

>> Dale Kunkel: Okay, we're going to go ahead and get started and hopefully, when the people -- when they get through security, will filter in quietly and orderly. Our next panel on self regulatory initiatives is going to be moderated by the Associate Director for Advertising Practices, Mary Engle.

>> Mary Engle: Good afternoon, everybody. I am Mary Engle the director of the FTC's division of Advertising Practices, and this first panel this afternoon is going to look at some of the initiatives that the food and media companies have taken of their own accord to help improve the landscape of food marketing to kids, both what's being marketed and how it is being marketed. And also hear some critiques of some of those efforts and some discussion about how well they may be working. The panel here today -- I'm just going to briefly introduce them because you have the bios with you for their full background. We have Dr. Dale Kunkel, who is a professor of Communication at the University of Arizona. Dr. Margo Wootan who is director of Nutrition Policy and the Center for Science and the Public Interest. Dr. Elizabeth Taylor Quilliam who is an Assistant Professor in the Department for Advertising, Public Relations, and Retailing at Michigan State University. Jennifer Anapolsky, who is Senior VP of Corporate Responsibility at the Walt Disney Company. Mary Sophos, who is Senior VP and Chief Government Affairs Officer at the Grocery Manufacturer's Association. And Elaine Kolish, who's the Vice President and Director of the Children's Food and Beverage Advertisement Initiative of the Council of Better Business Bureaus. So we're going to start with Dale.

>> Dale Kunkel: Okay, thank you very much. Welcome back. I don't have time for much context, but I want to provide a very, very brief one here. As many of you know I served on the Institute of Medicine Committee that was conducting a congressionally mandated study to evaluate the role of food marketing as a possible contributor to childhood obesity. I since I served on that committee for about two years, I have a relatively high degree of confidence in stating our conclusion, and our conclusion was that food marketing is a significant contributor to childhood obesity. I heard some comments earlier today, I'm not sure that it's completely consonant with that, but it absolutely is, it's a significant contributor and I will read you briefly our quote from that report. It says, "food marketing to children is out of balance with a healthy diet and puts children's health at risk." Now, as a result of that, the Institute of Medicine issued, as it was mentioned earlier, a number of

recommendations, but there's one I'm particularly focused on. And that recommendation is, if the food marketing industry could not within the near term reverse the predominance low nutrient high density food products in marketing to children, that Congress should regulate to achieve that goal. The study I'm going to share with you today hold the industry accountable, whether or not they have really achieved that with the Children's Food and Beverage Advertising Initiative. The data that I'm going to report here today was gathered between February and April in a large scale study of monitoring advertising on children's programming. And so, let's go directly to the results. At the first level, did the industry do what it promised to do? Now, it didn't make one promise, it made 15 promises while we were studying the initiative -- there were 15 different companies participating, each one has different nutritional criteria, different standards, and pledges -- and so did they adhere to that? Did they do what they said they would do? Here is the simplest bar graph you'll ever see at any presentation. It says that 100% of the advertising efforts by the pledged companies did comply exactly with their promise. So, there is perfect compliance with their pledged details. So, that must be good news and that must resolve the problem. Well, I don't view it that way. In fact, what I want to do and what I do with this study is, I conduct an independent nutritional analysis of what this pledged program has accomplished in terms of shifting the overall marketing landscape. What's the nutritional quality of foods marketed to children under this initiative? So, the next thing we need to do is define, basically, how we are going to conduct that analysis. You heard from Secretary Sebelius this morning. The Department of Health and Human Services has a food rating scheme. It's a public information program to inform American parents about what are the appropriate foods to buy and feed to their families. It has three categories, the first is "go foods" that are healthy rich in nutrients and relatively low in calories. They can be eaten any time. "Slow foods," foods that have some nutritional value but are a little bit higher in fat, salt, sugar, and should only be consumed in moderation. And finally, "woe products," products that are high in fats, salt and sugar. Pose the highest risk of obesity and should be eaten only once in a while or on special occasions. So, I've analyzed, and this slide reports data from a study that I previously published. This is how the children's food marketing landscape looked in the year 2005. That was before this controversy had really mushroomed. That was before the self regulatory initiative began. And so, you can see this is the context that we started with. Nutritionally poor food ads predominate. It is 84% of the foods marketed to children on television are in this category that says they are unhealthy when consumed in abundance. Now, the next slide that I'm going to show

