

DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

SEMI-ANNUAL CODE REPORT

Fourth Edition for the period January 2006 through June 2006

CODE OF RESPONSIBLE PRACTICES
FOR BEVERAGE ALCOHOL
ADVERTISING AND MARKETING

www.discus.org

July 2006

The Distilled Spirits Council of the United States, Inc. (DISCUS) is a national trade association representing producers and marketers of distilled spirits and importers of wine sold in the United States. In 1973, DISCUS was formed as a result of the merger of three organizations—The Bourbon Institute, The Distilled Spirits Institute and The Licensed Beverage Industries, Inc.—that had been in existence for decades.

The members of DISCUS represent nearly 80% of all distilled spirits sold in this country. For this reporting period, DISCUS members were:

Bacardi U.S.A., Inc.

Barton Incorporated

Brown-Forman Corporation

Cruzan International, Inc.

Diageo

Sidney Frank Importing Co., Inc.

Future Brands LLC

(joint venture of Beam Global Spirits & Wine, Inc.
and The Absolut Spirits Company, Incorporated)

Luxco, Inc.

McCormick Distilling Co., Inc.

Moët Hennessy USA

Remy Cointreau USA, Inc

Pernod Ricard USA

Suntory International Corp.

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Open Letter to Interested Parties:

We are pleased to issue the fourth Semi-Annual Report of complaint decisions by the Distilled Spirits Council's Code Review Board, the spirits industry's advertising compliance review body. This Report makes public Code Review Board actions for the period of January 1, 2006 through June 30, 2006 and details complaints received, the Board's deliberations and the advertiser's response. For this reporting period, the Board received complaints about 6 advertisements involving advertising or marketing materials subject to the DISCUS Code of Responsible Practices for Beverage Alcohol Advertising and Marketing.

Unique within the beverage alcohol industry, the DISCUS Code provides for a Code Review Board that is charged with reviewing complaints about advertising material in the marketplace. Each complaint about a member company advertisement or distilled spirits advertisement of a non-DISCUS member is reviewed by the Code Review Board with identical consideration and priority status. After receiving a complaint, the Code Review Board determines whether the advertisement is consistent or inconsistent with the provisions of the Code. The Board relays its decision to the advertiser and, if a provision of the Code has been violated, urges that the advertisement be revised or withdrawn. Throughout the decades, there has been 100% compliance by DISCUS members with the Board's decisions.

Providing for a Semi-Annual Report of complaint decisions allows the public at large to better evaluate and appreciate our longstanding review process, which the Federal Trade Commission has pointed to as a model of self-regulation. The Report also serves as an effective tool to familiarize non-DISCUS member distillers with both the provisions of the Code and the Code Review Board process. To that end, DISCUS has reached out to familiarize non-DISCUS member distillers with the Code and the Code Review Board complaint process, including distributing the Semi-Annual Report along with background materials on the Code to nearly one hundred micro-distilleries in the United States.



We believe the Semi-Annual Report is an important element of our longstanding corporate responsibility efforts, and our transparent reporting system has been recognized as a model for other industries by regulators and industry critics, and now is receiving acclaim by the business community. In June of this year, the Semi-Annual Report was the recipient of the best "Business Ethics Communications" award by *PR News* Corporate Social Responsibility (CSR) Awards. The CSR Awards honor corporations and their partners that have implemented and executed highly successful CSR campaigns in the last 12 months. *PR News* calls the CSR Awards "the gold standard in corporate citizenship and communications worldwide."

DISCUS also was named a finalist in the American Business AwardsSM "Best Corporate Social Responsibility Program" category for our public reporting system. The American Business AwardsSM program is the only national, all-encompassing business awards program honoring great performances in the workplace.



Since its inception over 70 years ago, the core principle of the Code has been and remains to market our products to adults in a responsible and appropriate manner. As an industry, we are committed to adhering to a tough advertising and marketing code, and welcome this opportunity to demonstrate to you how our process works.

