

I N D E X

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

	<u>Page</u>
Welcome and Introduction (Mary Engle).....	4
Keynote Remarks (Deborah Platt Majoras, Chairman, Federal Trade Commission.....	4
Presentations: Self-Regulatory Initiatives.....	18
Questions from Audience.....	40
Presentations: Food Company Initiatives.....	49
Presentations: Media/Entertainment Company Initiatives.....	74
Questions from Audience.....	102
Luncheon Break.....	120
Remarks (Jon Leibowitz, Commissioner, Federal Trade Commission.....	122

For The Record, Inc.
(301) 870-8025 - 1.00870-8025 14.8000 717.200 717.200 717.200 717.200

1 As Mary said and you all know, two years ago
2 the FTC, together with HHS, hosted a joint workshop on
3 marketing, self-regulation and childhood obesity. As
4 the workshop wound to a close, one of the final

5

1 explored how we might harness the creative forces, the
2 technical know-how and yes, the financial power of the
3 marketplace to promote healthier eating and to promote
4 exercise habits for our children.

5 We've asked industry to take the lead in
6 providing some solutions to this very complex problem.
7 Today, we're going to look at the progress that's been
8 made over the last two years.

9 Our 2005 workshop brought together academics,
10 consumer advocates, pediatricians, government officials
11 and some of the largest food and beverage
12 manufacturers, restaurant chains and entertainment
13 companies in the country.

14 The dialogue we had there, we thought, was
15 quite encouraging. Despite some initial mistrust and
16 skepticism, participants ultimately did find some
17 common ground. Panelists generated many creative ideas
18 for addressing childhood obesity, and the food industry
19 pledged to implement a major self-regulatory
20 initiative.

21 Our report on the workshop provided a
22 substantial list of recommendations for specific and
23 concrete action. Our report called first and foremost
24 for stronger self-regulation of food marketing to
25 children, working through the Council of Better

1 Business Bureau's Children's Advertising Review Unit,
2 which we all call CARU.

3 We urged CARU to consider minimum nutritional
4 standards for foods marketed to children, and to
5 explore other ways to shift the overall marketing
6 emphasis to healthier food choices. We asked that CARU
7 expand enforcement beyond traditional advertising, to
8 adver gaming, peer-to-peer marketing, product placement
9 and other techniques. We called for more enforcement,
10 tougher sanctions and increased funding to make this
11 possible.

12 Our report also included numerous
13 recommendations directed to food companies, and to
14 media and entertainment. We called for the food
15 industry to expand on product packaging innovations
16 that would provide more nutritious, lower-calorie
17 options and at the same time make those options more
18 appealing to children. Next, we'll ask you to make
19 them more appealing to the rest of us. Just kidding.

20 We asked them to revise their marketing and
21 sales practices in schools, and to consider adopting a
22 simple, uniform label icon that could help consumers
23 make quick, easy and smart food choices.

24 We asked the media and entertainment industry
25 to incorporate nutrition and fitness messages into

1 their programming, and to limit the licensing of
2 children's television and movie characters to more
3 nutritious, lower calorie products.

4 We called on the food and media industries to
5 combine forces, to develop and support public service
6 campaigns on nutrition and fitness, focusing specific
7 outreach efforts on minority populations, where
8 children's obesity rates are highest.

9 Now I recognize that all of this was a tall
10 order. Reconciling these recommendations with the
11 economic realities of an extremely competitive
12 marketplace might seem like a feat requiring super hero
13 powers.

14 But I'm pleased to say in the mold of the
15 Fantastic Four, a new foursome of super heroes is
16 answering the call. Mickey Mouse, SpongeBob, Cookie
17 Monster and yes, the hulking green monster, Shrek. Now
18 you know that all these characters have tremendous
19 popularity with our kids, and they're all harnessing
20 that popularity today, to urge children to eat better
21 and exercise more.

22 Mickey Mouse and his friends now appear only
23 on foods that meet certain nutritional criteria.
24 SpongeBob is shifting away from foods high in sugar or
25 fat to carrots, grapes and green beans.

1 Cookie Monster sings happily that cookies are
2 a sometimes-food, and Shrek urges kids to get up and
3 play an hour a day. Perhaps now that Shrek is a new
4 parent, his perspective on nutrition will further
5 improve.

6 (Laughter.)

7 CHAIRMAN MAJORAS: Now I'm not making light
8 of the commitments that have been made by Disney,
9 Nickelodeon, Sesame Workshop, DreamWorks, the Ad
10 Council or any of the food and beverage companies that
11 have licensed these characters, in an effort to get
12 children to eat more nutritious, lower-calorie foods.

13 I know there are critics that say that these
14 initiatives don't go far enough, and we want to hear
15 about. That's what this forum is for, to showcase the
16 efforts of industry, to hear from the critics, and to
17 assess where things may be falling short of report
18 recommendations.

19 So we're going to look behind the pledges, to
20 identify and explore the programs that have been put
21 into place. First, we're going to hear from the
22 Council of Better Business Bureaus, which last November
23 launched the children's food and beverage advertising
24 initiative.

25 The charter participants, Cadbury-Adams USA,

1 Campbell's Soup Company, the Coca-Cola Company, General
2 Mills, the Hershey Company, Kellogg Company, Kraft
3 Foods, Mars, McDonald's, Pepsico and Unilever, have
4 pledged to change the content of their messages to kids
5 about what they should be consuming, as well as how
6 they communicate those messages.

7 Advertising by these companies accounts for
8 about two-thirds of the television ads that are
9 directed to children under 12. Eight of the companies
10 we've just heard have commitment to tie 100 percent of
11 their advertising directed to kids to nutritional
12 standards, a significant step in making the healthy
13 choice an easy choice for parents and kids.

14 Three of the companies have pledge to cease
15 entirely advertising their products to children under
16 the age of 12.

17 As this BBB program matures and expands, it
18 has the potential to produce real change, I think, in
19 the children's food marketing landscape. I recognize,
20 of course, that the true test will be in the details of
21 the pledges, how they're implemented and whether
22 they're enforced.

23 We'll also watch carefully to see whether
24 this program expands beyond the eleven charter members.
25 For example, we'd love to see other restaurant chains

1 joining in this initiative. I'm confident that BBB is
2 committed to tough enforcement, and the FTC stands

1 of them and give folks that recognition.

2 Other efforts we're going to examine today
3 include a program directed at improving the selection
4 of foods marketed in schools, under the direction of
5 the Alliance for a Healthier Generation.

6 HHS will also discuss public education
7 campaigns targeting both general audiences like the HHS
8 Small Steps PSAs, and then efforts by BET to reach out
9 to specific racial and ethnic communities where
10 childhood obesity rates are highest.

11 The FTC's own efforts over the past two years
12 will also come under the spotlight, as they should. As
13 part of this agency's commitment to combating childhood
14 obesity, we're conducting research to determine what
15 exactly is happening the marketplace, and how it's
16 evolving over time.

17 You heard at our 2005 workshop that our
18 Bureau of Economics had described some initial data
19 from a staff study in children's exposure to food
20 advertising on TV, and today, we'll take a closer look
21 at the final results from that study and the findings
22 of other leading researchers.

23 As many of you are aware, the FTC now is
24 engaged in a far more comprehensive study of food
25 industry marketing expenditures, and activities

1 targeted towards children and adolescents.

2 Through this effort, we're exploring not only
3 traditional TV, print and radio advertising, but all of
4 the many other ways that industry reaches children
5 today. In-store promotions, events, packaging, the
6 Internet and product placement in video games, movies
7 and TV programs.

8 We hope to get a far more complete picture of
9 the marketing techniques for which so far publicly-
10 available data has been lacking. We'll submit the
11 aggregated data about children's food marketing and
12 report to Congress, as directed in the conference
13 report, in our 2006 appropriations legislation.

14 So today, we're weighing in on the progress
15 we've made since our 2005 workshop. I've already
16 alluded to many positive examples. I imagine we'll
17 hear some frustration today about what has not been
18 accomplished.

19 So I urge everyone to approach the challenge
20 together, as we would any successful weight loss or
21 fitness program, which anybody who's ever been on one
22 knows that you're much doing it if you have someone
23 enduring the pain right along with you.

24 Whether we're talking about one individual's
25 weight loss goals, completing that triathalon or

1 improving the health of a nation's children, success
2 requires a long-term commitment, requires us to
3 recognize that changes may come in small increments
4 that will add up to meaningful progress over time.

5 We're not going to conquer childhood obesity
6 until we've succeeded in bringing about substantial,
7 lasting and holistic changes in our society by all
8 involved. We must keep our resolve to reach this
9 ultimate goal, even when the process at times is going
10 to seem long and difficult.

11 We didn't get here overnight. We won't fix
12 it overnight. I continue to have confidence that self-
13 reg and industry initiatives can effectively
14 contribute, and to believe that industry action can
15 bring change more quickly and effectively than
16 government regulation of speech.

17 I also recognize, however, that this
18 viewpoint has its share of skeptics, and that the
19 skepticism likely is fueled by a lingering resistance
20 by some to make difficult changes in their business
21 models. I realize that what we're calling on companies
22 to do has economic consequences. But no one should
23 underestimate the potential cost of maintaining the
24 status quo.

25 Our kids are our future. If you want me to

1 put in economic terms, childhood obesity, which
2 significantly increases health risks, is predicted to
3 contribute significantly to already-increasing health
4 care costs, in large part by today's large employer.
5 One can imagine that childhood obesity ultimately will
6 cost us dearly in employee productivity over time.

7 Unfortunately, if this doesn't stir
8 additional firms to act, then ultimately they should be
9 spurred by competition in the marketplace, by those
10 companies who have chosen to act now. The FTC/HHS
11 workshop report in today's forum are providing, we
12 hope, a powerful stimulus, but we know we're not alone
13 in this and we're grateful for that.

14 The Institute of Medicine, the Federal
15 Communications Commission, Members of Congress, many in
16 government have been leading advocates for action.
17 Again, I'm encouraged by the progress and I'm energized
18 to continue this right.

19 You know, who knows? We have this movie
20 that's a hit movie for the summer, "Ratatouille," so
21 maybe it can do for vegetable stew what ET was able to
22 do for Reese's Pieces. You never know.

23 So I want to thank all of you for being here.
24 I'm particularly grateful to all of our panelists, for
25 sharing your time, your wisdom, your experience with us

1 today. Very appreciative of the hard work of our staff
2 at the FTC, our partner HHS.

3 Now I will, without further discussion, turn
4 things back over to Mary Engle. Thanks so much.

5 (Applause.)

6 MS. ENGLE: Thank you, Chairman Majoras, for
7 framing the issues that we'll hear about today. Before
8 I introduce our speakers for the next set of
9 presentations, I need to go over a few housekeeping
10 details.

11 Everyone should have received a badge when
12 they came through security. You need to keep that with
13 you at all times, and remember that even when you leave
14 the building at lunch time, when you come back, you'll
15 have to go back through security even with the badge.

16 In case of emergency, please note the exit
17 signs. We've learned to do that, like flight
18 attendant. If we hear that for some reason there's an
19 emergency and we cannot vacate the building, we'll have
20 security staff come and give us instructions for what
21 to do.

22 We will be having one or two speaker changes
23 on the agenda, which we'll introduce as the day
24 progresses. We hope that you'll participate in the Q
25 and A sessions that we have scheduled throughout the

1 at the law firm of Sonnenschein, Nash and Rosenthal.
2 Before that, she spent 25 years at the FTC and she was
3 Associate Director of the Division of Enforcement.

4 After Elaine, we'll hear from Kimberly
5 Stitzel, who is a Science and Medicine Advisor for the
6 American Heart Association. Your agenda says Dr. David
7 Faxon will be speaking, but he was unable to make it
8 today. So we're happy to Ms. Stitzel coming in his
9 place.

10 Prior to her work with the AHA, Ms. Stitzel
11 served on as a nutrition advisor to the Deputy
12 Assistant Secretary for Health on Federal Nutrition
13 Policy at HHS. She will be speaking about
14 contributions by members of the Alliance for a
15 Healthier Generation, to changes that have been made in
16 food available in schools. So Elaine.

17 (Applause.)

18

1 two-thirds of the 2004 children's food and beverage
2 television advertising expenditures.

3 These companies are proud to have responded
4 to the FTC and HHS challenge to contribute their voices
5 to meeting the childhood obesity challenge.

6 Before I launch into the details of the
7 program, I'd like to tell you a little bit about the
8 BBB first.

9 Founded in 1912, the BBB has been a leader in
10 advancing trust in the marketplace for nearly 100
11 years. We take pride in the fact that we serve
12 millions of consumers each year, by for example, giving
13 them information about companies they're thinking about
14 doing business with, and by helping to resolve disputes
15 between consumers and businesses.

16 The BBB also administers two well-known self-
17 regulation programs, the National Advertising Division
18 and the Children's Advertising Review Unit. Those two
19 programs are led by the National Advertising Review
20 Council, which sets their procedures and policies.

21 Oh, I forgot to go down on the slide. So
22 sorry. I'm going to give you just a tiny overview of
23 what I'm going to say. I want to give you some
24 background about the initiative, an overview of the
25 progress that we've made, and then I want to tell you

1 more about the company pledges.

2 Then I'm going to turn to a report on the
3 changes and updates to the CARU program, and I'll end
4 with next steps.

5 First about the initiative's origin. As the
6 Chairman said, two years ago, the FTC and HHS held a
7 workshop on self-regulation in children's marketing.
8 In April 2006, the agency issued a report with many
9 recommendations.

10 After that report, the BBB and the NARC and
11 industry members worked together to address the
12 agency's recommendations, to enhance an existing
13 program, the children's advertising review unit
14 guidelines.

15 They did this by commencing a review of the
16 program, a comprehensive review, and this review was
17 led by one of the nation's preeminent leaders and
18 experts in consumer protection, former director Jody
19 Bernstein.

20 In November 2006, the BBB and the National
21 Advertising Review Council were delighted to announce
22 that this comprehensive review of the CARU program had
23 resulted in updates to the CARU guidelines and other
24 CARU program enhancements, as well as to the creation
25 of the new Children's Food and Beverage Advertising

1 Initiative.

2 At the outset, let me explain that this new
3 initiative, like CARU, addresses advertising directed
4 primarily to children under 12. The difference between
5 the two programs can be stated simply.

6 The initiative focuses on what products are
7 advertised to children, while the CARU guidelines
8 address how food and toys and other products are
9 advertised to children, and is looking to make certain
10 that those advertisements are truthful and fair and
11 appropriate.

12 The new initiative responds directly to the
13 agency's specific call for additional self-regulation,
14 as well as to the Institute of Medicine's
15 recommendation issued in its December 2005 report,
16 "Health Food Marketing to Children Through Other
17 Opportunity," that food and beverage manufacturers
18 should use their creativity and resources to promote
19 and support more healthful diets for children and
20 youth.

21 Under this initiative, the participating
22 companies agree to shift their mix of food and beverage
23 advertising.

24 Specifically, the participants agreed that at
25 least 50 percent of their ads primarily directed to

1 children under 12 in measured media, that is, TV,
2 radio, print and Internet, will be for products that
3 represent healthier dietary choices or advertising that
4 encourages physical activity or good dietary habits.

5 The participants also agreed to five other
6 goals. They would reduce the use of third party
7 licensed characters in advertising primarily directed
8 to children under 12, they committed not to seek for or
9 pay for product placement of any of their foods or
10 beverages in any program or editorial content directed
11 to children under 12, and they committed not to
12 advertise their foods and beverages in elementary
13 schools.

14 Additionally, on company-owned websites, they
15 agreed to meet the 50 percent commitment, and they
16 agreed that on interactive games directed to children
17 under 12, if their food or beverage products were part
18 of those games, that they would now incorporate Better
19 For You products and/or healthy lifestyle messages.

20 Let me tell you some highlights on the
21 initiative's progress. We are very pleased that all
22 eleven companies have pledges that have been approved
23 for our program. As I said before, these eleven
24 companies are going to have a significant impact on the
25 marketplace, because of their share of the marketplace

1 in terms of advertising.

2 These pledges are going to affect both the
3 type of products that children see in advertising
4 directed to them, as well as the number of ads that are
5 directed to children under 12.

6 Now the implementation of these pledges is an
7 ongoing process. Some have already been completely and
8 fully implemented. Others are in the process of being
9 implemented now. For others, their completion will be
10 by the end of December 2008.

11 The changes in child-directed advertising is
12 going to be substantial and dramatic. Virtually all
13 child-directed advertising will be tied to nutrition
14 standards, meaning that you will be seeing -- children
15 will be seeing Better For You products.

16 Eight of the companies have committed that
17 100 percent of their advertising will be for Better For
18 You foods, and three companies have agreed that they
19 will not advertise their candy or their traditional
20 candy or snack products or beverages, and one company
21 is either going to not advertise or it will devote 50
22

1 all used nutritionists in-house to develop nutrition
2 criteria, and these criteria are all grounded on the
3 same sound nutritional principles that emerge from
4 government recommendations.

5 In large part, the standards are based on how
6 FDA defines healthy: low, reduced, fat-free products.
7 They're also based largely on the United States 2005
8 dietary guidelines for Americans, which contains
9 recommendations on foods we should eat more of,
10 vegetables, whole grains, low-fat dairy.

11 They also have recommendations on things we
12 should try to consume less of, such as salt and sodium.
13 Now under these companies' nutritional criteria,
14 products may qualify as a Better For You product in one
15 or more ways. Some of the criteria focuses on
16 providing these needed foods and nutrients, such as
17 whole grains.

18 Other have requirements that limit the amount
19 of nutrients, such as sodium, fat and sugar. Other
20 requirements turn to whether the product is a reduced
21 or lower fat or sale or calorie version, or the product
22 provides a functional benefit.

23 I'd like to say that although they're all
24 company-specific nutritional criteria, the differences
25 are small compared to the similarities. But truly the

1 grounding in this same scientific basis means there's
2 more commonality.

3 Other pledge highlights. All the companies
4 that are going to be advertising to children under 12
5 going forward have agreed that they will limit their
6 use of licensed characters, third party licensed
7 characters to their Better For You products.

8 Secondly, they've all agreed they will not be
9 doing product placement for their foods. Whether
10 they're Better For You foods or not, they will not be
11 doing placement in media that is primarily directed to
12 children.

13 And all of the companies will not be
14 advertising to children in schools. Most have already
15 stopped. A few still have some materials out there,
16 but that will all stop by early fall.

17 Similarly, the companies that have sites that
18 are directed to children or content on other sites who
19 are primarily directed to children, have agreed to
20 limit the products shown on those sites to Better For
21 You products, or in some instances they've taken down
22 sites, and in other instances they're going to be
23 included healthy lifestyle messages.

24 That applies to the interactive games as
25 well. To the extent that there are products, there are

1 games directed to children that feature company food
2 products, they will now feature Better For You food
3 products, as well as healthy lifestyle messages.

4 Virtually all the companies are taking
5 advantage of the web to additionally promote healthy
6 lifestyle messages to children.

7 Now here's a breakdown of the companies whose
8 advertising is going to be tied to nutrition standards
9 in the future, and it's also noteworthy, as you'll see
10 on subsequent slides, that although this is not a part
11 of their pledges per se, most of these companies
12 already had existing policies to not advertise to
13 younger children, to children under eight or under six.

14 So I'm going to start and tell you a little
15 bit more about each company's pledge right now.

16 Campbell Soup's nutrition policy is organized around
17 its food product categories, as are a number of other
18 companies. Under its pledge, it's going to limit its
19 advertising of soups to those that contain less sodium
20 and/or contain a full serving of vegetables.

21 It's also going to limit its advertising to
22 crackers that contain less than 35 percent of their
23 calories from fat and sat-fat and have only a little
24 bit of sugar. For them, that will be their baked
25 cheddar goldfish crackers.

1 For canned pasta products, they will be
2 limiting their advertising to those products that have
3 less sodium, that is 25 percent less, and they have
4 reduced amounts -- not reduced amounts -- they have
5 less than 35 percent calories from fat, and they will
6 include a serving of vegetables and other positive
7 nutrients.

8 Under General Mills' pledge, it has committed
9 that all of the products it advertises in the future
10 will have to meet its dietary guidelines. It has
11 recently revised these dietary guidelines to make them
12 even more rigorous, and notably it has added a new
13 limitations, a 12 gram per serving sugar guideline.

