

A Communication From the Chief Legal Officers  
Of the Following States:

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North Carolina ▪ Ohio ▪ Oregon ▪ Puerto Rico ▪ South Carolina  
Tennessee ▪ Vermont ▪ West Virginia ▪ Wyoming

*Sent via facsimile*

February 15, 2007

Ms. Lisa A. Joley, Esq.  
Vice President and General Counsel  
Anheuser-Busch Companies, Inc.  
One Busch Place, 202-6  
St. Louis, MO 63118

Re: *Bud.TV & Age Verification*

Dear Ms. Joley:

We, the undersigned Attorneys General, are in receipt of your letter of January 19, 2007 regarding the use of age verification technology on the Bud.TV site, as well as on your other branded Internet sites.

We are pleased that Anheuser-Busch is taking proactive measures to reduce youth access to Internet programming and websites that are intended for audiences who are above the legal drinking age. We also appreciate your expressed commitment to work with State Attorneys General to reduce underage drinking. However, we strongly encourage that Anheuser-Busch utilize a more effective age verification tool than the one referenced in your January 19, 2007 letter.

We have reviewed the age verification measures that you referenced in your January 19, 2007 letter and apparently in use on your site now. We have also explored the universe of age verification methods currently available for use. We are concerned that the methods Anheuser-Busch has chosen to employ will not actually keep youth who are under the legal drinking age from accessing the Bud.TV site. This is a serious concern for us because with Bud.TV, Anheuser-Busch is venturing into unknown, and more importantly unmeasured, territory. We feel strongly that, since you are creating the programming and controlling the Internet-based network, not just advertising on it, you have a higher responsibility to ensure that youth are not exposed to the marketing on your site.

Currently, you are asking only for name, zip code and date of birth to verify the age of the user. While you ask for the name to be entered "as it appears on an ID, like a driver's license," the name does not have to be entered "exactly" as it appears on a driver's license. For instance, we have confirmed that a person named "Jennifer Smith" could enter "Jen Smith" and gain access if the other data verifies her date of birth and zip code. Any underage youth who knows this basic information about any adult will be able to gain access to the site. At a minimum, the age verification should require the name to be entered exactly as it appears on a government-issued ID and the full address exactly as it appears on a government ID or a driver's license number. This requires a youth who wants to access the site to actually have the ID in-hand before he or she can access the site's content.

In addition, while the above age verification process appears accurate at confirming that the information entered belongs to a person who is over the legal drinking age, the age verification process you have employed does not attempt to verify that the personal information provided belongs to the person entering the information. The vendor you have chosen to do age verification has the capacity to take this next step. The vendor has the capacity to mail a postcard to the address of the person on the government-issued ID or to call the person at home later in the day. They can require a mouse-generated signature that is matched to signature data. The vendor can ask challenge questions like a previous address or mother's maiden name. They can even verify identity using 4-digit social security number information. Thus, it is clear to us that there are many ways you can add an extra layer to the age verification process that would offer some measure of confidence that the person entering the data is actually connected to that personal data.

We also believe that Anheuser-Busch should use software to ensure that once someone has established a username and password to access the Bud.TV site, this user information cannot be shared with others who are not of legal drinking age. For instance, a college student of legal drinking age can easily establish a username and password and share it with all of his friends who are under the legal drinking age. We acknowledge that your conditions of use prohibit the sharing of this information. However, unless you are actually monitoring this issue, this condition of use is subject to easy abuse. We have confirmed that more than one user can access the site at the same time using the same username and password. We believe you should program your site so that no more than one person can log on using the same username at any given time. While this will not prevent illegal access entirely, this will prevent wide-scale underage access on the site.

Finally, we are most concerned about the file sharing component of your website. We see that prominently displayed at the bottom of Bud.TV are two options for video sharing: "download to iPod" and "share this video." If the programming on your site can be downloaded and shared freely after download, what is the purpose of engaging any age verification at all? What is to prevent a downloaded video from being immediately uploaded to video file sharing sites like YouTube?

The terms of use on the Bud.TV site related to downloading content are:

*You may download content from the Site, excluding content on this Site's Message Boards, for use only for noncommercial, personal use, provided that you also retain all copyright and other proprietary notices contained on the content. You may also download content for use for inclusion in a Submission or as specifically identified in any official rules on the Site. You agree not to transmit any downloaded content from the Site to anyone under the legal age to consume alcohol in the country in which the recipient is located.*

We fail to see how your use of age verification on the Bud.TV site is a genuine attempt to keep youth from accessing the site's content if the content can be easily downloaded and shared. The terms of use do not provide a meaningful barrier to the sharing of this information and, at best, someone should be denied access to your site if you could demonstrate that they violated the terms of use. We are very concerned that the file sharing you will allow will make it impossible to measure the demographics of the "downstream" audience.