Sincerely,

Peter H. Cressy
President/CEO
Distilled Spirits Council

FOURTH PUBLIC REPORT

Advertisement: Sauza Tequila

Advertiser: Beam Global Spirits & Wine, Inc.
(DISCUS member)

Complainant: Member of the public, New Bedford,
Massachusetts



Complaint Summary: Complainant believes the advertisement violates Responsible Placement Provision No. 7 of the Code: “Beverage alcohol advertising should not be placed on any outdoor stationary location within five hundred (500) feet of...an elementary school or secondary school except on a licensed premise” and Responsible Content Provision No. 21: “Beverage alcohol advertising and marketing materials should reflect generally accepted contemporary standards of good taste.”

Code Review Board Decision: The advertisement placement was found in violation of Responsible Placement Provision No. 7.

The Code Review Board did not find the content of the advertisement to be in violation of Responsible Content Provision No. 21.

Action by Advertiser: Upon receipt of the complaint, advertiser contacted the placement company that posted the billboard advertisement and learned from that company that the billboard was within 500 feet of a school in breach of the advertiser’s agreement with the placement company. The advertiser instructed the placement company to remove immediately the billboard advertisement, which was done less than 48 hours after the complaint was received. The placement company was fully aware of the placement provisions of the Code and takes full responsibility for the error in the placement of this advertisement.

Status: Resolved: Responsive action taken.

Advertisement: Jim Beam Bourbon car and signage located at the NASCAR Café™ outside Universal Studios in Orlando, Florida

Advertiser: Beam Global Spirits & Wine, Inc. (DISCUS member)

Complainant: Industry member

Complaint Summary: Complainant believes the advertising materials violate Responsible Placement Provision No. 5 of the Code: “Fixed beverage alcohol advertising and marketing materials may be placed at venues that are used primarily for adult-oriented events defined as where at least 70 percent of the audience attending those venue events is reasonably expected to be above the legal purchase age.”

Code Review Board Decision: The Code Review Board concluded that the advertising materials in question were located on a premise licensed to sell and serve beverage alcohol and therefore did not violate Responsible Placement Provision No. 5 of the Code.

Action by Advertiser: None required

Status: Not applicable



Advertisement: Bulleit Bourbon “You Could Win a Bulleit Bourbon Mountain Bike” promotion

Advertiser: Diageo (DISCUS member)

Complainant: Member of the public, Madison, Wisconsin

Complaint Summary: Complainant believes that the promotion “features a youth’s mountain bike, identical in style to bikes in millions of school yards across the nation” and violates Responsible Content Provision No. 8 of the DISCUS Code: “No brand identification, including logos, trademarks or names, should be used or licensed for use on clothing, toys, games, or game equipment, or other items intended for use primarily by persons below the legal purchase age.”



Code Review Board Decision: The advertiser responded to the complaint and provided the Board with information regarding the contest in question. According to Sporting Goods Manufacturers Association (SGMA) International data, 67% of all participants in mountain biking are 25 years of age and older. The SGMA data was based upon a study conducted by American Sports Data, Inc. in January 2005. American Sports Data, Inc. is a specialist in sports participation and fitness research.

The bike depicted in the email message was a 19” limited edition Rockhopper mountain bike, with an approximate retail value of \$899. The size and the quality of this particular bike show that the prize is intended for a mountain bike enthusiast. The contest rules state that contestants must be at least 21 years of age to enter. In order to receive the contest announcement email message (or any email from Bulleit Bourbon), a person must verify his/her age upon entering the Bulleit Bourbon website and again to sign-up to receive messages from the Bulleit Bourbon website.

The mountain bike is the grand prize of the contest and, to be eligible for this contest, an entrant must submit an essay of 50 words or less. The winner of the grand prize will be determined by an independent judging organization.

Upon consideration of the facts, the Code Review Board did not find the promotion in question to be a violation of the DISCUS Code.

Action by Advertiser: None required

Status: Not applicable

Advertisement: Svedka Vodka website advertising and marketing materials

Advertiser: Spirits Marque One LLC
(Non-DISCUS member)

Complainant: Industry member

Complaint Summary: Complainant believes the advertising and marketing materials violate Responsible Content Provision No. 25 of the Code: “[B]everage alcohol advertising and marketing materials should not rely upon sexual prowess or sexual success as a selling point for the brand” and “should not contain or depict: graphic or gratuitous nudity;...[or] promiscuity” and Responsible Content Provision No. 21: “Beverage alcohol advertising and marketing materials should reflect generally accepted contemporary standards of good taste.”