14 Between these two criteria, many of their
15 products are affected, and they will be engaged in
16 reformulation efforts that will either lead to products
17 that meet these standards or they will stop advertising
18 them by December of 2008. A representative from
19 General Mills is here and will give you more details
20 about their excellent program.

21 Kellogg just recently announced nutrition
22 criteria that it has incorporated into its pledge.
23 Significantly, this criteria applies across the board
24 to all of its product line, and affects approximately
25 50 percent of its food portfolio globally, including a

1 number of popular cereals such as Apple Jacks, Fruit
2 Loops, Rice Krispies and products such as Pop Tarts and
3 some fruit snacks such as Yogos. Some of the products
4 that will meet their new criteria are Frosted Flakes
5 and Eggo Frozen Waffles.

6 Kraft began using nutrition criteria in 2006,
7 to determine which products it would advertise to
8 children. Its 0 TD()Ti.00000 1.00000 07010.00TDm is known1.00000 0.

1 into account, contains five benchmarks that a product
2 must meet to qualify for the logo.

3 Under its program, only products that meet
4 its reasonable limitations for fat, sodium, sugar and
5 cholesterol, will be allowed to be advertised to
6 children. Currently, this advertising is for certain
7 popsicle varieties and for Skippy peanut butter.

8 Now I'd like to turn to the no advertising
9 group, which consists of Cadbury-Adams, Coca-Cola,
10 Hershey and Mars. I'll start with Cadbury.

11 Cadbury only advertises one product to
12 children under 12 right now, and that's Bubblicious
13 gum. Under its pledge, by March 2008, it will no
14 longer advertise this product, or it will devote at
15 least 50 percent of its media impressions targeting
16 children under two to a version that meets the
17 Initiative's healthier food criteria. They will do
18 this by March 2008.

19 Coca-Cola is now publicly affirming and
20 committing to its long-standing practice of not
21 targeting advertising to children under 12. As an
22 Initiative participant, it is now subjecting itself to
23 the BBB's transparency, its monitoring and its
24 oversight.

25 The Hershey Company stopped advertising its

1 themselves as well as the packaging. As I mentioned at
2 the outset, this program looks at how the ads are
3 communicated to children.

4 For example, you know, ads should not
5 encourage children to ask their mom to buy them
6 something so they can be popular.

7 During the FTC-HHS workshop, a number of
8 specific recommendations were made to improve upon
9 CARU's excellent self-regulation foundation. We are
10 pleased to report that the BBB and the National
11 Advertising Review Council have taken many steps to
12 address the agency's recommendations.

13 First, as suggested by the agencies, the CARU
14

1 complaints filed by the public.

2 In addition, as suggested, the CARU resources
3 have been increased, and the Initiative resources, my
4 position for example, are on top of those.

5 Finally, because of some additional funding
6 or support from the Grocery Manufacturers Association,
7 CARU's ability to do pre-screening of food ads and
8 other ads has increased.

9 This means, though, that in this program,
10 advertisers can submit a story board or another draft
11 of an ad, and get CARU's analysis of that ad before it
12 runs. This way, problems can be nipped in the bud
13 before they are happening.

14 Now the guidelines themselves in November
15 2006 were also updated, to provide additional guidance
16 to advertisers about the actual scope of the
17 guidelines, and to provide some additional further
18 guidance on food and beverage advertising.

19 The guides have always applied to all
20 advertising. But to make this crystal clear, the
21 guidelines now include an expansive definition of
22 national advertising. To hammer home the point even
23 further, a provision of advergaming was added, so that
24 everyone would know that this is advertising as well.

25 In addition, the guidance on food advertising

1 was revised to say that food quantities that are shown
2 being consumed in ads should be tied to the label
3 serving size. In the past, the guidance had said you
4 should show appropriate quantities.

5 Now we've tightened that up and we're tying
6 it back to the label serving size. In addition, a
7 provision was added to say advertisers shouldn't
8 disparage healthy foods, such as fruits and vegetables,
9 or healthy lifestyles.

10 Additionally, meal time depictions of foods
11 should be shown in the context of a nutritionally
12 balanced meal. This is to keep promoting the idea of
13

1 comprehensive program review after we've been
2 operational for a couple of years.

3 Finally, we hope to expand the program, as
4 Chairman Majoras hopes as well. We hope that other
5 companies will see the value and benefits of
6 participating in self-regulation. We know that other
7 companies, like some of our own participants, already
8 have existing programs.

9 But we hope that they will see that joining a
10 self-regulation program that provides transparency and
11 accountability, is the best way to have the most
12 powerful impact on the marketplace. So we look forward
13 to talking with more companies in the near future.

14 So let me close by saying thank you for your
15 time and attention. I know it was a lot of slides. We
16 hope that you'll visit us at our website and view the
17 pledges for yourself. If you have comments and
18 inquiries, we hope that you'll send them to our new e-
19 mail box. Thank you very much.

20 (Applause.)

21 MS. ENGLE: Thank you, Elaine. Next, we'll
22 hear from Kimberly Stitzel.

23 MS. STITZEL: Just click on my name. That
24 would be great. Thanks. Or Kim Stitzel. You may be
25 wondering why someone from the American Heart

1 school meals, competitive foods and beverage, nutrition
2 education, physical education, health education,
3 employee wellness as well as before and after school
4 programs.

5 We have been working with the industry to
6 support schools in making a healthier environment. We
7 will award the first schools to reach recognition
8 status at the healthy schools forum this summer, and
9 there are about 35 of those schools.

10 The ultimate goal is to help schools make
11 healthy environments and policies the norm. We also
12 want to help make healthier policies easier for
13 schools, and that has led us to our industry
14 initiatives to date. In addition, 20 percent of the
15 funds are dedicated to research and evaluation, so that
16 we can better inform our evidence base.

17 Given the increased challenges in areas with
18 low resources, we are over-sampling in low SES areas,
19 with 70 percent of our hands-on assistance in low SES
20 schools. Currently, we have over 230 schools in our
21 hands-on program, and over 1,000 schools in our virtual
22 program.

23 In May of 2006, we announced a landmark
24 agreement with the beverage industry, and in October we
25 announced a similar agreement with the food

1 manufacturers. These are the signatories for both of
2 those agreements.

3 The beverage companies and the American
4 Beverage Association agreed to fundamentally change
5 what they sold to schools, while the Alliance agreed to
6 promote a standard set of guidelines to help unify
7 healthy standards across schools and districts.

8 Specifically, the industry is committed to
9 change contracts, product mix and machines, while the
10 Alliance has agreed to work with schools to improve
11 their policies, provide technical guidance and to
12 promote the guidelines.

13 The competitive food guidelines or guidelines
14 for all of those foods sold outside the school lunch
15 and breakfast program, are a little more complicated,
16 given the increased complexity of foods versus
17 beverages. But you can find all of the details for
18 those guidelines on-line.

19 The parties in the competitive foods
20 agreement have made similar commitments as those that
21 were made in the beverage agreement.

22 Beyond schools and industry, we are working
23 to inspire kids themselves. In 2006, we launched a
24 partnership with Nickelodeon, leaving to the Let's Just
25 Play Go Healthy Challenge, an on-air, on-line, on the

1 questions from the audience. I don't see --

2 MALE PARTICIPANT: My question, as far-
3 fetched as this may seem to you, if it is established
4 that a strong, positive correlation exists between
5 children's ability to innovate and start learning and
6 participating in scientific advancement, and a high
7 junk food diet, would you agree that healthy eating
8 initiative should halt? In other words, is the focus
9 on a healthy lifestyle too parochial?

10 MS. ENGLE: Can you clarify that question?

11 MALE PARTICIPANT: Sure. Let me go back. In
12 the Stone Age, children no doubt had healthy eating
13 habits and a lot of physical exercise. Now I don't
14 suggest there's a positive correlation between living
15

1 challenges you encountered?

2 MS. KOLISH: Thank you, Kathryn, for that
3 question. When the program was established last
4 November after extensive consultation with industry
5 leaders and the BBB and the National Advertising Review
6 Council, it was specifically designed then to encourage
7 as many companies as possible to participate, with
8 their various and varying food portfolios.

9 At that time, the idea of having one
10

1 themselves through our Jump Rope for Hoops Program as
2 well at the American Heart Association.
3

1 people, virtual reality?

2 To what extent do these pledges include the
3 full range of digital technologies, which are at the
4 heart of the media experience for America's children?
5 Thanks.

6 MS. KOLISH: Thank you for your question.

7 MR. CHESTER: Behavioral targeting and data
8 collection as well. The full range.

9 (Laughter.)

10 MS. KOLISH: I'm not certain I can address
11 the full range of those issues, but I'm sure the FTC
12 will be able to address the full range of those
13 activities, after it completes its food marketing study
14 that we will read with interest. I'm sure it will
15 provide us food for thought as we conduct our program
16 evaluation.

17 Right now, the pledges are focused on
18 company-owned websites and the depictions of company
19 products. What we've asked the companies to do is to
20 make certain that at least 50 percent of the products
21 that they're advertising and showing or using
22 advergames on those sites, are for Better For You
23 products or healthy lifestyle messages.

24 The companies that are committing to
25 advertise in the future are going to be using Better

1 For You products in those websites. Some of them are
2 going to be limiting access to those websites by using
3 parental controls; others are going to do neat things
4 like have timeouts on their games.

5 So after the end of 15 minutes or 30 minutes,
6 children are going to be encouraged to go to another
7 physical activity. I wouldn't rule out that there's
8 more that could be done, but I think they've gone a
9 really long way with these pledges today.

10 MS. RIDEOUT: Hi. I'm Vickie Rideout with
11 the Kaiser Family Foundation. You mentioned that the
12 companies that are a part of your coalition account for
13 approximately two-thirds of all marketing, food
14 marketing to children.

15 MS. KOLISH: On television.

16 MS. RIDEOUT: Okay. Could you tell us who
17 the biggest companies are that are in the third that
18 won't be covered here? Who are the biggest companies
19 that haven't joined, and what prospects do you have for
20 or plans do you have for reaching out to them and
21 getting them to be part of your coalition?

22 MS. KOLISH: Well, that's a great question
23 that I hope somebody else will answer. But I have lead
24 list for my August activities, which is to follow up on
25 the other companies that currently aren't members.

1 We hope that they will come and join us,
2 because I think, you know, collectively, we will make a
3 bigger impact with having more members.

4 MS. ENGLE: Any other questions?

5 (No response.)

6 MS. ENGLE: Well, if not, I think, you know,
7 we're a little bit ahead of schedule, which is nice.
8 All right, yes. So we can take a break now. It's

9

For The Record, Inc.

(

1 of our portfolio and now represent about a third of our
2 U.S. sales, and they're growing two to three times
3 faster than the rest of our portfolio. So good
4 nutrition is also proving to be good business.

5 In the area of today's focus, marketing to
6 children, we've taken a series of voluntary actions
7 that have progressively broadened and deepened our
8 commitment to helping kids lead healthier lifestyles.
9 I think you'll see that collectively they touch on
10 virtually all of the FTC report recommendations from a
11 couple of years ago.

12 For many years, we have not advertised in
13 media aimed at kids under six. In 2003, we adopted a
14 total ban on marketing in schools, and applied
15 nutrition standards to foods sold in school vending
16 machines.

17 In 2005, we were the first company to
18 announce that we would advertise only healthier
19 products to kids six to 11, whether it's on TV, radio,
20 print or websites. That's how we've been operating
21 since the end of 2005.

22 Also in 2005, we restricted advertising of
23 products with licensed characters to only permanent,
24 non-promotional items that meet Sensible Solutions
25 standards. We do still permit use of licensed

1 characters on temporary promotions on a broader range
2 of items, but only the Sensible Solution, the Better
3 For You version, can be advertised to children.

4 In 2006, when we joined the Alliance for a
5 Healthier Generation, we added new criteria for sodium
6 and calories to our school nutrition standards, and we
7 extended our policies to cover all foods that are made
8 available in schools, not just vending items.

9 So those are the commitments that we've made,
10 and here are some of the changes that those policies
11 have led to at Kraft.

For The Record, I

1 good, people won't buy it a second time.

2 We reformulated Alpha Bits and developed Kids
3 Sense from scratch, both of them to deliver a very high
4 level of nutrition, which they did. But they didn't
5 meet expectations for taste and we pulled them from the
6 market.

7 Alpha Bits has since been reformulated,
8

1 language that they understand, talk about things that
2 they care about, having energy to keep playing and
3 having fun. Once you've done that, sort of gotten
4 their attention in a language they understand, then you
5 can maybe squeeze in a message about nutrition.

6 I think our partners at Nickelodeon do this
7 better than anyone else. We've been working with them
8 for the past three years to support a healthy
9 lifestyles ad campaign that airs on Nickelodeon. The
10 ads are simple profiles of real kids talking about
11 their favorite sports and favorite foods, and here's
12 the most recent spot.

13 (Video plays.)

14 MR. FRIEDMANN: I hope you could hear that.
15 We've also learned that self-regulatory momentum builds
16 over time. You can see on this time line many of the
17 important steps taken by leading companies on marketing
18 to children, all of them participants in the pledge
19 announcements today.

20 Year over year, there's been more and more
21 self-regulatory activity with today's pledges an
22 important milestone. I'm sure there's going to be more
23 milestones in the future.

24 I would like to spend the last couple of
25 minutes describing some of the things that we expect in

1 We've already learned a lot about how
2 consumers respond to these systems. They like the
3 front of pack symbols. But we've also seen in
4 quantitative research that we don't think they're
5 enough by themselves to necessarily change consumers'
6 choices. They prefer a common Better For You symbol,
7 with common, underlying nutrition standards and
8 authoritative endorsement.

9 We also think that the people to aim for with
10 a system like this are not the nutritionally savvy
11 shoppers, who are already using the nutrition facts
12 panel, but the ones who will probably benefit the most,
13 and for whom the system should be designed, are those
14 who want to make healthier choices but aren't sure how.
15 I'm sorry.

16 It will be essential to conduct an education
17 campaign, so consumers know what the symbol means and
18 how they can use it to make healthier choices. We're
19 participating in a broad-based initiative to deliver a
20 common set of nutrition standards and an accompanying
21 Better For You symbol.

22 That effort is facilitated by the Keystone
23 Center, recognized for its skills in bringing together
24 diverse viewpoints on public policy issues, and then
25 helping to develop solutions. The initiative, which

1 began earlier this year, includes food companies,
2 retailers, NGOs, scientific experts and government
3 regulators.

4 Now it will not be easy for all these groups
5 to agree on a common solution, but we hope to make that
6 happen in the near future. Today is an important
7 milestone in marketing to children.

8 We all understand, as Chairman Majoras said,
9 that making progress against childhood obesity will
10 take time and the collective effort of food companies,
11 media companies, schools, communities, regulators and
12 parents.

13 We're glad to see momentum building in this
14 area, and look forward to continuing to play our role.
15 Thank you.

16 (Applause.)

17 MS. SHEA: Hopefully, this is going to come
18 up. Good morning. I'm Chris Shea and I'm pleased to be
19 here today to tell you a little bit about what General
20 Mills is doing to help address the serious problem of
21 childhood obesity. Shall I just wait? Oh, okay.

22

1 MS. SHEA: All right. There we go. General
2 Mills' mission is to nourish lives by making products
3 that help people. By nourishing communities that help
4 people live better lives in their community, we
5 contribute five percent of our pre-tax profits to help
6 communities, and by nourishing the future, with a focus
7 on health and sustainability.

8 We have a long tradition of nourishing lives.
9 We started canning peas back in 1930, so people could
10 eat vegetables year-round. We came out with the first
11 ready to eat oat cereal in 1941, and in 1950, we helped
12 people learn how to cook with the first picture
13 cookbook from Betty Crocker.

14 Now our goal is to help make people's lives
15 healthier, easier and richer, with a wide variety of
16 food products. We have a lot of products that help

1 diabetes.

2 Most recently, we've come out with a cookbook
3 that is very focused on helping people win at weight
4 loss, the topic we're here to talk about today.

5 I want you to know that we heard loud and
6 clear the call from the Institute of Medicine in

7

1 30 percent of our product portfolio, the health profile
2 of those products, and we have goals to continue to do
3 that. This game is not done yet.

4 This is challenging when you're dealing with
5 some inherently healthy products to start with like
6 cereal and soup and vegetables. In our effort to
7 really ten focus both on decreasing limiters like fat,
8 sodium and sugar, and increasing positives like whole
9 grains, vitamins A and D, calcium and fiber.

10 But we're really focused on trying to help
11 people make good food choices. So we're the biggest
12 vegetable provider in the United States, with packaged
13 vegetables. We know and we talked to people that don't
14 eat enough vegetables. They say they don't taste good
15 and I don't know how to cook them. So these are some
16 of the things we're doing.

17 Simply Steam is a new steam technology that
18 cooks vegetables perfectly; Green Giant Select Blends
19 like Tuscan Herb, which provides a low fat flavorful
20 sauce that makes vegetables taste good to people that
21 don't inherently like the taste.

22 Healthy Way is a natural blend of vegetables
23 that are naturally high in fiber, so they increase
24 satiety and help with weight loss while tasting good.
25 Just for One is a package of four individual containers

1 know that only one in ten Americans gets enough whole
2 grain in their diet. General Mills made an enormous
3 commitment to reformulate all of our Big G cereals to
4 include at least eight grams of whole grain. Some are
5 virtually all whole grain.

6 The result of this was perfect in our
7 society, because consumers didn't have to change a
8 single behavior, and yet they consumed 1.5 billion 16-
9 gram servings of whole grain a year more each and every
10 year, now that we've done this.

11 We're helping kids eat low fat dairy.
12 Products like Trix and Yoplait kids yogurt just have
13 110 or less calories per cup, and Yoplait kids yogurt
14 has 25 percent less sugar than most kids yogurts. All
15 of these contain Vitamin A and D, which is present in
16 milk as well.

17 Now we're helping consumers reduce the amount
18 of sodium, fat and sugar in their diets. We've made
19 silent sodium reductions on some products, and yet
20 we've also introduced other things like 50 percent
21 reduced sodium Progresso soups. We've made significant
22 fat reductions in a number of products, and we've
23 reduced sugar in many of our products.

24 Now once again, you can see the X's here.
25 Some of these products have not made it in the

1 marketplace. But we have had some good successes and
2 again we'll continue.

3 We're also very focused on helping children
4 learn calorie and portion control. Each of the
5 products that's pictured here per unit has 100 calories
6 or less, and many are delivering very important food
7 groups like vegetables, low fat dairy and whole grains.

8 These products can really help teach kids
9 both portion control, in terms of the calories that
10 they have, and help them learn what an appropriate
11 serving size is.

12 Now we're also trying to help children and
13 parents with information about healthy living. A
14 Healthy BET is a partnership with Black Entertainment
15 Television, who you'll hear from later today, to help
16 African-American women learn how to have better
17 nutrition and fitness habits with their families.

18 We're a supporting partner of More Matters,
19 the CDC fruit and vegetable initiative. We carried the
20 new food guide pyramid on 100 million packages when
21 that was first launched. Also most recently, we
22 partnered with Bob Green, who is Oprah's personal
23 trainer -- she has a lot of power -- to promote life
24 long changes in exercise and healthy eating.

25 We're reaching out to children as well,

1 trying to help them improve their nutrition and fitness
2 behaviors, using cereal packages to help again children
3 learn the food guide pyramid, providing nutrition
4 information on whole grains, and using the Green Giant
5 and his little sidekick Sprout, to promote healthy
6 nutrition and fitness on a new website called
7 Mightygiants.com.

8 And we've also partnered with Nickelodeon,
9 with some TV spots that I'd like to show you briefly
10 here.

11 (Video plays.)

12

1 many different approaches and thought philosophies
2 around nutrition labeling, as you just heard about one
3 approach from my colleague Lance.

4 While there's no one answer to what the right
5 labeling is, and what is the best way to help
6 consumers, I would ask that you all remember that the
7 major thing we're focused on here today is obesity.
8 The key with obesity, as we all know, is focusing on
9 calories and energy balance.

10 If we don't learn how many calories we eat
11 and how many calories we burn out, none of us are going
12 to be successful at this. Our philosophy is it's very
13 important that we focus on facts, especially calorie
14 content, and give people those facts and not just our
15 judgments about whether something is Better For You or
16 not.

17 So you can tell we have some concerns about
18 Better For You labels. You know, we've seen and
19 believe that what can happen is sometimes they'll send
20 a message of eat everything that you want.