you is actually the most important in the entire study, because it documents what is the shift as a result of the industry's initiative. If the industry's initiative was effective as we hope it would be, then that would be a complete reversal, like a giant teeter-totter. The "go" percentage should shoot way up, and the "woe" percentage should shoot way down. Let's see what we find. What we find is modest movement in the desired direction. Very modest. The proportion of foods that are rated in the poorest nutritional category has diminished from 84 to 72.5%, but the conclusion is that nutritionally poor foods still predominate. In fact, even though the industry is complying with all their pledges, we now see that roughly three out of four foods that are marketed on television to children are in the "woe" category, they should not be consumed on a regular basis. Also note, on the far right side of this chart, "go" foods are barely visible. Let's look at that more closely with another slide. This depicts what a child would see if they watch ten hours of children's programming. In 10 hours of children's programming, you would see 76 food adds. 55 of those 76 would be for products in the poorest nutritional categories, 20 would be "slow" products, these are products that have some nutritional value, but a child would have to watch ten hours of children's programming before they would see one add for a healthy food product. The conclusion here, is that healthy food advertising is invisible. Now, not all companies that advertize food to children participate in self regulation. This pie depicts the distribution of the advertising environment that is accounted for by self regulation. It is roughly 70%. About 30% -- if you want to be technical, 29% here of the ads that appear during children's programming are from non pledge companies. So that means that more than a quarter of the food ads that are airing on TV to children are from non pledge companies. All of this advertising is not subject to any of the policies or pledges that the CFBAI program employs. So, the next thing that we want to do then, is we want to compare how do pledge companies look, as compared to non pledge companies in their nutritional profile? So what you see here is the pledge company nutritional profile. Now, when we only look at pledge companies, we see it is 68.5% of foods that they advertise are in the poorest nutritional categories. Or a little more than two out of every three ads they have. Then, the other third is "slow" foods. If you compare that to the non pledge participants, the non pledge participants have a higher proportion of the unhealthy food products, and I'll bring those bars together for you so you can see the comparison more directly -- 68.5 to 82.9. So we can conclude that the pledge companies are doing a slightly better job by showing a little bit proportion of woe food ads, but, they are still showing two out of three ads for products that are in the poorest nutritional category. Finally, when

we want to deal with licensed characters. Licensed characters -- I know there are a lot of people here from media companies, a lot of people here from advertising companies, that use licensed characters to promote products to children. This is a sensitive topic, and the reason why is young children in particular, have unique trust and they have a parasocial relationship with characters like Sponge Bob and so forth. And so, these ads are particularly powerful, and so we want to see is, are they being used to market healthy foods to children, or are they being used to market poorer nutritional quality foods to children? One of the first findings that we see here, is that the use of licensed characters has increased under self-regulation. The percentage has nearly doubled from 2005 to 2009. I don't know, this may well be a more widespread pattern across the ad environment, but in that context with an increased use of licensed characters, then we've got to remember that the Institute of Medicine recommended in the 2006 report that licensed characters should only be used to promote healthy foods. Not healthier foods than used to be advertised -- healthy foods. What do we see? Our data shows that roughly half of all of the ads featuring licensed characters promote foods in the poorest nutritional quality category. In sum, the food marketing industry is overweight but they have chosen a diet that won't lose the pounds the doctor prescribed. Removing a small proportion of the sugar and calories in a cookie or a cereal product doesn't make it a healthy choice, no matter what label the industry chooses to invent, such as the so-called "Better for You" foods, or what nutritional standards are applied. Whether the count is 1.6 or 10, the industry is spending billions of dollars to entice children down the path toward obesity. It's outrageous and it can't be allowed to continue. As the Senator Tom Harkin said about my study in a press release yesterday, "when private interests work against the public good, government is obliged to act. It's past time for the Federal Trade Commission to size things up and it's time to get moving on a real solution. At the present rate of reform, we'll have unhealthy food advertising off of the air waves by 2033. We can't afford to wait that long. Thank you.