Code Review Board Decision: The Board found the use of statements such as “Pleasure all of your 17 erogeous zones with Svedka” and “She is wired for fun, flirting and the occasional foursome”; depictions of scantily clad women, such as the hologram of the “statue of liberty”; the eagle on the flag with breasts, handcuffs and a whip; and the descriptions of drink recipes such as “The Cherry Pie” (“She then pours her mixture into his tall glass and garnishes with a cherry resulting in an extremely satisfying union”), “The Pink Pussycat” (“Looking for a tart? Just pour his ingredients into your chilled vessel...Repeat till satisfied”), “Cupid’s Honey” (“Now you must enchant the object of your desires with a sweet potion to suckle....she’ll be ready for love”), and “The Booty Call” (“Garnish with a...depending on your libido”) on the Svedka website were inconsistent with Responsible Content Provisions Nos. 25 and 21.

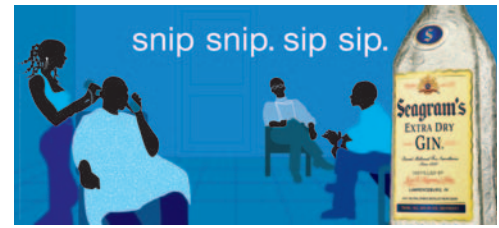
Action by Advertiser: No response from the advertiser

Status: Board continues to urge the advertiser to revise these advertising and marketing materials in light of the Code’s provisions.

Advertisement: Seagram's Extra Dry Gin billboard

Advertiser: Pernod Ricard
(DISCUS member)

Complainant: Member of the public,
Indianapolis, Indiana



Complaint Summary: Complainant believes that the billboard violates Responsible Content Provision No. 18 of the DISCUS Code: “Beverage alcohol advertising and marketing materials should not portray beverage alcohol being consumed by a person who is engaged in, or is immediately about to engage in, any activity that requires a high degree of alertness or physical coordination.”

Further, the complainant asserts that the advertisement “encourages acceptance of drinking on the job and dishonors beauticians as a profession.”

Code Review Board Decision: The Code Review Board did not find the advertisement in question to be a violation of the DISCUS Code. No drinking of a beverage alcohol product is depicted in the advertisement. The beautician depicted in the advertisement is holding a hair dryer; the individual sitting in the salon chair is speaking on a cell phone; one of the two other seated individuals is reading a newspaper or magazine and the other individual has his hands free and is just waiting. None of these individuals are holding glasses.

For these same reasons, the Board did not find that the advertisement encouraged acceptance of drinking on the job or dishonored beauticians as a profession.

Action by Advertiser: None required

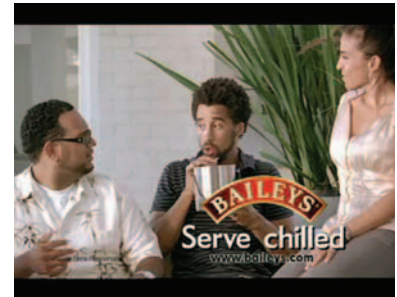
Status: Not applicable

Advertisement: Baileys Irish Cream “Ice Bucket” broadcast advertisement

Advertiser: Diageo (DISCUS member)

Complainant: Third-party organization, Washington, District of Columbia

Complaint Summary: Complainant describes the advertisement as depicting a man pouring Baileys Irish Cream into an ice bucket, inserting a single straw into the drink and joining his friends on the sofa to consume his serving, apparently ignoring a request to share the drink.



Complainant believes that the advertisement violates Responsible Content Provision No. 13 of the DISCUS Code:

“Beverage alcohol advertising and marketing materials should not depict situations where beverage alcohol is being consumed excessively or in an irresponsible manner” and Responsible Content Provision No. 19: “Beverage alcohol advertising and marketing materials should not be associated with anti-social or dangerous behavior.”

Code Review Board Decision: Responding to the complaint, the advertiser pointed out that the pour of the Baileys Irish Cream in the advertisement was a timed pour for a 50 ml serving. Baileys Irish Cream has an alcohol content of 17% alcohol-by-volume and a 50 ml pour (1.69 ounces) of Baileys is less than a standard drink as defined in the Dietary Guidelines for Americans. (Under those Guidelines, 3.5 ounces of Baileys Irish Cream is a standard drink.) The words “50 ml serving” also appeared in superimposed text in the advertisement.