21 We kind of saw this with Better For You
22 messages about low fat in the 90's, when people thought
23 they could eat all the low fat products they wanted and
24 it would get them too much calories. Or when it was
25 low carb was the Better For You label.

1 So we'd just ask as we go forward in this as
2 an industry together with everyone else, that we make
3 sure that we're really doing the education on calorie
4 consumption and calorie burning. Because until people
5 get that message, they are not going to be successful
6 at controlling their weight.

7 Now we know our system is not perfect as
8 well, with Goodness Corner, and we've heard the
9 criticisms of that, particularly that we haven't
10 labeled the amount of sugar on the front or the amount
11 of sodium.

12 So today we're pleased to announce that on
13 our Big G cereals, we're going to go to a fact-based
14 nutrition program, and this will highlight calories,
15 saturated fat, sodium and sugar.

16 This approach is very similar to the GDA
17 approach that our joint venture on cereals worldwide,
18 which is Cereal Partners Worldwide has been using in
19 the European Union for over a year, and it's also very
20 similar to what Kellogg's announced last month.

21 We believe that this fact-based approach is
22 going to help somebody look at this fruity Cheerios
23 while they're walking the aisle and say "Oops, 100
24 calories per serving. Let's see. There's nine grams
25 of sugar in that product," and decide if they want to

1 pick it up or not.

2 And in conjunction with Kellogg's doing this,
3 I think we're going to have a wonderful experiment with
4 the majority of the cereal in that aisle, to see if
5 this does work in helping consumers.

6 Now we've also shifted the mix of products
7 marketed to children, and to encourage the consumption
8 of lower calorie-higher nutrient items. As I
9 mentioned, a year and a half ago we started
10 implementing these nutrition guidelines, and they are
11 based on FDA and USDA criteria.

12 General Mills has only marketed products to
13 children that are 175 calories or less per serving, and
14 meets an important nutrition guideline. All products
15 have to either have a half serving of a USDA-
16 recommended food; so that's vegetables, fruits, whole
17 grains or low fat dairy, or they need to meet the
18 criteria for FDA Healthy.

19 FDA Healthy is a very strict criteria. You
20 have to have three grams or less of fat; one gram or
21 less of sat fat; 480 milligrams or less of sodium, and
22 also contain a positive nutrient, at least ten percent
23 of Vitamins A, C, calcium, iron, protein or fiber.

24 So under our criteria, any product that we
25 market does have to have a product nutritional benefit

1 about the progress that we're already making. I'll
2 begin today by recapping for you the highlights of our
3 nutritional guidelines.

4 Then, I want to show you some examples of how
5 we're starting to implement changes across all of our
6 businesses. Finally, I'll share with you some of our
7 early efforts in the area of consumer education.

8 So let's start with the nutritional
9 guidelines. Our nutritional guidelines were developed
10 with Drs. Keith Ayub (ph) and Dr. Jim Hill. Dr. Ayub
11 is Associate Clinical Professor of Pediatrics at the
12 Albert Einstein College of Medicine in New York. Dr.
13 Hill is Director of the Center for Human Nutrition at
14 the University of Colorado Health Sciences Center.

15 Our guidelines are based on the dietary
16 guidelines for Americans from the Department of Health
17 and Human Services and USDA. Our guidelines feature
18 separate standards for key meal occasions.

19 So for example, main meals have different
20 requirements than snacks or dairy products. They
21 include specific limits by meal occasion for total
22 calories, total fat, saturated fats, sodium and sugar
23 proportion.

24 So for example, our cereal guideline calls
25 for less than ten grams of sugar per ounce, and we

1 commit to zero grams of added transfat across the
2 board.

3 As part of our guidelines for licensing, we
4 will still be licensing special occasion sweets, like
5 birthday cakes and seasonal candies, but we will be
6 limiting them to a minority portion of our overall food
7 portfolio.

8 Our guidelines were developed to anchor our
9 business decisions going forward, and of course
10 implementing them will take time. But we've made so
11 much progress in the last eight months.

1 you with fries and soda.

2 Today, when order a kid's meal, it
3 automatically comes with either fruit or veggies on the
4 side, and a choice of lowfat milk, water or 100 percent
5 juice to drink. Parents can still order fries and soda
6 for their kids, if they make a special request. But
7 the built-in bias is to offer the healthy options
8 first.

9 I wanted to show you a video now. Take a
10 look at this. So the tape that you're looking at is
11 not highly produced. It's video that we shot in the
12 park last week.

13 Those are real kids eating with their
14 fingers, chewing with their mouths open. But they're
15 clearly enjoying the grapes and carrots that came with
16 their meals. I wanted you to see what this looks like
17 in practice. This is the real deal here.

18 By all measures, the guests seem to love this
19 new approach that we introduced. Since we introduced
20 this change in both Disneyland and Disney World, we're
21 finding the overwhelming majority of our guests are
22 selecting the healthy options, and we're very pleased
23 with the way that they're embracing this change.

24 Another big focus in the parks is snack
25 foods. We want to make sure that in addition to

1 doing outside of our parks in the general market, where
2 people live, shop and eat every day. Licensed products
3 account for the bulk of Disney food in the market, and
4 this is an area where we're really changing things.

5 As we announced last October, going forward
6 we are using strict nutritional guidelines to determine
7 which foods we'll license with the Disney brand and
8 characters.

9 Our vision in this area is to make
10 nutritious, everyday foods that are apportioned
11 appropriately and appealing to kids. So now you'll
12 find Disney characters on fresh fruits and veggies like
13 these, and I want to tell you what's here. Some of
14 these are not on the market yet.

15 On the top of the slide, I'm giving you a
16 preview of some new items that are launching this fall.
17 On the upper left, you see a product called "Foodles."
18 It's a personal sized veggie and dip item, with Mickey-
19 shaped packaging, and it will be lots of fun for any
20 kid to pull out of their lunch box.

21 On the upper right is a fresh broccoli
22 product that will also come with other vegetables, but
23 I'm showing the broccoli here. The broccoli steams
24 really easily in just a few minutes, and it comes with
25 light sauces that can be added after cooking.

1 You can see the Mickey ravioli product is one
2 that meets all of our nutritional guidelines, and is
3 lower in fat content and sodium content than other
4 comparable products on the marketplace.

5 So next I'd like to turn to another area
6 that's being transformed by our guidelines, and that is
7 the area of kid-targeted promotions. These are
8 marketing events, where you might see us partner with
9 another company periodically, to market a Disney
10 product like a movie.

11 Here's one recent example of a promotion that
12 we did behind Ratatouille, which is our new movie.
13 Everyone should go see it. It's about food. Here's
14 our promotion that we did with Intel, obviously in a
15 non-food brand.

16 In this promotional area, again we're
17 applying our guidelines very strictly on kid-targeted
18 promotions as they're planned on a go-forward basis.
19 This means at times that we're looking outside of food
20 categories for new kinds of promotional relationships
21 like Intel.

22 I want to show you some other examples. Our
23 promotional line-up behind Ratatouille featured things
24 that meet our guidelines like bottled water, and those
25 are some fruit stickers that appeared on -- they're

1 probably still in supermarkets right now on watermelon.

2 We also did promotions with airlines and the
3 Department of Energy, among many other partners that we
4 had. So we're really changing how we do our marketing,
5 with an eye towards marketing healthier foods to kids
6 like water and fruit, and also just looking to other
7 means of marketing our movies that have nothing to do
8 with food.

9 So now I'd like to turn to our kids media
10 networks. As you probably know, Disney Channel is a
11 commercial-free platform, but it does accept some brand
12 sponsorship messaging. This is another area where we
13 are applying our nutritional guidelines to determine
14 which foods and brands can qualify for sponsorship on
15 our network.

16 Going forward, if a brand doesn't meet our
17 nutritional guidelines, then it cannot be a Disney
18 Channel sponsor. We're being very strict about that.
19 On our other kids media outlets, we accept regular food
20 advertising from a variety of food and non-food
21 products, that comply with routine standards and
22 practices.

23 However, only foods that meet those very same
24 guidelines can qualify for child-targeted content
25 sponsorship and promotion on or off air. Now as a

1 broader industry-wide issue, we expect that the
2 guidelines for children's advertising, as led by CARU
3 will evolve over time, and we'll be monitoring those
4 developments.

5 But for now, these are our guidelines and we
6 feel really good about them. Okay. So we've talked
7 about how we're starting to change food in the Disney
8 parks and licensing and promotions, and sponsorship on
9 our media networks.

10 Now I want to turn to another important area
11 for us, and talk about how we're starting to use our
12 influence to shape kids preferences. Disney Channel
13 has been and continues to incorporate healthy lifestyle
14 messaging into programming.

15 One example is how we're using our characters
16 as role models, where it fits seamlessly into the
17 story-telling. This means that kids will see episodes
18 of their favorite shows, things like "Hannah Montana,"
19 "The Sweet Life of Zach and Cody," and "Not So Raven,"
20 among others, where the central theme of the episode is
21 about healthy lifestyles, including both nutrition and
22 exercise.

23 I'll show you a clip now from "Not So Raven."
24 In this episode, the cafeteria at Raven's school is
25 turned into a food court. Once Raven gets past the

1 initial novelty of it, she realizes that eating there
2 has some drawbacks. She and a friend leads their peers
3 to take ownership over their own nutritional choices.
4 Let's take a look.

5 (Video plays.)

6 MS. ANOPOLSKY: One of our early efforts in
7 bringing this issue to television and talking to kids
8 through the characters that they really look up to, and
9 we'll be doing more of that.

10 But our focus on role modeling is not just
11 for television. One off-air program that will be seen
12 for the next several months involves "High School
13 Musical," a pre-teen phenomenon right now. The cast of
14 the popular movie is appearing in print ads like this
15 one, to promote milk consumption to kids.

16 Disney Channel also runs a series of short
17 form programming called "Get Your Head in the Game," in
18 which kids tell each other peer to peer about their
19 passion for their own chosen sport, to sponsor both
20 inspirational and aspirational. Let's take a look.

21 (Video plays.)

22 MS. ANOPOLSKY: Beyo0 0lp000own chosen sport, to sponsor b

1 Two such examples are Disney Channel's
2 "Adventures in Nutrition" and "Ooh, Ahh and You."
3 Let's watch them now, so you can see how we're using
4 our broad reach to talk to young kids quite directly
5 about healthy lifestyles and what it means for them.

60 1.00000 0.00000 0.00000 cm1.00000 0.00000 0.00000 1.00bnl.11 us ig(ys.Tj'T1

1 along with information about important nutrients.

2 Right now, messaging like this can be seen on
3 millions of food packages, and this is a program that
4 we'll look to continue to develop over the coming
5 years.

6 Finally, we also launched an educational
7 website, Disney.com\healthykids, that's also being
8 promoted on millions of packaging. The website teaches
9 kids the principles of My Pyramid, and helps them learn
10 about nutrition and activity through interactive games
11 and their favorite Disney characters.

12 We're so excited about these early efforts on
13 TV, the Internet and packaging, to help educate and
14 empower kids about their health. We look forward to
15 doing much more in this area in the future.

16 So to wrap up today, I've had a chance to
17 tell you about some of the changes we've already made,
18 including our nutritional guidelines, new licensed
19 products that are coming, phasing out of trans-fats
20 across our businesses, kids meals with healthy options
21 as the standard choice at our parks, and our efforts in
22 kids education.

23 These represent only some of our efforts and
24 the initial steps in a long-term commitment by the Walt
25 Disney Company in this area. As you can see, the

1 efforts are comprehensive across all of our business
2 areas. It takes time to implement changes like these,
3 but we're really committed to this for the long term.

4 I look forward to sharing more progress with
5 you as our efforts evolve in this area. So stay tuned.
6 Thank you.

7 (Applause.)

8 DR. KOTLER: Thanks to the FTC and HHS for
9 having Sesame Workshop, especially to Mary Dunson and
10 Jennifer Bishop, who made this happen kind of at the
11 last minute. So I thank you very much.

12 Today I'm going to talk to you about some
13 updates to our healthy habits for life initiative at
14 Sesame Workshop, started in 2004. We are a non-profit
15 educational organization dedicated to making a
16 meaningful difference in children's lives, and we
17 create educational content that maximizes children's
18 potential.

19 We're committed to the fact that children
20 deserve the chance to grow and learn and be better
21 prepared for school, and part of that is developing
22 healthy habits, both physically, mentally, emotionally.

23 So what we did was in 2004, we started our
24 Healthy Habits for Life Initiative. I'm not going to
25 talk too much in depth about each part of our

1 initiative, because I did talk about that at the 2005
2 forum as well. But I just want to talk to you about
3 some of the updates since then.

4 Initially, I presented research showing that

1 all PBS stations around the country, and we've also
2 just almost completed a tool kit for child care
3 providers, that were funded in part by Nemours. We are
4 distributing this.

5 It's a tool kit of all sorts of activities
6 that can go on in child care centers, and there's also
7 materials for children to take home to the parents.

8 We also have a traveling museum called
9 "Sesame Presents the Body," which teaches children how
10 to enjoy healthy foods and how their body works and
11 exercise. So it's really we're coming at children from
12 all different directions.

13 But specifically, we've reevaluated.
14 Starting in 2005, we really started changing our
15 licensing agreements, based on what was going on in the
16 landscape of childhood obesity. So we worked with
17 advisors from NIH, AAP and IPN, and we looked at the
18 U.S. dietary guidelines.

19 We've really decided that we're going to
20 change how we license the characters. Again, we're a
21 non-profit organization, so we don't advertise per se
22 to children. But we do license our characters out to
23 various partners who use them in responsible ways.

24 So we're really trying to encourage
25 partnerships with food corporations, making a sincere

1 commitment to improving public health, and I think
2 today we've seen a lot of companies that actually are
3 doing that, and we're very happy about that.

4 The licensed foods should contribute to
5 children's overall healthy diet, and portion sizes
6 should be age-appropriate as well.

7 We also care about things like the price of
8 foods. We want to make sure that our characters are
9 associated with foods that are reasonably priced as
10 well, and also every opportunity for food labels to
11 have information to parents and children about those
12 foods we're looking to as well.

13 So we have four different kinds of foods,
14 that we think about foods in four different categories.
15 One is our primary food category, which is really
16 healthy foods based on USDA guidelines. Then there are
17 secondary foods, which is the healthier options of
18 lower, lower in salt, lower in sugar.

19 Then there's special occasions. So you might
20 still see Elmo on a birthday cake, because that's a
21 sometimes food. That's not something that children
22 have all the time. But for example, and then there are
23 restricted foods which we don't -- we will not license
24 our characters on anymore.

25 So for example, fruit snacks or something

1 that doesn't have real nutritional value. We're not
2 going to do that anymore, or anything that's a choking
3 hazard for children as well. So for example, we've
4 created these displays for various produce partners, to
5 highlight how fun it can be to eat healthy.

6 Again, this is targeted to children and their
7 parents. There's usually information for the parents
8 about how children should -- how you can enjoy these
9 foods and how you can do fun things with foods. So for
10 example, we'll have tips like on July 4th, how to make
11 an American flag with blueberries and strawberries and
12 lowfat yogurt or something like that.

13 So there's little tips and little guidelines
14 to go along with that, to really make it fun for the
15 children. We also have other partners, you can see.
16 We've been getting lots of letters from parents saying
17 "I never could get my child to eat green beans before,
18 but I saw that Elmo was on green beans and my child
19 just loves them now."

20 So again, if you start early with children,
21 getting them, encouraging them to eat healthier foods,
22 they're more likely to continue in that vein as they
23 get older, because earlier research shows that the
24 young children don't really have an understanding of
25 the fact that the foods that they like to eat aren't

1 necessarily healthy for them.

2 If you try to explain it's going to help you
3 get big and strong -- for example, my niece, who's two
4 and a half, would say to me "Well only daddy is big and
5 strong, because he's six feet" instead of anyone else
6 who's in the fives apparently is not big and strong,
7 even if they are.

8 So the young children have a really hard time
9 distinguishing, understanding really what that means,
10 and they often think that what they like to eat is
11 healthy. So we really have to instill in them a love
12 of healthy foods earlier on.

13 So now I'm just going to turn to the update
14 on the research. Earlier, I had -- in 2005, I had
15 talked about a small pilot study that we did. We had
16 talked about that study, and the Robert Atkins
17 Foundation said that they wanted to fund us doing a
18 larger study, using similar kind of methodology, as
19 well as including a taste test to see if children
20 actually would practice what they preach in terms of
21 how they would choose foods.

22 So we had 343 children ages two to 5 for
23 Study 1, and a subset of those children in Study 2,
24 which was a taste test, and we just had it from 3 to 5
25 for that. So in this study, children were asked who do

1 you like better? Do you like this one this one?

2 So we asked for Elmo, Grover, Oscar and then
3 three unknown characters. These were characters that
4 were about to be used for a developing television show
5 that actually has not been aired yet, but since they
6 had colors that were similar.

7 What we wanted to do is we didn't really want
8 to -- our argument wasn't pit our characters versus
9 anybody else's characters per se. But rather assuming
10 that children are going to like the known characters
11 and not like the unknown characters, or at least have
12 no feeling towards the unknown. So we wanted to get a
13 sense of how characters really influence children's
14 f~~ood~~dch~~h~~o~~o~~ee.

15 So the children who choose all three Sesame

1 as possible to show how characters influence how
2 children might choose.

3 So the study design, for example, we broke
4 the children into three different groups. So we'd ask
5 them what would you like to eat, this food or this
6 food?

7 So we're calling the first food that was
8 shown to them -- they were both shown at the same time,
9 but the one on the left we'll call A, and the one on
10 the right we call the B food.

11 So in the control group there's no pictures
12 on either. So in the first condition we have Sesame
13 Street character on the A and an unknown character on
14 the B, and then the reverse is true for the next
15 condition. Really all we did is we took little
16 stickers.

17 This was not high tech big packaging; it was
18 just showing them a picture of mushrooms and sticking a
19 little Grover there and seeing where their eyes go;
20 where are they looking.

21 character so we had nine different pairs of foods. what
22 might be going on in grocery stores if children are
23 walking dilmbTDg j64 cmg dirrla3pca picture of m

1 equal in terms of appeal, and then we had some where we
2 thought children would like some of the foods more than
3 the other. But we tried to do a variety of different
4 foods, and we pre-tested this as well.

5 so we have these nine pairs of foods. So we
6 have the A foods and the B foods. They're just
7 presented in this particular way, and the methodology
8 is just like I showed you with the mushrooms and the
9 peas. It's just that we did this for each food
10 individually.

11 So then if you take all the foods that were
12 sort of relatively both healthy -- I know from a
13 nutritionist's standpoint there's difference. So for
14 example between a grape and a banana, but we're trying
15 to say they're both two fruits or both two vegetables,
16 or we have crackers versus wheat bread.

17 What we find here is that if there are no
18 pictures on anything between relatively healthy foods,
19 there's about an even split. 52 children chose the B
20 foods and 48 percent of the children chose the A
21 foods.

22 But a different group of children were shown
23 with the Sesame Street character on the A foods and
24 unknown on the B foods, and then the reverse for the
25 third.

1 What you see in this slide is that the Sesame
2 Street character, and again this is for the high fans,
3 they are more likely to choose a food that has a Sesame
4 Street character on them. Now I'm just not showing you
5 the low fans, because it gets very confusing with the
6 graphs. But the pattern isn't nearly as strong with
7 the non-high fans.

8 So I'm not saying everybody on the planet, it
9 was a total high fan, and it doesn't work. But it's
10 showing that for -- if you love a character, and we
11 know Elmo is really loved by most children, then in
12 fact that can make a huge difference.

13 So since most of these children were high
14 Sesame fans. You see this strong effect, and again
15 it's not as strong for the low fans, but it's in a
16 similar direction. That's between two relatively
17 healthy options.

18 If you pick a healthy food versus a less
19 nutritious snack; so if you have broccoli, apples and

20 Cheerios0.0000 col.00000 0.00000 0.00000 1.00000 0.000 6te, p B(sim

1 So they're eating about half of the B foods.

2 But if you put Sesame on the A foods, you see
3 that it does -- the amount that they're eating of those
4 A foods slightly goes up, and the amount that they're
5 eating on the B foods goes down. So this wasn't an
6 either/or, whereas the picture test was which one would
7 you like to eat, this one or this one.

