the Court of Appeals noted that such informal actions to control programming present "serious issues involving the Constitution, the Communications Act and the APA." *Id.* at 365.

Similar concerns may be raised by the use of federal funds to influence or dictate programming content. It has long been held, for example, that when government subsidizes private speech it may not favor some viewpoints or ideas at the expense of others. *Hannegan v. Esquire, Inc.*, 327 U.S. 146, 149 (1946) (the Postmaster General may not deny subsidies to certain periodicals on the ground that they are "morally improper and not for the public welfare and the public good"). Nor may the government condition tax exemptions on a person's agreement to utter approved speech, *Speiser v. Randall*, 357 U.S. 513, 519 (1958), or otherwise engage in discriminatory taxation of the press. *Leathers v. Medlock*, 499 U.S. 439, 447 (1991).

These same considerations apply to discretionary distributions of federal funds for expressive purposes. In *National Endowment for the Arts v. Finley*, 524 U.S. 569 (1998), the Supreme Court upheld a condition on NEA grants to artists that required the endowment to consider "general standards of decency and respect for the diverse beliefs and values of the American public." In doing so, however, the Court found that the condition was not a "categorical requirement" that would "preclude or punish the expression of particular views." And the majority added that if the NEA "were to leverage its power to award subsidies on the basis of subjective criteria into a penalty on disfavored viewpoints, then we would confront a different case." *Id*. at 587. Here, the use of federal money by ONDCP to provide a substantial bonus to broadcasters who agree to transmit a government-vetted message may well be that different case.

Apart from any possible constitutional issues, various federal policies are designed to limit the use of propaganda, whether or not the message is "benign." For example, the Foreign Agents Registration Act, 22 U.S.C. §§ 611-621, requires any foreign agent who engages in political activities to register with the Justice Department and to notify DOJ within 48 hours after it transmits into the United States "any political propaganda for or in the interests of [its] foreign principal." 22 U.S.C. § 614(a). The required notification must contain a statement "setting forth full information as to the places, times and extent of such transmittal." 22 U.S.C. § 614(a).

The law is not directed only at messages that have some subversive or nefarious purpose. It defines "political propaganda to include any form of communication "reasonably adapted to . . . prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public . . . with reference to the political or public interests, policies, or relations" of the foreign entity. 22 U.S.C. § 611(j). As a result, the law has required "political propaganda" notices for Canadian films about acid rain and about the dangers of nuclear war, Israeli films about the plight of Soviet Jewry and German films about the Berlin Wall. *Block v. Meese*, 793 F.2d 1303, 1306, 1312 (D.C. Cir. 1986). In short, if the messages approved by ONDCP had been produced by a foreign entity, federal law would have required full disclosure on the theory that the American public has a right to know the source of the persuasion.

Similarly, Section 508 of the Communications Act requires producers of programs who receive money or other valuable consideration for the inclusion of matter in a program to report its receipt to the licensee over whose facilities the program is broadcast. 47 U.S.C. § 508. And Section 317 of the Communications Act requires broadcast licensees to announce when matter contained in a program is paid for, and by whom. 47 U.S.C. § 317. These laws were adopted in the wake of the "payola" scandals of 1950s because Congress believed that the public should know if record companies were paying broadcasters to play certain songs. It is difficult for me to believe that it is a matter of lesser concern if the government pays broadcasters to insert approved messages into their programs.

Some have suggested that ONDCP's efforts are not a matter of concern because the message is commendable. But as the Washington Post editorialized shortly after the story surfaced:

> [W]e happen to agree with the spin, and the idea of sitcoms and television dramas carrying anti-drug themes seems healthy. But where does it end? Could the government pay the networks to slip idle comments into "ER" about the virtues of a particular health care policy?

"*Drugs, TV and Propaganda*," WASHINGTON POST, January 15, 2000 at A24. I agree with this concern, but it is not merely a question of a slippery slope. What about other matters within ONDCP's mission? When California was considering Proposition 215 regarding the medicinal use of marijuana in 1996, General McCaffrey spoke out strongly against the measure, stating the "[a]s medicine, this proposition is unworthy of the Middle Ages. As politics, it is dishonest." ONDCP Press Release, *White House Drug Policy Director McCaffrey Issues Statement Against Legalization of Marijuana*, Sept. 12, 1996. As it turned out, California voters disagreed. But would it have been legitimate for ONDCP to have attempted to change their minds through placement of officially sanctioned messages in prime time?

At this point, it is premature to reach firm conclusions about the legality of ONDCP's actions. Hopefully, hearings such as this one will bring out all the facts so that the American public can fully assess the legitimacy of the government's program of inserting its messages into popular entertainment.

Mr. TAUZIN. Thank you.

Finally, Mr. Martin Franks, senior vice president, CBS, Washington, DC. Mr. Franks.

STATEMENT OF MARTIN D. FRANKS

Mr. FRANKS. Thank you, Mr. Chairman, and members of the subcommittee. I confess to being surprised at the news reports that circulated last month that made it seem as if the networks and ONDCP have been engaged in secretive and unseemly practices. In fact, from the program's inception, CBS has done nothing more than cooperate with ONDCP in a way that is fully consistent with CBS's editorial independence and the expressed intent of Congress when it authorized the campaign.

During the 1998-1999 television season, CBS received $3 million for the broadcast of ONDCP's anti-drug announcements. Our agreement with ONDCP is simply that CBS matches, at least dollar for dollar, the money spent by ONDCP on the network. This was done by the airing of ONDCP-paid PSAs and our own drug anti-PSAs, and by credit received from ONDCP for certain network entertainment programs with an anti-drug story line. CBS more than fulfilled its $3 million commitment in 1998-1999 season with a total of $4.5 million in PSAs and story-line credits. Of that $4.5 million, approximately $2.8 million was received for a combination of ONDCP-produced PSAs and CBS PSAs, respectively. The remaining $1.7 million was credit received for airing of entertainment programming with a drug-related story line.

A total of four original program episodes qualified for the credit: Touched By An Angel, the Cosby episode that you saw, Promised Land, and L. A. Doctors. Each program was submitted, with the sole intent of obtaining a yes or no answer, as to whether the program qualified for matching credits, not for the purpose of inviting ONDCP edits. It is important to keep this in mind, drug abuse has long been and continues to be one of CBS's largest and most important PSA categories. In 1998, the television network donated $16.6 million in regular PSAs impacting drug abuse and mentoring unrelated to the ONDCP match. For 1999 that amount increased to $17.9 million.

Before I conclude, I would like to address for a moment the concerns that many have expressed regarding first amendment righting being trampled. On numerous occasions, I have forcefully argued with many of you in defense of CBS's first amendment rights. At various times, some of you have agreed with the position I have

articulated while others agreed to disagree. I am not shy when it comes to protecting and arguing for broadcasters' rights in general, and CBS's in particular.

I welcome further discussion concerning how to further broadcasting's first amendment protection. But when we have that discussion, please also consider the following among others: Our first amendment rights is endangered when broadcasters are required to air a government-mandated amount of children's television programming. Aren't first amendment rights jeopardized when government officials proposed tying license renewal to their own notion of what is an acceptable level of sexual and violence programming? Are we close to the first amendment line when we are asked to rate our programs voluntarily by an administration in Congress whose goodwill is essential to the deregulation we need to compete and prosper?