The Code Review Board found the advertisement in violation of Responsible Content Provision No. 13 of the voluntary DISCUS Code. The Board concluded that the execution of the advertisement created the impression of an excessively large pour of Baileys because it was not clear from the advertisement itself when the pour ended, despite the superimposed text of a 50 ml serving.

The Board, however, respectfully disagreed with the complainant’s assessment that the advertisement depicts anti-social or dangerous behavior and therefore did not find the advertisement to be in violation of Responsible Content Provision No. 19. The advertisement depicted a social setting, no one appeared intoxicated in the advertisement and no one appeared to be engaging in antisocial or dangerous behavior.

Action by Advertiser: The advertiser immediately took steps to pull the advertisement in question and discontinued the Baileys advertising execution subject to the complaint.

Status: Resolved: Responsive action taken.

BACKGROUND

HISTORY OF THE DISCUS CODE

Within months of the repeal of Prohibition, leaders in the distilled spirits industry approved their first voluntary Code of Responsible Practices. Throughout the decades, the Distilled Spirits Council's Code of Responsible Practices has embodied the high standards and commitment to responsibility that have been the touchstone of DISCUS member company advertising practices.

The provisions of the Code apply to every type of print and electronic media, including the Internet and any other on-line communications, used to advertise or market beverage alcohol. These provisions also apply to every type of promotional or marketing activity or event, including all product placements.

By this Code, DISCUS members hold themselves to a standard higher than mandated by any law or regulation. Since October 27, 1934, the distillers' voluntary Code has been revised and updated as the marketplace and technology have changed. For example, the Code was revised in 1998 to include specific provisions regarding websites and other on-line communications.

Similarly, as society and social mores have changed, the Code has evolved. To that end, enhanced Code changes to the responsible content provisions include:

- More explicit provisions prohibiting depictions of excessive drinking and use of sex as a selling point;
- Incorporation of responsible drinking statements in advertisements, marketing materials and promotional events, where practicable;
- Increased age requirement for models/actors in advertisements — must be at least 25 years old;
- Provision prohibiting advertising that associates drinking with “rite of passage” to adulthood;

Throughout its long history, the core principle of the voluntary DISCUS Code has been and remains to market our products to adults in a responsible and appropriate manner.

The Federal Trade Commission, the lead Federal agency

with advertising oversight, has commended the DISCUS Code on several occasions. In its September 2003 Report to Congress entitled “Alcohol Marketing and Advertising,” the FTC concluded that the distilled spirits industry’s advertising is directed to adults and that the distilled spirit industry’s self-regulatory measures are “rigorous” and effective. As part of the Report, the FTC also examined the Code Review Board process, finding that the Board’s actions “provide a critical review of spirits company compliance with the DISCUS Code.”

Many of the latest enhancements to the 2003 Code were developed in response to the FTC’s suggestions to improve the self-regulatory system. For example, the 2003 Code includes the following new provisions: a 70% adult (legal purchase age of 21 years and older) demographic; post-audits of advertisement placements; and the establishment of an outside advisory board as part of its compliance and complaint process.

In addition to member company internal and external training sessions, each DISCUS member has established an internal process to ensure compliance with the Code. Consistent with the provisions set forth in the Code, this process includes a separate review of advertising and marketing materials by a company employee who is not in the marketing department or who is not involved in the development of the advertising or marketing materials to the extent possible given a company’s size and organizational structure.

The FTC also has pointed to the benefits of industry self-regulation, concluding that it is realistic, responsive and responsible; can deal quickly and flexibly with a wide range of advertising issues without the rigidity of government regulation; and is particularly suitable in light of the First Amendment issues that otherwise would be raised by government regulation of advertising.

DISCUS members are committed to the responsible placement and content of their brand communications. Towards this end, DISCUS members voluntarily pledge to conduct their advertising and marketing in accordance with the provisions of the Code. DISCUS members recognize that it is not possible to cover every eventuality and therefore agree to observe the spirit, as well as the letter, of this Code.

