



ELECTRONIC RETAILING ASSOCIATION

FTC Negative Option Workshop
Barbara Tulipane
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A Brief History

House Small Business Committee

NO ASSOCIATION?

Congressmen Norman Sisisky (D-VA) & Ron Wyden (D-OR)

■ ERA Formed

- Guidelines
- Self Certification

■ A Perfect Storm – Project ABSurd

- Electronic Retailing Self Regulation Program (ERSP)

Self Reg. 101

- **The Government “Nudge”**
 - FTC Proposes Negative Option Guidance
- **INDUSTRY REACTS**
 - ERA/FTC Internet Marketing Seminar
 - Task Force Formed

Advanced Consent Guidelines Published
AKA Negative Option Guidance

What's Required

- Consumer Clear Understanding
 - Rights & Obligations
- Terms and Conditions
 - Clear & Understandable
 - Easy To: find, read & understand
- Separate Written Statement
- A Way to Cancel
 - With Each Shipment
- Canceled Means Canceled
 - Refund for Shipped items after cancellation

ARE THEY WORKING?

■ Yes

- Further than law requires
- Publicly Supported by FTC
- Embraced by membership

■ Online?

- **ERA's Online Marketing Guidelines**
 - Require compliance with Advanced Consent
- **ERA's Advanced Consent Guidelines**
 - Call for Clear and Conspicuous Standard

Online Status & Expectation

- **savvyshopper.org**
 - Minimal Complaints on Negative Option
 - Especially from Online
 - Self Regulatory Unit ERSP
 - Follows up with each Negative Option Complaint
 - Refers to BBB
 - Business Practice Issue
- **Guideline Update**
 - Scheduled for Spring 2007
 - Continued Collaboration with FTC Best Practices