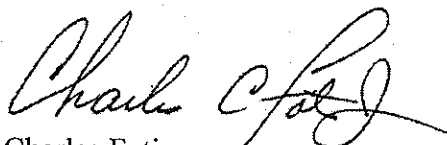
Anheuser-Busch has ventured into a new area of alcohol marketing. You now control the medium and the message. The Beer Institute's Advertising and Marketing Code applies "to all brewer advertising and marketing materials, *including Internet and other cyberspace media.*" Advertising and marketing materials are only to be placed "where at least 70% of the audience is expected to be adults of legal drinking age". Anheuser-Busch has created a medium that provides 24 hour on-demand programming that is intended for young adults of legal drinking age. We would be satisfied that the requirements of the Marketing Code would be met if a robust age verification tool were used on the site that would actually keep youth out and if the content was maintained within the site. However, the current age verification will not actually keep youth out and, even if it does, the current downloading scheme employed on the site will allow youth to easily access the content outside of the site. As you control the medium, we find it unacceptable that there will be no way to measure the "downstream" youth exposure once the content leaves your site.

We urge Anheuser-Busch to immediately address these concerns before moving forward with the full-scale launch of Bud.TV.

Yours very truly,



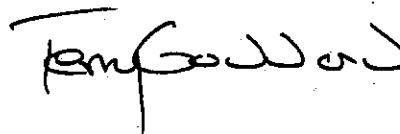
G. Steven Rowe  
Attorney General of Maine



Charles Foti  
Attorney General of Louisiana




Talis J. Colberg  
Attorney General of Alaska



Terry Goddard  
Attorney General of Arizona



Richard Blumenthal  
Attorney General of Connecticut



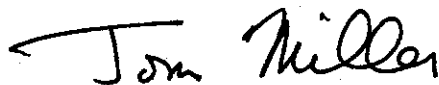
Joseph R. Biden, III  
Attorney General of Delaware



Linda Singer  
Attorney General of the District of Columbia



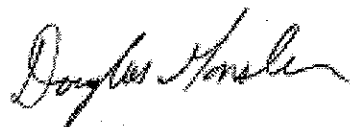
Lisa Madigan  
Attorney General of Illinois



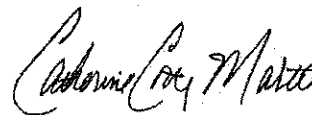
Tom Miller  
Attorney General of Iowa



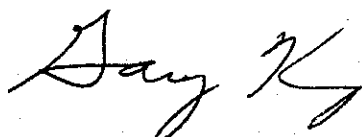
Paul Morrison  
Attorney General of Kansas



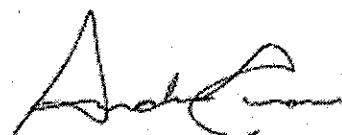
Douglas F. Gansler  
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Catherine Cortez Masto  
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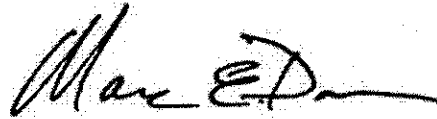
Gary King  
Attorney General of New Mexico



Andrew Cuomo  
Attorney General of New York



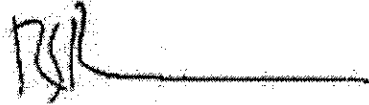
Roy Cooper  
Attorney General of North Carolina



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Attorney General of Ohio



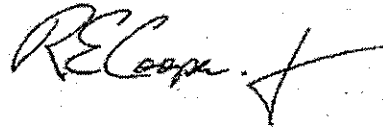
Hardy Myers  
Attorney General of Oregon



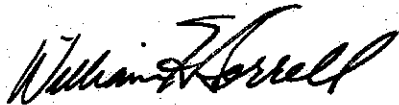
Roberto J. Sanchez-Ramos  
Attorney General of Puerto Rico



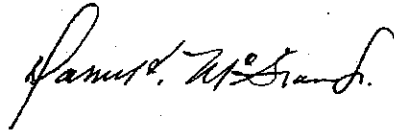
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