CURRENT DISCUS CODE AND ORIGIN OF PUBLIC REPORT

The enhanced Code, the result of a year-long review, reflects the determination of DISCUS member companies to be responsive to the changing technology and culture of modern times. The 2003 Code applies to all of the over 2,800 distilled spirits, beer and wine brands marketed by DISCUS members, and is followed by an increasing number of non-member distilled spirits marketers.

The 2003 Code also incorporates several revisions to its content provisions, including more precise language regarding the sexual content of advertising, and also continues many of its longstanding prohibitions, such as not advertising or marketing in college newspapers.

The October 2003 Code revisions provide, among other things, that beverage alcohol advertisements be placed only in media where at least 70 percent of the audience is reasonably expected to be 21 years of age and older, the legal purchase age.

To implement these standards, the Code Review Board prepared detailed guidelines for the placement of advertisements in various media and for periodic, random after-the-fact audits of past placements to verify compliance with the demographic standard.

Since October 2003, the Board has reviewed and fine-tuned these guidelines to address general circulation magazines not measured by a syndicated data source by requiring third-party independent demographic surveys of those magazines (effective October 1, 2006) and to provide for semi-annual audits of random past placements using one quarter of data where available.

Consistent with our objective to direct our advertising to adults, DISCUS members have committed to the removal of their advertisements from the school library subscription copies of *Newsweek*, *People*, *Sports Illustrated*, *Time*, and *U.S. News & World Report* by securing special bindings of those publications, which we understand are the magazines most commonly subscribed to by school libraries. As a consequence, DISCUS member companies voluntarily refrain from advertising on the inside and back covers of these magazines (premium advertising space), each of which exceeds the 70% demographic standard set by the

DISCUS Code, if their covers cannot be segregated out for special bindings of school library subscription copies. This initiative became effective July 1, 2006 for subscription copies of these magazines destined for this venue.

Further, the Code provides for the issuance of Semi-Annual Reports. For decades the Code Review Board has effectively addressed complaints about distilled spirits advertising but the decisions were never made public and, as a consequence, the rigor of the Board's review process and adherence to the Board's decision were not widely known.

To make the distilled spirits industry's review process more transparent and understandable to the public, a decision was made in 2003 by DISCUS and its member companies to publish semi-annual public reports detailing complaints against specific advertisements, decisions of the industry's internal review board and actions taken by each advertiser.

This new transparency allows the public at large to better evaluate and appreciate our Code review process. In fact, industry regulators, watchdogs, critics and the media have taken notice of the distilled spirits industry's approach to self-regulation, calling it a model for other industries, including food product manufacturers and the pharmaceutical industry.

In 2005, following the release of the first DISCUS Semi-Annual Report, the director of the FTC's alcohol advertising program told *The Washington Post* that self-regulation permits the spirits companies to "address things that couldn't be touched by a government agency because of the First Amendment." The director called this a "fabulous thing," noting that "[t]his is a far step above and beyond what other companies are doing."

We believe we are the first private trade group representing American business to issue a report on the proceedings of how an industry regulates itself according to its internal Code. The overall objectives of the Semi-Annual Reports are to encourage full compliance with the Code and Code Review Board decisions across the entire distilled spirits industry and to ensure our longstanding commitment to responsible advertising is understood.

CODE REVIEW BOARD PROCESS

Unique within the beverage alcohol industry, the DISCUS Code provides for a Code Review Board that is charged with reviewing complaints about advertising material in the marketplace.

Historically, the Code Review Board process has worked as follows:

- When a complaint or inquiry is received, the Code Review Board is convened usually by conference call to exchange views and deliberate upon the advertisement in question.
 - The complainant often requests not to be identified. Each Code Review Board member describes his/her views regarding the advertisement and casts a vote concerning whether the advertisement is or is not a violation of the Code.
 - If the Code Review Board finds a particular advertisement violates the Code's provisions, the advertiser is so informed either orally or in writing.
 - Responsive action from the advertiser generally occurs quickly so that, if a change is required, the advertisement in question is either withdrawn or revised forthwith.
- The staff liaison for the DISCUS Code will notify the advertiser of the complaint.
 - The advertiser will have 15 business days to respond and will be invited to participate in the Code Review Board's discussion of the complaint.
 - The Code Review Board will convene to consider the complaint and the advertiser's response, and render a decision. The Code Review Board will proceed in its deliberations even if the advertiser has not responded after the time period noted above.
 - The advertiser will be notified of the Board's decision and the Board will be available to answer questions or assist with compliance.
 - The Code Review Board's decision and the advertiser's response will be summarized in the Semi-Annual Report.

