

**Statement of Senator John McCain**  
**Senate Commerce Committee Hearing: Federal Trade Commission Report**  
**on Marketing Violent Entertainment to Children, 9/13/2000**

The purpose of this hearing is to discuss the Federal Trade Commission report: *The Marketing of Violent Entertainment to Children*. The report examines the marketing practices of the motion picture, music, and video game industries. The report concludes, and I quote: "individual companies in each industry routinely market to children the very products that have the industries' own parental warnings or ratings with age restrictions due to their violent content."

The report exposed "extensive marketing and, in many instances, explicit targeting of violent R-rated films to children under the age of 17, and violent PG-13 films to children under 13." Of the 44 R-rated films studied by the Commission, 80 percent were targeted to children under 17. The report documents extensive market research activity, citing examples of studios testing rough cuts of R-rated films on children as young as 12 years old, and revealed that violent, PG-13 rated movies were targeted at children 11 and younger. One particularly disturbing quote from a marketing plan for an R-rated movie sequel states: "...it seems to make sense to interview 10 to 11 year olds ... In addition, we will survey African-American and Latino moviegoers between the ages of 10 and 24." I find this patently offensive.

The studios ran ads heavily during television programming such as *The Simpsons*, *Buffy the Vampire Slayer*, *Dawson's Creek*, *Xena: Warrior Princess*, *Hercules*, and *WWF Smackdown*. These programs have some of the highest under-17 viewership. Websites like *happypuppy.com* and *mtv.com* were used to attract kids. The comic books and the school house couldn't even protect our children from the studio hacks. Quoting from the report: "Magazines with majority under-17 audiences, such as *Teen* .. *DC Comics Teen*, or *Marvel Comics*, contained advertisements for numerous R-rated films. In addition, six of the studios used print media distributed exclusively in schools -*Planet Report* and/or *Fast Times* -to advertise R-rated movies." The report notes that these periodicals are often mandatory reading for high school students. One studio distributed free movie passes to its R-rated movie at high schools and distributed promotional material to youth groups such as Camp Fire Boys and Girls.

The FTC's "Mystery Shopper Survey" sent kids 13 to 16 years old to 395 theaters, and 46 percent of the time these kids were able to purchase tickets to R-rated films. This fact is significant because following a White House summit on violence last year, President Clinton and theater operators trumpeted a new "zero tolerance" policy to prevent kids from buying tickets to restricted films. This zero tolerance policy claim -- like the repeated claims before this Committee by the motion picture industry that the industry is protecting our children with ratings systems and codes of conduct -- has been nothing but a smoke screen to provide cover for immoral, and unconscionable business practices.

I want to cite in detail one example that stands out as particularly despicable. I quote: "At least one studio was thwarted in its attempt to market a PG-13 film to children 6-11 on Nickelodeon, when the network concluded that it would not be appropriate to air advertisements for that film because the

Nickelodeon audience was mostly children under 12 and the film contained situations not seen on Nickelodeon, including several gun battles, a couple of fight sequences, and some devastating gun blasts (in addition to strong language and sexual suggestion). The studio's advertising agency noted that it had advanced several justifications (to Nickelodeon) for showing the ads, including: "This film needs the audience Nickelodeon provides to be successful." Though the FTC report has been redacted, after some investigation the Committee was able to establish that the motion picture studio involved was Sony, and the film was an extraordinarily violent film named "The Fifth Element," starring Bruce Willis. The ad agency involved was McCann/Erikson.

There will be much said today. But thundering silence will be heard from motion picture executives. They have all been invited to testify. But, by some uncanny coincidence every single studio executive was either out of the country, or unavailable. I can only conclude the industry was too ashamed of, or unable to defend their marketing practices. Their hubris is stunning, and serves to underscore the lack of corporate responsibility so strikingly apparent in this report.

We do, however, have witnesses from the recording industry, and the video game industry. I hope that all on the Committee will join me in commending their willingness to testify before us today. Their cooperation stands in sharp contrast to the motion picture industry.

