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**Media Rating
Council, Inc.**

370 Lexington Avenue
Suite 902
New York, NY 10017

Tel: (212) 972-0300
Fax: (212) 972-2786
www.mediaratingcouncil.org

August 15, 2008

Ms. Monica Shah Desai
Chief, Media Bureau
Federal Communications Commission
445 12th Street, S. W.
Washington, DC 20554

Dear Ms. Desai:

Thank you for your letter of July 17, 2008, related to Arbitron's Portable People Meter (PPM). The MRC is a not-for-profit media industry trade association that audits and accredits audience measurement services, such as Arbitron's PPM, when the services voluntarily comply with standards established and maintained by our Board of Directors.

The MRC accreditation process involves the use of rigorous audits conducted by nationally recognized CPA firms at our direction and oversight of the audit process by audit committees made up of users of audience measurement data. The central mission of the MRC is to secure for the media industry audience measurement services that are valid, reliable and effective through its independent auditing and evaluation process. The MRC is completely independent of audience measurement services such as Arbitron.

Because an audience measurement service – in complying with the MRC accreditation process – provides extensive access to proprietary business information none of the information provided to the MRC during the accreditation process, or the specific audit findings, can be disseminated to the public or press absent an explicit waiver of confidentiality granted by the service, the MRC and the CPA firm that conducts the audit. The need for this confidentiality was originally recognized and recommended by the U.S. Congress at the time the MRC was formed in the 1960s. The MRC takes very seriously its obligation to keep proprietary information confidential as well as audit reports. Public disclosure of proprietary techniques or audit findings would be detrimental to the core business and competitive position of the audience measurement service. Further, public disclosure would also have a chilling impact on MRC's ability to seek new audits among audience measurement services.

As you are probably aware, on July 29, 2008 I participated in a Federal Communications Commission (FCC) Hearing on "Overcoming Barriers to Communications Financing", which was coordinated with Barbara Kreisman from your Video Division. My testimony briefly outlined the MRC role and our status with Arbitron's PPM markets. I have attached a written copy of my testimony for your review. The status of Arbitron's PPM markets has not changed since my testimony was prepared. No questions were asked during the Hearing pertaining to confidential MRC information.

In recent years, and as a result of certain changes in Nielsen's television audience measurement services (unrelated to Arbitron) the Congress, the Department of Justice (DOJ) and the Federal Trade Commission (FTC) all had occasion to become familiar with the mission and methodological approach of MRC. In this regard, Congress and the FTC spent time reviewing our process for the purpose of learning our evaluative methods, auditing process and understanding the rigor and completeness of our process in assuring adequate representation of ethnic and racial minorities in audience research. In April of this year, the DOJ completed a business review of our process, which extended over two years, related to a Voluntary Code of Conduct we have proposed to adopt. Attached for your review are the following documents related to these processes:

- Letter dated March 25, 2005 – Federal Trade Commission to Senator Conrad Burns
- Press Release dated April 11, 2008 – Department of Justice
- Draft MRC Voluntary Code of Conduct (DRAFT)
- MRC Minimum Standards for Media Rating Research

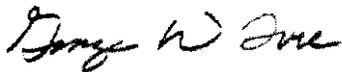
No recommendations to, or changes in, MRC's audit or accreditation processes resulted from these interactions; and part of the focus of these governmental entities directly related to how MRC evaluates and essentially helps protect representation within the audience measurement services we audit.

On July 17, 2008 the MRC staff held a briefing with the Senate Judiciary Committee staff, and I have attached the PowerPoint presentation from that briefing which, in addition to basic background on MRC, summarizes the current accreditation-status of the Arbitron PPM markets (similar to my FCC Hearing testimony). We made a similar offer to meet with Commissioner Adelstein, through his staff, and that offer remains open as well as available to other Commissioners and staff.

I have also attached an e-mail, which we provided to Committee staff, which we recently sent to MRC-participating measurement services related to Cellular Telephone Sampling Methods, which you may find helpful. You may be aware that Arbitron relies on telephone sampling in its PPM markets (other than Houston) that only includes land-line telephone numbers. Accordingly, Arbitron actively supplements its land-line sampling for cellular telephone numbers, but to a lesser proportion than the penetration of cellular-telephone only households in each market.

We hope this information is helpful to your work. Please do not hesitate to contact us should you have further questions.

Very Truly Yours,



George W. Ivie
CEO and Executive Director

Copy to: Mania K. Baghdadi (FCC)
Anthony Torrieri, David Gunzerath, Albana Gashi (MRC)
Jonathan Yarowsky, Ted Planzos (Patton Boggs)

STATEMENT
Mr. George Ivie, Executive Director and CEO
Media Rating Council, Inc.

En Banc Hearing – Overcoming Barriers to Communications Financing
Federal Communications Commission
July 29, 2008

Chairman Martin and distinguished Commissioners, my name is George Ivie and for the last eight years I have served as Executive Director and Chief Executive Officer of the Media Rating Council (MRC). I would like to thank Chairman Martin and the Commission for the opportunity to participate in this evening's hearing on Overcoming Barriers to Communications Financing.