The process described above will continue to be used for any complaints questioning DISCUS member company advertising and/or marketing materials.

The following procedures are utilized for any complaints involving distilled spirits advertising and/or marketing materials by non-DISCUS members:

The process described above is subject to change and may be revised from time to time.

The average time between receipt of a complaint and Code Review Board action often is a matter of days, but could take up to two to four weeks, a timeframe that also can include responsive action by the advertiser. For non-member companies, the process could take up to two months.

For member company advertisements, the average time between the receipt of a complaint and a decision by the Board was less than 9 days for inquiries received in 2003. Responsive action involving a member company advertisement averaged 17 days from the date of the Code Review Board's decision. At present, the response time from receipt of a complaint to final resolution averages less than a week.

HOW TO FILE A COMPLAINT

If you have any questions regarding the Code of Responsible Practices for Beverage Alcohol Advertising and Marketing or a concern about a particular advertisement or marketing material subject to the Code, please write to the DISCUS Code Review Board, 1250 Eye Street, N.W., Suite 400, Washington, D.C. 20005. The contact person for the Code Review Board is Lynne Omlie. She serves as the staff liaison for the Code Review Board and can be reached at 202/682-8824 or by email at lomlie@discus.org.

The DISCUS Code is posted on the DISCUS website for ease of reference at <http://www.discus.org/responsibility/code.asp>. We request that complaints be made in writing with the advertisement and/or marketing materials in question appended to the complaint to ensure that they are processed properly and expeditiously.

CODE REVIEW BOARD

The Code Review Board is comprised of senior member company representatives elected by the DISCUS Board of Directors, and is chaired by one of those representatives, with DISCUS acting as the staff liaison. The current members of the Code Review Board are:

- Ms. Carolyn L. Panzer, Chairperson, Diageo
- Ms. Mary E. Barrazotto, Brown-Forman Corporation
- Mr. John R. Frank, Sidney Frank Importing Co., Inc.
- Ms. Elizabeth Y. Kutyla-Miner, Barton Incorporated
- Mr. Thomas R. Lalla, Jr., Pernod Ricard USA
- Mr. David C. Wagner, Future Brands LLC
- Mr. Frederick J. Wilson, III, Bacardi U.S.A., Inc.

The main function of the Code Review Board is to review complaints and inquiries about particular advertising and/or marketing materials in terms of whether their content and placement are consistent with the Code's provisions. This undertaking not only encompasses DISCUS members' advertisements, but also extends to all distilled spirits advertising in the United States.

The Code Review Board also periodically reviews the Code to ensure that the Code's provisions reflect the evolving marketplace, technological changes and current social mores. Suggested revisions and/or expansions to the Code are offered and made consistent with the overriding principle of the Code – to market our products to adults in a responsible and appropriate manner.

OUTSIDE ADVISORY BOARD

The DISCUS Code provides for an Outside Advisory Board charged with the following functions: (1) to provide confidential, nonbinding guidance to DISCUS members about draft advertising copy and/or marketing materials prior to execution concerning whether these draft materials would be consistent with the Code (i.e., pre-vetting advice); and (2) to serve as tie-breakers in the event the Code Review Board cannot reach a majority decision about a particular advertisement or promotional execution under review.

Our three outside advisors are distinguished experts from government, academia and broadcasting:

Ms. Joan “Jodie” Bernstein, currently with the Washington, D.C. law firm Bryan Cave, has a distinguished history of government service. Ms. Bernstein served as Director of the Federal Trade Commission’s Bureau of Consumer Protection from 1995 to 2001, where she was involved in every facet of advertising for the goods and services sold in the United States. Ms. Bernstein most recently was appointed to undertake a complete review of the Self-Regulatory Guidelines for the Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus.



During her tenure at the FTC, Ms. Bernstein oversaw the FTC’s 1999 Report to Congress on alcohol advertising and self-regulation. Ms. Bernstein was the leading force in creating the National Advertising Review Council of the Better Business Bureaus, established in 1971 to review advertising copy to ensure that it is truthful and accurate.