[ Applause ]

>> Margo Wootan: Great. Well Dale, I'm glad you put some context with everything, because with only ten minutes I'm just going to cut right to it. Is self regulation working? And unfortunately, the answer is clearly no. Now, as a mom looking at what is marketed to my child and other children, and as a public health professional, doing studies, looking at what's being marketed to kids, clearly as self regulation is currently being practiced, self regulation is not working. Still, the overwhelming majority of products that are marketed to kids are still for foods that are unhealthy,

too high in fat and salt and sugars, with not enough key nutrients. So, one of the key problems with the current self regulatory system is that not all companies belong. That, a number of food manufacturers have joined the CBBB Children's Food and Beverage Advertising Initiative, but many food manufacturers are still missing. A number of key manufacturers that market their product to kids. Also, restaurants are not doing so well. Actually, the food manufactures are doing much better than restaurants. So far, there are only two restaurant chains that belong to the CBBB Initiative, and entertainment companies are doing even worse. Now, one thing companies are telling us, that we don't market the kids so we don't need a policy. So, you know, some companies that we have approached and encouraged them to join the CBBB Initiative have said "no, we don't market." And it is true that most of these companies, though not all of them don't advertise during children's television. But that doesn't mean they don't market. They are still doing lots of other kinds of marketing. They have children's menus, children's meals, birthday clubs, they have advergames on their website, whole children's sections. They have programs like the Book-It program and other promotional programs in schools, they have branded fundraisers in schools. They are marketing to kids in lots of other ways. So, even if a company doesn't advertise on TV doesn't mean they shouldn't have a policy and many of these companies are not doing their part. As I mentioned, entertainment companies are particularly missing in action where entertainment companies have done the most is in setting nutrition standards for the use of their licensed characters. And a number of the big companies have. A few other companies have gone further, like Qubo, which has a comprehensive policy with nutrition standards for all their marketing to kids. Other companies are in between, maybe covering some aspects of their marketing. But it is essential for the entertainment companies to have policies that cover not only the use of their licensed characters, but all of the ways that they are communicating with kids about food. Through television, first and foremost, radio, magazines, their websites and all of the other innovative ways that they are marketing to kids. The companies that do have policies generally are covering the traditional media. They have policies for television, radio and print -- for the food and restaurant companies. But still, there are a number of the ways that they are marketing to kids aren't covered. And I gave a few examples here. Policies tend to be weaker for on package promotions. Many companies don't have policies at all for on package marketing. In schools, marketing through toys like this Pizza Hut toy set here. Through the use of company logos, product names and other branded information on cereal bowls and t-shirts. And, new media as we heard about this morning

from Dr. Montgomery, cell phones and social networking. There are lots and lots of ways that companies are reaching out to children, encouraging them to eat their products but many company policies fall short in covering the full range of the media that they are using. On package marketing is particularly problematic. A few companies have good policies, but many policies are weak in this area. And there's lots of on package marketing -- not only the use of licensed characters but the companies own equity characters, contests, games, promotions of their websites, toy giveaways. You know, often times on package marketing involves many different types of marketing on just a single item. Policies on food marketing in schools are particularly problematic. One of the reasons for this is many food companies are using the bare minimum principals that are laid out in the CBBB Children's Food and Beverage Initiative. And while CFBAI does limit or ask companies to limit certain type of advertising in school it seems to me this program has more holes than it has, than it is covering different kinds of marketing. This is hard to read, but you can see, there are some types of direct advertising like posters or tray liners or branded curricula that are not allowed under the CFBAI program, but there's lots of other ways companies can still market in elementary schools. The exterior, the vending machines, menu boards, branded displays. You know, some things don't even make any sense like a tray liner can't be used to market a product to kids unless you happen to sell that product in schools. So, if you are selling the junk food in schools it's also okay to market that product in schools. So, this framework for self-regulation in schools has no chance of being successful, given what's covered and what's not covered. And equally problematic, it applies only to elementary schools. It doesn't apply to middle and high schools and most companies agree that schools are a special space where kids need additional protections and I think a lot of parents have more trouble feeding their kids healthfully as they get older in middle and high schools. Now, some companies' policies limit the marketing of all their products, so certain companies have agreed not to advertise any of their products to children in the way that they define advertising and marketing. Most other companies set nutrition standards for what they will and won't market to children. And the companies generally have pretty good standards for saturated fat, transfat and portion sizes or calories. But the policies are not as strong for sodium, for sugars and also ensuring that the food contains some positive nutritional benefit. That the product is not only devoid of the bad stuff but also provide some positive nutrition to the children. Now, if you look at these standards and we have a huge grid on our website, you know, with all these different nutrition standards it's very complicated to keep track of which company has which standards, but

