



October 11, 2017

Mr. Stuart Ingis
Coordinator, Coalition for Better Ads
c/o Venable LLP
600 Massachusetts Ave., N.W.
Washington, D.C. 20001

Dear Stu:

We very much appreciate the work you and the Board of Directors of the Coalition for Better Ads have put in to develop standards and practices for improving user experience on the advertising-supported Internet. The initial set of Better Ads Standards, issued last spring, have already begun to focus the 2,400 brands, agencies, publishers, and technology companies in our collective membership on the critical importance of assuring that users are not unduly interrupted, impeded or delayed in their quests for desired content by objectionable advertising experiences.

Because the Coalition's research identified clear correlations between a set of poor advertising experiences and consumers' propensity to download and implement ad-blocking software, we believe it is urgent for the industry to coalesce around a program to realize these initial standards fully in practice across the marketing-media ecosystem. Various methods for implementing these standards have been debated in public and private forums, and advanced by individual companies, some members of the Coalition, and some not. While we have welcomed this discussion, we believe that members and other stakeholders are eager for the Coalition to finalize the elements of a self-regulatory framework that will enhance marketplace adoption of the standards and make a difference for consumers.

The Coalition emerged directly from a recommendation by our combined Boards of Directors after our 2016 Joint Board Meeting. We share the goal of creating better advertising experiences in digital media - both to fight the specific scourge of ad blocking, and to provide an overall environment that supports advertising-financed news, entertainment, and services, which we believe is essential to the conduct of democratic capitalism, and to democratic institutions. We are united in our belief that any standards-based program to diminish unacceptable user experiences must be based on industry-wide self-regulation, and not left to individual browser companies or other delivery technology companies to implement according to their own interpretations and assessment processes. Independently developed practices for filtering or blocking marketing communications by multiple different browser makers and other technology intermediaries would create chaos in the marketing-media supply chain and reduce both the quality and output of our member companies.

Additionally, restrictive regulatory systems imposed by fiat, particularly by platforms with tremendous market power over brands, agencies, the creative process, retailing, and the publishing infrastructure,

will impose unmanageable costs on these and other constituents. It will force all news, entertainment, services, marketing, company strategy - indeed, all public communications and much private communications - through multiple sluice gates, each owned and operated by a different technology giant. We already are seeing such chaos develop, with Apple recently imposing its own heavy-handed cookie standards that risk disrupting the valuable advertising ecosystem that funds much of today's digital content and services. This private, walled-garden approach to Internet advertising and content regulation is untenable. Imposition of these fragmented "regulatory" regimes by dominant platforms will force consolidation among the makers and marketers of media, and of the goods and services on which the media depend for support, and which in turn rely on the media for access to consumer markets.

The aim of this letter to the Coalition is to remove any ambiguity on the path forward by outlining a framework and a specific program where the objectives of our three associations and our members are aligned to our collective mission, as well as to the specific mission of the Coalition, which is "to improve consumers' experience with online advertising" and to "leverage consumer insights and cross-industry expertise to develop and implement new global standards for online advertising that address consumer expectations."

Fortunately, we believe there is a path forward toward our mutual goals of assuring improved user experiences with digital advertising, and diminishing consumers' desire to use third-party ad blockers. Better, it is based on concepts the Coalition already has been discussing. Best, we believe it is a solution that can be embraced by the marketing and media industries worldwide, and will make a material, positive difference in consumer experiences with ad-supported digital media.

Here is the "Better Ads Experience Program" (the "Program") that we ask the Coalition to debate, endorse, and implement:

1. The Program will be fully owned, operated and managed by the Coalition for Better Ads on behalf of the industry. Participation in the Program will be voluntary.
2. The Program will be based on the Coalition's evidence-based standards, which include identification of specific advertising formats and experiences that are largely unacceptable to consumers, and will include thresholds above which a publisher, brand, agency, or infrastructure technology company will be deemed to be non-compliant with the standards. The Coalition standards will continue to evolve as market conditions change, and as more data is gathered on company and consumer behavior.
3. As a predicate to participating in the Program, browsers and other delivery technology companies would adhere to the Coalition's definitions and interpretations of the standards, threshold levels, and other compliance rules relevant to the Coalition's mission to promote and implement better experiences with advertising.
4. The Program will offer a "safe harbor" from blocking, filtering, or other obstruction by participating browsers and delivery technology companies to any publisher, brand, agency, or technology infrastructure provider that: (i) is a member of one of the Coalition's participating associations; (ii) voluntarily chooses to comply with Coalition standards; and (iii) attests to same ("Certified Company").

5. The Program offers the same “safe harbor” from blocking, filtering or other obstruction by participating browsers and delivery technology companies to any company that is: (i) involved in the delivery of advertising in media based upon Internet Protocol; (ii) joins the Coalition as an individual company; and (iii) voluntarily chooses to comply with Coalition standards and attests to same (also a “Certified Company”). This means that Coalition membership will be open to individual companies that choose to comply with Coalition standards.
6. With respect to companies within the “safe harbor,” participating browser and other delivery technology companies must communicate any alleged lack of compliance with Coalition standards to the Program, which in turn will ascertain through its own mechanisms whether there is a failure to comply by a Certified Company. These mechanisms will include an independent dispute-resolution process, which may utilize data from participating browser and technology companies and/or other Coalition-designated assessment resources.
7. Using these Coalition-designated resources for assessment and dispute resolution, the Coalition will be the sole entity to determine whether a Certified Company is or is not in compliance with Coalition standards, and only the Coalition will communicate to participating companies about such compliance or lack thereof.
8. The Coalition will have the sole right to issue reports on conformance or lack thereof for Certified Companies. No other company may use the Coalition marks, logo, or standards without its permission.
9. The Coalition and the Coalition alone will determine the adjudication and appeal process such that a Certified Company can challenge a determination that it has not complied with Coalition standards.
10. If the Coalition or Coalition-designated adjudicative process determines that there is a lack of compliance with Coalition standards by a Certified Company, it will allow the company an opportunity to remediate according to an established and published timetable.
11. If after all efforts at remediation and adjudication, the Coalition determines that a Certified Company remains in non-compliance with its standards, it will remove the Coalition certification and thereby the “safe harbor” that otherwise limits participating browser and delivery technology companies from taking action against that company.
12. The participating browser company will cease all actions against a participating company as soon as it is notified by the Coalition that the company has returned to compliance and been re-certified.
13. As a predicate to participating in the Program, browser companies must not block “native advertising, “branded content,” editorial content or programming, or in-stream advertising by participating companies.

We believe the program outlined above will realize the Coalition’s goals quickly, with maximum participation, minimum disruption, and high effectiveness. We are taking this proposal public, in order to build support from the industry at large, to obtain their guidance on how it might be improved, and gain agreement from the Coalition’s Board. We look forward to continuing to work with the Coalition to

continue to make the advertising-supported Internet a thriving marketplace of news, entertainment, services, marketing, and human opportunity.

Yours,

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CEO
ANA

Marla Kaplowitz
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4A's

Randall Rothenberg
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