Dr. Constantine “Deno” Curris, a leader among academic administrators, currently serves as the President of the American Association of State Colleges and Universities, a national association of over 400 public colleges and universities. AASCU, founded in 1965, is governed by an elected board of 15 university presidents and chancellors.



Dr. Curris has 40 years of service in higher education, including serving as President of Clemson University for over four years, University of Northern Iowa for 12 years and Murray State University in Kentucky for 10 years. Dr. Curris is a strong advocate for public higher education and its students, and a proponent of the qualitative strengthening of higher education institutions in order to meet public needs and expectations in the 21st Century. He has been and is actively engaged in addressing problems of alcohol abuse among college students.

Mr. Richard P. Gitter is a former network executive with 34 years of experience in the broadcast industry, including 25 years overseeing network advertising standards and compliance. Most recently, Mr. Gitter served as Vice President, Advertising Standards and Program Compliance for NBC where he reviewed commercials and programming to ensure compliance with Federal regulations and network policies. Mr. Gitter is a former member of the Board of Directors of the Council of Better Business Bureaus and the Radio Code Board of the National Association of Broadcasters.



RECENT OUTREACH ACTIVITIES

The major focus of Code Review Board activities during the period covered by the Report continues to involve outreach efforts about the provisions of the Code. These efforts were directed at familiarizing all interested parties with the Code and increasing awareness of the Code and the Code Review Board complaint process.

Over 1,000 copies of the third Semi-Annual Report published last February with explanatory materials were sent to State Alcohol Beverage Control officials, the Attorneys General of each State, officials at colleges and universities across the country, Federal agency officials, members of Congress, State legislators, industry trade association leaders, non-DISCUS member distillers, other industry members, health officials, and advocacy groups. Additionally, materials regarding the Code and the Semi-Annual Report were sent to nearly 100 non-DISCUS member micro-distilleries to familiarize them with the provisions of the Code and the Code Review Board process.

These outreach efforts were supplemented by personal visits and presentations to various groups, such as meetings with the National Conference of State Liquor Administrators (NCSLA), the National Alcohol Beverage Control Association (NABCA), the Joint Committee of the States, government officials on both the Federal and State levels, and various industry trade association leaders.

To date, eleven State Alcohol Beverage Commissions have the DISCUS website link on their websites and the Commonwealth of Pennsylvania has the DISCUS Code of Responsible Practices link on its website. By linking to the DISCUS website or hyperlinking directly to the DISCUS Code, it is easier for State officials and other interested parties to refer any inquiries or concerns about a particular advertisement to the DISCUS Code Review Board.

We continue to urge Federal and State officials and other interested parties to include the Code on their websites. If an individual has a concern about a particular distilled spirits advertisement or an advertisement for a beer, wine or distilled spirits brand marketed by a DISCUS member, the Code Review Board welcomes the opportunity to review that advertisement.

During this reporting period, DISCUS also had an opportunity to describe our self-regulatory system in forums outside the country. In June, DISCUS was invited to present at “A Workshop on Self-Regulation-Asia-Pacific Region” jointly sponsored by the International Center for Alcohol Policies and the Brewers Association of Japan & The Japan Spirits & Liquors Makers Association. This Workshop was attended by government and non-government officials, as well as members in the beverage alcohol industry from countries in that region. DISCUS also was a presenter at the 2006 Summer meeting of the International Federation of Wines and Spirits (FIVS), a worldwide organization representing all sectors of the wine, spirits and beer industries. DISCUS also participated in a lead session entitled “Responsibility, Moderation and Self-Regulation” at the World Whiskies Conference in Scotland attended by distilled spirits producers and importers from various countries.

In each of these venues, DISCUS detailed the provisions and operations of the DISCUS Code, including its history, its content and placement provisions, the review process, and the publication of Semi-Annual Reports about complaint decisions. These presentation opportunities allowed DISCUS to familiarize interested parties about our self-regulatory measures, as well as to inform companies that may market their distilled spirits in the United States with the DISCUS voluntary Code.

DISTILLED
SPIRITS
COUNCIL
OF THE
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