there's a lot of similarities between them. But, if you look closely there are a lot of strategic weaknesses or loopholes. So, for example, a number of the cereal manufacturers have weak sugar standards but pretty good sodium standards, whereas McDonalds has no sodium standards, but great sugar standards. So, you know, if you look at these standards, you see what some of the problems are, one of the key reasons why Dale and others are finding so many foods for so many, ads for so many foods with poor nutritional quality are these strategic differences between the companies' nutrition standards. So, we did a study recently and we looked at all the products that CBBB participating companies had approved as appropriate to market to children. And we used the list that was available in January of 2009. And we compared those against a single nutrition standard, the one that the Center for Science and Public Interest has developed. And we found that 60% of the company approved products did not meet our nutrition standards, because of these weaknesses in the standards. So one key problem is the lack of a consistent nutrition standard which the FTC recommended last year, and which many advocates have been calling for that having a single strong nutrition standard would change what is marketed to kids quite a bit. We look forward to hearing what the Interagency Working Group on Food Marketed to Children has to say about this. We hope it will provide a good model for companies to follow. We also have done a study looking at doing a content analysis, looking at how self-regulation has impacted what's advertised to children on Nickelodeon, and I think it's remarkable, Dale, that, you know, Dale and I came at this with different nutrition standards, different approach, different standards, and we found almost the same thing, that between 2005, before the self-regulatory program, and 2009 after most of the pledges had been put into place, we did find a modest decrease in the number of ads for unhealthy foods on Nickelodeon. But the effect was very modest. Very modest. So, in 2005, about 90% of the ads were for foods of poor nutritional quality and in 2009 it went down to 80%. So, it's good to see some progress. That gives me some hope. But it's clearly not enough progress given the magnitude of the obesity problem and just generally children's poor diets. So, I'll just sum up by making some recommendations. I think that self-regulation can work. I know Elaine is feeling like I'm no longer a supporter of the CFBAI. But, we see there's some infrastructure, there's some promise, there's some hope, but it's not playing out in the marketplace. I mean, I really I feel like, as a mom I've hardly seen any difference in what's being marketed to children. But I think with some changes that it could be much stronger. One thing is all companies need to have a marketing policy. Food and beverage manufacturers, chain restaurants, entertainment companies,

anyone who is talking to kids, marketing to kids, promoting food to children. Those marketing policies need to cover all their marketing. And, you know, not just TV. Not just traditional media but any way the companies are talking. Entertainment companies particularly need to do more. Not enough to just cover licensed characters, we need to cover the whole range. Companies need a strong definition of what they consider to be kids' directed marketing, that that is -- there's a lot of differences between companies. We need for companies to adopt a common set of nutrition standards, and I would encourage all companies that are marketing to children to join the CBBB Children's Food and Beverage Advertising Initiative. This does provide an infrastructure that if you look at the policies of different companies, the companies that belong to the CFBAI have clear, stronger policies for policymakers, for parents for advocates. It's nice to have them all in one place. You know, for some companies, it's impossible to track down what they are actually doing. This way it's right on Elaine's website. If I have a question I can bug her, which I do all the time. "What does this mean? This doesn't seem to fit." They are doing some monitoring. And it would be very helpful to set up a track within the program for entertainment companies so that there could be the same kind of monitoring, and accountability availability of the policy. So, I think, with these changes, perhaps self-regulation can work, but right now it isn't. And this needs to happen in a reasonable, with a reasonable timetable. You know, I feel like we first called on companies to be responsible marketing to kids a long time ago. For Mike it was, you know, 40 years ago. For me it was about 10 years ago. You know, we came out with our guidelines for responsible food marketing about five years ago. We did our first, you know, more recent big report on food marketing about seven years ago. Companies have had a long time, you know, given the magnitude of these problems, we can't wait ten more years to let self-regulation work. I think advocates are getting restless, and if something significant doesn't happen in the next year or two, I think we're going to be going to Congress and to regulatory agencies to look for the government to fix this problem if companies can't. Thank you.