Before joining the MRC, I worked at Ernst and Young as the lead partner on all MRC audits. Including my eight years as Executive Director, I have 25 years of experience in auditing audience measurement service methodologies and have presided over and conducted hundreds audits of such services.

Forty-five years ago, Congress addressed the issue of the accuracy and reliability of audience research in a lengthy set of hearings commonly referred to as the Harris Committee Hearings. At that time, after extensive testimony and careful consideration, Congress reached three basic conclusions: *First*, that

there was a need for professional, independent review of audience rating services. *Second*, that industry self-regulation – rather than the heavy hand of direct government regulation – was the best means of assuring the quality and accuracy of audience rating data; and, *third*, through the federal laws regulating anti-competitive conduct and deceptive practices, the federal government retained the means to deal with the most serious potential abuses.

The MRC is the product of those deliberations. For the past forty-five years, our mission has been defined by the goals that Congress set. Our membership is open to any media organization that relies on, or uses media research – including general media buyers and sellers as well as Hispanic and African-American oriented broadcasters. Our membership totals 116 organizations today, an all time record for size and diversity.

Just as Congress envisioned, our only business is to review and accredit audience-rating services through rigorous audits. An MRC audit includes an independent, detailed, and objective examination of each aspect of the operations of a measurement service. One of the hallmarks of our auditing procedures is that any research organization that voluntarily requests an audit of its service by the MRC must be totally transparent to us. As such and as

discussed with the Commission Staff prior to this hearing, we must adhere to certain confidentiality guidelines.

We are entirely independent of the rating services we review. We are a not-for-profit organization, and the only funds we accept from the rating services are the amounts necessary to defray the costs of the audits, which are performed by nationally recognized, independent CPA firms.

The MRC has adopted stringent safeguards to assure that accreditation decisions are based only on the merits. In brief, the staff of the MRC, who doesn't represent any particular media organization or industry segment, has the authority to bring directly to the Board of Directors its recommendation on accreditation, regardless of the vote of the MRC's audit committee. And, most important, every rating service that participates in the accreditation process has the right to register its disagreement with a decision to withhold accreditation and to be heard by the full Board. In my time at the MRC, there has *never* been an occasion for MRC's independent and professional staff to escalate a decision directly to the Board.

We appreciate the Committee's interest in the merits of Arbitron's PPM services and, of particular importance, its concern that Arbitron's PPM services may fail to accurately register the radio listening exposure of racial and ethnic minorities. From the standpoint of MRC's role and mission and what we are qualified to observe, I see two distinct issues:

- First, whether the PPM technology itself is an improvement in terms of measurement accuracy, and
- Second, how this technology is being implemented in the markets of interest.

Let me quickly address the first issue. There is little doubt, and in fact there exists a broad industry consensus, that electronic measurement such as that enabled by Arbitron's PPM technology is a significant step forward in terms of the method's ability to capture listener exposure. Not to say that the PPMs are perfect or the only solution available, but they are broadly considered better than the current hand-written, recall based diary technique when implemented properly.

In the second area, however...the implementation details...the MRC has some ongoing concern. Perhaps most important, Arbitron has failed to demonstrate an ability to roll-out its Radio-First Methodology PPM services which are fully compliant with the MRC's evaluation criteria at the time of implementation. Also,

as noted by Arbitron's management recently in the press, the MRC has concerns and ongoing dialogue with Arbitron surrounding two key measurement issues; response rates and panelist compliance with the PPM technique. Arbitron is actively trying to address these concerns and has devoted extensive resources to achieving accreditation.

Additionally, our membership has also expressed strong interest in assuring that the PPMs for major market areas are integrated with Arbitron's accredited national services only after they achieve accreditation.

Monthly Average Quarter Hour estimates from Arbitron's Houston PPM Service are accredited by MRC. Subsequently introduced PPM Services (which have several methodological differences from Houston), including Philadelphia and New York where audits have been completed, have not yet achieved accreditation. Several other PPM Services that are nearing introduction by Arbitron are being audited at this time.

In closing, the MRC has strived over four decades to be faithful to the mission that Congress has defined for us. As recently reaffirmed by the FTC and the U.S. Department of Justice, we believe we conduct our mission well and we believe we

focus appropriately on the areas of adequate representation in the audience measurement products we audit. We ask that you assist us by respecting the independent process currently being executed for the PPM Services, and by strongly encouraging Arbitron to maintain focus on the audit and methodological issues we raise.

I would be happy to answer any questions you may have.



UNITED STATES OF AMERICA
WASHINGTON, D.C. 20580

FEDERAL TRADE COMMISSION

Office of the Chairman

March 25, 2005

The Honorable Conrad Burns
United States Senate
Washington, D.C. 20510-2603

Dear Senator Burns:

I am responding to your letter concerning Nielsen Media Research's new system for measuring television viewing in local markets, the Local People Meter system ("LPM"). You expressed concern that Nielsen Media Research ("Nielsen") is introducing this system into local markets despite problems with accuracy and without accreditation from the industry self-regulatory body, the Media Ratings Council ("MRC").¹ I appreciate your staff meeting with the FTC staff to explore your concerns further.