Mr. Chairman and members of the subcommittee, while I can understand the theoretical concern many may have about the ONDCP program, I am here to assure you that ONDCP does not make the cut on my own personal list of threats to CBS's first amendment rights and editorial independence. Our intention of participating in the ONDCP program was and is to act responsibly and serve the public interest as was the Congress's intent in launching this initiative. At no time have we felt that our creative integrity was being compromised. If we had, we would have stopped doing business with ONDCP. In fact, hardly a week goes by without CBS telling an advertiser, frequently an advertiser with a much larger budget than ONDCP, that we will not run the ad they are proposing because it contravenes CBS's well-defined and long-standing broadcast standards and practices. We do not have difficulty saying no, whether to a Fortune 500 advertiser or to ONDCP if our standards are being undermined. Had ONDCP sought to do so, which they did not, CBS would have refused.

Thank you for the opportunity to appear today. I will be happy to answer your questions.

[The prepared statement of Martin D. Franks follows:]

PREPARED STATEMENT OF MARTIN D. FRANKS, SENIOR VICE PRESIDENT, CBS CORPORATION

Mr. Chairman, Members of the Subcommittee, I am pleased to be here today and have the opportunity to discuss with you CBS's participation in the ONDCP national media campaign. I am here because the CBS Television Network's Broadcast Standards and Practices department, which oversees our ONDCP relationship, reports to me.

I confess to being surprised at the news reports that circulated last month that made it seem as if the networks and ONDCP have been engaged in secretive and unseemly practices. In fact, from the program's inception, CBS has done nothing more than cooperate with ONDCP in a way that is fully consistent with CBS's editorial independence and the express intent of Congress when it authorized the campaign.

As you will recall, this program was announced in 1998 by President Clinton, Speaker Gingrich and General McCaffrey. At the time it received widespread bipartisan support. Upon its announcement it was the subject of numerous news reports, and the very facet of the program now under question was widely reported and examined in the media.

The Drug Demand Reduction Act of 1998, the legislation authorizing this program, as well as relevant sections of the conference report, support the assertion that Congress anticipated that the program would include both public service announcements and other cooperative activities by broadcast and other media; includ-

ing credit to broadcast networks and the creative community for drug related storylines. CBS's activities in response to this Congressional program involved nothing that can reasonably be considered improper or a threat to our editorial independence.

Before describing for you CBS's participation in the program, I think it is important to remember that the legislation which authorized the ONDCP program was passed with overwhelming support from both sides of the aisle, with only nine votes in opposition. Then Chairman of the National Security, International Affairs and Criminal Justice Subcommittee, Congressman Dennis Hastert, spent an entire year leading a bipartisan task force that produced this bold drug reduction initiative.

For our part, during the 1998-99 season CBS received $3 million dollars from the ONDCP for the broadcast of ONDCP's anti-drug announcements. The arrangement between our network and the ONDCP is simply that CBS matches dollar for dollar the money spent by the ONDCP on the network. This was done through the airing of the ONDCP PSA's, our PSA's, and by credit received from ONDCP for certain network entertainment programs with an "anti-drug" story line.

CBS fulfilled its $3 million commitment in the 1998-99 season and then some, with a total of $4.5 million in PSA's and storyline credits. Of that $4.5 million, approximately $2.8 million was received for a combination of ONDCP produced PSA's and CBS PSA's respectively. The remaining $1.7 million was credit received for airing of entertainment programming with a drug related storyline. A total of 4 original programs and three repeats were aired and qualified for the credits. They were: one original and one repeat of Touched by an Angel, one original and one repeat of Cosby, one original and one repeat of Promised Land, and one original of LA Docs. Of these four original programs, two scripts were submitted prior to airing and two productions were submitted after broadcast. Each script or program was submitted with the sole intent of obtaining a yes or no answer as to whether the program qualified for matching credits, not for the purpose of inviting ONDCP edits. And, in no case have programs been produced for the purpose of receiving ONDCP credit. Let me add here—and I think it is important to keep this in mind—drug abuse has long been and continues to be one of CBS's largest and most important PSA categories. In 1998, the TV network donated $16.6 million in regular PSA's impacting drug abuse and mentoring—unrelated to the ONDCP match. For 1999 that amount increased to $17.9 million.

Before I conclude, I would like to address for a moment the concerns that many have expressed regarding First Amendment rights being trampled. On numerous occasions, I have forcefully argued with many of you in defense of CBS's First Amendment rights. At various times, some of you have agreed with the position I articulated while others agreed to disagree. I am not shy when it comes to protecting and arguing for broadcasters' rights in general, and CBS's in particular.

I welcome any further discussion concerning how to further broadcasting's First Amendment protections. But when we have that discussion, please also consider the following, among others:

Are First Amendment rights endangered when broadcasters are required to air a government-mandated amount of children's television programming? Aren't First Amendment rights jeopardized when government officials propose tying license renewal to their own notion of what is an acceptable level of sexual and violent content in programming? Are we close to the First Amendment line when we are "asked" to rate our programs "voluntarily" by an administration and Congress whose good will is essential to the deregulation we need to compete and prosper?

Mr. Chairman and Members of the Subcommittee, while I can understand the theoretical concern many may have about the ONDCP program, I am here to assure you that ONDCP does not make the cut on my own personal list of threats to CBS's First Amendment rights and editorial independence.

Our intention in participating in the ONDCP program was and is to act responsibly and serve the public interest, as was the Congress' intent in launching this initiative. At no time have we felt that creative integrity was being compromised. If we had, we would have stopped doing business with ONDCP. In fact, hardly a week goes by without CBS telling an advertiser, frequently an advertiser with a much larger budget than ONDCP, that we will not run the ad they are proposing because it contravenes CBS's well defined and longstanding Broadcast Standards and Practices. We do not have difficulty saying NO, whether to a Fortune 500 advertiser, or to ONDCP, if our standards are being undermined.

Had ONDCP sought to do so, which they did not, CBS would have refused. Thank you for the opportunity to appear today. I will be happy to answer any questions the Committee may have for me.

Mr. TAUZIN. The Chair will now recognize himself for a round of questions. Let me get the facts on the table first of all. The facts are, Dr. Vereen, that, at some point, your agency was prescreening scripts, that scripts were being presented to you in advance of being aired; is that correct?

Mr. VEREEN. No, that's not the case. The fact is that in our interactive outreach to the networks, we provide technical information to them——

Mr. TAUZIN. I know about that. I will get into that in a second. But CBS testifies that on the record that of the four programs just mentioned, two were submitted prior to airing by your agency. Is that not correct?

Mr. VEREEN. That is what I am trying to explain to you. They may be presented to us for technical assistance and we refer those out to places like the National Institutes of Health, NIDA——

Mr. TAUZIN. You have changed your rules on that point? You no longer reviewed television program episodes for possible government credit only after the episodes have been aired?

Mr. VEREEN. What you are doing is you are blurring the lines between the technical assistance that we give and what happens in credit for the match.

Mr. TAUZIN. Let me ask you, Mr. Franks, why did you submit those scripts to the agency? Was it for technical assistance?

Mr. FRANKS. No. As I testified, for a yes or no answer.

Mr. TAUZIN. Whether or not you get the credit?

Mr. FRANKS. Right.

Mr. TAUZIN. So scripts were being submitted for the purpose of the agency deciding whether or not you got credit. Why are we getting two different sets of testimony on that point?

Mr. VEREEN. They submitted them for evaluation. It is a separate process. We passed that——

Mr. TAUZIN. Dr. Vereen, you announced in your latest statement that this advice would now be offered separate from the review process indicating that it was offered together with the review process previously. Mr. Franks is testifying that they submitted their scripts to you for a yes or no answer on whether or not credit would be given. Are you denying that?