[ Applause ]

>> Elizabeth Taylor Quilliam: It worked. Good afternoon. I'm Elizabeth Taylor Quilliam from Michigan State University. I would like to thank the FTC for inviting me to participate. I'm very honored to be a part of this panel. I'm going to be talking about one specific marketing technique that Margo mentioned and that Dick Mazursky talked about this morning and that's Advergaming, which Dick identified as a type of mass marketing. And the study that I am going to report was

conducted with some of my colleagues at Michigan State -- Doctors Mira Lee and Richard Cole, who are here with me today, and Meekyung Kim. Our data was collected earlier this year -- spring and summer of 2009. I will first discuss briefly what are advergaming, in case you aren't familiar with the term, and talk about how they can persuade children. Then I'll look at two specific pertinent self-regulatory guidelines that the food industry has that apply to digital interactive online games and what we found in our study. Advergaming are defined as branded custom casual interactive games. A key factor that identifies an online game as an advergaming is that it incorporates some type of brand identifier. That could be luck an advertisement as a billboard in the background of a game, a brand trade character used in the game, pictures of products, packages, the food itself, sometimes as tools that are used by the game players, or as items that need to be collected to earn points and advance in the game. So here, for example, you see the Postopia website as a portal to enter a number of different advergaming. This is a screen shot of one particular game. I would put the game up to play it except I'm not any good at it at all. Young kids are much better playing these types of games than old folks like me. But in this game, we see Lucky Leprechaun, the trade character for "Lucky Charms" cereal and the objective is to help Lucky collect as many mini charms as possible. The more mini charms Lucky collects, the more points that the game player earns and the higher the game player advances. It also is explicitly tied in to the brand, to the product because on the entry page to this game there's a picture of the package with instructions to the game player to enter a code from the package in order to get a bonus. Now, the charms, the tokens that Lucky is collecting look just like the marshmallow candies in the cereal. So, the more marshmallow candy icons that are collected, the better the player does in playing the game. And as you can see by this example, kids get actively engaged with the brand while they are playing. What we know about advergaming from prior research. Several studies have identified how prevalent these games are, including one of our earlier studies that was published in the Journal of Consumer Affairs earlier this year. Advergaming are used extensively to promote food products to children, and in those previous studies which pre-date the initiative, we found as did others, that the majority of the food advergaming promoted foods that were high calorie, low nutritional value. And they also integrated brand identifiers as active game components, allowing children to virtually play with the food products in the game. There also have been a couple of studies, we heard one in detail this morning, that showed that advergaming can influence children's food preferences and choices, and this goes for healthy as well as unhealthy

food. In fact, the Pempek and Calvert study found that children that played an advergame with a healthy food were more likely to want that food choice. How do advergames influence children, and why do they matter? Well, they have the potential to be particularly persuasive, especially for children that have difficulty distinguishing between entertainment and advertising, because these games actually combine the two. So, the distinction that we would normally see between a television program and a commercial is more difficult to identify in an advergame. And that leads to the first self-regulatory guideline that we thought was of interest in this particular environment. The children's advertising review unit guidelines directly references this by calling on advertisers to make sure the children know their interactive games are advertisements. The second guideline of interest is in the initiative, with respect to interactive games, that initiative companies will incorporate either products that represent healthy dietary choices or healthy lifestyle messaging in their games. We thought it would be reasonable to expect then, that the initiative companies would be significantly ahead of other companies in terms of their performance with respect to these particular guidelines. So, we conducted a study and compared initiative and non-initiative compliance. We looked at the number of food advergames. We looked at whether the games contained or were preceded by advertising disclaimers. We looked for healthy lifestyle messaging. And using external nutrition standards we also examined the proportion of healthy versus unhealthy foods that we found in advergames. And finally for the initiative companies only, we wanted to find out whether there were "Better for You" products or not. Clearly the non-initiative companies have no "Better for You" product lists to explore. To do this, we located 446 games on the websites of major food manufacturers, fast food and family restaurants. To the best of our knowledge, there's no list of advergames nor is there a comprehensive lists of websites targeted to children. And since we were looking at the entire landscape we applied the same decision rules to both initiative and non-initiative companies in identifying games on websites. We took a random sample of half of those 446 games for our analysis and after we eliminated non-advergame activities, things that weren't interactive, or didn't have brand identifiers in them, we also eliminated games that were not available for the whole duration of our study. Some of the games were when we started but were not by August. And games that clearly targeted adults. We took those out and we ended up with a sample of 146 advergames. We gathered nutrition data from the nutrition facts labels and applied the nutrition standards for foods in schools guidelines that Catherine Harris used in a study published earlier this year. What we found, with respect to