8 You could all of both. You could have some
9 of each. You could have none, whatever you prefer. We
10 just did this with little displays. We'd have a big
11 sort of Elmo cutout with a plate in front of him, and
12 then the other characters with a plate.

13 Then when you reverse it though, here's
14 what's very interesting, is that you got 53 percent of
15 the children to be trying the B foods. So from 48 to
16 53, that was significant, and notice the 40 dip was
17 also significant.

18 So in fact, when you do put a character on a
19 healthier food, it does increase children's (a)
20 preference towards that food, and (b) potential to
21 taste that food. Even though it's not strikingly high,
22 if this happens over and over again, the likelihood
23 that children will acclimate to the taste that
24 healthier food is improved.

25 This is something that we did without real

1 big high tech displays, but it's something that even
2 parents can do at home, where they can take a stuffed
3 animal that the child loves and put it in front of
4 plate with the foods that the child wants to eat.

5 So there's creative ways to promote healthier
6 foods. It doesn't have to be Sesame Street per se. It
7 could be whatever beloved character that is. But we do
8 know that children really love the Sesame Street
9 friends that are consistent in their messaging as well.

10 So the research summary is basically that
11 what I just said, that they're more likely to eat those
12 foods with beloved characters. Again, it's
13 particularly dangerous to put beloved characters on
14 already tasty, non-nutritious foods, because that
15 increases even moreso than putting them just on healthy
16 foods.

17 Putting them on healthy foods is absolutely a
18 step in the right direction, but it's also -- it's
19 really important that we're all doing this together,
20 where we're trying to really put an end to putting the
21 characters on foods that aren't particularly good for
22 kids.

23 So that's that. Thank you very much. If you
24 have any questions, I'll be around for the rest of the
25 afternoon.

1 (Applause.)

2 MS. ENGLE: Now again, if you have a
3 question, raise your hand and someone will bring the
4 mike to you. Please identify yourself first.

5 **QUESTIONS FROM THE AUDIENCE**

6 MR. RUHERFINGER (ph): Hi. My name is Sam
7 Ruherfinger. I'm a student at Duke University. I also
8 work for a program that helps bring physical and health
9 education to school districts that don't have proper
10 funding for them.

11 So this is actually a question for General
12 Mills. I was wondering if you've done anything to look
13 at your imitative to cut advertising in schools,
14 because I know that a lot of underfunded school
15 districts really rely on those revenues.

16 MS. SHEA: Well, we don't advertise in
17 schools. So we're not cutting any funding. I don't
18 know if I'm getting your question. We don't currently
19 fund schools through any type of advertising in
20 schools.

21 We have a program called "Boxtops for
22 Education," that's towards parents and PTAs, that
23 provides funding for schools. But there's no marketing
24 of our products in schools to kids.

25 We do have -- the program I was speaking

1 MR. LATTIMER: About how to comply with
2 children's advertising by European companies and other
3 companies around the world. I was just curious. If
4 you turn that around, are you undertaking similar
5 initiatives overseas with your products?

6 MR. FRIEDMANN: I can answer on behalf of
7 Kraft that the advertising policies that we adopted
8 since the end of 2005 are global policies for us. So
9 we apply the same nutrition standards and the same
10 practices to our advertising everywhere in the world.

11 MS. SHEA: We're similar. We have fewer
12 products marketed to children worldwide. But we are,
13 you know, you have to do something that's country-
14 specific and lines up with the government in those
15 countries. But we are.

16 MS. ANOPOLSKY: And for Disney, we're using
17 the same strategies around the world. We're just in
18 different stages of implementation.

19 MS. PATTON: Hi. My name is Diana Patton.
20 I'm from Toledo, Ohio, and I'm a mother, which is my
21 most important job. But my second most important job
22 is I'm a nutritionalist and a life coach.

23 What I find, because in the trenches my
24 children are only allowed to watch Disney Channel and
25 the public station. The reason for that is because of

1 MS. RIDEOUT: Hi. I'm Vickie Rideout from
2 the Kaiser Family Foundation. On the issue of the
3 impact of licensed characters on sales, I was going to
4 ask Ms. Shea.

5 You said that you started licensing
6 characters like Dora on vegetables, and you showed some
7 images of that. Do you guys have any data on impact on
8 sales or anything you can share with us?

9 MS. SHEA: Actually, we don't at this point.
10 Those products just shipped over the last month or so.
11 So we're just getting in there, and likewise the spots
12 that I showed you just started airing in May.

13 So but we're very committed to it. The
14 single unit vegetables that I showed you have been very
15 successful and we know that there's a lot of kid
16 consumption of those as well.

17 MS. ENGLE: Angela?

18 MS. CAMPBELL: Angela Campbell, Georgetown
19 Law Center. This is a question for Disney. I was
20 wondering if you had any -- tell us how much food
21 advertising kids are watching on the ABC Network, which
22 you also own, and whether you have any plans to extend
23 your guidelines to that network and those third party
24 ads?

25 MS. ANOPOLSKY: Our ABC Network has very,

1 very little kids programming on it at all. It airs on
2 Saturday mornings only, and even that, not necessarily
3 every week.

4 It sometimes gets preempted by the local
5 stations. As part of that, we are still taking the
6 regular advertising. So straight advertising we're
7 still accepting.

8 But we are applying our nutritional
9 guidelines, as I discussed, to anything that would be a
10 tie-in sponsorship or promotion of the programming that
11 airs there. We're definitely using our guidelines for
12 that.

13 In addition to that, the programming that
14 airs on ABC on Saturday mornings is programming that is
15 being developed by the Disney Channel. So that episode
16 of Raven that you saw, that's the same programming that
17 goes to ABC. So any positive lifestyle messages that
18 we embed in the Disney Channel programming would also
19 travel to ABC and reach that audience when it airs
20 there.

21 MS. CAMPBELL: Well, what about kids watching
22 other programming or only watching TV on Saturday
23 mornings? Excuse me. I'll repeat the question for the
24 camera, okay?

25

1 MS. CAMPBELL: What about programming that
2 airs throughout the week on ABC and not just Saturday
3 morning?

4 MS. ANOPOLSKY: Throughout the week on ABC,
5 it's really adult targeted. We don't have kid's
6 programming.

7 MS. CAMPBELL: (Not on mike)

8 MS. ANOPOLSKY: A name. If you look at the
9 ABC schedule, it's pretty adult-targeted. We just
10 don't have a lot for them. Our premier place for kids
11 to watch is Disney Channel. It's where we have the
12 biggest audience and then we use the same guidelines on
13 all of our kid-targeted programming.

14 MS. ENGLE: Cathy, did you have a question?
15 But we need the mike. We need the mike definitely for
16 the --

17 DR. MONTGOMERY: I'll stand as Margo did, and
18 maybe people can hear me.

19 MS. ENGLE: The camera said they couldn't
20 hear you.

21 DR. MONTGOMERY: I'm sorry. Okay. Catherine
22 Montgomery, American University. I was actually going
23 to ask you the same question that Angela asked, but it
24 really is a bigger question that I want to pose.

25 So you, as the only representative, I guess

For The Record, I

1 of you in the room before today, and we will continue
2 to share them and hope to provide leadership in this
3 area.

4 MS. ROSS: Hi. I'm Mimi Ross from National
5 Action Against Obesity. I have another question for
6 you. What I find so striking is that it seems like
7 Disney did things that you didn't have to do. I don't
8 think that you are under as much pressure as a lot of
9 other organizations, yet you still made changes.

10 They probably are more expensive. It's more
11 expensive to provide healthier food than junk food. We
12 know that junk food is very popular, and you made
13 changes that probably may have cost you money. I'm
14 curious how you were able to successfully do that.

1 our business in the long term. This is really honing
2 in on parents want. When Disney delivers what parents
3 want, it is successful for our company.

4 It really is that long-term vision that we've
5 been focused on that we're pursuing. So I mean it's
6 really the only answer there is to that question. We
7 know that it's good for our business when we're
8 delivering what parents and kids can agree on.

9 It's the same approach that we take in all of
10 our Disney-branded businesses.

11 DR. MONTGOMERY: (Not on microphone) So the
12 reason I asked this because so often in some of the
13 environments, finding what is right, finding what is
14 more healthy is countered by what's possible. Every
15 quarter, the companies have to talk to Wall Street and
16 say "We sold more of this product."

17 I'm always curious how a company does the
18 right thing without losing money. So that's why I'm
19 asking the questions I am.

20 MS. ANOPOLSKY: Never wrong by watching your
21 market and staying where your consumers are.

22 MR. GOODWIN: My turn? Which is my point.
23 Where your consumers are.

24 MS. ENGLE: Could you please identify
25 yourself?

1 it, as I mentioned we're finding that the healthier
2 products is, are what are selling faster.

3 As far as IOM report in 2004 said, if you can
4 sort of harness that engine to go in this direction,
5 it's a good thing and becomes self-reinforcing.

6 MS. SHEA: I would just add to that. I mean
7 I think it's about energy balance, and it's about
8 catching parents, you know. It's parents when they're
9 having a kid. It's, you know, getting the message
10 across. It's about catching kids at early ages, as we
11 heard from some of the companies, the media companies
12 doing that.

13 It's about us trying to make sure we're being
14 responsible in how we market. It's going to take all
15 of us together.

16 MS. POMERANTZ: Hi. I'm Jennifer Pomerantz
17 from the Rudd Center of Food Policy and Obesity at Yale
18 University. My question is for General Mills.
19 Regarding your sugar -- sorry.

20 Regarding your cereals, the advertising sugar
21 limit of 12 grams for advertising, I was wondering if
22 that made you have to reformulate your cereals, or if
23 you plan to reformulate them in the future to meet that
24 limit for advertising?

25 MS. SHEA: Well, the answer is yes. I mean a

1 serving.

2 We know that, I mean this is not just a
3 childhood problem; this is an adult problem. So
4 anything that we can do to help adults understand; you
5 know, eat more Green Giant vegetables, eat more
6 Cascadian Farms fruit, you know, delay the treats or
7 minimize the treats, that's the key messaging.

8 So we're doing everything we can, because as
9 Lance said, it's a great business opportunity as well.

10 MR. FRIEDMANN: Again, similar answer for
11 Kraft. I mean again, I focused today on products that
12 we're reformulated and developed for kids.

13 But some of the ones I mentioned at the end,
14 like the ready to eat meal salads, are clearly targeted
15 at adults and a broad range of products that are
16 targeted to all family occasions too.

17 MS. ENGLE: Any additional questions? Okay.
18 One more question here.

19 MR. SILVERGLADE: Bruce Silverglade, Center
20 for Science in the Public Interest. I'd just like to
21 disagree with the comment that was made from the
22 individual who spoke in Sweden.

23 The literature actually looking at the Quebec
24 advertising ban, I refer to the study by Cathy Baylis
25 that came out this year, shows that the Quebec

1 advertising ban has had effects on children's food
2 eating patterns in Quebec.

3 In Sweden, where there has been a ban on food
4 advertising on their national government station, ads
5 still come into Sweden via cable and satellite and
6 European-wide.

7 So it's just unclear what the obesity levels
8 in Sweden would have been if there was a complete ban
9

1 ribbons on their name tags, we can get those questions
2 in. I think that's it. Okay. Have a good lunch.

3 (Whereupon, at 11:57 a.m., a luncheon recess
4 was taken.)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Just think about that for a minute. A
2 shorter life span than their parents. Simply put,
3 children are eating more calories, gaining more weight
4 and developing more chronic diseases earlier than ever
5 before. It would be nice, of course, to have an easy
6 target to blame, but childhood obesity is a complex
7 problem with a variety of causes.

8 A large part of the problem may have to do
9 with changing lifestyles. Children today just aren't
10 getting enough exercise. Sure, some kids play
11 organized sports, but they don't seem to slip out the
12 back door and play outside as much as they used to,
13 perhaps because parents are afraid to leave them
14 unattended.

15 Young people are spending more time inside,
16 engaging in sedentary activities like watching TV,
17 playing video games or going on the computer.
18 Meanwhile, more and more parents are working, and they
19 don't have time to make nutritious home-cooked meals,
20 often relying on restaurants, take-out and quick fix
21 process foods.

22 Half of the American food dollar is spent on
23 eating out, and about 40 percent of that amount is
24 spent on fast food restaurants. It's no wonder whole
25 families are getting supersized. There's no surprise

1 whole lot of commercials. In 2004, children ages two
2 to eleven saw on average more than 25,000 TV ads,
3 including about 5,500 food ads, mostly for junk food.

4 Think of it this way. If right now you
5 started watching just the food ads, one after another,
6 you'd still be sitting here in this lovely auditorium
7 early Friday morning.

8 If you watched all the commercials children
9 see on average in a year, you'd be sitting here for
10 more than a week. Of course, no one's going to make
11 you do that. Even more troubling, compared to the
12 1970's, twice as many of these food commercials are now
13 targeted on children's shows.

14 The FTC study didn't reach whether these
15 child-specific food ads are more effective than ads for
16 a general audience. But food marketers didn't just
17 fall off a turnip truck or a good humor truck. You've
18 got to figure that advertising especially designed for
19 children is more likely to influence their product
20 preferences, purchase requests and eating habits.

21 In these days, of course, TV is only part of
22 the marketing picture. In addition to TV screens,
23 there are also movie screens, video game screens, cell
24 phone screens and computer screens, each a virtual
25 venue and a potential bonanza for advertising to kids.

1 and figures, as they say, from soup to nuts, and in
2 this case from broadcast to broadband, about the kinds
3 of marketing decisions food companies are making and
4 how they affect the youngest generation of Americans.

5 While it may be debatable whether advertising

1 kids. Where's the other one-third? And for example,
2 there's only one fast food chain participating in the
3 BBB initiative. That's unacceptable. Other companies
4 need to get involved, either by joining some group or
5 by doing it on their own.

6 The companies who are participating have made
7 useful commitments about advertising to children, or
8 not advertising, as the case may be, and to developing
9 more Better For You foods that will appeal to kids.
10 But some of these companies can and should go further.

11 Many spend only a fraction of their food
12 marketing budgets on measured media advertising. So
13 can't they extend at least some of these commitments or
14 their commitments to the rest of their marketing
15 product packaging, point of sale materials and other
16 youth-targeted promotions?

17 And how will companies define advertising
18 primarily directed to children under 12? If a company
19 allows junk food ads to audiences comprised of up to 50
20 percent children ages two to 11, that's not much of a
21 standard at all.

22 You know at the FTC, we've done a series of
23 reports on the marketing of violent entertainment for
24 children. We look at movies, we look at music, we look
25 at computer games.

1 We've always said that a 35 percent underage
2 standard for ads for viewing children may actually be
3 too high. Here, we may have some companies talking
4 about a 50 percent standard, which is even more
5 tolerant.

6 To be sure, I do recognize that many of the
7 details of the company commitments are still in the
8 formative stages, still works in progress. But the
9 Commission will be watching how you industry leaders
10 actually implement your plans, your promises and your
11 pledges in the coming months.

12 Hopefully, we'll continue to see improvements
13

1 yes. Okay, thank you.

2 One thing I would like to say is I'm pleased
3 to have been invited to participate in this activity,
4 and to represent the Department here. We do want to
5 apologize that there was aq little bit of a human error
6 at getting someone here this morning for the opening
7 session. It was not for want of commitment on this
8 issue.

9 As you know, HHS's primary responsibility is
10 to ensuring and promoting the good health of the
11 nation. We take the issue and the growing issue -- not
12 to have a pun there -- of obesity very seriously, and
13 we have invested a tremendous amount of money, time,
14 resources and thought on issues around the research and
15 development for strategies to prevent and treat
16 problems with obesity, clearing drugs, working on
17 health communications and promotional strategies.

18 Many of you have seen the recent Shrek
19 advertisements that have been put on Nickelodeon and
20 some of the children's TV shows. But there's a lot
21 more behind just that, just those small public
22 education activities. So we are committed, and we look
23 forward to continuing our partnership with the FTC on
24 these activities and with all of you.

25 My charge here today is to try to show you

1 private and non-profit organizations, to be about good
2 advertising.

3 We've got John McGrath, who Dr. McGrath is
4 with the National Institute of Child Health and Human
5 Development at the National Institutes of Health, and
6 he is Chief of the Public Information and
7 Communications Branch there.

8 Our third speaker is Linda Dorman from Black
9 Entertainment Television Foundation, and they have done
10 a number of special initiatives around healthy

11

1 the tone for health and wellness in the home.

2 It consists of television PSAs, significant
3 PR efforts, a very rich and deep website, out of home,
4 Internet and so on. We also have a campaign that
5 targets children ages 6 to 9, and it really is designed
6 to provide them with a more meaningful reason why to
7 make healthy choices.

8

For The Record, Inc.

(

1 percent versus the 25 percent who have not seen the
2 advertising.

3 For kids, more kids who saw or heard the PSA
4 say that it's very important that for them to eat
5 healthy foods every day. So again, we're really seeing
6 some, you know, self-reporting that's indicating that
7 we're moving in the right direction.

8 What's really been interesting is that while
9 this campaign in national in scope, we're actually
10 seeing it being embraced by local communities. We've
11 had requests from governors, from mayors, from
12 Senators, to use it as a framing for local events, to
13 really galvanize the community behind obesity, to shine
14 a spotlight on it, on the local level.

15 So they're able to localize the PSAs, and
16 then they've been having events, "Shaping America's
17 Youth," use the PSAs to get people to attend a town
18 hall event recently in Chicago. Then at these events,
19 we're seeing the local media community again step up to
20 the plate, giving very strong commitments to run the
21 campaign consistently, as well as developing their own
22 materials or adapting them for local use.

23 I'll just share an example of some radio that
24 was developed by Clear Channel in Texas recently.

25 (Audio clip plays.)

1 MS. ARTHUR: So then given the multiple
2 groups that really have a vested interest in this
3 message, we saw a huge opportunity to really get more
4 volume behind the right research-based messages.

5 So with support from the Robert Wood Johnson
6 Foundation, we started the Coalition for Healthy
7 Children, which has really enabled multiple groups to
8 take the messages that we've developed and extend them
9 through their own communications programs.

10 To date, we've had tremendous support and
11 interest from many marketers, media companies and other
12 non-profits. I know you started to hear about some of
13 that earlier this morning.

14 So the premise is very simple. It's
15 providing a unique forum for everybody to collaborate
16 around the same research-based messages, and then more
17 importantly, be able to measure progress and track the
18 impact of a collective effort over time on key
19 attitudes and behaviors related to health and wellness.

20 We developed these messages based on
21 significant input from the members of the coalition, as
22 well as volunteer advertising agencies who have donated
23 significant time up front to really put the best minds
24 behind the right messages.

25 We did exploratory research with parents,

1 children and teachers, as well as quantitative research
2 to make sure that the concepts that we had were
3 actually believable, informative, and we're really
4 going to cut through and make a difference for kids.

5 The key areas that we're focusing on right
6 now are physical activity would be a player, which you
7 heard a little bit about this morning; portion control,
8 which we heard over and over again from the academic,
9 the medical community, that this is something that we
10 really had to address if we were going to start to make
11 a dent in the issue, as well as energy balance, which
12 is largely confusing to many parents and children.

13 So here are some baseline research that we
14 use to make sure that we really saw an opportunity to
15 close the gap between what we know is important and
16 what parents and children are actually doing.

17 So you can see from this research that levels
18 of physical activity two years ago really weren't where
19

1 and drink the whole bottle all by themselves. So
2 again, a big opportunity to push the right messages
3 around portion control.

4 Then energy balance is something that both
5 parents and children say is important. But then when
6 you look at whether or not they're actually doing it,
7 you know, the levels aren't where they need to be.

8 So again, a big opportunity to close the gap
9 between what parents and children think is important
10 and that they want to do, but what they're actually
11 doing on a regular basis.

12 So the way that this works is that the
13 members of the coalition are encouraged to use these
14 messages in their own communications programs. We've
15 had significant commitments to date that I'll talk a
16 little more specifically about up front, to get out
17 there.

18 Whether it's in advertising, on packaging, on
19 location and events, grass roots marketing, websites,
20 newsletters. You know, we have a lot of associations
21 who are members of this. We can give talking points,
22 so that you're starting to frame these concepts in a
23 very consistent way.

24 I want to just walk you through an example of
25 how exactly this program works, through the "Be a

1 Player" program. So the PSA campaign really provided
2 context for framing physical activity as play. So we
3 have two PSAs that I'll show you.

