

Statement of Chairman Leibowitz on the Commission's Sixth Follow-up Report on Entertainment Violence

The Commission has been reviewing and reporting on the movie, music, and video game industries' advertising and marketing practices relating to violent entertainment for ten years now. With the release of the seventh report on industry self-regulation over that span, it is appropriate to take a step back and look at how far we have to go and also how far we've come.

The Commission's first report detailed marketing practices that surprised and disturbed many of us – including executives at the companies themselves. That Report found that many companies in each of the industries intentionally targeted children under 17 with ads for R-rated movies, M-rated games, and music labeled with a parental advisory. Beyond the age rating, movie ads contained little information about the type of content giving rise to the rating – whether a film's rating was due, for example, to occasional use of profanity or to persistent violent content coupled with pervasive profanity and sexual content. Although theaters were the best enforcers of the three industries at the time, they still allowed nearly half of children under 17, unaccompanied by a parent or guardian, to buy tickets to R-rated movies.

At the Commission's urging, the game and movie industries' self-regulatory systems have come a long way over the years. Three major studios have agreed not to advertise R-rated movies on television programs where youth make up 35 percent or more of the audience; advertisers of M-rated games have adopted a similar 35 percent standard for television programs, as well as a 45 percent standard for print and Internet advertising, under pain of sanction from the Entertainment Software Rating Board. Also, ads for movies and games regularly disclose additional information about why a film or game was assigned a given rating. Finally, theaters and game retailers have significantly stepped up their enforcement of the ratings, which helps ensure parents' ability to determine the type of content their children may watch or play.

Despite considerable improvements, the self-regulatory systems are far from perfect. For example, the 35 percent ad placement standard still allows marketers to place ads in media with substantial youth audiences in terms of both size and composition. The movie industry releases unrated DVDs for purchase or rental, which – despite a new policy requiring disclosure on packaging and in print ads of the rating originally assigned the theater version – undermines the rating system enforced at the theaters. According to a new survey commissioned by the FTC as part of this report, unrated DVDs leave parents confused about a film's content. Moreover, as noted in the Report, some companies even emphasize the lack of a rating as an affirmative selling point – which is not surprising, as the Report reveals that unrated versions of violent films outsell rated versions by an average of 8 to 1. All too many PG-13 films are pitched intentionally to kids under 13, including to much younger children on channels such as Nickelodeon and Cartoon Network – especially when the studios and networks are part of the very same media conglomerates that both produce and then distribute content, they should adhere to higher standards.

The game industry's 45 percent youth audience standard for print and Internet advertising obviously allows marketers to advertise in magazines and on websites with large youth audiences, but it compares favorably to the other industries, which haven't adopted such standards.

And the music industry, despite steps by some labels and retailers, overall has lagged far behind in providing parents with the information they can use to determine whether a labeled CD is appropriate for their children – or to encourage retailers to adopt and enforce age-based restrictions on access to explicit-content music.

Going forward, this agency will continue to assess the entertainment industries' marketing practices and make recommendations. We will do so with an eye toward enhancing the credibility and robustness of the rating systems and providing parents with the information they need to determine the propriety of games, music, and movies for their children. In the future, it will be particularly important to address the challenges presented by emerging technologies – such as mobile gaming – that are quickly changing the ways that children access entertainment. In April, for instance, Apple announced that its App Store had reached one billion downloads – and more than half were games.¹ App downloads had already reached two billion by September. Mobile entertainment may be less familiar to parents – and more difficult for them to supervise – but industry self-regulatory programs must keep up with these business models if they are to work.

With the urging of the Commission, I am confident they will.

¹ Jenna Wortham, *Yet Another Vogue for the iPhone: Video Games*, N.Y. Times (June 29, 2009), available at www.nytimes.com/2009/06/29/technology/29iphone.html.