disclaimers, is that the initiative companies were, in fact, significantly more likely to indicate that their advergames were advertising, but that was only 63% of the games that we studied. So, there was still a third of the games that did not have advertising disclaimers. We also found overall that only 37% of the advergames we studied included explicit healthy lifestyle messaging and there was no significant difference between any of the companies. When we looked at the list, the published list of "Better for You" products and healthy lifestyle messaging and initiative company games, we found 30% of the games featured "Better for You" products only. Another 7.5% had healthy lifestyle messaging. 16.5% had both. But that still left, as you can see on the bar, nearly half of the games that we studied without either healthy lifestyle messaging or "Better for You" products. Now, the base for these were games that had identifiable products. So if it was only an umbrella brand, that's not included. We were only looking specifically here at the products. When we applied the nutrition standards for foods in schools, we found that 83% of the identifiable food products would be considered unhealthy. 36% high in sugar, next highest was fat, also high in sodium and calories. And, we found a significant difference here between initiative and non-initiative companies, but in the opposite direction of what we expected. We found that initiative companies had healthy versus unhealthy foods in just under 12% of their games, where the nonparticipating companies had about a third of their games with healthy food products. So, quick recap, since I have one minute left. CFBAI advergames were more likely to include a greater proportion of unhealthy versus healthy foods. That, "Better for You" products and healthy lifestyle messaging were not present in about half of their advergames. But we did find that the four companies that pledged to refrain from advertising directed to children did not have games targeted to children with unhealthy food products. And also, we did find that the initiative companies were more likely to identify the games as advertising. Our conclusions pretty much mirror what you just heard from Dale and Margo, that where there has been some progress, there's still some substantial gaps at least with respect to online games. We would like to see some standardized definitions of media directed to children particularly with websites, short of purchasing syndicated data, or getting proprietary data from the companies. There's no way that we know other than our type of content analysis to find out what games are available for children online. And similarly, this huge variety of nutrition standards in the "Better for You" products area makes it very difficult for not just scholars, but for parents as well, to understand what is the content of those products that our children are virtually playing with in the games. So, in summary, we found no clear evidence that

interactive online games are promoting healthy dietary choices or healthy life styles. And, I would like to also give a special thanks to the W.K. Kellogg foundation for their grant to help fund part this was research and our research assistants and the Federal Trade Commission. Thank you.

[ Applause ]

>> Jennifer Anopolsky: I'm Jennifer Anopolsky from the Walt Disney Company. I want to thank you for having me here today to provide an update on our efforts to promote healthier life styles for kids and families. You've heard a lot today from other people about what the media and entertainment industry has done or hasn't done and I'm pleased to be able to tell you what we're doing at Disney personally. Children have always been at the heart of what we do at the Walt Disney Company and we care about them deeply. This is an area that we care very much about. I last addressed this group in 2006, when Disney made a pioneering commitment to associate our brands and characters with a healthier and more nutritious portfolio of foods. And at the time, we also announced industry leading nutritional guidelines to ground our efforts. So, today what I would like to do is provide an update on our progress, and I think what you'll see is that we've come a long way by applying what we do best at Disney -- our best strength and our best creativity to this area. We also know that there's still so much more that we can do as a company as part of our long term commitment, and that there's much more that the industry can do overall. First, a refresher on our nutritional guidelines that have helped transform how our Disney characters are used on food products. They were developed with top childhood health experts, Dr. Keith Ayoob and Dr. Jim Hill, and are based on the USDA's dietary guidelines for Americans. They are organized by key meal occasion, and include specific limits for calories, fat, saturated fat, sodium and sugar per portion per meal occasion. At the time we also committed to zero grams, added trans fats across the board. I'm pleased to report that the guidelines that we announced in 2006 are now rolled out globally, not just in America but in all markets where Disney does business around the world. Here, I just want to show you a few examples of some of our every day foods that are in the market now that meet our guidelines, from low-fat dairy, you'll see up there, some yogurt and milk to fruits and vegetables. These are now widely available and are really easy choice for parents and kids to agree on. We're really proud to have brought these new food solutions to market. And to families to help them eat better at home. I'm also pleased to tell you that we've reached a really important goal that we announced back in 2006 and now every day food items like this that meet our guidelines account for 85% of all of our Disney branded foods that are in the marketplace. And