Mr. VEREEN. That is determined by our contractor by Ogilvy & Mather.

Mr. TAUZIN. Whoever determines it, Dr. Vereen, are you denying Mr. Franks' statement that scripts were submitted for a yes or no answer on the basis of whether they get a credit?

Mr. VEREEN. Yes. That has happened and the reason we needed to clarify that was because of the confusion between providing technical assistance and things qualifying for the match. We don't determine that.

Mr. TAUZIN. Mr. Wallau, your network, upon hearing at this conference, that you had to submit your scripts before they were aired, said no. I am not doing that. Your network was denied any credits for program content; is that correct? Take the mike please, sir.

Mr. WALLAU. Mr. Chairman, I don't know if we could have negotiated beyond that point where we said no, or whether we could have done that after the fact and gotten some credit. We didn't get to that point in the negotiation. We just said we didn't want to sub-

mit scripts in advance and then negotiated a relationship with the season which had a full PSA match. But the deal presented to us at the time was we had to submit in advance.

Mr. TAUZIN. Submit in advance, you said no. You are the only network now that gets credit on basis of PSAs you provide?

Mr. FRANKS. We have changed our policy also, Mr. Chairman.

Mr. TAUZIN. What is your policy?

Mr. FRANKS. We only submit programs after they have aired.

Mr. TAUZIN. Apparently, there has been a lot of changes. I am trying to understand what was done before and what is being done now. Mr. Wallau, as far as the facts are before these changes occurred in the government policy and the policy of CBS and others, your network apparently was the only one who said we are not submitting scripts in advance, and the result was you negotiated a contract where you lost all content credits; is that correct?

Mr. WALLAU. Yes.

Mr. TAUZIN. Now, I want to ask you, Dr. Vereen, why do you treat newspapers different than television? Newspapers, according to the stories, never had content reviews and newspapers don't get any content credits. Television does. Why do you think it is appropriate to give dollar credits or credits to television stations on the basis of your content reviews and while you are not doing that with newspapers?

Mr. VEREEN. We don't pay for news. That is the product that newspapers present. We don't give credit for things that would be reported anyway. When a television network creates a show, once they get information from NIDA or NIAAA or something, it is their creative product. What they do with that information——

Mr. TAUZIN. Is an editorial a creative product? Why do you not give credits to newspapers whose editorials contain good anti-drug messages? Why do you, on the other hand, give credits to a television station that has a script that you approve of?

Mr. VEREEN. There are other ways that newspapers can provide information——

Mr. TAUZIN. Other ways that television can't.

Mr. VEREEN. That is right, and they do. ABC, for example, created——

Mr. TAUZIN. I just want to note, and please be specific on this, granted, that they can each do it very different ways, why did your agency treat one media in one way and another media another way when both have creative material which could contain content that would either meet or not meet your criteria?

Mr. VEREEN. We made a decision not to pay for news.

Mr. TAUZIN. Mr. Loeb, you wanted to respond.

Mr. LOEB. I just want to observe that I don't think product placement or anti-placement would work in a newspaper. It is a whole different ball of wax. It is not organic to the entertainment environment in which you can see the newspapers. I think in fairness to ONDCP——

Mr. TAUZIN. I am going to wrap because I have got to. Let me differ with you. It seems to me a good editorial in a newspaper scientifically decrying the use of drugs and urging young people not to use them, et cetera, and giving out good information about why it is harmful to their careers could be significantly as effective as

any hidden message in a television program. It just puzzles me that the agency would be given credits for content in one media and not the other.

Finally, let me say, Mr. Vereen, because I want to put this on the record. I tend to agree with my colleague from New Mexico. I am proud of that vote that we cast. I like the fact that we are doing this. I think the way we are doing it, perhaps the way you did it in looking at scripts in advance most particularly, is very troublesome. It is the implementation of it.

Second, I am pleased that you are changing. I am pleased that CBS and others are changing their attitude about presubmitting scripts to you. That troubles me more than any part of this. But I am equally concerned about the fact that some media is going to be given dollar credits for messages that we approve of in their programs when others are not, and in any case, that does, in fact, threaten the first amendment position. I continue to be concerned about that. We want to have more discussions about that with it.

I yield to my friend, Mr. Markey, for his questions.

Mr. MARKEY. Thank you, Mr. Chairman, very much. Obviously, there is no more important subject that we are going to take up than the influences that the culture has on the behavioral patterns of children in terms of their engaging in risk-taking behavior that ultimately will come back to haunt them later on in their life. Again, 50 percent of all disease in the United States is behaviorally based. We have to deal with that reality. Let's hope that we cure cancer and other diseases. We are not sure. We can, through all of the money in the world that we want at NIH, and hope that breakthroughs can be made in those diseases.

There are diseases, however, that we know we can do something about if we can convince people early enough in their life not to engage in that kind of behavior. That is a much bigger near-term payoff in terms of the health of our society and the cost to the Federal and State taxpayers in terms of taking care of these people when the disease sets in that is directly resulted from engaging in unhealthy behavior. I think this is as important a program as can exist, because television is the most powerful influence, with the exception their parents.

The tension that exists here, it seems to me in this program, is one that is difficult to resolve. Either the government got involved and altered or influenced scripts so that the taxpayers, that is the public health dollars, got matched, so that we were targeting this audience, or the TV networks were not influenced at all and all they did was submit programs they were doing anyway, and they got away from having to put on the matching PSAs; and we got nothing for our money but they got something for free. That is not good either. That is a waste of our money.

So what we are seeing here are a few scattered shows that are calling for thousand of hours of programming, and they are showing us these few proud moments, and we get nothing. If, on the other hand, we can see a dramatic increase as result of the kind of the influence of a program like this, it is a difficult chicken and egg problem we have here. We clearly believe that a lot of people might be tempted in the movies.

Increasingly, when I go to the movies, I am seeing, as Mr. Loeb says, all of this product placement. You can see James Bond smoking this cigarette, drinking this drink, driving this car, and looking at this particular watch, and wearing his Briani this and that. Then you have this anti-product question that you have to raise. Can you influence people the other way, negatively.

So I think that from my perspective, I know that I drank a lot of Bosco because big brother Bud Emory Army told me to drink it. It was definitely built into the body of the show, the substance of the show. That is why we had to pass laws saying the hosts of the shows can't say, um, um, good kids, drink that quart of milk and some Bosco every day. Make sure mom gets some extra special for you. We know that 68-year-old guy wasn't slugging down that stuff every day, but he was able to influence the 8-year-olds, if they were reading the editorials.

I am not saying that the kids were smarter than I was. I think they are getting their information largely from the same sources that I did when I was a kid. So I think we have in a way that there is almost some semantical—there is a terminological inexactitude here that the program was implemented. I think that it can be resolved in ways that ultimately benefit the public. I would hope that the networks would continue to work the drug office. I wish we had a tobacco office and a gun office. I wish we had a sexual practices office as well so that the networks could be engaged in an ongoing basis with the education, technical help that comes from professionals like Dr. Vereen who have dedicated their lives as public health service doctors to help reduce the incidence of later disease that are exposed to these practices that our children——

So I guess my general view is that it would be a tragedy if the networks decided they are just going to walk away from their responsibility to ensure that the lead character in a show where the average 9- to 13-year-old girl is looking at some lead girl in the show week after week as their model, and you have the missed the opportunity of having that girl, as cool as she is, saying I am never going to do drugs or smoke.