4 One is in partnership with the LPGA, that
5 just launched this at an event with significant
6 commitments from ESPN and others to support it, as well
7 as Shrek and the DreamWorks partnership that you all
8 heard about before.

9 (Videos play.)

10 MS. ARTHUR: We have these available in
11 Spanish as well, so they'll be out there in a very
12 significant way. So the idea is for members of the
13 coalition to then extend this message in their own
14 program, whether it's on packages, at events, on
15 vending machines, on their own websites.

16 This is just an example of a program that
17 Pepsico did in partnership with their Smart Spot
18 products, and I believe it was Wal-Mart. I know that
19 Kraft has done work, McDonald's promoted it through
20 their Happy Meal promotion.

21 Then Subway took the "Be a Player." It's
22 hard to see here, but the logo's on the bottom, and it
23 had nothing to do with, you know, the DreamWorks icons
24 there. But they promoted the Be A Player idea in the
25 newsletter that went out to parents, to really help

1 them understand this in-school program that was being
2 exposed to their children.

3 So measuring whether or not this is really
4 going to make a difference is an important part of this
5 program, and we're doing this in a number of ways.
6 It's not just about who did what and we're getting
7 self-reporting as well as doing a landscape sweep on
8 our own, but being able to measure on a regular basis
9 whether or not we're changing the right attitudes
10 around physical activity, portion control, energy
11 balance and overall health and wellness.

12 We'll be sharing our first post-wave report
13 in about six weeks, which is really starting to show
14 some good movement in the right direction, particularly
15 around physical activity. Kids saying they care more,
16 they're more aware of the messages.

17 It's becoming something that they're
18 reporting doing on a regular basis, as well as things
19 like asking mom and dad for healthy foods when they're
20 shopping together. So we'll be excited to share this
21 report once it's finalized in about six weeks, and
22 really keep the momentum going behind this program.

23 We have a website that's designed to share
24 all of the research that we have with, you know, as
25 many coalition members as possible. If you're

1 interested in hearing more about this, you can contact
2 the Ad Council or visit this website. Thank you.

3 (Applause.)

4 MR. WILSON: Thank you. Dr. McGrath?

5 DR. McGRATH: Well again, thank you very
6 much. Thank you for inviting me to speak here. I'm
7 happy to be here and I'm happy to share the panel today
8 with Linda Dorman and Natasha Rogoff, both of whom we
9 have worked with a lot over the years and will continue
10 to in the coming years.

11 This afternoon, I'd like to give an overview
12 of the product that several organizations within the
13 National Institutes of Health have worked on. First,
14 I'm going to give a very brief overview of the program.

15 Next, I'd like to talk about how the program
16 is being used by various organizations around the
17 country, and finally just say a word to highlight the
18 importance of the program and what it's doing.

19 Before I start, I'd like to give just a
20 little background. This is information that has been
21 discussed before here, but I think putting it on a
22

1 what we're doing.

2 The children who are overweight pay a heavy
3 price. They pay a heavy price today in terms of issues
4 such as self-esteem and image. They pay a heavier
5 price down the road in terms of a lifetime of chronic
6 conditions.

7 We have talked here earlier today a couple of
8 times about the fact that there are multiple causes to
9 this increase -- lifestyle, environment and many people
10 are saying genes play a role in this.

11 As we have also heard, for the most part, the
12 bottom line when you reduce all of this to the basic,
13 it's calories in and calories out, and it is a matter
14 of trying to create a balance.

15 What the National Institutes of Health has
16 done is create a program called "We Can: Ways to
17 Enhance Children's Activity and Nutrition." This
18 program was launched in 2005 by Secretary Leavitt at a
19 press conference here in Washington, and it emerged at
20 a time when several forces came together to focus on
21 childhood overweight.

22 Many of these forces were captured in the IOM
23 report that focused on two basic fundamental areas of
24 intervention: home and community.

25 So I'm going to talk about, as I mentioned,

1 the program that we have developed, and like many other
2 programs from the National Institutes of Health, it
3 follows in the footsteps of programs such as the
4 National High Blood Pressure Education Program,
5 Cholesterol Education Program and others, that had
6 these common criteria, that they're built on a strong
7 science base.

8 It's the science that pushes, that science
9 that's NIH-supported, that's conducted around the
10 country, that had results, and these are the results of
11 that science.

12 It's built on effective partnerships. The
13 idea is to develop a program that create value for
14 partners. They involve various communities, geographic
15 communities, social communities, often faith-based
16 communities. They're relying on current communication
17 tactics.

18 So when you put all of these together, the
19 program elements consist of communities, partnership
20 and a strong reliance on media. So what is this
21 program that I'm describing called "We Can"?

22 There are two primary audiences for we can:
23 parents and primary care givers of young people, and
24 youth between the ages of 8 to 13 and some of our
25 programs are skewed to the older part of that, some to

1 the younger part of that age bracket.

2 In terms of the materials for parents, it
3 consists of a curriculum that is a six lesson course
4 that can be developed, and you'll see how it can be
5 given by any one of a variety of community
6 organizations, in a variety of settings.

7 In developing this program, a couple of
8 things came out. One issue was parents were very
9 hungry for useable, down to earth sort of what we call
10 elevator card information that you could take,
11 understand and they could use right away.

12 The other part of the weekend program
13 consists of three youth curricula or youth programs.
14 The Catch Kids Club is an after school program for
15 young children K to 5. SMART is a program that
16 encourages children to find ways to reduce screen time,
17 be it television or game time.

18 The third is a Media Smart Youth, and I'd
19 like to spend just a minute on this third program,
20 because I think it's illustrative of some of the things
21 that we do at the National Institutes of Health.

22 The program consists of ten very interactive
23 lessons for children. This is an after school program.
24 One of the things we found out, as everybody who does
25 this would find out, the first thing kids said in terms

1 of the feedback was if you want us to pay attention to
2 this in so many words, you'd better make this fun. It
3 can't look like school.

4 So we had to develop a program that had lots
5 of different breaks in it, lots of different
6 activities. One of the activities is something called
7 the "Big Production."

8 The Big Production is a program that the
9 children take part in as they go through these ten
10 lessons, in which they develop a message using a media
11 for their peers, usually the younger peers.

12 A key criteria of this program is that we
13 asked children and we asked the facilitators of the
14 program to develop a relationship with a local media in
15 their community, so the children can not only talk
16 about a program but actually go produce a message for
17 their peers.

18 A key aspect of this program is encouraging
19 the older children particularly, eleven to 13 year-
20 olds, to develop critical thinking skills around the
21 messages that they receive, particularly in terms of
22 food and snacks.

23 So that's the We Can program. What are some
24 of the resources? There are resources for communities,
25 there are resources for parents, and there are

1 resources for organizations to implement this program.

2 Just one of the interesting things from our
3 perspective is that each of the Institutes at the
4 National Institutes of Health have a significant
5 research stake, but they also have outreach. In this
6 particular program, four of the Institutes of the
7 National Institutes of Health came together to combine
8 their resources to promote this effort.

9 So in summary, the program offers a turnkey
10 operation for any organization in the community, a
11 school or other setting, to develop, to take the
12 program, develop it for their people, their children or
13 their parents, and carry it out.

14 Okay. Brief overview of what it is. I
15 quickly want to move to different ways this is being
16 used. First, take a look at the different
17 organizations that are using this program. Primarily
18 it's hospital systems, park and recreation and school
19 systems.

20 But several other organizations around the
21 country are using the program. Currently, there are
22 over 20 national partners within the program, and the
23 partners actually just don't sign on. They take an
24 active role in promoting it.

25 There are several participating corporations

1 that are -- with whom we have memorandums of
2 understanding, in which they actually link to our
3 website and promote this within their organization.

4 I mentioned that We Can is a key component of
5 this program is media, and it's media not just for
6 media's sake. It's media to promote the program in the
7 organization. It's been covered on national media, on
8 local media and we have a presence on the web.

9 Let me take a look at how people are using
10 this around the country, and just to give a sense of
11 it. In the Berkshire Medical System, Ed Perlach has
12 been working with this program for over four years, and
13 he has an active person in developing this and
14 implementing it throughout the entire medical system,
15 as is the University of Michigan Health System.

16 In Boston, some of you may know Cathy
17 Cunningham. But Cathy Cunningham has worked with this
18 for several years, bringing the nutrition elements into
19 the various communities that she's involved in.

20 Sally Fogarty, the Deputy Commissioner of
21 Health in Massachusetts, is interested in implementing
22 this throughout the health departments in
23 Massachusetts. There is a coalition in Oregon who is
24 implementing this.

25 Benton County is working with several

1 different organizations within their counties, within
2 the county, working with businesses and others to
3 promote this in the county.

4 What I think is very interesting is Gary,
5 Indiana is an example of a couple of cities that have
6 taken this on city-wide, and the actual mayors have
7 gotten behind this and decided to turn this into a city
8 program for the entire city.

9 In Tennessee, faith-based networks are using
10 the program. Coalitions, in this case a coalition
11 called "Choices," that reaches hundreds of different
12 people, are using the program.

13 Universities, UNLV's Molly Michelson is using
14 this, and for two years in a row, We Can was the focus
15 of a -- was the centerpiece of Henderson City 4th of
16 July celebration. Throughout Pennsylvania, the
17 Advocates for Nutrition and Activity have adopted the
18 program.

19 In terms of businesses, Mutual of Omaha not
20 only is doing it with their employees, but Mutual of
21 Omaha pulled together all of the leaders in Omaha,
22 Nebraska, and encouraged the community leaders to take
23 it on the city.

24 We've recently worked with Wal-Mart, and Wal-
25 Mart not only is a major partner for us in this

1 meeting on the evaluation.

2 But even more than that, one of the issues
3 that I think if you look at everything you've heard
4 here today, is what our program, along with many others
5 that you've heard about today, is pushing this issue on
6 the agenda. We're pushing it in terms of solutions,
7 not just talking about the problem.

8 So when we look at this as part of a much
9 bigger movement in the country, we feel that that curve
10 that I started with earlier can and will turn around
11 fairly soon. So thank you very much, and I'm very
12 happy to have presented today.

13 (Applause.)

14 MS. DORMAN: Okay. Good afternoon. I am
15 delighted to be here this afternoon with you, and to
16 have this very, very special invitation to present the
17 BET Foundation and what we're doing in response to the
18 epidemic of childhood obesity, with the support of BET
19 Networks and our strategic partners.

20 Thank you to the FTC for inviting us and
21 being a part of this program. I appreciate John,
22 because actually what he didn't share is that their
23 program is very wonderful, the Media Smart Program, and
24 the We Can that we've been partnering with for some
25 time. In fact, I'm one of the trainers for Media

1 Smart, so it's a deep relationship that we do
2 appreciate and we're glad to be a part of this esteemed
3 panel.

4 I wanted to -- there we go -- this first
5 slide, when I do presentations about the BET
6 Foundation, I really stick with the Foundation and what
7 we're doing. But I wanted to share this particular
8 slide with respect to BET Networks, which of course has
9 founded our organization, to show in a slide the vast
10 network and the assets that are available to the
11 Foundation in promoting healthy living and healthy
12 lifestyles.

13 For the past 26 years, BET Networks has
14 delivered content that has been demanded, and also pro-
15 social initiatives that have helped to improve the
16 quality of life of African-Americans, and those who are
17 involved in the network, either at the grass roots
18 level or through the network programming, or in any of
19 the special events here in the U.S. or offshore.

20 As you can see with the Third Tier, our Touch
21 BET, which is our overall initiative, our corporate
22 social responsibility initiative in which BET presents
23 its pro-social agenda, including the award-winning Wrap
24 It Up Program, which has certainly brought and shared
25 the issues of HIV awareness and prevention to young

1 people through our teen forums across the country and
2 in the Caribbean.

3 What it also has done is to share also the
4 concerns of access to higher education, voter
5 registration, and has really taken a position to bring
6 to the community those kind of programming, the pro-
7 social initiatives that indeed improve the life of
8 African-Americans.

9 In standing on that particular foundation,
10 the BET Foundation in fact is a brainchild of Bob
11 Johnson. Through a relationship with General Mills, we
12 were able to seed the Foundation in getting it started.
13 So we are grateful to that particular strategic
14 partner.

15 It's a very young organization, so we have
16 done quite a bit in the last four years. We were
17 founded in 2003, again with the support of the General
18 Mills Foundation and several of their brands, Honey Nut
19 Cheerios, Chex and Cheerios specifically.

20 We are actually a 501(c)(3) organization, not
21 the corporate foundation but the separate organization,
22 to bring and use the multi-media relationships that we
23 have to address this issue of childhood obesity and
24 obesity among African-Americans.

25 So our charter of course is to promote health

1 and health awareness and behavioral changes among
2 African-Americans. Again, our mission is to promote
3 healthy lifestyles and to raise awareness.

4 We do this really through three tenets:
5 health education, health literacy and then health
6 action. Those are the areas that we focus in our
7 initiatives on, and we assure that we cover all of
8 those in what we do.

9 As a true non-profit, we are of course
10 outcome-driven, and we measure our results in a number
11 of different ways. We measure our results according to
12 how many people participate, surveying behavioral
13 changes and feedback that we receive through our
14 various research methodologies.

15 We're continuing to do that as we grow. But
16 our outcome-driven focus is to increase understanding
17 of the factors that lead to obesity among African-
18 Americans, obviously to help reduce these health
19 disparities in partnerships with corporations, non-
20 profit, government sectors and to do that very
21 effectively, and to create most importantly new health
22 advocates.

23 It's not so much as just sharing the
24 information as it is creating a voice and new health
25 advocates among African-Americans in particular and

1 generational; it is long, long-standing and it's very
2 difficult to break because there is a lack of trust in
3 large institutions, medical institutions and
4 physicians.

5 So we are looking at things like physician
6 competency modeling, how we can we get African-
7 Americans to appreciate, go to the doctor, follow
8 instructions as an example. Then just simply being
9 self-responsible. If you receive a bad report or you
10 receive a report that you must seek treatment, then go
11 get that treatment.

12 These are the kinds of issues that we're
13 trying to address them on youth, as well as in the
14 adult population that we serve.

15 As a young organization, we have to narrow
16 our target and become very proficient in our messaging.
17 So we have focused on African-American women ages 18 to
18 54, and African-American girls 10 to 18 through our
19 various initiatives.

20 Why women and girls right now in the life of
21 the Foundation? We look forward to expanding our reach
22 to boys and men. But we realize that the heart of the
23 African-American community is in fact women. That is
24 what the research says.

25 Women take care of men and their families,

1 and women influence those kind of decisions. We want
2 to be able to empower girls to make those kinds of
3 health decisions early in life, as an impact on their
4 families later.

5 So our initiatives. Again, as a very young
6 organization, our initiative Healthy BET was designed
7 with the support and very strong input of General Mills
8 and the various brands that we support.

9 It includes a multi-platform media, and I'll
10 explain that later, our National Fitness Challenge, our
11 women's health events, our youth health empowerment,
12 which I will elaborate on in just a minute, and our
13 newest initiative, "Wroth More than Weight" and Healthy
14 Eating Lifetime Partnerships or the acronym HELP.

15 I'll go briefly. I'm at my five minute mark,
16 so I'm going to go a little faster. Our initiative
17 with multi-media. Clearly, we use the BET Network
18 platforms that I shared earlier, which reaches about 83
19 million households, about three to five million
20 visitors on-line.

21 So we have a vast reach in delivering healthy
22 lifestyle messages. We do so every single week of
23 every single day within the year. We are on air with
24 our 30 and 60 second PSAs and our vignettes. We
25 clearly tap into the talent resource that's available

1 to us, to drive home the message to this particular
2 audience that appreciates a celebrity voice.

3 We often will use real women and real girls'
4 talent, because we recognize that this particular
5 community likes to have an "authentic voice," and so
6 we're very mindful of that.

7 Part of this campaign includes a very rich
8 website. We have fitness experts that we engage on a
9 monthly basis. We rely very heavily on the Bell
10 Institute for Nutrition and Health to provide us with
11 health content, and we worked very closely with them in
12 developing our brochures, which are available outside
13 to you.

14 We have special broadband programming that we
15 do make available on-line, and we are featured right on
16 the BET.com health channel. We had have our own
17 separate URL that you can reach through
18 www.ahealthybet.com.

19 We realize that not everyone is part of the
20 digital age, so we have a toll-free hotline, where we
21 have 24 hours scripted telephone service, in terms of
22 getting tips, as well as allowing individuals to leave
23 their name and/or press a button where they can get a
24 live voice recording operator, to request our various
25 brochures that we have available free of charge with

1 the support of our benefactors.

2 The brochures are very critical. We
3 distribute probably close to over 100,000 in a year.
4 So it is a very, very rich program for us to produce
5 and to disseminate brochures through our various
6 databases, through a community event that has asked us
7 to submit them, and through our grass roots programs.

8 We are out in the community every single day.
9 I'm going to be leaving here, taking a flight down to
10 an event in Charleston, South Carolina. We just came
11 back, actually with General Mills last week and we'll
12 be somewhere next week, presenting a Healthy BET to
13 that particular community.

14 Part of our program and our community event
15 is our women's health symposium and our forums. Our
16 healthy lifestyle camp, which I'll explain in just a
17 minute, our healthy life style academies, which I'm
18 pleased to share is an extension of the Media Smart
19 youth program, and various community events that we
20 involved ourselves in and are invited to.

21 We also tap into the rich programming network
22 and our various special events at the network. We
23 bring our program, a Healthy BET, to that particular
24 venue, where we know it's going to be high traffic. A
25 sampling includes our celebration of gospel, Rip the

1 Runway, which is a high energy fashion show, Spring
2 Bling, which is an alternative to the spring break, and
3 our famed BET Awards.

4 Another part of our program is our women's
5 health forum. We've expanded this to address the issue
6 of childhood obesity among adolescent girls. So our
7 program now will include a component to include
8 daughters.

9 The program averages about 800 per event, and
10 it starts out with a master fitness class. If you can
11 imagine seeing 800 women get up at six o'clock in the
12 morning exercising, it's a beautiful sight.

13 We now are so pleased to have, be able to
14 respond to their questions and their desire to
15 incorporate this program to include their daughters.
16 So we of course have health panels and experts and free
17 health screenings.

18 This is a free of charge event, so that we
19 can level the playing field and access to the
20 information needed within this particular community.

21 We also have a national fitness challenge
22 that we run every single year. The big culminating
23 experience here is to be able to walk the red carpet
24 with the new healthy lifestyle goals achieved, as we
25 have worked very closely with our various participants

1 in this program.

2 Our youth health empowerment is one of our
3 -- is our overarching initiative to address childhood
4 obesity. We're working with girls 10 all the way up to
5 18 in a variety of different initiatives, and I'll
6 quickly go through those as well.

7 In our last two initiatives, Worth More Than
8 Weight is the response to the community that says "We
9 want to hear about obesity, but we are very sensitive

10

1 the 4-H Centers across the country.

2 It's a obesity camp, if you will. It's a
3 seven day camp designed to actually teach girls how to
4 improve their health and to engage in dialogue about
5 their health issues and to be empowered.

6 Our young women's health forum again is the
7 component of the women's health forum that we're
8 expanding on, to address the 18 to 21 year olds. Our
9 Healthy Eating Active Lifestyle academies or HEAL is
10 our accredited after-school programs in which we are
11 going to do much of what you hear Jon describe in the
12 Media SMART program.

13 We've very excited, because we are in media,
14 affiliated with the media, where we can actually
15 produce that public service announcement and give a
16 commitment to airing it across the network on behalf of
17 that particular HEAL academy and program. So we're
18 very excited that the network has given us that
19 commitment.

20 Finally, we're bringing to Washington, D.C.,
21 and this is actually ages 10 to 18, a Youth Empowerment
22 Summit YES, we want to empower the girls to come to
23 Washington and share their stories, share their
24 learning and share their interest in helping to shape
25 policy over a two-day summit.

1 The summer camp for girls is really an
2 opportunity for parents to really recognize that they
3 must do something for their children. So we invite
4 parents to actually sign up their daughters, to
5 nominate them. We have an esteemed committee that
6 reviews all of the applications, and then we select the
7 girls.

8 I go to camp every year. I'll be in camp
9 August 4th through the 11th, and it's a wonderful
10 opportunity for the girls to actually really become
11 girls again, versus living in the bodies that
12 oftentimes people interpret as adults, and they're not.
13 They're young people who want to understand how to get
14 healthy, and how to live healthy and make the right
15 choices.