As recommended by your staff, the FTC staff met with the MRC and has reviewed a range of materials concerning LPMs. Subsequently, and after consulting with your staff, we believed it worthwhile to meet with representatives of the Don't Count Us Out Coalition and Fox Television Stations, Inc., as well as representatives of Nielsen before responding to your inquiry. The staff has learned that Nielsen has voluntarily submitted its LPM systems to the MRC for audit, and extensive audits have been and are being conducted on the MRC's behalf by Ernst & Young. Both Nielsen and the MRC agree that the people-meter approach to audience measurement is appropriate and, indeed, capable of being more reliable than the systems it would replace. An accredited national people meter system has been in place for some time. The audits have demonstrated problems with LPM implementation, and Nielsen has not challenged the legitimacy of the audit results through the available MRC appeals process. To the contrary, it has been working with the MRC to correct the problems and attain accreditation.²

¹ As you know, the MRC was established by the industry in the 1960s in response to congressional concerns with the reliability of media ratings. Its members include customers of Nielsen and others concerned with broadcast ratings, including broadcasters, cablecasters, advertisers, advertising agencies, and industry trade associations.

² In addition, Nielsen has agreed to implement many of the recommendations contained in a recent report by the Independent Task Force on Television Measurement. News Release, Nielsen to Implement Recommendations of Independent Task Force on Television Measurement (Mar. 23, 2005), available at http://www.everyonecounts.tv/news/0323_taskforcereport.htm. The report's recommendations included improvements in the composition of the LPM samples, training for the field force, and fault rates. INDEPENDENT TASK FORCE ON TELEVISION MEASUREMENT, REPORT OF THE INDEPENDENT TASK FORCE ON TELEVISION MEASUREMENT (2005), available at <http://www.everyonecounts.tv/news/documents/taskforcereport.pdf>. Problems with these factors can have disproportionate effects on certain communities.

The MRC and Nielsen both recognize that there are significant challenges in implementing an LPM system. Also, various parties may disagree about whether Nielsen has acted with an appropriate level of effort and speed in addressing problems with the LPM system implementation. Nonetheless, it appears to the Commission that the existing self-regulatory approach is having a significant effect in attaining both extensive transparency and greater reliability in media ratings. In many circumstances well-constructed industry self-regulatory efforts can be more prompt, flexible, and effective than government regulation.³

³ See, e.g., Federal Trade Commission Report, Marketing Violent Entertainment to Children: A Review of Self-Regulation and Industry Practices in the Motion Picture, Music Recording & Electronic Game Industries 3 (2000); Federal Trade Commission Report to Congress, Self-Regulation in the Alcohol Industry 3 (1999).

The staff's discussions with the MRC and others and the materials staff has reviewed do not show that Nielsen has engaged in deceptive or unfair practices in violation of the FTC Act, such as misrepresenting its ratings system or failing to disclose material facts about the system.⁴ An act or practice is deceptive under Section 5 of the FTC Act if: 1) if there is a representation or omission of information that is likely to mislead the consumer acting reasonably under the circumstances; and 2) if that representation or omission is "material" – defined as an act or practice likely to affect the consumer's choice of or conduct regarding a product or service.⁵ When the Commission considers whether a representation or sales practice is misleading, it determines reasonableness from the perspective of the target audience.⁶ Therefore, the Commission's determination of both the claims that reasonable consumers take from an advertisement and the extent to which a misrepresentation or omission of information is injurious to consumers are fact-specific questions dependent on the context in which the claims are conveyed, the nature of the audience for the claims, and the materiality of the representation to the target audience.

The audience for Nielsen's statements about its rating services consists largely of media companies, many of which are highly sophisticated and capable of evaluating the information Nielsen provides. Nielsen frequently has expressed its opinion of the LPM system's accuracy, particularly in comparison with alternative systems, but Nielsen also discloses in detail the methodology and shortcomings of the system. The FTC staff's discussions and review of materials submitted to us have not indicated that Nielsen has misrepresented the LPM system or failed to disclose facts material to its customers' decisions. Moreover, the MRC's audits provide a great amount of transparency to Nielsen's customers about Nielsen's methods and products. Under those circumstances, deception in violation of Section 5 of the FTC Act seems unlikely.

⁴ Section 5 of the FTC Act prohibits unfair or deceptive practices that are in or affecting commerce. A practice is unfair under Section 5 if it causes, or is likely to cause, substantial injury to consumers which is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or competition. 15 U.S.C. § 45(n). Section 5 also prohibits unfair methods of competition which include exclusionary monopoly practices, collusion, and anticompetitive mergers. Staff's discussions and the material presented do not evidence such anticompetitive activity. If Nielsen should attempt to obtain or maintain monopoly power through anticompetitive mergers or other unfair methods of competition, Section 5 and the Clayton Act, 15 U.S.C. §§ 12-27, are sufficient to allow the Commission to halt such practices.