If we don't see a show like that where you build in the main character in one of those shows, then you are missing your own social responsibility. We shouldn't even have a program like this to be honest with you. You should be coming to us right now showing us an entire program where you have a lead character who is viewed as the coolest girl in town, and you advertise around that program, and she is taking one or two major negative behavioral patterns that she is saying she is not going to do it, and everyone else in the school still thinks she is still the coolest kid going.

You don't have a program like that, and that really troubles me that you can't show us that here, that we have to have a government program do it. I hope that this discussion actually puts a bigger spotlight on the networks, on the movies so that on an ongoing basis now, you can answer the question as to what you did voluntarily, those of you who want to walk away from it. But don't expect the Congress to go away. Don't expect parents across the country to go away because unless you cooperate, they are going to be fighting a losing battle in terms of changing these behavioral patterns.

Thank you, Mr. Chairman.

Mr. TAUZIN. The gentleman's time has expired. The gentlelady from New Mexico is recognized.

Mrs. WILSON. Thank you, Mr. Chairman. I must have missed the Bosco thing. I admit when I come to these discussions, I enjoyed seeing the excerpts and the public service announcements, but I also seem somewhat out of touch because of those nine programs or so that you showed clips from, I have never seen eight of them. Somehow I feel like I may not have missed much, which is I guess a good thing in some way.

I have some questions, Mr. Franks, for you. Of those shows that you submitted for prior approval before you changed your policy, did you get any "no" answers? You said you were looking for a yes or no.

Mr. FRANKS. Yes, we did get some no's.

Mrs. WILSON. What was your next step?

Mr. FRANKS. Move on.

Mrs. WILSON. Did the producers or the writers or the people involved creatively with those shows know what the network was doing with respect to getting credits?

Mr. FRANKS. No, not in every instance early on. One of the things I said when we changed our policy, when we looked at the second year and we were trying to decide how to do this rationally going forward, one of the things that we decided was in order to avoid the kind of controversy that has arisen—we obviously weren't very successful—was that we would only admit shows after they aired so there couldn't be any question about their editorial independence.

In some instances we, the creators, were involved because in some instances, they were shows that we also own. There was the well-written, well-documented exercise where an episode of Chicago Hope qualified. Interestingly enough, it was qualified by Fox, who produces it. We did not submit it and we did not know that it had qualified for the credit. There is some interesting recordkeeping exercises. But I think we could certainly do a better job as we go forward in making sure producers are aware.

Mrs. WILSON. As long as there is not a prior approval process?

Mr. FRANKS. Correct. For us there never has been a prior approval process in the sense that, again, the question——

Mrs. WILSON. Referring specifically, you said for a brief period of time you did submit some programs for prior approval and then changed——

Mr. FRANKS. Prior approval for yes or no answer, does it qualify or not.

Mrs. WILSON. The question that then arises on my mind, and it may, at this point, be theoretical, because you have changed your policy, but I think it is important when we think about these things and similar questions that may come up is if you have a no answer and the producers and the writers knew that you got a no answer, does that then again influence the way they write?

Mr. FRANKS. Congresswoman, I wish—the other part of my standards and practices, if you will, is in dealing with writers and producers when there are elements in their shows that we don't like. Steven Bochco thinks that I am probably the biggest prude on

the North American continent because of the things that I don't want to let him do in programs that he airs on CBS. We have an ongoing dialog with producers about the content, pro and con, positive and negative. It is a pretty vigorous back and forth. It is not an arms-length process when we are talking to them about the content of the programs on a weekly basis.

Mrs. WILSON. Thank you.

Dr. Vereen, with respect to other media, the chairman mentioned newspapers. I have to say that I don't know many kids that do the editorial page either. But the question that I had was about other entertainment media, particularly music, videos, movies, even Sports Illustrated-kinds of things, or I guess in my wildest dreams, Rolling Stone. Has the Office of Drug Control Policy ever sought to give credit, or in some way compensate for content in any other media?

Mr. VEREEN. Sure. In the case of the New York Times—by the way——

Mrs. WILSON. I am not talking about paid clear advertising, but content.

Mr. VEREEN. I got you. I made the point that we didn't want to get in the business of paying for news. First of all, the kids are not reading the newspapers. In order to hit the kids, we only want to support those things in the media match that would get messages out to kids. But the New York Times developed——

Mrs. WILSON. Dr. Vereen, I am not talking about guides or those kinds of things. I am talking about the analog of programming decisions, whether it is in movies, music, video games, other entertainment that may be disguised as a message. Has the Office of Drug Control Policy ever compensated anybody else or given them credits or anything else in any of those other entertainment media?

Mr. VEREEN. For example, in MTV, everything that gets satisfied in the match oral ads, okay, sometimes there are featured stories that are offered on occasion. I think you saw something on ABC that was a story that was presented, but they tend to not happen very often when it does happen.

Mrs. WILSON. I think I would like to know, and this may be something you need to take back, as to whether and when it has happened. I am not talking about networks or the advertisements on MTV, but if we are talking about—if the Office of Drug Control Policy provided some kind of compensation to a rap artist for doing an antidrug song, I would kind of like to know that. If you could take that for the record.

Mr. VEREEN. Let me offer a clarification and go over some things I presented before very quickly. The time here doesn't allow for the full explanation of a very complicated relationship. The relationship that we have with the networks or any other group is voluntary. We buy time and space in order to place the ads that have been developed pro bono that are antidrug. Once we buy the time and space, that determines the pro bono match. That determines the public service obligation that we expect. It is a voluntary thing. What counts, in terms of serving back that obligation, has a set of criteria which I ran through too quickly.

Mrs. WILSON. Doctor, I understand all that, but I hope that you understand the distinction that is being made here between a

match from a public service campaign or a program that is produced and written by somebody for CBS submitted after the fact, and submitting scripts in advance for some kind of compensation with a hidden governmental message. That, to me, is the fundamental issue. My time has expired.

Mr. VEREEN. I'm not sure I get that. I apologize.

Mr. TAUZIN. The gentlelady's time has expired. The credits you give to newspapers is often for programs directed to parents and guardians.

Mr. VEREEN. Yes, that is true.

Mr. TAUZIN. My point stands. I just want you to think about that. I yield to my friend from California, Ms. Eshoo.

Ms. ESHOO. Thank you to all of the witnesses that have offered their reflections to the questions that our colleagues have asked. Let me start with Dr. Vereen. Have you looked into working with any of the websites?

Mr. VEREEN. Oh, sure. We have a huge interactive——

Ms. ESHOO. Could you tell us about that program briefly but give us the meat of that. I can't help but think with what, some 80 million Americans on-line today and in a handful of years is projected to be 117 million, maybe it is just me. Most of these programs that you showed, I have to confess, I haven't even heard of. I don't watch TV. I don't know how many kids are watching all of this. Obviously, in marketing you want to get your message out to as broad an audience as possible. Any one of us that wants great assistance relative to the Web or the Internet hire young people to do that, not people that are older than ourselves. So can you tell us what the office has done so far and how much of that market you think you have penetrated?

Mr. VEREEN. Your question actually gets right to the heart of the challenge that we have. The experts told us that you have to go after the kids. And they are not always watching television. Sometimes they are listening to radio. A recent report told us that more——

Ms. ESHOO. I have another question to ask, so maybe you could tell me directly to my question.