16 I won't go through our campaign component
17 since time is running out. But I do want to at least
18 make sure that you're aware of the camp component.
19 It's built on fitness and nutrition, self-awareness and
20 thinking positive.

21 This is an important component, because we
22 really help girls to identify why they're eating the
23 way they're eating, why are they feeling the way
24 they're feeling, and how to combat the issues that
25 children have to experience in terms of, you know, the

1 met earlier today from Sesame Street. We've worked
2 with animators who were a part of designing Shrek and
3 when I moved back to the States after living overseas,
4 I was immediately struck by what children were eating,
5 and also what they weren't eating.

6 In response, I assembled a team. Many of the
7 people that I had worked with in the past, Emmy award-
8 winning animators, producers, writers, musicians,
9 Internet game designers, and we worked together to try
10 to create a show on food and nutrition that would
11 appeal to children and parents both.

12 We developed the content for the series with
13 guidance from our experts, a board of advisors from
14 Harvard, Yale University, the Rudd Center for Food
15 Policy and Obesity, Columbia University. We designed
16 the series using cutting edge animation, and our award-
17 winning Internet team developed a fully interactive on-
18 line experience for children.

19 My experience at Sesame Street and as a mom
20 has taught me that humor is really one of the best ways
21 to go in getting children to do anything. We conducted
22 research and focus group testing with D.C. and
23 Massachusetts public schools, in collaboration with
24 researchers from the Rudd Center.

25 We sought children's perspectives on portion

(301) For The Record, Inc.

1 it so it tastes great. We also know that about 35
2 percent of the Food Network viewers are children under
3 11.

4 For all these reasons, we believe that
5 Finky's Kitchen will be a smashing success. Children
6 want it, parents want it and would be grateful to have
7 it. Sponsoring Finky's Kitchen will not only provide
8 corporations an opportunity to be part of a successful
9 TV series, but also demonstrate their commitment to

100.00 027ET1.001.000000 cm0.00 0.00 cd.1001p9ide

1 that children will identify with and want to return to
2 again and again. We've also developed outreach
3 materials, curriculum-based mini-videos with companion
4 lesson plans and teacher training guides on health and
5 nutrition subjects for use in schools and after-school
6 programs.

7 We've worked with NIH, with Jon and his
8 colleagues, as part of developing the program's
9 national video competition, so that we can have
10 children who are taking part in the Media SMART youth
11 campaign also contribute their videos to the series,
12 and then they're incorporated into the storyline of the
13 show so that kids can be part of that show, and then
14 also access that and interact with that on-line and
15 pass it to friends.

16 As a media company, we can see that much
17 excellent work has already been done by government and
18 public agencies to promote good nutrition, as well as
19 corporations, and in particular among the TV networks,
20 Disney.

21 What we see our goal as is using these well-
22 researched materials that have been created by the
23 people that we have seen today and all of you, as well
24 as the government materials from USDA, HHS. The
25 materials are there. Parents could access these

1 materials. They exist.

2 So what we see as our role is creating high
3 quality, entertaining, story-driven content that will
4 engage children and their parents in living healthy
5 lives. So we are building upon the materials that have
6 already been created.

7 Ultimately, children must choose for
8 themselves, choosing food that tastes good when they're
9 eating it, and that makes them feel good after they eat
10 it. What we have to do is to provide the opportunities
11 to help children discover what tastes good and feels
12 good.

13 Before showing the video clip, I want you to
14 know that you're the first public audience to view this
15 pilot. It was completed only a few weeks ago and aired
16 at an invitation-only event hosted by Senator Gramm and
17 Congressman Clyburn at the U.S. Senate. We're pleased
18 with the enthusiastic response we've had so far, and
19 we're happy to speak with anyone who's interested in
20 becoming a sponsor.

21 The pilot research and production was
22 supported by the Department of Education, Unilever -- a
23 representative is here today -- Samsung and others, and
24 produced in association with South Carolina Educational
25 Television.

1 We hope you'll agree that Finky's Kitchen has
2 a Great mission, and that the time is right for a
3 national nutrition series for children and parents. If
4 you could roll the video please?

5 (Video plays.)

6 MS. ROGOFF: I think that might be it. So we
7 feel that teaching children how to cook is part of this
8 process too, and that at this point, it's very
9 important to give parents and children a solution to
10 this, to provide them with an alternative for what
11 they're learning is not healthy.

12 So I hope -- we look forward to working with
13 all of you in developing this type of public-private
14 partnership, and thank you for giving us the
15 opportunity to speak today.

16 (Applause.)

17 MS. ENGLE: All right. Thanks to that panel.
18 Because we're running so late, we're not going to have
19 time for questions. So I'd like to move on now to the
20 next panel.

21 The next panel will be looking at two recent
22 studies examining food advertising to children on
23 television. We'll be hearing from Dr. Pauline
24 Ippolito, who is an Associate Director in the FTC's
25 Bureau of Economics.

1 Dr. Ippolito's research and policy work at
2 the FTC has included a wide variety of advertising and
3 marketing matters, including those pertaining to food
4 labeling and advertising.

5 After Dr. Ippolito, we'll hear from Dr. Dale
6 Kunkel, who is a Professor of Communication at the
7 University of Arizona. He's done extensive research on
8 children and media issues, and recently served on a
9 National Academy of Sciences Panel examining food
10 marketing to children and its relationship to childhood
11 obesity.

12 **PRESENTATIONS: NEW RESEARCH ON FOOD MARKETING**

13 DR. IPPOLITO: All right. Well, thank you
14 very much. Two years ago I was here, you were here.
15 We were just beginning at the time. We were just
16 beginning -- oh, the mike. We were just beginning what
17 was supposed to be a major comprehensive review of
18 children's exposure to television advertising.

19 I'm happy to report that a month ago, we
20 released a report based on that study, and it's
21 available outside if any of you haven't seen it. I can
22 assure you we've learned a great deal about children's
23 exposure to television advertising.

24 What I'd like to do today is just give you
25 some types of results that we have in the study.

1 There's lots more in the report, but to give you a
2 flavor of the kinds of information that are in the
3 study.

4 If you have others who are interested,
5 there's -- on the website, there's an e-mail address
6 that other people can get copies of the study.

7 Okay. So the data from the study is from the
8 Nielsen Company. It's very detailed data. We got
9 census, that is, every ad shown on television for four
10 weeks from sweeps months scattered across the year.

11 We were quite concerned that we covered the
12 whole year, including the holiday season, which is a
13 very different pattern of advertising. It's all ad
14 supported television that's monitored by Nielsen.

15 You should be aware that for children,
16 children get substantial exposure to non-ad supported
17 television. Almost 30 percent of what children see is
18 not ad-supported. So that's an important thing as you
19 look across studies.

20 When we talk about ads, we distinguish three
21 types of ads. Probably what you're all thinking of as
22 ads, what we call paid ads, that is, companies buy time
23 to advertise a product.

24 That's distinguished from public service
25 announcements, which you've seen today, and also

1 promotions. That is, the companies using some of their
2 own time to promote their own television programming.
3 That's an important part of the landscape today.

4 In our four-week sample, we had nearly a
5 million national ads and nearly five million local ads.
6 We took those four weeks of data, we waited
7 appropriately, we expanded so that we got national,
8 annual estimates.

9 Okay. For each ad in our data set, we had a
10 variety of information. The most important for our
11 purposes today are we had audience estimates of who was
12 watching the ad. I'm going to focus mostly on children
13 two to eleven today. The report has the breakouts for
14 younger and older children. I'll have a little bit of
15 information on teens and adults as well.

16 The other thing that we used in our
17 assessments is the product code data that comes with
18 the Nielsen data. In a couple of cases, we augmented
19 that because of important characteristics for certain
20 product categories.

21 So for instance, we independently got
22 nutrition data, so that we could separate highly
23 sugared cereals from other cereals, 100 percent juice
24 products from other juice products.

25 Okay. So how many ads did people see in

1 2004? For children, our estimate is that they saw
2 about 18,000 paid ads, 7,300 promos and PSAs, most of
3 which were promos. So that we had a total of over
4 25,000 ads per year.

5 Now I should note that that's considerably
6 less than the 40,000 ads per year you see quoted in the
7 press all the time. But other recent studies are
8 coming out with estimates that are quite consistent

1 minutes. I know these graphs are hard to read, so
2 don't even try. I just want you to see certain
3 patterns in the data. This is children's TV viewing
4 over the day. So it starts at six in the morning on
5 this graph and goes to midnight.

6 The red line is weekday viewing; the green
7 line is Saturday and the blue line is Sunday, if you
8 can see that. But the important thing is look at
9 cable. Cable doesn't have -- cable is relatively
10 uniform viewing over the day. The only thing that
11 stands out is the red line is a little bit lower during
12 school hours, because part of this group of children is
13 in school.

14 Now we have summer in here, and there are
15 school vacation days, so they're not always in school.
16 But otherwise, it's a pretty uniform distribution of
17 viewing over the day.

18 When you look at broadcast, it's a very
19

1 trying to understand some of the different estimates
2 you see in the literature, that are giving you very
3 different pictures of ad exposure. Part of the reason
4 is the sample of ad viewing that they chose.

5 If you simply monitor Saturday morning and
6 after school for children's programming, you're really
7 not going to get a comprehensive picture of what
8 children are seeing for these reasons. Okay.

9 This is I guess what most people are
10 interested in. This is TV ad exposure for children,
11 for select product categories. I have all of the major
12 food categories here. So every food ad appears in one
13 of the first eight bars, and then I have game, toy and
14 hobby, and then screen and audio entertainment.

15 Before I talk about these, I want to talk
16 about what's missing here. There are two categories
17 that are missing. One is promotions, so promos and
18 PSAs, and the reason they're missing is that promotions
19 and PSAs are 7,300 ads. So you know, the bar goes way
20 up into the second floor.

21 If you put them in the same graph, you
22 wouldn't have been able to see any of the variation in
23 these categories. So promotions and PSAs are missing,
24 and that's huge, and then all over non-food advertising
25 is 8,800 ads, which is also huge.

1 So in terms of any effect that you would have by
2 focusing on children's shows, it depends very much on
3 the category.

4 We were in setting out to do this study, our
5 focus was primarily food. But we also wanted to look
6 at what else was being advertised to children, with an
7 eye towards the activity side of the equation. The two
8 major categories advertised to children here are games,
9 toys and hobbies and screen and audio entertainment.

10 We looked carefully at the kinds of products
11 in the toy category. It's all sedentary entertainment,
12 with a few trivial exceptions. The other major
13 category that isn't here is promotions, which is
14 promotions for television programming.

15 So if you take those three major categories
16 of non-food products advertised to children, they're
17 all sedentary entertainment. So that's also a part of
18 the equation here. When you add those three categories
19 up, those three categories alone are more than twice as
20 many ads as all of the food ads put together.

21 Okay. So where this chart was designed to
22 show you where children's food ad exposure is coming
23 from, in terms of audience composition and size of
24 audience. So let me get you to focus on the right
25 three bars.

1 These are three bars giving the percent of
2 the total food ads coming from shows where children are
3 50 percent of the market, 50 percent of the audience,
4 okay. The right bar shows where children are 50
5 percent of the audience and more than three percent of
6 all children in America are watching the show.

7 So these are the high children's share big
8 audience shows. The middle bar is where children are -
9 - where the audience has one to three percent of all
10 children in America, and then the left bar is the small
11 children audience shows.

12 Okay. So these are the big shows where
13 children dominant the audience. The biggest thing to
14 notice here is that the bars are green. Cable owns
15 this category. This little blue on the top of the two
16 right bars, that's broadcast's share. But this ad
17 exposure is coming strictly from cable.

18 If I can get you to focus at the other end of
19 the chart, these are the shows where children are less
20 than 20 percent of the audience. So these are the
21 general audience shows. Here, we're getting quite a
22 bit of exposure. This is where kids are getting a lot
23 of their food advertising.

24 Broadcast is playing a much bigger role here,
25 but cable is still important. The shows where our

1 small audience shows, that is less than one percent of
2 America's children are watching the shows, but there's
3 a lot of these shows.

4 So you know, children are getting a lot of
5 food ad exposure here. This is prime time mostly, or
6 this is where a lot of the prime time viewing is coming
7 from, which you saw was the major component of
8 children's viewing.

9 There really isn't much in between. So
10 children are getting their food ad exposure from the
11 kids shows on cable, and from the general audience
12 shows, especially the small size audience shows. Okay.

13 Well, we were concerned also when we started
14 this project, many people were arguing that the
15 quantity of advertising that children were seeing had
16 really exploded, and that was an important reason that
17 children were getting heavier.

18 So we had data from the 1977 rulemaking that
19 the FTC had initiated. We dug out those old studies.
20 All of our allergies went crazy. We dug them out. We
21 digested them. It turns out they were useful; they did
22 provide a baseline for us. So we designed our current
23 study in part so that we could compare to the old data.

24 We used three major studies from that effort.
25 The first was the Adler study, which was the National

1 Science Foundation review of what was known about
2 children's advertising at the time; the Beales study,
3 which was a study of spot ad exposure on all shows and
4 then on programs with 20 percent, 30 percent and 50
5 percent child shares.

6 Then the Abel study, which was children's ad
7 exposure from national ads, on programs with 20
8 percent, 30 percent and 50 percent child share.
9 Unfortunately, the Abel study didn't do all shows.

10 So we had to use the Adler study, which gave
11 us the total and other information from the period to
12 estimate the breakout of food and non-food ads. Those
13 details are all in the report.

14 So these are our best estimates, we think a
15 pretty conservative estimate for the 1977 data where we
16 had to fill in, which suggests to us that food ads have
17 dropped. Children's exposure to food ads has fallen
18 somewhat in the 30 years since 1977.

19 Paid non-food ads has also dropped.
20 Promotions has exploded. We get more than twice as
21 many exposures to promotions today than we did back
22 then. If you -- those of you who are old like me, if
23 you think back to 1977, it was a very simple world back
24 then.

25 We had three networks, there was one PSA

1 station, one public station in most markets. Cable was
2 in its infancy. It was a very simple market. You
3 didn't have a lot of competition. You didn't have to
4 try to generate that audience. So this isn't a
5 surprise.

6 But the growth in overall ad exposure is
7 primarily coming from the growth in promotions. If you
8 are nervous about our estimates, this is one picture of
9 the underlying data, where we're not filling anything
10 in. It's just the raw data, expressed in terms of the
11 percentage of ads of a given type that were for foods.

12 So if you look at network ads, these are the
13 ads coming directly from the network in 1977 in the
14 Abel study, and you look at children's shows, which are
15 the brown bars here, you can see that food was very
16 important back then in the national advertising.

17 More than 60 percent of all the exposure that
18 children got were for food ads on children's shows.
19 Today, on the comparable network ads, it's down to 32
20 percent or something like that. Then you can see for
21 20 percent shows, that is, all shows where children
22 were at least 20 percent of the audience, both dropped,
23 but the ratio remains about the same.

24 If you look at non-network ads, which are the
25 spot ads, the differences are the same, though not as

1 large. So there's clearly been a reduction in food's
2 dominance in children's programming, children's
3 exposure, I'm sorry.

4 So among our conclusions are that children's
5 exposures to food ads on television has declined
6 modestly since '77. Children are seeing fewer paid
7 ads, but more ads overall because of the increased
8 promotions. Children see twice as many ads for
9 sedentary pursuits as for foods in 2004.

10 A greater proportion of children's ad
11 exposure is from children's programming today compared
12 to 1977. Children's food ad exposure is
13 disproportionately from cable in 2004, and then
14 children's ad exposure is not highly concentrated by
15 time of day or day of the week in 2004. Thanks.

16 (Applause.)

17 DR. KUNKEL: I don't see my cursor. Oh,
18 there it is. It's not surprising that I wouldn't be
19 able to work this. It's not a MacIntosh. I'm in
20 shock.

21 Let's see. If Chairwoman Majoras is right
22 that battling this issue is a marathon or a triathlon,
23 then the point of my presentation today is to give you
24 a report on the race on the 10K mark. What I'm going
25 to do, with the help of several colleagues, one of whom

1 is here, Christopher McKinley, who's a Ph.D. student
2 from the University of Arizona, is a co-author on this
3 paper.

4 We're looking at the advertising environment
5 on children's television programs, which we think is
6 important. Dr. Ippolito's made a number of important
7 points about the diverse nature of children's exposure
8 to food ads on TV.

9 But with that said, if you are going to take
10 industry initiatives, policy or regulatory initiatives,
11 you would focus first on the environment where children
12 are most dense or most concentrated, and that would be
13 programs targeted at children.

14 So that's what we're looking at. What we're
15 doing in this study is at one level we're going to
16 provide some descriptive data, just in terms of the
17 volume of food advertising.

18 We're going to compare 2005, the point in
19 time that is just before the Institute of Medicine
20 released its report on food marketing to children, and
21 as part of that report, a key recommendation, which I
22 know a lot of the policy debate is focused on, a key
23 recommendation was that within two years of the release
24 of that report, there should be at least a balance
25 between healthy foods advertised to children and less

1 details of that. It's our best effort to be
2 representative without getting a million dollar grant
3 from the Kaiser Foundation. Sorry Vickie.

4 But I mean it's not of the caliber of the
5 Kaiser study that you saw released recently. But I
6 think the size of the data set that we have here is
7 pretty solid, appropriate to make some stable
8 estimates.

9 So what we're doing is we're examining
10 product type, the appeals that are used. You probably
11 know that to sell hamburgers and other foods at
12 McDonald's, they don't tell you a lot about the
13 products.

14 They tell you about Ronald McDonald and they
15 say it's fun and happiness, so fun and happiness might
16 be described as the dominant theme, although it's not
17 the data I'm going to go into today here though.

18 Because the focus that I want to share with
19 you today is on this last point on this slide, that we
20 evaluated the products for their nutritional quality,
21 and this is what I told Dr. McGrath he would enjoy. We
22 used a basic consumer-friendly nutritional category
23 scheme that comes from the We Can program devised by
24 the Department of Health and Human Services, and I'll
25 go over that with you very quickly.

1 There are three different food categories
2 that are explained to parents, to help them choose
3 nutritional foods for their family. One is called Go
4 Foods. These are foods that are good for you. You eat
5 them any time. They're rich in nutrients and low in
6 calories.

7 Some examples would include fruits,
8 vegetables, reduced fat milk. As far as getting a
9 little more pragmatic for the advertising industry
10 that's promoting snacks to kids, it would include baked
11 chips, lowfat yogurt, frozen fruit juice bars, fig bars
12 or ginger snaps without added sugar. So there are
13 products that are mass marketed that could be in this
14 category.

15 Then there's a slow category. These are
16 foods that you should eat sometimes, but according to
17 the HHS at most several times a week. They have
18 increased levels of fat, salt and sugar over the Go
19 Foods. Examples of that would be pancakes, waffles,
20 peanut butter, lowfat products that's a little better
21 for you than the high fat version that you might buy.

22 Then finally you have the Whoa category.
23 Whoa products, it's a category that you should only eat
24 once in a while or on special occasions. Somebody
25 mentioned a birthday cake. I think that was Jim

1 food ads in the last two years.

2 There's no question that that looks like a
3 significant decrease. We'll talk in just a moment what
4 it means. But that's all food advertising. Not
5 necessarily good foods or bad foods, but all food
6 advertising is down.

7 That's consistent with what we heard from
8 Kraft earlier today. Kraft said their ad expenditures
9 for TV marketing are down. They're looking towards
10 other media, and there may be some other factors going
11 into play there. I can't say.

12 But in context, there's a slight reduction in
13 the ad time on broadcast television during children.
14 Some people have worried that if food ads are pressured
15 out of the market, that that could lead to reduction in
16 the support for kids programming. There could be a
17 very slight indication of that on broadcast.

18 But I'd caution you, the broadcast data, the
19 N is very small. As everyone is aware, there's a very
20 limited amount of children's programming on broadcast
21 television. The much bigger picture for children's
22 programming comes from cable.

23 Now on cable, you'll see that the patterns
24 I've identified with broadcast are pretty much the
25 same, not quite as marked. That is to say, that there

1 is still a statistically significant reduction in the
2 number of food ads and the amount of time devoted to
3 food ads between '05 and '07 on cable. It's just not
4 as large a decrease as on broadcasting.