⁵ Deception Policy Statement, appended to Cliffdale Associates, Inc., 103 F.T.C. 110, 175, 182 (1984).

⁶ Id. at 179.

The Honorable Conrad Burns - Page 4

The Commission cannot judge whether the LPM system or alternative systems now in use – which have shortcomings as well – come closer to the actual truth of audience viewing behavior. Absent deceptive or unfair practices, it would not be within the Commission's authority to impose quality standards for accuracy in audience measurement.

Thank you for your inquiry in this matter. Please let me know if you would like any additional information.

Sincerely,

Deborah Platt Majoras
Chairman



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, APRIL 11, 2008
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AT
(202) 514-2007
TDD (202) 514-1888

**DEPARTMENT OF JUSTICE WILL NOT CHALLENGE MEDIA INDUSTRY
ASSOCIATION'S PROPOSAL REGARDING AUDIT PROVISION FOR AUDIENCE
MEASUREMENT TOOLS**

WASHINGTON – The Department of Justice announced today it will not challenge a proposal by the Media Ratings Council (MRC) relating to the auditing and accrediting of products that measure the size and demographics of an audience. The Department said that the proposed change is not likely to harm competition, and that a voluntary, precommercialization audit and accreditation of audience measurement products (AMPs) has the potential to benefit users by providing assurances that the products are valid, reliable and effective. MRC's proposal affects only those AMPs, known as Currency AMPs, that are widely used and relied upon to determine the financial value of advertising.

The Department's position was stated in a business review letter from Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for MRC. MRC is a non-profit industry association with a diverse membership consisting of buyers and sellers of advertising, including television and radio broadcasters, cable-casters, print organizations, Internet organizations, advertising agencies and industry trade associations. As users of AMPs, MRC's members have a common interest in the accuracy and reliability of these products. MRC has evaluated and accredited AMPs since 1964, using independent auditors to assess products' methodology and the data supporting the methodology (impact data).

MRC requested a business review letter from the Antitrust Division expressing its enforcement intentions with respect to a proposed change to its current audit and accreditation process. MRC seeks to make explicit its preference that rating services seeking to replace one of their Currency AMPs obtain accreditation of the new product, and at a minimum submit impact data and undergo an independent audit, prior to commercialization. MRC proposes to include this kind of language in its draft Voluntary Code of Conduct, which outlines its practices and procedures used since 1964 for auditing and accrediting AMPs. MRC represented to the Department that a rating service's participation in MRC's audit and accreditation process, today and as modified by its proposal, is voluntary and may be undertaken by a rating service at any time.

"Auditing and accrediting activities by associations of customers do not necessarily raise antitrust issues," Barnett said in the letter. "In fact, with appropriate safeguards, auditing and accrediting activities can provide valuable, unbiased information to the marketplace."

The Department stated that in this instance such activities can reduce the confusion and uncertainty among buyers and sellers of advertising that can occur when a Currency AMP is replaced by an unknown and untested one.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, Suite 215, Liberty Place, 325 7th Street NW, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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08-290



11/29/05 Version

Voluntary Code of Conduct Media Rating Council, Inc.

Purpose

1. The Voluntary Code of Conduct (the “Code”) of the Media Rating Council, Inc. (“MRC”) consists of four sections—(1) Principles; (2) Interaction Guidelines; (3) Disciplinary Procedures; and (4) Other Matters. The Principles provide the framework for the Interaction Guidelines, which state the interaction requirements for both Measurement Services who voluntarily undergo audits by the MRC (the “Measurement Services”) and MRC member-organizations and representatives who participate in the audit process, on audit committees, the MRC Board of Directors, the MRC Executive Committee and in other MRC functions and groups (the “Members” or “Member-Representatives”). The remaining two sections provide additional information on MRC administrative matters.

2. The MRC is authorized through its by-laws to promulgate internal operating procedures (e.g., voting policies, consultant policies), the Procedures for Accreditation, the Minimum Standards for Media Rating Research (the “MRC Minimum Standards”) and the Code governing the interactions of the MRC staff, Members and Measurement Services. MRC internal operating procedures, the Procedures for Accreditation, the MRC Minimum Standards and the Code are subject to review and revision by the MRC Board of Directors to reflect advances in techniques of audience measurement or other necessary changes that the Board may determine.

3. The Code was adopted by the MRC Board of Directors on _____ to provide guidance to all Participating Measurement Services and all Members, in the performance of their professional responsibilities related to MRC accreditation and the underlying audit process. The advertising buying and selling marketplace and other parties such as the media industry and the government rely on the MRC accreditation and audit process to help ensure quality and transparency in audience measurement.

4. Each of the Members and Measurement Services that voluntarily participate in MRC activities acknowledge that they have read and understand the Principles, Interaction Guidelines and other terms and conditions contained herein and that they agree to abide by the Code.