Mr. VEREEN. We have a number of Internet sites where kids can go and get information. When we first started out this campaign, when you punched in a key word, you got the wrong message about drugs.

Ms. ESHOO. Do you advertise on the net?

Mr. VEREEN. Certainly. And the net is also there for the parents as well. We got word from parents that they didn't know what to tell their kids. They didn't have the facts about drugs.

Ms. ESHOO. Do you have any way of measuring?

Mr. VEREEN. Yes, we do. We have tons of information about how these sites have become quite popular over time, over just a short time that we have had this media campaign.

Ms. ESHOO. When did you begin it?

Mr. VEREEN. The Internet part of the campaign was launched actually here in this building last fall.

Ms. ESHOO. Was that the beginning of your agency's entire effort?

Mr. VEREEN. With the Internet, the official launching of the Internet. Prior to that, ABC had developed an Internet site on their own. It was an idea that they came up with for which they got credit.

Ms. ESHOO. I don't know what your hits are, but——

Mr. WALLAU. We had 6 million on the ABC site——

Ms. ESHOO. If I were a kid using drugs, I don't think I would go to your site to find out how to stop using them. I think that there has to be kind of a subliminal way——

Mr. WALLAU. It was not an ABC site. It was a site set up specifically for an antidrug message, the name of it I wish I could——

Mr. VEREEN. Freevibe.

Mr. WALLAU. Free buy.

Ms. ESHOO. I don't want to diminish what you are doing. We need all the help we can get. What it sounds like, it may need to be more finer tuned and pitched, so that it really reaches far more. I still buy Tide. There must be some kind of reason for that. I haven't tried anything else. But I guess all of those hits were successful. Thank you for what you just told me.

I want to go to Jeff Loeb. Jeff, do you think, in your opinion, that the new regulations that the ONDCP has taken on that you mentioned in your testimony, that they will really promote the antidrug material, that they are effective?

Mr. LOEB. As far as I understand those regulations and I admit to being as baffled as everybody else the way this story has unfolded, yes, I think they are a smart move. I think what the chairman has raised, and the member from New Mexico really were talking about here is there is a real question here. The question is, does government have the ability and the willingness to be an effective marketer or not? That is a balancing act that is way above my head in terms of what the competing institutional interests are. Where does the limit go and do you want to be paying rap artists to do stories like that?

The trick here is, and the reason why I argue so strongly in my remarks for disclosure is——

Ms. ESHOO. I think that is the key.

Mr. LOEB. [continuing] that basically at the end of the day—this is all about perception. This is what I do for a living, basically. I hate to admit it. Advertising is much perception as reality. The fact of this hearing and the news stories that transpired after all this broke, which is really an Internet-generated news story is astonishing to me. Basically, what you're trying to do is find a way to control perceptions in a way that you can reach in an effective way, which I think the ONDCP is trying to do without getting themselves into hot water over the fact of the implementation of the policy.

Ms. ESHOO. Thank you. I think my time is up, Mr. Chairman. Thank you for your excellent testimony.

Mr. TAUZIN. I thank the gentlelady. The gentleman from California, Mr. Cox is recognized for 5 minutes.

Mr. COX. Thank you. I can't tell from reading your statement, Mr. Wallau, whether or not you believe that ONDCP's reduction in the amount of advertising that they bought from you was connected to the fact that you told them that you weren't going to go along

with their new program of looking at the scripts in advance. I do note the figures that for the period July 1998 through September 1999 ONDCP bought nearly $40 million worth of advertising. Following the discussions that you had about preapproval of scripts, they bought $18 million for the upcoming season. So far they have bought $6 million and you have aired $9.8 million in match value.

Mr. WALLAU. Right. Just so we are clear, Congressman, the $6 million is part of that $18 million. We are about a third of the way into this season.

Mr. COX. I understand. Since the first was a 15-month period, on an annual basis that is about $31 million. An apples-to-apples comparison is $31 million to $18 million. Why the diminution in the purchases from ONDCP?

Mr. WALLAU. There were a number of components to it, some of which had to do with other changes in the qualification criteria for other areas such as the website, for instance. We had done a website in cooperation—I think we both agree was quite successful when the criteria came out for the second season. The match—I am sorry, we wanted the website continue to be a match for a buy made on our website, ABC.com. The agency that the ONDCP worked with didn't want that to happen. They wanted it to be as part of the match for the telephone—television buy and that was just in negotiation with the agencies.

Mr. COX. Did you get anything like $31 million out of the government this year?

Mr. WALLAU. We haven't begun that negotiation. Those start in May. We are willing to go up that high and match with PSAs. We went up to $18.5 million this year. We are willing to continue to go higher. We didn't get that amount of money from the agency when they awarded the bid. I can't tell you what the agency's thought process was, Congressman.

Mr. COX. It appears, in any case, that the government is in a position as purchaser to influence you to the extent that you are willing to sell to them and they are, at the same time, in a position to buy less if they are not extending their influence.

Mr. WALLAU. That is accurate, but there is one more component, that is, are we willing to give up the match of the PSAs in the $18.5 million that we went forward with this year, we also were willing to format that into our schedule, $18.5 million of additional PSA time. We were willing to do that. Other networks made other choices. So the limiting factor is not just whether the agency wants to give us the money in return for the $18.5 million. There is another component of whether we are willing to give up that time, especially in a marketplace like we have right now where we can make significantly more money with that time than we are making in selling it in the upfront to the ONDCP.

Mr. COX. I wonder if I could ask Mr. Corn-Revere, if I understand you correctly, you are concerned about the use of Federal funds to induce networks to broadcast and officially approve messages; is that right?

Mr. CORN-REVERE. That is right.

Mr. COX. Much has been made, not only in your presentation, but also in other coverage on this of the fact that opposition to recreational drug use is pretty much agreed all around. It is a socially

responsible message. If government is influencing content, but it is doing it on such a benign point that nobody really cares, are we losing a lot of ground? And to give you an analogous way, perhaps to address the question, when the Nazis marched in Skokie, we were told that it is protecting unpopular speech that is the test of whether we have a first amendment. So might it also be the case adversely that rejecting a popular message from the government is likewise the test of whether we can reject government influence on the content of broadcast television?

Mr. CORN-REVERE. It is a very interesting question, because I think the popularity in the socio-utility of the message does make this a much more difficult issue to confront.

Mr. COX. Let me move down the margin just a bit while you are answering the question, because the Federal Government and Congress and the President have agreed to put Federal tax dollars behind abstinence education. What if the Federal Government were pushing abstinence education PSAs, would it make it harder?

Mr. CORN-REVERE. Yes, I think as you add more issues to the mix of those that would be promoted, both by PSAs and by some kind of match, it might be inserted into entertainment programs. You multiply the number of possible points of disagreement, the numbers of ways in which the issue can become politicized and as a result, it goes against the grain of the very kinds of things that I believe the first amendment was designed to prevent.

Mr. COX. What should we do?

Mr. CORN-REVERE. I wouldn't presume to advise you on that point. I would say that I think any program that tends to encourage the use of mixing government messages with entertainment without—and certainly without disclosing to the public what is going on raises danger flags.

Mr. COX. Thank you, Madam Chairman. I would just observe that it is incumbent upon the parties to these transactions to maintain as rigid a wall of separation between what is government and what is not as possible, so that if these are market transactions and the government is purchasing a message that you object to and it is labeled as such, that everybody is protected all around. But if it is done in this more cozy way in which you can't tell which side of the wall we are on, that we have infected, in fact, the content, and we have very explicitly agreed that the government is influencing the message and that we are okay with that.