5 Here on cable, you should also note that
6 there is a stable ad environment. That is, if you look
7 at the number of minutes per hour devoted to all ads at
8 the very bottom of that column, you'll see that it's a
9 marginal difference. That's essentially a flat line.

10 So as some of the food ads have been, what
11 would you say, migrating away from cable, they're not
12 migrating; there are just fewer food ads on cable, then
13 it seems like they're being filled in by others.

14 What's the overall picture? The overall
15 picture is that there is a reduction in the number of
16 food ads that's shown on television today, as compared
17 to '05. It's gone from 10.9 to 8.5. That's an average
18 per hour. Of course, you're going to see a
19 corresponding decrease in the amount of time devoted to
20 food ads, and that's the top line at the bottom half of
21 the table.

22 Overall, the number of minutes per hour
23 devoted to ads, that's the very bottom entry in that
24 column, is pretty stable. The reduction that you see
25 is a function of broadcasting.

1 All that does is set the foundation for
2 measuring the nutritional quality of the food that's
3 marketed to children. So here what we're going to do
4 is look at three different graphs that show, with the
5 bar on the left in the light blue representing the '05
6 data; the bar in the pink or purple on the right side
7 of each pair showing the '07 data.

8 What you can see, if we just start with the
9 '05 data on broadcast television, Whoa foods
10 predominant. That isn't news to us. I didn't need to
11 do the study in 2005 to document this. This was well-
12 established from previous research when we did the IOM
13 report. So it's a pretty non-surprising or
14 uninteresting finding.

15 I think the more interesting finding is how
16 did things look at year after the IOM report. How do
17 things look a year into the point in time where the
18 industry is making efforts to alter the nutritional
19 profile of the foods marketed to children.

20 The answer is they don't look a lot
21 different. If the goal line in the near term is the 50
22 percentile mark, yes, 76 is closer to 50 than 82, but
23 we've still got quite a ways to go. Then you can see
24 similarly that slow and go, go the really healthy
25 foods, are pretty scant on broadcast television.

1 Premiums, whether it's a premium as a toy
2 with a Happy Meal or a toy in a cereal or something
3 like that, but the use of premiums to market foods to
4 children, you can see that it's used more frequently
5 with non-nutritious foods, the Whoa foods than it is
6 with healthy foods.

7 You can see that same pattern with licensed
8 characters. There's probably a little less policy
9 concern on physical activity today than there might
10 have been yesterday. I think a lot of people were
11 worried that the industry initiative would use physical
12 activity in lieu of a commitment to market healthier
13 foods to kids. So we wanted to look at that.

14 If you're talking about selling foods to kids
15 and telling them it's just like fruit, it tastes like
16 fruit, again, you can see that's done more commonly
17 with unhealthy rather than with the healthier category
18 of foods.

19 One of the biggest changes that we've seen is
20 that website promos in ads on TV, where you're
21 throwing, the advertiser is throwing the child audience
22 to the web as a function of the TV ad, that's up. It
23 was only 20 percent two years ago, and now at the
24 bottom of that middle column it's nearly half of all
25 ads.

1 nutritional perspective, is still going to call it a
2 non-nutritious product.

3 So I think we're going to need to continue to
4 analyze the data and to monitor how things are moving
5 with this initiative. As I said, I'm very heartened by
6 what I've heard today, and I think it's a big step in
7 the right direction by the industry.

8 I think it's going to take some time and some
9 careful scrutiny of the nutritional criteria to
10 determine whether or not it's going to get us to the
11 step that the IOM recommended, of having at least a
12 balance between healthy and unhealthy food to children.
13 Thanks very much.

14 MS. ENGLE: We have time now for just a
15 couple of questions. So if anybody has a question
16 raise their hand, and the microphone will be passed to
17 them.

18 **QUESTIONS FROM THE AUDIENCE**

19 FEMALE PARTICIPANT: Hi. I'm sorry to go
20 backwards in time, but we weren't allowed questions
21 earlier. Is Chris Wilson still here from Health and
22 Human Services. Heidi Arthur, you're here, right?
23

1 guidelines. So you can't put --

2 FEMALE PARTICIPANT: So any organization can
3 join if they've got the money to pay, and the products
4 are irrelevant?

5 MS. ARTHUR: But I just want to clarify.
6 This is not give us money and join the coalition.
7 There's no funding requirements on the part of the
8 participants.

9 We have a grant from the Robert Wood Johnson
10 Foundation to conduct all of the research that goes
11 into developing messages that are proven to affect the
12 attitudes and behaviors of parents and children, as
13 well as to track whether or not the way they're being
14 used are going to have an ultimate impact on attitudes
15 and behaviors.

16 So there's no funding requirements, and any
17 time the message is used and counted towards a
18 coalition initiative, it follows our nutritional
19 guidelines.

20 FEMALE PARTICIPANT: Well undoubtedly, it's -
21 -

22 MS. ENGLE: Excuse me, I'm sorry. We need to
23 move along now. If there's anybody else who has a
24 question for Drs. Kunkel or Ippolito, could you raise
25 your hand? Otherwise, we'll go to a break, because we

1 The industry has continued to act on those
2 recommendations that came out of the 2005 hearing.

3 But as Chairwoman Majoras has noted, the
4 obesity issue, like any other challenge, quote
5 "Requires continued effort and vigilance." As was
6 suggested in the 2005 workshop report, the National
7 Advertiser Review Council conducted an extensive review
8 of the children's advertising review unit, and made a
9 number of important changes to its children's marketing
10 guidelines.

11

1 comprising over two-thirds of the children's food and
2 beverage television advertising expenditures.

3 We learned this morning that 11 companies
4 have joined that initiative, and they have agreed to
5 devote at least half their advertising to children, to
6 promote better nutrition and healthy lifestyles. They
7 will limit adver gaming and they will not advertise food
8 or beverages in elementary schools.

9 In fact, they've gone well beyond that now,
10 as announced, that 100 percent of their advertising
11 directed at children will be for Better For You
12 products. So I think there have been significant
13 contributions along that line.

14 In addition, you heard the Ad Council, which
15 has become a major player in educating children and
16 their parents and care givers. This healthy lifestyle
17 campaign, launched in 2004 with HHS, has achieved
18 impressive results, and the Ad Council's Coalition for
19 Healthy Children, initiated in 2005, is providing
20 research and targeted messages to combat childhood
21 obesity.

22 In short, I believe the industry has
23 responded positively and aggressively to the FTC's
24 challenge to improve its self-regulatory response.

25 Now certainly there are critics of this self-

1 regulation, and there should be and there always will
2 be. There are those who do not yet believe that
3 business can be trusted to police itself. But it is
4 the FTC public policy, endorsed 25 years ago and
5 reaffirmed in 2005, that we have been implemented.

6 I believe the industry continues to
7 enthusiastically support this policy, and in fact will
8 continue to do so in the future.

1 Second, there will be competition in the
2 marketplace, to really want to be like Disney. Third,
3 there will be a great deal of concern from parents and
4 care givers that will continue to be in this area to
5 regulate this area. So you'll see media come along
6 too.

7 Final point. It is the Federal Trade
8 Commission that is the federal body in charge of
9 setting public policy in regard to children's
10 advertising. This institution has decades of
11 experience with advertising regulation; a sophisticated
12 understanding of how advertising can work to respond to
13 the concerns of consumers; improved products and ensure
14 consumers' greater choice in the marketplace.

15 In 2005, the agency challenged us to do
16 better. I feel that we have done so and I really ask
17 for the FTC to retain oversight in this area. Thank
18 you.

19 MS. HARRINGTON: Thank you, Wally.

1 the past five years, that innovation has resulted in
2 over 10,000 new or reformulated products with
3 nutritional improvements.

4 In addition, the industry has taken up the
5 challenge to promote healthy choices, through a unique
6 partnership with retailers called "Take a Peek," that
7 brings the U.S. dietary guidelines and My Pyramid into
8 supermarkets across the nation.

9 Finally, we are frequently asked to provide
10 data about trends in marketing and advertising, and
11 trends in the marketplace, and I'm going to provide
12 some highlights of a recent study that we and the
13 Association of National Advertisers commissioned on
14 food and beverage TV advertising trends.

15 So first, through our survey, we've seen some
16 major changes over the past five years, as virtually
17 every company is providing enhanced nutritional
18 choices. These reductions, we've seen reductions in
19 saturated fats, trans-fats, reduction in calories,
20 reduction in sugar, sugar and carbs, increased vitamin
21 and mineral fortification and sodium reduction across
22 the board.

23 In addition, 55 percent of our respondents
24 have created new sizes of packaging for kids or are in
25 the process of doing so.

1 You saw some great examples of how companies
2 are promoting nutrition and health, but this is a
3 phenomenon that is going -- is happening across the
4 industry. Ninety-six percent of respondents are
5 marketing improved products. Ninety percent are
6 conducting healthy lifestyle promotions.

7 Seventy-seven percent are conducting customer
8 health promotions in communities. Eighty-nine percent
9 of companies are supporting national or local
10 initiatives, managing over \$40 million a year in
11 nutrition and health-related activities and grants to
12 communities, representing over 30 percent of the
13 charitable contributions for the industry.

14 As I mentioned, Take a Peek is a landmark
15 effort to move the federal government's dietary advice,
16 from My Pyramid from the Internet to the grocery aisle,
17 where consumers are making choices. It's an in-store
18 promotion program that since its January launch has
19 resulted in 2,300 items featured in 5,000 stores across
20 the nation.

21 Only products that meet specific nutrition
22 criteria and provide a meaningful contribution towards
23 My Pyramid goals are featured.

24 Retailers are signing up for multiple
25 promotions based on success, including record coupon

For The Record, Inc.

(30871600.000000004B427f64000.000.00008207fyB.(2088.000m0T00

(

1 Burger King, ConAgra, Nestle and Chuck E
2 Cheese are noticeably absent, given the amount of
3 marketing that they're doing to kids. I think I
4 noticed our litigation team jotting down their names.
5 While we heard which companies were participating and
6 which weren't.

7 Also I think missing are the entertainment
8 companies, and I know the initiative was designed
9 mostly for food companies. But there's no reason why
10 it couldn't be expanded to include entertainment
11 companies. We've been impressed with what Disney and
12 Sesame Workshop has done and the nutrition standard
13 that they put into place for their licensed characters,
14 and very pleased to see what Disney has been doing in
15 their theme parks.

16 I know as a mom, there's a noticeable
17 difference in being at Disney theme parks, how many
18 healthy options are there, how attractively they're
19 packaged, and how affordable they are.

20 Nickelodeon and the Cartoon Network are miles
21 behind the pack. Entertainment companies have as much
22 responsibility for responsible food marketing to kids
23 as the food companies do.

24 That may be even more, since they're the ones
25 that are actually airing these ads. So Nick and the

1 a way that is assured and enforceable. They need to
2 move beyond voluntary guidelines and actively support
3 Senator Harkin's bill to set national nutrition
4 standards for all foods sold in schools.

5 Companies also should follow Kellogg and
6 General Mills' lead and apply their nutrition standards
7 to on-package marketing. Limiting the use of licensed
8 characters in ads is a good start, but it should also
9 apply to on-package.

10

1 would include not allowing foods that provide a
2 functional benefit like sports drinks to be marketed to
3 kids. Coke and Pepsi should stop pushing so hard to
4 keep sports drinks in schools, and Pepsi should agree
5 not to advertise Gatorade on television.

6 So I think as a country, we've made some
7 really good progress over the least three years. I
8 think today is a day to celebrate. But we'll be
9 watching to see if more food and entertainment
10 companies come on board, and also to see how CBBB, the
11 CBBB participating companies fulfill their commitments.
12 Thank you.

13 (Applause.)

14 MS. HARRINGTON: 0.00 rg

1 three points basically, and I agree with Margo. I
2 think this is an important moment here. I see some
3 very significant progress today.

4 I do want to remind everyone, however, that
5 these announcements are coming at a time of
6 unprecedented intense legal and political pressure,
7 brought by health advocates, regulatory agencies and
8 Congressional members from both parties, including
9 pressure through threatened lawsuits from some of my
10 colleagues here.

11 As we've seen in the past, for self-
12 regulation to work the most effectively, it really
13 needs to be backed up by government laws and
14 regulations enacted in order to enforce these
15 guidelines, particularly if we're going to establish a
16 level playing field for, of course, the companies and
17 for all consumers, and to establish uniform standards
18 as opposed to the kind of mix of complicated differing
19 standards that we've seen today.

20 I think one good model is the Children's On-
21 line Privacy Protection Act, where the Federal Trade
22 Commission went to Congress to get the authority in
23 order to create a rule, a set of rules that would apply
24 to all of the industry.

25 I also want to remind everyone that times

1 line. Making branded profiles for various food
2 products on My Space and other social networks.

3 Then in the newest frontier, using avatars
4 for advertising in Second Life and other three-
5 dimensional virtual environments. That's just a very,
6 very quick fast run-through. I urge you to go to
7 Digitalads.org to see the rest of our report, and we
8 will continue to follow these trends and these
9 practices.

10 Also, we have urged the Federal Trade
11 Commission, in its investigation of food marketing, to
12 look at the full range of these techniques as it
13 investigates marketing practices.

14 Finally, industry guidelines must protect all
15 children, not just the youngest children. Adolescents
16 have to be included. I'm a mother of a teenager
17 myself, and I can tell you that these young people are
18 also very much influenced by marketing, and they are
19 very much at risk for obesity as well.

20 They don't just automatically become immune
21 to marketing when they turn 12. I don't even know why
22 we picked that age. But we've got to look at
23 teenagers. Teens spend their own money on food. They
24 make more of their own food choices independently of
25 their parents. They do more of their food consumption

1 outside of the home. They frequent fast food
2 restaurants.

3 As our research has documented, food
4 marketers can now target teens through a variety of new
5 digital venues, completely bypass, completely under the
6 radar of parental oversight.

7 In anticipation of this meeting, I went on-
8 line to the Wendy's Frostyfloat.com website and entered
9 and said I was 14. Now I'm getting e-mails reminding
10 me to please come back and by a Frost Float so I can
11 enter the contest and win an Nintendo Wii game console.
12 I don't have a slide for that, but nonetheless, you
13 might try it.

14 Anyway, I think this raises important privacy
15 issues, and it also raises a lot of other serious
16 issues. How are we going to create a healthy media
17 environment for young people, and I hope you'll
18 consider some of these issues. Thank you.

19 (Applause.)

20 MS. HARRINGTON: Thank you, Kathryn. That's
21 an A. That's an A.

22 DR. WARREN: Golly, I didn't dress for a
23 track meet, so --

24 (Laughter.)

25 DR. WARREN: I'm Ron Warren of the University

1 of Arkansas. I just want to start by thanking the FTC
2 for inviting us today. We've already heard about some
3 of the initiatives announced as early as 2005, and most
4 recently the NRC's initiatives.

5 What I wanted to do is just explain a little
6 bit about studies that we did on advertising content at
7 our university, and really set them in sort of a time
8 line. These data are from -- are just past the first
9 wave of initiatives. We analyzed over 7,000 food and
10 beverage advertisements in daytime and prime
11 programming, and did that over two time periods, from
12 November 2004 to February 2005, and then again from
13 January to May of 2006.

14 In the interest of staying within my five
15 minutes and trying for my A, I'll just summarize very
16 quickly. We analyzed product types, types of
17 persuasive appeals used in the ads, and the use of
18 production techniques that in the literature on
19 children and media have shown to sort of both heighten
20 children's attention to comprehension of and recall of
21 television messages, but also potentially distract them
22 from other elements of the message.

23 So things like animation, special visual
24 effects, sound effects, musical jingles, that may
25 distract a child from pertinent product information

1 that an advertiser's trying to communicate. Basically
2 what we found is very little change in the two years of
3 our sample, and the types of products that were
4 advertised, the kinds of appeals that were used to
5 advertise those products.

6 So while I'll certainly provide copies of
7 that research to those who were interested, several
8 people in the room have already read it. One thing I
9 want to underscore from that research is that our
10 concern is that it creates an environment where
11 emotional appeals about food products, the use of these

12

1 When you look at only child-rated programs,
2 of course, we found that dairy products have now
3 entered the list of most frequently advertised
4 products. That hasn't been true in decades past.

5 Now the last thing I sort of want to do is
6 just introduce a few questions, and maybe we'll have
7 time to discuss these or maybe not. But some of the
8 potential gaps in self-regulatory efforts, as we see
9 them, is this question we've heard sort of touched on
10 once or twice a day about do we monitor only children's
11 programming, or do we monitor shows that all kids
12 watch?

13 A sizeable number of children watch prime
14 time programming. Some of the most popular programs on
15 TV are prime time programs for kids.

16 Secondly, is it enough to enforce product
17 restrictions or change the product mix that we're
18 advertising to children, which is an excellent and
19 laudable step. But at the time same, can we use the
20 same techniques that we've seen effectively market junk
21 food to children, can we see them used to change kids'
22 attitudes about food?

23 Have we been linking the consumption of food
24 in children's minds to feeling better, and if so, we
25 can turn that around and now tie nutritional

1 information into that same sort of an appeal?

2 So three things that I just want to sort of
3 underscore here for our discussion. First, we think
4 it's absolutely crucial to keep monitoring the
5 industry's efforts to self-regulate food advertising,
6 and I would add that independent evaluation of that
7 will be an important component.

8 That effort to change the kind of content
9 that children will see when they see persuasive
10 messages about food consumption will be important to
11 communicating that information, to helping kids develop
12 better attitudes about food, and doing that within the
13 network of very complicated social circles that kids
14 live in on a day to day basis. That's something we
15 haven't heard too much about today.

16 Children live in cultures that are their own,
17 and while marketing is very effective at reaching those
18 kinds of peer cultures for kids, we need to think of
19 ways that we can also reach those kinds of peer
20 cultures with these kinds of messages.

21

1 to provide healthier food options and to use their
2 marketing creativity to help parents and children make
3 better choices.

4 But -- there's always but, and this is key.
5 While some companies have been leading the charge and
6 have come up with bold initiatives, there are others
7 that are still sitting on the sidelines. We need more
8 companies to join this fight and to show real
9 leadership.

10 Senator Harkin encourages more food and
11 beverage companies, quick service restaurants,
12 employers in the media industry to get involved with
13 this initiative, and to make some more innovative
14 pledges.

15 Senator Harkin and Senator Sam Brownback from
16 Kansas have been participating in a complementary
17 initiative over the last several months, the FCC Task
18 Force on Media and Obesity.

19 They hope that these efforts today will lead
20 to media companies stepping up, making commitments to
21 using their marketing creativity to address kids'
22 eating habits, and to also help our children make
23 healthful food choices.

24 In sum, Senator Harkin commends the food and
25 beverage industries for the important and in many cases

1 bold steps that have been taken today. But he will, as
2 always, continue to follow closely the implementation
3 of these pledges, and the enforcement. Thank you.

4 (Applause.)

5 **QUESTIONS FROM THE AUDIENCE**

6 MS. HARRINGTON: Thank you, Jenelle. All
7 right. Now the fun begins, for our panel and for you
8 in the audience. I think we'll have some good
9 interaction on these questions.

10 The first two questions, and if we can have
11 the first one just a popcorn response right down the
12 line. The title of this panel is "Scoring the
13 Progress," scoring the progress that we've made to date
14 on meeting the recommendations from the 2005 workshop.

15 So scoring with letter grades, starting with
16 you, Wally, how do you score the progress?

17 MR. SNYDER: Well, I'm certainly -- you gave
18 me a C plus in my speaking, but I certainly am going to
19 give --

20 MS. HARRINGTON: Your content was excellent.

21 MR. SNYDER: I'm going to go higher than
22 that. I'm certainly going to say it's a B plus,
23 because CARU has been worked over. We also have the
24 initiative and who would have thought we would move
25 this quickly on the initiative with 11 companies. It's

1 really great to get this positive response from
2 consumers groups across the board.

3 So yes, there's more to be done, especially
4 bringing more companies in, more media companies in
5 particular. But it's certainly a B plus and I think
6 it's going up.

7 MS. HARRINGTON: Okay. Let's go to a tougher
8 grader. Kathryn?

9 DR. MONTGOMERY: Well, I'm concerned about
10 grade inflation.

11 (Laughter.)