Definitions

Best Efforts: The standard of effort associated with complying with the Code should be interpreted as commercially-reasonable efforts, considering the significant reliance placed on the accreditation and audit process by multiple constituencies – herein stated as “Best Efforts.”

Reasonable and customary audit fees generally do not constitute a compelling reason to not perform tasks outlined in the Code.

Commerce-Significant Measurement Products: Syndicated products that are used for planning, expenditure tracking, auditing, reporting, modeling, integrating, fusing or processing of audience estimates or advertising information by MRC Members that are material to the accuracy of these functions.

Conflict of Interest: A business relationship (other than subscriber status or routine contract negotiation processes) between a Participating Measurement Service and a Member, or other situation, which could impair the objectivity of a Member or Participating Measurement Service. Some examples of conflicts of interest include: cross or common-ownership of Members and Measurement Services; marketing relationships for media and/or measurement products between Members and Participating Measurement Services, ratings or contract disputes that are judged by the MRC staff to be outside of normal business practices (for example, access to data has been denied or payments for data have stopped) or the subject of a legal proceeding (for example, litigation or arbitration) or other conflict indicating a predisposition. Members and Participating Measurement Services with a potential conflict of interest, or that assert a potential conflict of interest on the part of others, related to an MRC-related activity should bring this conflict to the attention of the MRC staff with a recommended course of action specified.

Currency Audience Measurement Products: Syndicated audience measurement products that are widely used and form the basis for setting the financial value of advertising in a media-type or across media types. Development-stage products, because they are not yet widely used, are typically not considered Currency Audience Measurement Products, unless they will be used by an established Measurement Service to replace an existing Currency Audience Measurement Product it already produces that is widely used.

Custom: An audience measurement product, project, data reporting tool or application developed for the use of a single user, where that user can view unique audience estimates.

Disciplinary Action: Disciplinary action consists of suspension or revocation of MRC membership or voting privileges, revocation or other changes in a Participating Measurement Service's participatory status in the MRC process, public disclosure of non-compliance with the Code (audit findings or audit-related confidential information is never subject to public disclosure) or referral to Government Agencies. Disciplinary actions are taken solely by the MRC Board of Directors.

Measurement Service: An organization that produces one or more syndicated audience measurement products, including "currency" audience measurement products, commerce-significant products or other ancillary products. A "Participating Measurement Service" means a Measurement Service that has agreed to the voluntary MRC auditing and accreditation process for one or more of its products and is engaged in the MRC annual audit process. A "New-entrant Measurement Service" produces a syndicated audience measurement product and

has not previously participated in the voluntary MRC auditing and accreditation process for any of its products. When a New-entrant Measurement Service enters the accreditation process, it is also considered a Participating Measurement Service. In the context of the Code, Third-Party Processors are considered Measurement Services.

MRC-Related Activities: All activities associated with the conduct of the MRC's audit and accreditation function and MRC administrative matters.

Public Interest: In the context of the Code, acting in the public interest is focused on MRC-related activities. For Participating Measurement Services, serving the public interest includes maintaining compliance with MRC Minimum Standards and appropriate representation of material segments of the population intended to be measured (or otherwise disclosing and accounting for – for example in universe projections – non-represented segments to customers). For Members, serving the public interest includes using unbiased judgment in consideration of MRC Minimum Standards issues and representation-issues in applicable MRC-related activities.

Syndicated: Audience measurement products employing a consistent methodology, questionnaire or data collection tool resulting in audience and/or qualitative data that is reported and/or available (regardless of whether reporting is electronic or hard-copy) identically between users.

Third-Party Processors: Organizations that facilitate electronic access to Measurement Service data to customers of the Measurement Service. These organizations generally do not measure audience themselves; however, they may provide data-manipulation or modeling functions that can be applied to Measurement Service data. In the context of the Code, Third-Party Processors are considered Measurement Services. Despite the communication linkages that exist between Measurement Services and Third-Party Processors, the participation of Third-Party Processors in the auditing and accreditation process is generally not within the control of a Participating Measurement Service.

Section 1 – Principles

1. General

A.) Members – Membership in the MRC is voluntary. By accepting membership, an organization and its representatives assume an obligation of self-discipline, high ethical standards and confidentiality in all MRC-related matters.

B.) Measurement Services – Participation in the MRC accreditation and audit processes is voluntary. By accepting the industry self-regulatory processes of the MRC, a Participating Measurement Service assumes an obligation for openness, honesty and ethical standards, compliance with MRC Minimum Standards, and fostering continuous product improvement in all MRC-related activities.

2. Responsibilities

A.) Members – In carrying out their responsibilities as media research professionals, Members shall exercise sound professional and ethical judgments in MRC-related activities.

B.) Measurement Services – In carrying out their responsibilities in syndicated media measurement subject to MRC accreditation and audit processes, Participating Measurement Services shall exercise sound professional and ethical judgments in their research and media-measurement activities.

3. Public Interest

A.) Members – Members undertake the obligation to act in a way that serves the public interest in their MRC-related activities.

B.) Measurement Services – Participating Measurement Services undertake the obligation to act in a way that serves the public interest in their MRC-related research and media-measurement activities.