Mrs. WILSON [presiding]. Thank you.

The gentleman from Ohio.

Mr. SAWYER. Thank you, Madam Chairman. I just wanted to take a moment to make clear that Mr. Markey and I will not be offering our version of Robin Hood on the Internet in digital form. I also, at the risk of embarking down a pathway of mutual assured destruction, I want to point out that Mr. Franks and I went to the same high school, and that Steven Bochco couldn't be more wrong. He is not the biggest prude in North America, but he is very discrete.

Mr. FRANKS. Thank you, Congressman. I will tell him you said so.

Mr. SAWYER. I keep hearing undertones in all of this of fear and triumph of the will and all that sort of thing. Let me emphasize,

I don't think anybody up here views anybody at that table being embarked on something like that. What we are really concerned about more than anything else is something that I know that you share as much as we do, and that is preserving the integrity of the message. It is critical to its success, and it is put at risk by many of the things that we are asking questions about today. I am particularly interested, as we had submissions to the commission, I gather you were not seeking guidance. Did you receive offers of guidance, Mr. Franks?

Mr. FRANKS. I don't believe so. I am almost certain that we didn't. Again, partly because we also weren't soliciting it. Long before ONDCP came along, we had a fair amount of experience at the question of prosocial themes. I mean, the classic case being Jay Winston's Harvard program on designated drivers. We have a number of people that we regularly turn to for advice when we need it and I don't—with respect, I don't think we felt that we needed ONDCP's help in figuring out antidrug messages.

Mr. SAWYER. And it is not your recollection it was offered gratuitously?

Mr. FRANKS. No.

Mr. SAWYER. Mr. Wallau, is that essentially your experience?

Mr. WALLAU. We didn't submit any.

Mr. VEREEN. Perhaps it wasn't very clear. We, ONDCP, doesn't approve any scripts. I think where some of the confusion has come in is that scripts came into us for valuation or determination of whether they counted in the match.

Mr. SAWYER. I am just talking about eligibility and that's all you are talking about as well, is it not? Eligibility for the match?

Mr. VEREEN. Yes. The appearance that we had undue influence and the reason why we had to clarify the rules about when submissions would occur, is why we stated clearly we will only—our partner, Ogilvy & Mather, will only—evaluate something for the match after it has been aired. So there is no question about us interfering with the creative process.

Mr. SAWYER. I am only asking, however, whether you ever offered unsolicited guidance with regard to——

Mr. VEREEN. Yes. That is a part of the media campaign. We have an outreach program. We are authorized to use dollars to go to the creative community. We do a presentation. General McCaffrey presents what I just presented to you, what the media campaign is about. We have either Dr. Leshner or myself presenting the science, stuff that people don't know about, haven't heard of, and they take that information and they run with it like they have never run with it before. You have seen what they have come up with.

Now, if you want to call that influence, call it influence. All we have done is pay attention to a public health issue. This is not——

Mr. SAWYER. I am going to run out of time. I apologize. But I do understand the distinction that you are making. Mr. Loeb, you were about at one point to, I think, to make a distinction between the environment of fictional entertainment and news depiction. Would you like to finish that thought?

Mr. LOEB. Yes. I am baffled as to how—if you buy an editorial, you are buying an opinion, and I don't think entertainment is the

same thing. I think Mr. Corn-Revere, I don't want to speak for you, but I guess it would be a whole different thing. This comes down to the efficacy of marketing tactics, where do you reach kids, particularly, where do you reach their parents and how do you do that kind of thing. Does that help answer your question? Does that help answer——

Mr. SAWYER. It does. Thank you, Madam Chair.

Mrs. WILSON. Do you have further questions, Mr. Cox?

Mr. COX. Yes, just to pick up with Dr. Vereen on this point of who is influencing whom to do what. If we have a government message, which we do here, I guess my hope would be that we would label it as such, that there wouldn't be any question that it is a government message.

Mr. Franks says at CBS they don't need the government's help in figuring out socially responsible programs, certainly not in any drug message they can do that on their own. So if it is a matter of sticking it in the program, we then follow our original premise that we would want government content to be labeled as such. Do you not trust the networks to do antidrug programming messages on their own?

Mr. VEREEN. They have been doing a fabulous job, but as I pointed out earlier, there was a 30 percent decrease in the PSAs that were being run. So we wanted to change that.

Mr. COX. But you could buy those.

Mr. VEREEN. And that is what we are doing. We are buying the time to be able to air those.

Mr. COX. Then you go one step further and leverage what you are buying with influence on the programming itself.

Mr. VEREEN. Because the science tells us that in order for the message to get into these kids, it is not just the ads. It has to be the television. It has to be the Internet. It has to be programs in the community.

Mr. COX. Can't we go beyond that and say that is true about more than drug use?

Mr. VEREEN. Yes, there are other health issues.

Mr. COX. Not just other health issues, but all sorts of issues in the popular culture that are very much under discussion these days. We have had hearings in this very subcommittee on the topic. And of course we have a rating system in place that addresses itself to some of these very questions. Would we want the government to take its concerns in this area directly into the programming?

Mr. VEREEN. I can't really speak for any other area. We have focused only on the drug issue and the things that relate to it. That is all we have done.

Mr. COX. Are you prepared, as a result of the discussion that's occurred thus far in the public, to pursue the purchase of PSAs and withdraw from the influence of the programming itself as a government agency?

Mr. VEREEN. I can say this, that it would really make the effort that we have put forth to deal with the prevention of drug abuse in this country by kids, it would really harm the effort.

Mr. COX. That would be true only if the networks stopped doing it. The question is whether Mr. Franks is telling us the straight

story when he says that CBS doesn't need the government to tell them how to do this.

Mr. VEREEN. Well, actually, we don't tell them how to do it. We provide them information and they——

Mr. COX. Let me ask Mr. Franks. Is it the case that not only you can figure it out on your own, but also you would do it on your own?

Mr. FRANKS. In fact, we didn't commission any of these scripts to meet the ONDCP match. We saw that they were coming in the pipeline and then seized on them. Frankly, one of the reasons that we thought long and hard about participating in this program in the first place was that we would end up sort of exactly where we are today, with a controversy about whether or not we were giving full value, or whether it was a fair bargain with the government, and we were afraid that there would be no way for us to—it would seem somehow that we were overcharging or double-billing, and frankly, that is part of where we are today, and it is part of our frustration.

It partly stems from the Congress having said to the agency, you know, go out and do a buy-one-get-one-free program. It is not a marketplace rate. And so, it then sets us all off in a scramble as to how best to do that, and sets up an inevitable controversy about why are you paying for something that the networks were going to do anyway. Or are you getting fair value for the taxpayer's dollar. It is not a position that we are very happy being in the middle of.

Mr. COX. I asked Mr. Corn-Revere a moment ago what we should do on the specific question——

Mr. FRANKS. We sell the government advertising time, you know, recruiting, all kinds—we would be happy to sell the government advertising time.

Mr. COX. Do you view the current program as essentially a mandate to sell the government advertising——

Mr. FRANKS. We feel much more mandated by the notion of what might happen, how we might be viewed by the public if we weren't cooperating in an area in which there is an overwhelming national consensus. We too will have to make a decision in May about how we want to proceed going forward. We are not very happy about having been drawn into this particular controversy.

