

To: The FEDMA Board and Executive Committee

From: Mrs Gerry Sciarone and Ms Caroline Roberts

Dear Members of the FEDMA Board,

It was agreed at the meetings of the Legal and Ethics Committees last week that we should write to you to express our great concern at the number of initiatives, and threats, to our sector which are appearing this year from both the European institutions, and from the national level.

Many members of the Legal and Ethics Committees have worked in the DM sector for sometime, but they have never seen before the volume of new threats appearing.

Just to give you some examples, which we discussed at the LAC and Ethics Committees on Tuesday:

- Search engine profiling and marketing, viral marketing, mobile marketing, etc, have all encouraged regulators at the national and EU levels to consider new restrictions.
- A revision to the Spanish Data Protection Law threatens to put a stop to any list broking; forbids on-line "email a friend" and the collection of any data from children under the age of 14.
- The Belgian Data Protection Authority has produced a report (not yet made public) which seeks to restrict the storage or transfer of marketing data, the amount of time data can be kept, access to public data, and to force DM to list all data sources when communicating with a consumer. It uses the precedent of other Member States' laws to justify these proposals.
- The Hungarian DMA has just fought off a proposal for a total opt-in system, but under their new law liability for any wrong doing may be shared by all the players in an advertising campaign (advertiser, agency, medium, etc).
- At the European level the European Parliament is attempting to extend the scope of the E-communications and Privacy Directive as far as possible so that, e.g., any breaches of security would have to be notified to the national DPAs, and all processing of traffic data would require consent.
- A few, activist national DPA are trying to force their specific national restrictions onto the FEDMA on-line data protection code which we are presently negotiating.

- There are initiatives at the European Parliament and/or the European Commission on alcohol, foodstuffs and car advertising, and on the advertising/marketing to children and sexual stereotyping.
- The pressures on the use of paper as a medium are growing steadily. Last week a group of environmentalist at the European level announced a major campaign against paper waste, reforming specifically to direct mail.

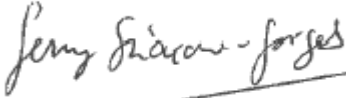
You will have seen reports on all these initiatives in the FEDMA Weekly. However, going through them, with the reports of many of the national DMAs who are involved, has driven home to us the exceptionally serious situation we as an industry find ourselves in today.

We have to be proactive – FEDMA is already doing a lot (for example the On-line Privacy code and the Environmental Checklist/Code). We need to show on a permanent basis the economic and social benefits of DM especially to public decision makers, regulators and politicians.

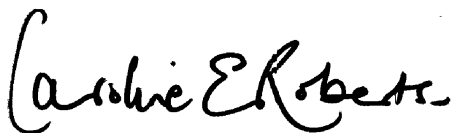
We need a properly resourced FEDMA in terms of finance and manpower if we are to succeed in combating these increasing threats to our livelihood.

As the Chairmen of the Legal Affairs Committee (LAC) and the Ethics Committee we appeal to you Board members to do all within your powers to ensure that the sector is properly resourced to combat these clear and present threats to our business.

Sincerely,



---



Gerry Sciarone

Chairman Legal Affairs Committee

Caroline Roberts

Chairman Ethics Committee