4. Integrity and Objectivity

A.) Members – Recognizing that Members may have commercial interests in the outcome of accreditation proceedings, Members shall perform their MRC-related activities with integrity and they shall maintain objectivity and use best efforts to be free of conflicts of interest in discharging their professional research responsibilities. If a Member believes a conflict of interest may exist, that Member shall bring such potential conflict of interest to the attention of the MRC Executive Director. Judgments regarding member conflicts of interest will ultimately be made at the discretion of the MRC Executive Director through consultation with the MRC Executive Committee and, where necessary, the applicable Participating Measurement Service. Conflicts arising in this process will be resolved by the MRC Executive Committee.

B.) Measurement Services – Participating Measurement Services shall perform their MRC-related research and media measurement activities with integrity, objectivity and use best efforts to be free of conflicts of interest in discharging their professional responsibilities.

5. Professional Care

A.) Members – Members shall be familiar with the MRC Minimum Standards and the policies and procedures of the MRC and, when voting, with the applicable audit results, audit-related discussions and materials, and they should discharge their MRC related activities to the best of their professional ability.

B.) Measurement Services – Participating Measurement Services shall be familiar with the MRC Procedures for Accreditation, comply with the MRC Minimum Standards, maintain

transparency with the MRC and their subscribers, cooperate with, and fund, the audit process and discharge their MRC-related research and media measurement activities to the best of their professional ability.

6. Equal Access and Competition

A.) Members – Any media organization that uses or relies on audience measurements, regardless of size, is eligible to become a member of the MRC. The MRC is intended to be an equal-access organization among the users of audience measurement data and the provisions of the Code are not intended to change this orientation. Further details on membership requirements, including the requirement to pay membership-dues and other membership conditions, are contained in the MRC By-Laws. Measurement Services, pure consulting organizations and multi-relationship consultants are precluded from membership in the MRC. More information on consultant interaction with MRC is contained in the MRC Consultant Policy.

B.) Measurement Services – It is the policy of the MRC to grant accreditation to any Participating Measurement Service which seeks accreditation, meets the accreditation requirements stated in the MRC Procedures for Accreditation and adheres to the terms of the Code. Neither the MRC Procedures for Accreditation nor the Code nor the MRC Minimum Standards shall preclude the offering of products by a Measurement Service that is not accredited, nor shall the Procedures for Accreditation, the Code nor the MRC Minimum Standards prevent any person, firm or corporation (whether or not a member of the MRC) from purchasing or using such information.

Participating Measurement Service products can be focused on national audience measurements, local audience measurements or have other quantitative or qualitative orientations. While auditing procedures, audit risks or other product assessments may [by necessity] be structured differently among these various product orientations, the MRC will strive to apply the auditing and accreditation *process* consistently across these orientations.

The MRC Minimum Standards are *minimum* standards and neither they nor the Code nor Procedures for Accreditation shall prevent any Measurement Service from following improved standards of higher quality.

Section 2 – Interaction Guidelines

1. MEMBERSHIP

Members agree to accept the following responsibilities related to the activities of the MRC:

A.) Membership Requirements

Members agree to insure that their directors, officers, employees and agents, will adhere to the terms of the MRC Non-Disclosure Agreement and the other requirements set forth in

MRC By-Laws, this Code and MRC's other policies and procedures (i.e., voting policy, consultant policy and the MRC Procedures for Accreditation).

B.) Membership Rights

Subject to the terms and conditions of the MRC By-Laws, Members, upon payment of all required dues, shall have the right to appoint a representative to the MRC Board of Directors, carrying voting privileges as outlined in the MRC Voting Policy, for accreditation and policy decisions of such Board (the "Member-Representative").

C.) Loss of Membership

1. Any Member that, for a period of three (3) consecutive months, has failed to pay the dues incident to membership shall have its membership revoked; provided that membership may not be revoked, for good and sufficient cause, pursuant to conditions prescribed by the MRC Board of Directors at its sole discretion.
2. Any Member's membership may be suspended and/or revoked by the MRC Board of Directors for any act, which in the reasonable judgment of the Board constitutes a willful violation or breach of any of the provisions of the By-Laws, the Procedures for Accreditation, the Code, and other MRC Policies and Procedures by a majority vote of the entire membership of the Board and under such procedures as the Board may establish from time to time.

