



FTC Enacts Stifling Rules for Bloggers

Bloggers who review products online are about to be hit with onerous new Federal Trade Commission (FTC) regulations supposedly designed to foster transparency. If bloggers fail to reveal that their review copy was provided free of charge, or that some other compensation was received, they could face fines and other penalties.

Somehow, the FTC expects to police the entire Internet to make sure that no one is rendering an opinion on any product without being completely open about how they received that product. Strangely, they aren't going after the magazines, radio stations, and other traditional media that have a long-standing, accepted practice of receiving complimentary review copies. The FTC is only concerned that private individuals don't get away with this same practice.



This doesn't sit well with those who see the injustice of treating the Internet differently than older forms of print or broadcast media. Randall Rothenberg is the president and chief executive officer of the Interactive Advertising Bureau (IAB), an association of over 375 media and technology companies responsible for 86 percent of online advertising sales in the United States. He took exception to the new rules in an open letter to the FTC dated October 15.

The FTC regulations "indicate that opinions published by individuals have less protection than speech promulgated by large corporations; that 'traditional' distribution channels deserve more protection than innovative online channels; and, finally, that the Internet, the cheapest, freest, most accessible communications medium ever invented, should have less freedom than other media," Rothenberg noted.

"The implication that online social media represent a separate class of communications channels with less Constitutional protection than corporate-owned newspapers, radio stations, or cable television networks is of particularly grave concern," Rothenberg said. He is not going to the other extreme and suggesting that online media be treated differently than long-established media.

On the contrary, "most newspapers, magazines, radio stations and television networks, in recognition that Americans are embracing new forms of social communications, have established their own blogs, boards, Facebook pages, Twitter feeds, and the like. Rather, we're saying the new conversational media should be accorded the same rights and freedoms as other communications channels."

FTC Assistant Director of Advertising Practices Richard Cleland has even gone so far as to say that bloggers could return the review copy and then the government wouldn't consider it to be compensation. The federal government actually wants individuals posting online reviews to take the time and money to return complimentary products, but somehow it is acceptable that huge corporations aren't required to do the same thing. Only government bureaucrats could devise such devious dictates.



Written by **Steven J. DuBord** on November 11, 2009



The FTC has been trying to placate the growing fury of the blogosphere. "We are not planning on investigating individual bloggers," Mary Engle, the FTC's associate director for advertising practices, recently reassured reporters. "We will be focusing any enforcements on advertisers, not on individual endorsers."

This is an empty assurance. The FTC's own 81-page document stated: "The recent creation of consumer-generated media means that in many instances, endorsements are now disseminated by the endorser, rather than by the sponsoring advertiser. In these contexts, the Commission believes that the endorser is the party primarily responsible for disclosing material connections with the advertiser."

Or, as Rothenberg puts it, the FTC regulations "do hold individuals more liable than larger corporations. They do explicitly say online social media have less protection than offline corporate media. They do obstruct online companies' opportunities to drive cultural conversation more than offline companies'. They do threaten with prosecution book publishers, movie producers, and other companies that supply products to individual social media conversationalists." (Emphasis in original.)

The Obama administration can't stand its lack of control over certain news outlets, such as Fox News, and its utter inability to dominate the free flow of information on the Internet. Massive regulation, even if it is blatantly biased, is the administration's best bet of gaining power over free speech.

The real answer is simple. The free market regulates itself. Consumers already favor sites that offer full disclosure. The only way to avoid ever-expanding government power is to let individuals be responsible for their own affairs. Government is not a giant babysitter for its citizens. *Caveat emptor;* let the buyer — and the blog reader — beware.

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