12 DR. MONTGOMERY: I'd probably say C plus.

13 MS. HARRINGTON: Okay. Mary?

14 MS. SOPHOS: Well, I think if you look at the
15 challenges that we've been addressing, and particularly
16 those that were laid about the FTC and IOM, I think
17 we've made -- we ought to be judged at least a B plus,
18 because I think we've hit almost every single area that
19 we've been asked to address.

20 MS. HARRINGTON: Ron?

21 DR. WARREN: As an academic, I tell my
22 students I never grade first drafts. So in our study,
23 we noted some small steps of progress. But I think I'm
24 encouraged by a lot of what I hear today. So there's
25 excellent promise in the revision.

1 MS. HARRINGTON: Wow, okay. Margo?

2 DR. WOOTAN: I'm going to dodge too, and I'm
3 going to say wait for our grades, because they'll be
4 coming out soon.

1 DR. MONTGOMERY: Can I say something, being a
2 professor too. This is a kind of a group project, you
3 know. So like you all get the grade in a way. I mean
4 if you look at it from the consumer point of view, it's
5 a whole -- we have to look at the whole industry.

6 Yes, the people in this group who have done
7 well would get A's, but we have to give them a group
8 grade. So you know, they've got to get their
9 classmates to come up to speed.

10 MS. SOPHOS: Well, if we do that, we need to
11 reflect that we're talking about two-thirds of the
12 advertising to kids that's in the universe. So it's
13 not simply, you know. We've gotten over half, well
14 over half of the folks involved. So I think you need
15 to factor that in.

16 MS. HARRINGTON: There's a school that I'm a
17 big fan of that gives two grades, an achievement grade
18 and an effort grade. None of the students in the class
19 can get an A if their classmates are failing. I think
20 that's your point.

21 All right. Anyone else in the audience have
22 a comment on scoring the progress to date before we
23 come back to the gaps? Yes.

24 MS. RUBIN: (Not on microphone) My name is
25 Ms. Rubin, and I have to say I'm a hard grader, because

1 my bottom line is my three daughters.

2 MS. HARRINGTON: So what's your grade?

3 MS. RUBIN: My grade is a D, okay. Twenty-
4 five years ago, the FTC possibly could have prevented
5 some of the problem we're dealing with now if it had
6 been a little harder on marketing directly to kids.

7 When my kids watch junk food ads on TV, you
8 undermine my parental authority, and you make my life a
9 lot harder in the market. So I'm going to turn off the
10 TV and I'm going to try to keep my kids away from more
11 and more screens.

12 MS. HARRINGTON: Okay. You know, the
13 interests change over the years. Twenty-five years

1 companies, and I think bringing the whole entertainment
2 industry under this.

3 The other is I think we need industry-wide
4 nutrition standards. I can't even keep track of all
5 the different standards. I'm constantly e-mailing
6 different companies about "I saw this ad for this
7 particular cereal. I thought it didn't meet your
8 standards," and then, you know, them getting back to
9 me. Here I am following this as a professional, you
10 know, not only as a mom.

11 It's very confusing. I think we need
12 consistent standards. We need to get rid of loopholes
13 like 25 percent reduced fat, sodium and sugars. The
14 foods need to meet the standards, in a straightforward
15

1 sugary beverages in schools. Then on schools overall,
2 I think it has to include middle and high schools,
3 because of that's where the problem is. It's not
4 enough to just address the sale of low nutrition foods
5 or the marketing of low nutrition foods in elementary
6 schools. It needs to be in middle schools and high
7 schools as well.

8 MS. HARRINGTON: Okay, Wally?

1 MR. SNYDER: I think the gaps that really can
2 be addressed are not all the companies are in. But
3 when Margo says it, I think that's very positive,
4 because that can be addressed. I think more and more
5 companies will come into this quickly as we move
6

1 underscore what Margo said a few minutes ago.

2 I would also again just sort of underscore
3 the fact that it is absolutely excellent and laudable
4 that we have self-regulation on programming that's
5 directed at children.

6 I want to underscore the fact that that's not
7 all the programming that children watch even on
8 television, and television is certainly not the only
9 medium that children use. So that's a gap I sort of
10 want to underscore too.

11 One point that I guess I didn't mention in my
12 effort to stay under the five minutes there was that
13 speaking from a research perspective, the literature is
14 not exactly voluminous yet on what's happening with
15 marketing messages when they reach the home, and what
16 parents and children are doing together to sort of
17 negotiate marketing's influence on their diet and
18 what's in their cupboard. So that's a gap I would
19 certainly underscore as well.

20 MS. HARRINGTON: Mary?

21 MS. SOPHOS: Well, I don't know if this is a
22 gap or just an opportunity that we should seize, and
23 that is I go back to what I think Chris Shea was
24 talking about, and that is that there is a unique
25 opportunity for the media and food and public sector to

1 talk a little bit more to the consumer about calories
2 and about energy balance.

3 They need a context for understanding how to
4 manage their diet, and they do not understand calories.
5 They don't understand the concept. I think that this
6 is an opportunity. If you're talking about people in
7 media and entertainment and food and everywhere else
8 stepping up and doing something that's useful, I think
9 that would be a tremendous opportunity.

10 MS. HARRINGTON: Kathryn?

11 DR. MONTGOMERY: Yeah. I've laid out some of
12 mine already. I think there are several key gaps here.
13 First of all, I agree with Margo and others that, as I
14 said, that the standards are very confusing. They're
15 not uniform and I was worried that maybe I have to take
16 a test on it to see who -- which companies had which
17 standards. It's very, very complicated.

18 I think that could be made much simpler and
19 easier to understand, and I would hope that the
20 industry would work toward that and that government
21 could play a role there. I just want to underscore
22 what I said earlier about the nature of the digital
23 media culture. Television is not part of this new
24 culture.

25 It's not something different from it. It's

1 not as if the Internet is something separate. We
2 really have to make sure that we're not just developing
3 guidelines that apply to television. There are some
4 that apply to the Internet, but definitely not enough.
5 I mean some of the advergame requirements, for example,
6 for companies sites, that's very limited.

7 It has gone way beyond that and it's going
8 much, much faster than any of the changes we're seeing
9 industry make, and I think they need to step up to the
10 plate there, and I think the FTC needs to play a strong
11 role and I hope they will.

12 MS. HARRINGTON: Okay.

13 MS. SOPHOS: If I could just add one point --

14 MS. HARRINGTON: Sure.

15 MS. SOPHOS: Or a caution really on the one
16 nutritional standard. I think part of the flexibility
17 that is in place in this is it's actually designed to
18 create the largest possible impact. We're talking
19 about small differences, but to the consumer, the net
20 result is a whole range of improved foods.

21 I think what you've seen is by the data that
22 I laid out, we've seen tremendous innovation and
23 product reformulation driven by competition. If
24 everybody's conforming to a single standard, I'm not
25 sure you would get the broad impact and the variety of

1 engagement from products across the board in terms of
2 this overall improvement.

3 I think that's just a caution, as you look at
4 this, because we should be looking at outcomes, not
5 whether there's differences, minor or otherwise, in
6 nutrition standards across product categories and
7 product portfolios that are very, very different.

8 DR. WOOTAN: I think, you know, that's -- I
9 think the standards for today are great, and today
10 should be mostly about celebrating and companies should
11 feel really good about how far they've come and what
12 they're doing. But I think we should be moving toward
13 a single standard.

14 The hodgepodge of standards is going to be
15 very difficult for monitoring. I mean it's going to be
16 hard enough for CBBB and Elaine to monitor. You know,
17 I find, as a consumer advocate, it very hard to
18 monitor, and I am constantly calling and e-mailing
19 companies, saying I saw this ad.

20 I don't think it met your standards, what's
21 going on, that how complicated some of the standards
22 are and the differences between the different standards
23 and how they're applied make it very difficult for even
24 people who are doing this for a living to monitor, much
25 less for parents to be able to keep an eye on whether

1 or not the companies are following it.

2 So I think to really get the public engaged,
3 to make it easier to monitor, easier to enforce, we
4 should be moving toward a single standard, a strong
5 standard but a single standard.

6 MS. HARRINGTON: Okay. We're going to have a
7 couple of very quick comments from the audience right
8 here.

9 MS. PATTON: First of all, I just want to say
10 that, you know, being a mother and being --

11 MS. HARRINGTON: Can you identify yourself?

12 MS. PATTON: Diana Patton00 0.0ay

1 and how they're reacting.

2 Advertisers know that. We know that. So all
3 I'm saying is is going out and just preaching nutrition
4 education is one thing, which tends to fall on deaf
5 ears because we've been doing it for a very, very, very
6 long time, and we are not seeing the results.

7 So I see the gap being on emotion, and making
8 certain that we have our children understand that this
9 leads to chronic disease. One suggestion. Implement
10 some warning labels to these foods, that these foods
11 have been known to contribute to chronic disease. How
12 about that?

13 Okay, because we do it with smoking and
14 cancer is a big issue and so is obesity. So I have one
15 other comment, thank you, and to stop the undermining
16 of deceptive advertising. For example, that licorice
17 is a low fat food. Thank you.

18 MS. HARRINGTON: Thank you. One quick
19 comment back here.

20 DR. KUNKEL: Yes. I'm Dale Kunkel from the
21 University of Arizona, and I wanted to pursue the point
22 that Mary Sophos was making.

23 I appreciate the argument you're offering,
24 which is that companies, for example like Hershey's or
25 Mars, may not be able to be part of this program if you

8025

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (

1 their competitors. I think they're going to see that
2 it's working well for them.

3 So I believe you'll see more coming in, and I
4 think that once we've started down this road, it's
5 going to continue to expand. There's not going to be a
6 retreat.

7 MS. SOPHOS: I think what we're likely to is
8 the impact of the changes and the implementation of a
9 lot of the initiatives we've seen, and we're going to
10 start to see reports from the CBBB on their monitoring
11 of how effectively the companies are living up to their
12 commitments. I think that will be a key benchmark.

13 MS. HARRINGTON: Margo?

14 DR. WOOTAN: I would agree with Wally. I
15 hope we'll see more companies joining in, especially
16 the entertainment companies. I think that companies
17 that have made pledges today will be working toward
18 implementing those pledges.

19 So I mean it looked like that was going to
20 take through 2008. So then in 2009, I think we'll
21 start to think about enhancements and some of the gaps
22 in the policies. I think the other thing, where
23 parents have really focused on food marketing is in
24 schools, especially on the sale of low nutrition foods
25 and soft drinks in schools.

1 That's the biggest concern of parents.
2 That's been the major focus by the public health
3 community. I think if we don't pass national standards
4 for and get soda and low nutrition foods out of schools
5 nationally, that parents will not see the overall
6 initiative as a success.

7 I think that's the thing they're working on.
8 They're looking at if we don't pass Senator Harkin's
9 bill, parents will think we haven't really begun to
10 address obesity.

11 DR. MONTGOMERY: I know that we will see more
12 and more food and beverage marketing moving further
13 into the digital media, into 3-D virtual reality, into
14 social networks and even newer platforms that are
15 emerging.

16 So I hope we will see from industry some very
17 clear and strong guidelines for addressing those. I
18 haven't yet really heard of that, so I'm looking
19 forward to what you all will bring to the public next
20 year.

21 DR. WARREN: Well, I certainly think that we
22 should see a shift in the types of products that are
23 advertised to children. I certainly hope that. I hope
24 we also see changes in the types of products that are
25 advertised in general, especially in dominant media.

1 I expect that we'll see less of a change in
2 the kinds of persuasive appeals that are used to market
3 products to children, and I certainly don't think food
4 is the only example I could offer of the use of those
5 kinds of appeals. But it would be nice to see those
6

1 I'd also say from Senator Harkin's
2 perspective that we want to reevaluate these and see
3 where are other areas that we can have more public-
4 private partnerships to assist in giving more healthful
5 choices to our kids and to adults.

6 MS. HARRINGTON: We have time for a couple of
7 audience questions. Back here?

8 MR. HOFFMAN: Yes. My name is Adonis
9 Hoffman. I'm a Fellow at the Center for Responsible
10 Media and Marketing at the American Business Leadership
11 Institute.

12 My question goes to, I guess, address the
13 question you posed, Eileen, with respect to gaps.
14 African-Americans and Hispanics are over-indexers.
15 They over-index in media consumption, they over-index
16 in the purchasing of food and grocery products. They
17 over-index in the consumption of the foods in question,
18 and they over-index in health disparities. But they
19 under-index in the dollars that are targeted to efforts
20 to address these problems.

21 The question I have to the panelists, both on
22 the advocacy side and the industry, is what are you
23 doing specifically to address these, the
24 disproportionate impact that obesity has in these
25 particular populations?

For The Record,

1 DR. MONTGOMERY: You've raised a very
2 important point, and I'm sorry that there was no one
3 really on the panel to talk about the marketing part
4 targeted at multicultural target markets of young
5 people.

6 We did cover some of this in our report a
7 couple of months ago, but it's a very, very important
8 area that the FTC needs to look at, because there is a
9 great deal of very aggressive marketing that's aimed
10 specifically at these target demographic groups, where
11 there are particular vulnerabilities. It's got to be
12 on the agenda. It's got to be addressed.

13 DR. WOOTAN: Well, I think the pledges that
14 companies have made today will be of great benefit to
15 low income and minority children, that for children
16 under 12, the kids are all watching the same
17 programming. There isn't black children's television
18 and white children's television. I mean the kids
19 basically all watch the same programming.

20 It's just that lower income and black
21 children watch more of it. So I think by changing the
22 mix of advertising, reducing the marketing of low
23 nutrition foods, that will be a huge benefit to low
24 income children.

25 Also, we're working on improving school

1 Senator Harkin has a national bill and there
2 are bills that have been introduced in over 20 cities,
3 counties and states across the country. The first to
4 pass is in New York City, and the second to pass, I
5 hope, will be tomorrow in King County in the state of
6 Washington.

7 But this is a growing movement across the
8 country, and I think will really help families for what
9 is a growing and often problematic part of their diet.

10 MS. SOPHOS: Yes. Let me mention just a
11 couple of things, and we know it's documented that
12 certain groups are more vulnerable to the obesity
13 crisis. It's blacks and Hispanic community as well.

14 In 2003, the food and beverage industry
15 established the American Council for Fitness and
16 Nutrition, whose goal was to promote partnership to
17 address childhood obesity.

18 We have partnered with the American Dietetic
19 Association and their practices in black and Hispanic
20 communities, to develop specific blueprints for
21 community engagement, recognizing that you need to talk
22 to folks who are used to building community efforts.
23 We've worked with them to disseminate those blueprints
24 across communities across the country.

25 We've also, when the USDA promoted or first

1 published their new dietary guidelines, we translated
2 those, that curriculum into English and Spanish
3 versions that could be sent out through the *Weekly*
4 *Reader*, and help give teachers some easy curriculum and
5 parents also, so that these had parents take-home
6 projects and so forth.

7 There are a number of other areas that we've
8 tried to focus on, but I think a great deal more needs
9 to be done.

10 MR. SNYDER: I really agree with the way Ron
11 put it. I think that we need to continue to reach out
12 to minority families and children with education, and
13 to do so in relevant ways, culturally and ethically so
14 that really these messages work.

15 I really was very much taken by Linda Dorman
16 on the BET Foundation and all the work that's being
17 done right there. So that's the groups we should be
18 partnering with.

19 MS. HARRINGTON: Well, I think we could
20 probably go all night. But there's one person
21 designated to have the last word today, and that's
22 Lydia Parnes. But let's thank our panel first.

23 (Applause.)

24

1 just put this down. What a spectacular day this has
2 been. I want to thank all of our speakers, panelists
3 and all of you folks who attended this conference, for
4 participating in today's forum.

5 If you'll indulge me for just a moment, a
6 very special thank you to the FTC staff who did such a
7 fabulous job of putting this forum together.

8 (Applause.)

9 MS. PARNES: I'm going to name names. Mary
10

1 he was a wondering monk.

2 In a flashback to his childhood, his master
3 unravels a large roll of rice paper along the floor,
4 and asks the young monk to walk on the rice paper. The
5 master says that when he can walk on the rice paper
6 without leaving a trace, he'll be ready to leave the
7 monastery and go out into the world.

8 In a similar way, we in the government,
9 industry, educators, advocates, as parents, we all need
10 to be masters as well. We need to educate and motivate
11 our children to lighten their caloric footprint, so
12 that they can walk through this world without the
13 burdens of overweight and obesity.

14 Childhood obesity is such a difficult problem
15 to tackle, because as all of our panelists today have
16 discussed, it results from a confluence of factors.
17 Less physical activity at home and at school; changes
18 in family eating patterns; competitive foods and
19 beverages in schools; and a popular culture that
20 encourages over-consumption in general, and that's just
21 to name a few.

22 Although food marketing to children also may
23 play a role in childhood obesity, our purpose today was
24 not to debate causation or to assign any blame.
25 Instead, we focused on the strategies that food and the

1 media industry members have adopted or pledged to adopt
2 for our children's health.

3 Based on what I've heard today, I am very
4 optimistic that industry self-regulation will continue
5 to adapt and help make healthy choice the easy choice.

6 Our 2006 report on childhood obesity
7 announced several recommendations to improve self-
8 regulation in the food marketing industry, and as we
9 heard today, there are significant industry members who
10 have stepped up to the plate, most significantly
11 consider the 11 members of the children's food and
12 beverage advertising initiative.

13 Three have pledged not to advertise to kids
14 at all. Eight have adopted minimum nutritional
15 standards for marketing to children under 12. All
16 foods these eight will advertise to children will soon
17 meet Better For You nutritional standards.

18 These companies account for two-thirds of
19 television food ads directed at kids. So in the years
20 to come, as our recent panelists noted, we should see a
21 real change in the types of food ads that our children
22 see.

23 But to the companies responsible to the
24 remaining one-third of ad expenditures, I join our
25 panelists in asking why aren't you here today with your

1 pledges? We expect you to join this self-regulatory
2 effort sooner rather than later.

3 There's been follow-through on several other
4 recommendations from the 2006 report. First, CARU now
5 has the authority to take action against unfair
6 advertising targeted to children, and to address newer
7 forms of marketing, such as advergaming, buzz
8 marketing, enviromarketing.

9 Second, food companies like Kraft, Kellogg's
10 and General Mills have designed packaging to control
11 portion sizes and have reformulated existing products
12 or created new ones that are lower in calories or are
13 more nutritious. Personally, I really love the 100
14 calorie packs of anything. I think they're great.

15 Third, cereal boxes for General Mills and
16 Kellogg's and packaging for many Kraft and Pepsico
17 products among others, carry nutritional information or
18 icons to help consumers easily identify nutritious and
19 lower calorie products.

20 One question that's been discussed today and
21 that remains is whether consumers would benefit from a
22 uniform front of the package seal to identify healthier
23 foods. The Keystone Center for Food and Nutrition
24 Roundtable has begun to explore this very idea, and I
25 am sure that we'll be hearing more on that front.

1 industry pledges announced today. We'll monitor both
2 the level of compliance and if necessary the
3 sufficiency of penalties imposed against members who
4 break their pledges. We'll also assess the quality of
5 the pledges themselves.

6 To assist our analysis, within weeks, we will
7 be serving compulsory process orders on 44 food and
8 beverage companies that market to children and
9 adolescents. The study will establish a baseline of
10 child and adolescent-directed marketing practices by
11 which to measure the success of industry initiatives.

12 It will provide us with a comprehensive look
13 at how the food industry uses measured media, such as
14 television and print advertising, and unmeasured media,
15 such as in-store marketing, character licensing, viral
16 marketing and product placements, to target children
17 and adolescents.

18 Once we've analyzed the data, we will issue a
19 report on these methods and expenditures. In addition,
20 we'll be issuing our own report card on industry
21 responses to the recommendations we made in the 2006
22 report.

23 As Chairman Majoras said this morning, the
24 battle against childhood overweight and obesity is a
25 marathon. I am very encouraged that members of the

1 foa4u8.4800 T247.32

1 C E R T I F I C A T I O N O F R E P O R T E R

2

3

CASE TITLE: WEIGHING IN: MARKETING, REGULATION AND
CHILDHOOD OBESITY

4

5

HEARING DATE: JULY 18, 2007

6

7

I HEREBY CERTIFY that the transcript contained
herein is a full and accurate transcript of the notes
taken by me at the hearing on the above cause before
the FEDERAL TRADE COMMISSION to the best of my
knowledge and belief.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25