D.) Member Responsibilities

1. Member-Representatives shall have sufficient background and experience, to fulfill the responsibilities required in the accreditation process. The highest-ranking research professional of the Member is the recommended candidate to be the organization's Member-Representative.
2. Member-Representatives shall abide by the terms of the MRC Non-Disclosure Agreement, the MRC By-Laws and Procedures for Accreditation, this Code and MRC's other policies and procedures. Members and their Member-Representatives shall not divulge meeting results or any statements (oral, written or otherwise) made during the course of MRC meetings in any manner that is inconsistent with the MRC Non-Disclosure Agreement.
3. Member-Representatives shall follow the Principles Section of this Code in discharging their MRC-related professional responsibilities.
4. Member-Representatives shall vote on accreditation matters only when sufficiently prepared and informed of the audit and research issues associated with the applicable Measurement Service. For audit committee actions, sufficiently prepared and informed means at minimum that the Member-Representative has attended the audit meeting (in-

person or via teleconference) and observed the presentation by the auditor, interactions of the audit committee and the MRC staff recommendation. Similarly, for follow-up actions of audit committees, Member-Representatives must attend the follow-up meeting and observe relevant background, presentations and discussions in the follow-up meeting. For Board or other ratification actions applicable to audit committee recommendations, sufficiently prepared and informed means at minimum that the Member-Representative understands the recommendation of the applicable audit committee. At each stage of deliberations, the MRC staff ensures relevant background facts are presented.

5. Member-Representatives will accurately represent the Accreditation status of Participating Measurement Services to others, within the scope of the MRC Non-Disclosure Agreement and the MRC Procedures for Accreditation.

2. MEASUREMENT SERVICES

The MRC and its Members believe: (1) MRC accreditation is essential to assuring transparency, quality and continuous improvement in syndicated media-measurement products; and (2) the MRC process should be applied to all “currency” audience measurement products and other commerce-significant measurement products of media-types. Measurement Services may approach the MRC directly to initiate participation in the accreditation process, and the MRC Board of Directors, Individual Board Members, or the MRC staff may approach Measurement Services based on their assessment of the currency-status or commerce-significance of the applicable product.

Participating Measurement Services agree to accept the following responsibilities related to their MRC-related research and media-measurement activities:

A.) Support of the Accreditation Process – Participating Measurement Services

1. MRC participation is voluntary; however, Participating Measurement Services shall use best efforts to obtain MRC accreditation of all “currency” audience measurement products. Additionally, Participating Measurement Services will give good faith consideration: (1) to the application of the MRC accreditation process to other commerce-significant measurement products, and (2) in consultation with the MRC, the identification of which reports and data-delivery tools produced by a Participating Measurement Service will be included in the accreditation process. The MRC expectation is that the Participating Measurement Service will apply Accreditation procedures to all widely-used reports (i.e., audience measurement deliverables used by numerous service-subscribers) and widely-used data-delivery tools of an audited product or service (excluding custom tools).

The audience measurements of many Participating Measurement Services are accessed and analyzed using data-delivery tools produced and maintained by third-parties. In

these cases, accreditation of these products is strongly encouraged, but it is recognized that the participation of these third-party data-delivery tools in the voluntary MRC auditing and accreditation process is not in the control of the Participating Measurement Service. The MRC will seek the participation of widely-used data-delivery tools associated with audited currency audience measurement products in the MRC audit and accreditation process, whether or not these are produced by the Participating Measurement Service.

2. Participating Measurement Services shall use best efforts to maintain continuous accreditation of their participating products because of the reliance placed on the accreditation process by users.
3. The MRC prefers that a Participating Measurement Service seeking to replace an accredited currency measurement product with a new currency measurement product (both products provided by the same Participating Measurement Service) uses best efforts to obtain accreditation of the new product prior to its commercialization. At a minimum, disclosure of impact data as required by MRC Minimum Standards, completion of an MRC audit and MRC committee review prior to commercialization of a replacement currency product is required by the Code.

In these circumstances, strong consideration should be given to discontinuing the existing accredited currency product only when the replacement currency product has successfully achieved accreditation. This provision, however, does not limit the Participating Measurement Service from implementing and marketing the new currency product when it desires.

A Participating Measurement Service will submit the replacement-product to the MRC when it can reasonably be expected to achieve accreditation and provide in good faith a schedule that allows for completion of an audit and review prior to its commercial introduction. Both the auditor and the MRC agree in good faith that the audit and MRC committee review will be completed in sufficient time to permit the scheduled commercial introduction.

Participating Measurement Services can use the terms of “Hiatus” outlined in the Procedures for Accreditation or may withdraw an existing accredited product from the market without undergoing MRC committee review.

4. Participating Measurement Services shall accurately represent the status of accreditation to their customers. Content that references MRC or the status of accreditation should be submitted (when first used) to the MRC for review in advance. Changes or enhancements made to products as a result of the MRC process can be so referenced, if language is reviewed and approved by the MRC in advance.

B.) Support for the Accreditation Process – New-Entrant Measurement Services

1. Pre-audit assessments are available to New-entrant Measurement Services to help illuminate potential MRC Minimum Standards issues and therefore smooth the process of achieving MRC Standards-compliance as products are introduced. [Pre-audit assessments are also available to Participating Measurement Services for new products they may develop.]
2. New-entrant Measurement Services that develop and market intended “currency” audience measurement products should consider the guidance in the Code as soon as possible in the development process. These products should enter the accreditation process as soon as the definitional requirements (per the Code) for “currency” status are met, although applications for accreditation will be accepted earlier as requested by the New-Entrant Measurement Service. The application of the Code is intended to be the same for Participating and New-Entrant Measurement Services.
3. MRC participation is voluntary. MRC Accreditation is not a requirement to market or introduce a measurement product of any kind.