As with motion pictures, the music industry is clearly guilty of marketing violence to children. One marketing plan cited by the FTC report states that "[t]he team is promoting heavily at the local high schools and colleges" and that "[c]olleges and high schools, and community centers are the focus of our attack." Print ads were consistently placed in magazines like *Seventeen*, *Skateboarding*, *YM*, and *Vibe*. These magazines have an under-18 readership of between 40 and 80 percent. Television programs like *The Simpsons*, and *Buffy the Vampire Slayer* represent some of the highest teen audience numbers on TV, and were consistently used to market labeled recording products.

Though the music labeling system is basically useless, as it contains no content information, and no age-appropriate recommendations, the FTC did conduct a secret shopper survey. Not surprisingly, 85 percent of the time children were successful in purchasing labeled recordings. Given the lack of information provided, the only thing remarkable about this number is that every child was not able to make a purchase. I understand that the music industry has announced a series of steps designed to address some of these concerns. I will leave it to their witnesses to outline those changes.

To their credit, the video game industry has the most comprehensive and informative labeling system. It provides detailed information about content, and age appropriateness. Unfortunately, this system did not prevent marketing to kids. Nearly 70 percent of the games reviewed by the Commission were targeted to kids under 17. One particularly shocking marketing report stated that: "Though [the game] has T rating (for teens only), I have asked Nickelodeon sales to help get an approval so that the product can air on the network. (Nick[elodeon] airs 27 of the top 30 cable shows against our target demo for boys 9-17)."

I want to make clear that neither this report nor this Committee intend to make the case for

ensorship. We make no threat against the First Amendment. It is not my purpose to pass judgement on the products or your industries. We all have our own views on the quality and value of what will be defended as art. But that is not the question today. Defending these market practices does not defend art or free expression. It defends the bottom line of your corporations. And while as a defender of the free market I do not begrudge anyone's honest profits, I do not think they need to come at the expense of our children's well-being. What is in question is not government censorship, but industry responsibility. It is your responsibility to refrain from making much more difficult a parent's responsibility to see that their children grow up healthy in mind and body into adults who are capable of judging for themselves the quality or lack there-of of your art.

I could go on, but time is short, and the witness list is long. Chairman Pitofsky will provide us with the details of the FTC Report. I want to commend the staff of the Federal Trade Commission on an excellent job. I want to acknowledge the leadership of Senator Brownback in this effort.

Finally, I want to go back to the motion picture industry and their failure to present even one witness for this panel. The Committee received essentially two excuses for why studio executives saw fit only to send their lobbyists to represent them. First, they were virtually all out of the country. Secondly, that they did not have time to respond to the substance of the report. On the second count, the contents of this report are based almost entirely upon data provided by the studios themselves. Thus, I assume they are already familiar with it. In addition, Committee staff have been talking regularly with studio lobbyists for several months about a hearing in September and the need to present studio executives.

Furthermore, the FTC has served a 15-day advance notice to all entities involved in the pending report. Finally, there has been an intense dialogue between the Committee and industry lobbyists over the past two weeks. Yet here we are with no direct representation by the motion picture industry. This is a sad commentary on corporate responsibility, and an affront to American families whose children are so clearly in the cross hairs of hundreds-of-million of dollars in movie violence advertising.

As such, I am announcing today that this Committee will convene another Full Committee hearing two weeks from today for the sole purpose of hearing motion picture industry testimony in response to the FTC Report. As this hearing proceeds, invitations are being delivered to:

Gerald Levin -Chairman, Time Warner, Inc.  
Michael Eisner -Chairman, The Walt Disney Company  
Rupert Murdoch -Chairman, Newscorp  
Sumner Redstone -Chairman, Viacom, Inc.  
Edgar Bronfman -Chairman, Seagram  
Stacey Snider -Chairman -Universal Studios  
John Calley -Chairman of Sony Pictures Entertainment  
Jim Gianopulos -President of Twentieth Century Fox  
Jeffrey Katzenberg -Dreamworks/SKG

Sherry Lansing -Chairman, Paramount Picture/Viacom

Barry Meyer -Chairman, Warner Brothers

Michael Nathanson -President, MGM Pictures

Harvey Weinstein -Chairman, Miramax.

By that time, these individuals will have had two full weeks to clear their schedules, and to study the report. They will have no excuses for failing to appear before this Committee.