Mr. COX. I appreciate it. Thank you, Madam Chair.

Mrs. WILSON. Mr. Markey.

Mr. MARKEY. Thank you. Thank you very much. Again, I am going to do a full disclosure here since I do have a governmental interest. My wife has been a public health service doctor for 18 years. So I definitely have a bias in terms of insuring that information, which is what public health service doctors do. They are not surgeons. They are not internists. They get information into people's hands. They make sure that everyone knows what it is that they have to do. And so on the one hand, I guess, you have got kind of mandatory programs where we want to make sure every child gets all those inoculations. All these things we have up on our arm come from Federal programs to make sure children get protected against bad things that can happen to them physically. Here, though, we have a program that isn't mandated. It is all voluntary, all voluntary. But we know, of course, the mind can be just as dis-

eased as the body, and we know that if you get a child early enough, that you can hopefully build in the same kind of preventative attitudes mentally as we try to build in through drugs physically.

So I am really actually a little bit troubled by this whole hearing because I am not sure that we haven't been running in least in part a program whereby networks have been able to get something for nothing because we can't have it both ways here. Either they were influenced and as a result we have this dramatic increase or they weren't influenced. And we don't have a problem.

Mr. FRANKS. No good deed goes unpunished.

Mr. MARKEY. It is kind of, you know, a waste fraud and abuse part of this. It is like a welfare. There is a food stamp issue here. We are handing out food stamps to people who may or may not merit it.

Mr. FRANKS. It is one of the reasons why we overdelivered—why we sought to overdeliver in the first season because we were trying—precisely trying to avoid the suggestion that we were somehow bilking the government. The fact that we overdelivered did not show up in the Salon.com articles.

Mr. WALLAU. Let me just say to the question of what the government and the taxpayers got for their money, and ABC—I can't speak for everybody else because I don't know the figures—for the $39 million that was spent in the first 15 months on ABC, you have got the $39 million which you bought so you didn't get anything for that except value. But you have $34 million of free time, more than double our previous PSA commitment that made a significant, I believe, impact, forget the programming. We were going to do that programming anyway. We can talk about that however we want. We didn't do that programming in order to qualify it for this match. We submitted it afterwards, because the rules said you could take strong programming like that, which is powerful and has influence on people.

Mr. MARKEY. That show on "The Practice," by the way, I saw it in its entirety when it ran. It was really one of the greatest programs I have seen.

Mr. WALLAU. The point I am trying to make is that the proposition that you have before you and we have before us and trying to figure out how to participate in this program going forward, we went after it in big numbers. You saw—$39 million is a lot of—it may not be big in the $4 billion revenue stream that we get, but maybe in that big picture, peanuts as previously described, but we went after that because we felt strongly that we wanted to have a PSA, would take up our PSA commitment.

Here is a way to take up our PSA commitment by tens of millions of dollars, $34 million. We actually didn't think we would go that high. We overshot it. We thought we would be closer with the balance of a programming match, but we wound up, to Marty's point, overdelivered.

So we went higher on PSAs, we went higher on programming. We overdelivered on both. The taxpayers got $34 million of public service advertisements that had impact, and that is the proposition. Is the $4 million in change or programming match that we had in that, that we would have done anyway, that we got for—

essentially we got for nothing. That is part of the overall proposition. I can't speak for ourselves. I am sorry, I can't speak for others. I can say for ourselves we were willing to do in the second year a one-for-one, no-programming, PSA for—PSA match, and we have for $18.5 million. Still a lot of money. But that may not be true for everybody else. What you have to look at is the overall proposition for the network. Is the revenue received in combination with the PSA time that has to be taken out of sale, no longer produce revenue, in combination with what you get as a programming match? Is that an appealing enough proposition to combine your economic interest with your pro bono, your public service interest, does that make sense, and every network has to make that decision for themselves.

Mr. MARKEY. Do you agree with Dr. Vereen that it is a much more powerful message to have an antidrug message coming from the mouth of a character respected by teenagers, adolescents? Do you agree with that?

Mr. WALLAU. I defer to Dr. Vereen's history in the business. I think people identify with programming more than they do with commercials, yes.

Mr. MARKEY. Do you agree that it is more powerful when it does come out of the mouths of a character?

Mr. FRANKS. With all due respect to my friends at ABC, there are an awful lot of people that watch the Super Bowl for the commercials. I think——

Mr. MARKEY. Not in St. Louis.

Mr. FRANKS. You are not going to catch me saying that commercials, particularly—some of the historic ad council spot, this is your brain, this is your brain on drugs, I am not sure that that isn't pretty darn effective stuff.

Mr. MARKEY. I am talking about a child. In terms of influencing a child that having a character who is——

Mr. FRANKS. It is certainly effective. Whether it is more effective, I am not qualified.

Mr. MARKEY. Would you accept the expert opinion of Dr. Vereen and public health service?

Mr. FRANKS. Happily.

Mr. MARKEY. So do you consider this a good program?

Mr. WALLAU. It was a good program from our point of view. It coincided at a time when we thought we wanted to take up our public service commitment. It allowed us to do that and get some revenue at the same time as we got up to a certain point that we felt comfortable with in terms of public service. So from our point of view, it was a good program. We wanted to participate. We aggressively participated.

Mr. MARKEY. Do you think it is a good program?

Mr. FRANKS. Yes. I think anything that makes progress on drug abuse is a good program. Clearly in its—somehow or other, we are here today not because everybody thinks that it has been a wonderful success and, you know, with all due respect, I would rather be somewhere else this afternoon.

Mr. MARKEY. Mr. Loeb, do you think it is a good program?

Mr. LOEB. Yes, sir.

Mr. MARKEY. You do?

Mr. LOEB. Could I add one thing that maybe will help. The real issue is implementation. As I understand it—I don't know the full fact pattern here, but what I understand was that there was a mandate to basically do a two-for-one match in the upfront. So given that, the agency, which I know is mercury at the time, or whatever goes back to the networks and say they want one-for-one in the face of the hottest advertising market in the history.

Mr. WALLAU. That is just not so. That is one of the real inaccuracies that is out there, at least—I can't speak for anybody else, but the process was, in no way, what was described in that Salon.com article, which we could go through all the inaccuracies in that which are staggering. But the one thing that is the most offensive is that what happened was there was a process between the networks and ONDCP, in which the networks said we don't like that one-for-one match. Let's work out another way where we can use some money, but we can get some credit for programming. Just didn't happen. Absolutely, absolutely, categorically did not happen.

Mr. MARKEY. You agree with that?

Mr. FRANKS. Yes. If we are going to go through the Salon.com article, I hope you can all be here till the end of the week.

Mr. WALLAU. That never happened. What happened was there was a proposition, a set of guidelines put out by the ONDCP and their agency the first year which was Zenith Media, and we looked at the guidelines and we decided whether we wanted to participate, and we got into a negotiation with the agency, not with ONDCP, but the agency representing them. There was never any change in that. That stayed the same way from day one. There was no conspiracy with the five station networks, to get the—that was in place from day one, didn't change, changed the second year in ways that we described. But there was nothing where the networks came and said, you know what, guys, you are not going to get one-for-one. You have got to put some programming match into it to make it palatable for us. Didn't happen.

Mr. MARKEY. Let me ask you this. On a scale of 10, with 10 being some great challenge to the constitutional rights of the networks to be able to retain their first amendment rights of free speech, where would you put this as a controversy?