C.) Execution of the Audit

1. The Participating Measurement Service acknowledges that one of the goals of the MRC is to complete audits in a timely manner so that audit results are reviewed as closely as possible to the period audited. To that end, Participating Measurement Services shall, in a timely manner, make available to the MRC auditor documentation and information reasonably requested to complete an examination. In the event a Participating Measurement Service objects to sharing certain documentation, then the Participating Measurement Service shall, without delay, provide its reservations in writing to the MRC staff and auditors, so the parties can resolve the matter as expeditiously as possible. [In those cases, after review by the MRC staff and auditors, the proprietary information may be withheld from the Members, with solely a generalized description of the audit procedures and findings released in the audit report.]
2. The Participating Measurement Service acknowledges its responsibility to inform the MRC auditor of any MRC Minimum Standards compliance issues it has knowledge of.

D.) Reacting to Audit and MRC Audit Committee Findings

1. Participating Measurement Services shall use best efforts to maintain products that comply with the MRC Minimum Standards. When non-compliance situations are noted in an audit or by an MRC audit committee, the Measurement Service shall undertake its best efforts to resolve these situations. Timely resolution of non-compliance situations is essential.
2. In consultation with the MRC, Participating Measurement Service shall address other audit committee concerns and issues in a timely manner.

3. Participating Measurement Services have the right to disagree with audit committee interpretations and conclusions and must follow MRC procedures to communicate disagreements. As a course of last resort the MRC Procedures for Accreditation shall be used to resolve these disagreements.
4. Participating Measurement Services shall follow the Principles Section of this Code in discharging their MRC-related research and media-measurement responsibilities.

E.) Ongoing Methodological Research

The following provisions apply solely to methodological research conducted in response to audit findings or methodological research requested by the MRC to investigate potential product improvements or quality issues:

Consistent with MRC Minimum Standard A-1, which specifies that Participating Measurement Services should “try constantly to reduce the effects of bias, distortion and human error,” Participating Measurement Services commit to a program of ongoing methodological research to maintain product quality and foster continuous improvement. Ongoing methodological research is critical to a successful relationship between the MRC and Participating Measurement Services, and the following principles apply to the conduct and communication of such research:

1. The relationship between the MRC, Members and the Participating Measurement Service shall be characterized by honesty and full disclosure.
2. Because methodological research is critical to the MRC accreditation processes, in appropriate circumstances (e.g., consistent with protection of intellectual property), prior consultation between the Participating Measurement Service and the MRC on the design of methodological research is strongly encouraged. In the case of “live” testing, implementation drivers, goals and potential research outcomes should be discussed, and the key decision metrics should be clear and well defined in advance. Previous methodological research conducted by the Participating Measurement Service and others should be considered in structuring “live” testing and this testing should follow the “live testing” procedures described in the MRC Minimum Standards.
3. It is the obligation of the Participating Measurement Service to insure that communicated findings are a complete and accurate portrayal of the methodological research data and effective checks on the accuracy of findings are mandatory. Certain studies that directly relate to accreditation status may require auditing and validation by MRC auditors.

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4. Documentation and technical information necessary to assess the validity of any published finding shall be maintained by the Participating Measurement Service and made available for inspection by the MRC.

5. Participating Measurement Services shall clearly delineate the technical findings of methodological research from *interpretation* and *recommendations* based on technical findings.
6. In presenting the results of a methodological research project, Participating Measurement Services shall refrain from referring to MRC involvement in project discussions as proof of competence or with any implication that the MRC endorses project conclusions.
7. Participating Measurement Services shall act on methodological research findings in good faith.

Section 3 – Disciplinary Procedures

1. **Members** – Any Member or Member representative found to have violated the terms of this Code are subject to disciplinary action, as determined by the MRC Board of Directors using such procedures, as the Board shall establish.

2. **Measurement Services** – Participating Measurement Services found by the MRC Board of Directors to have willfully or repeatedly violated the terms of this Code are subject to disciplinary action as determined by the MRC Board of Directors using such procedures as the Board shall establish.

Process Specifics:

A.) Procedure: The procedures established by the MRC Board of Directors concerning disciplinary action will ensure that Members, Member-Representatives and Participating Measurement Services believed to have violated the Code will be afforded appropriate due-process including hearing procedures, if requested.

B.) Scope of Sanctions: Upon a finding that a Member, Member-Representative or Participating Measurement Service has violated this Code, the violator shall be subject to:

1. Member or Member-Representative: (1) suspension of membership or voting privileges, (2) revocation of membership or voting privileges, or (3) other Disciplinary Action that the Board deems appropriate.

2. Participating Measurement Service: (1) suspension from participation in the MRC process, (2) publication of non-compliance with the Code, or (3) other Disciplinary Action that the Board deems appropriate.

C.) Disputes: Two types of disputes are recognized by MRC: (1) disputes arising from the ongoing accreditation process (accreditation decisions) – these are generally between the