Mr. WALLAU. I can only speak for ABC. This is a zero because we did not—none of the programming that we have in the match that is part of the public record, none of it was done, none of the content that we aired was changed because of a financial incentive from the ONDCP, none.

Mr. MARKEY. Where would you put it, Mr. Loeb?

Mr. LOEB. I would put it as zero as well.

Mr. MARKEY. Mr. Corn-Revere, in the totality of all the challenges of the first amendment, where would you put this?

Mr. CORN-REVERE. I don't know that I could put this on a numerical scale, but I think——

Mr. MARKEY. Let me move on. Mr. Franks?

Mr. FRANKS. As I said——

Mr. MARKEY. You have got to cooperate.

Mr. FRANKS. He makes the rules. As I said in my testimony, it doesn't make my list. The list of threats, it is not on there.

Mr. MARKEY. Thank you. Mr. Corn-Revere, I am sorry.

Mr. CORN-REVERE. I think I just addressed this in the same terms that you raised when you mentioned that the FCC prohibits host selling on programs for a good reason. The judgment by the FCC is that the American public deserves to know who is the puppeteer behind the host. I think it is equally true when the government is the puppeteer as when it is someone placing a product.

Mr. MARKEY. If you understand, Mr. Corn-Revere, the reason we had hearings on that in the 1950's was that we didn't think the host should be promoting that every child should have a huge glass of Bosco every day, or should be buying dangerous toys that the host is—we never had hearings saying that the rest of the program with Big Brother Bob Emory each day at noontime, when I came home as every other child in Massachusetts, for a bowl of tomato bisque and a peanut butter sandwich with our mom who was home in the 1950's when they were telling us to engage in good behavior. Big Brother, there were never any hearings, and no mom, no dad ever complained about it because it was reinforcing what they were hearing at home.

I think Mr. Cox was raising a good point, differentiating, you know, the benign nature of what really we are talking about in terms of how parents, how our society would be viewing what the government is trying to achieve, which is a public health service message most effectively delivered to the most vulnerable audience in a way that didn't compromise the first amendment rights of the broadcasters who we all want to protect, but working out some message by which there could be a cooperative relationship that advances that goal, so that we do deal now with a science that was in its nascent form when I was a kid but now is more profoundly understood in terms of the impact it can have on children in our society. I thank you.

Mrs. WILSON. I just have a couple of final questions, one for Mr. Wallau. You had a slightly different experience than Mr. Franks with respect to his request for previewing of scripts, and then my colleague, Mr. Cox pointed out the difference in the budget. And maybe this is peanuts, but if I were the guys that had that account, I would kind of be upset that it got cut in half if I am the sales guy for this network. Straight question, straight answer. If you don't want to answer, that is fine too. Do you feel that you got punished for taking the position you did about previewing scripts?

Mr. WALLAU. No. Because I think the intent of the ONDCP is to get as many of its PSA messages out as possible. So it is counterproductive for them to take down a network who is willing to put out more PSAs, especially when we are willing to do it on a—a one-for-one, PSA-only match. It seems counterproductive to me that the people who run, and I think sincerely are trying to do the right thing at the ONDCP, would punish us.

This thing that is—that I am trying to get across is that we, in a sense, by doing this financially, are punishing ourselves. This is done in a financial detriment to us, so that the more money they take—I am sorry, the more money they buy in our network, the more it costs our network. I am not sure that is an equation I have articulated as well as I can. So the negotiation that came out at $18.5 million net for this season was one negotiated for a number of reasons, and it had only to do with the television buy. It didn't

have to do with a number of other components that were in the $39 million buy. There was not an Internet component to it. Their budget was cut. There are a number of other factors, and I really don't believe we suffered in the amount of money that was bought by the agency on our air.

Mrs. WILSON. Thank you. I want to thank all of you for coming today. This has been—while this may not rate above a 1 on the scale of first amendment issues that you have to deal with, and this committee has to deal with, it has, nonetheless, raised and in many ways, answered some interesting questions. Others still remain as questions for me. Probably the central one being, okay, was this something for nothing, because you do it anyway on the content of the programming, or was it influencing in some broader context the contents of the programming that would be offered, so that it would qualify for the credit, because you can't have—only my mother could have it both ways.

And I think that is a legitimate and still-open question. The other question that still lingers in my mind is, Mr. Franks, you use a phrase that is also one of my husband's favorites, which is "no good deed goes unpunished." That then raises the question, if you are paid for a good deed, is it either a waste of money or does the deed, in some way, become tainted because it is no longer a voluntary good deed. And I could come up with answers to that question. I really only pose it in a rhetorical way because it does raise that question for those in public life or in corporate public life who are trying to do the right thing. And I think that that is a question still on the table.

I was not around in the 1950's, but I think Mr. Markey made a good point, which is ultimately the question here, who is the puppeteer, and if the puppeteer is the U.S. Government, I think, as a parent and as an occasional watcher of television, I would like to know that. And I am glad that the networks have made the decisions they have made ultimately and that the Office of Drug Control Policy has made its decision with respect to the previewing of scripts, so that that bright line can remain a much brighter line. And I thank all of you for your time for giving up your vacation from your family and for spending the time with us today. The hearing is concluded and the subcommittee stands adjourned.

[Whereupon, at 4:45 p.m., the subcommittee was adjourned.]

THE NEW YORK TIMES
NEW YORK, NY
February 8, 2000

Congressman W.J. BILLY TAUZIN
Chairman
Committee On Commerce
House Subcommittee on Telecommunications, Trade and Consumer Protection
2183 Rayburn House Office Building
Washington, D.C. 20515-6155

DEAR MR. CHAIRMAN: The purpose of this letter is to clarify the relationship of The New York Times education efforts with the National Youth Anti-Drug Media Campaign of the Office of National Drug Control Policy,

The guiding principle in all we do, including the preparation of our Anti-Drug Educator's Guide, is to safeguard The Times's editorial integrity. This means that *New York Times Journalists and Editorial Board members we're not involved in writing, reviewing or editing the Guide.*

The Educator's Guide, a product of our Circulation Department, encourages the use of The Times in schools and helps serve the needs of educators. This is very

separate from the ONDCP ads and pro bono match with our Advertising Department.

Therefore, to set the public record straight, there are some additional specific points we would like the Subcommittee to know about the Guide:

NYT Editorial Integrity

- The Educator's Guide contains an introduction, lessons and a list of resources written by an outside education expert, and reviewed by other outside education experts.
- The Guide also includes reprints of previously published NYT articles. Obviously these articles, because they are reprints, could not have been influenced or reviewed by any outside agency, government or otherwise.

NYT Business-Side Program

- The Guide is purely a program from the business-side of the newspaper.
- The Guide is the Circulation Department's equivalent of the Advertising Department's advertorial, paid promotional content written by outside writers separate from our news-side. All advertorials include a highly-visible disclaimer that the NYT news-side was not involved in its content. The purpose of the disclaimer is to make sure all our readers know they are reading advertising copy.
- In the future, and as a result of the public misunderstandings about this Guide, all NYT business-side educational material will include a similar highly-visible disclaimer.

NYT Leadership Role as Good Corporate Citizen

- We view the Educator's Guide an one example of the NYT business-side's long history of supporting public service and educational messages.

We hope this clarifies the point that The Times's news content is totally independent of the Office of National Drug Control Policy's programs and its media campaign.

Thank you, Mr. Chairman, for your time and attention.

Sincerely,

SCOTT H. HEEKIN-CANEDY
Senior Vice President, Circulation