that was a big milestone. The remaining 15% includes items such as birthday cakes and seasonal sweets and treats and things like that, that families expect to have Disney in the marketplace as they celebrate special occasions as a family. And across all of the food items, our every day foods and treats, we have phased out trans fats across the portfolio. Now, fruits and vegetables have been a really big focus for us, and there's 80 varieties of Disney branded fruits and vegetables in the marketplace, such as the ones shown here. They are available at price parity to other produce in the market. And, just in 2009, we sold more than half a billion servings of fresh fruits and vegetables in the U.S. And, considering that we were not even in this business five years ago, it's pretty extraordinary. And, you know, these types of items are really being purchased by average families across the board. Now, most of you should be able to find these at your local grocery store. But one of the things we're doing now is really focusing on broadening distribution even further. In our parks and resorts, the focus has been a little bit different, and here our approach has been to make healthier eating options more available and appealing throughout the Disney park and resort experience. Back in 2006 we announced that our standard kids meal program would be changing, so, you know, the typical kids' meal out there in the marketplace typically includes fries and soda as a side and beverage. And since 2006, we've changed our program and our bundled kids meals all come with a healthy side dish, like a fruit or a vegetable and either juice, water or milk to drink. That's the default, if you don't ask for anything else, that's just what it's going to come with. And, the program has been really successful, we've rolled that out globally as well. Throughout our parks and resorts, we've also made healthier snacks foods, like, you see, the fruit stand here, much more widely available and appealing to our guests. And as well as adding new healthy snacks such as the fruit and nut snack that you see there, all in resealable containers that make it easy for our guests to have a small snack and save the rest for later. Turning now to our media networks, as you may know, Disney Channel is a commercial free platform, but it does accept some brand form messaging from nonfoods and also foods that meet our very same guidelines that I mentioned earlier -- pre-existing contracts notwithstanding. Any contracts we had before we announced the guidelines may still be in place. On our other kids media outlets, we accept regular advertising from a variety of food and nonfood products that comply with our regulatory standards and practices. Now, on the media side, as a broader industry wide issue, we continue to expect things to evolve in this area. As different efforts are made by food marketers and grocery manufacturers and the BBBB -- the BBB food pledge will all continue to evolve and that will also have an impact

on what is shown on our air waves. Of course, we'll also continue to follow the guidelines from the Children's Advertising Review Unit. Turning now to our programming, we know that our Disney characters can have a really positive influence. We really do make a concerted effort to use our very best talent to promote a range of prosocial topics. If you've been watching Disney Channel lately, I'm sure there are many parents in the audience, you may have seen something called "Disney Friends for Change" with messaging that helps kids help the environment. Or maybe you've seen an episode of "Handy Manny" that reinforces healthy habits for preventing the flu this season. And coming soon in January, we'll be debuting a new campaign that's in development right now with Common Sense Media that focuses on online safety. And these are things that we do all the time and maybe you don't see them, so what I wanted to do is share with you some of the healthy lifestyle messages that are on our air waves, they have been on for many years. And they tend to not get reflected in advertising studies such as you've heard about earlier today from Dale, because they don't run during commercial time. They run during our programming time and because Disney Channel tends to get excluded from listings because we're not a regular advertising network. So just a quick sample I would like to share with you.

>> It's the Mickey mouse Clubhouse!

>> Now let's pick out the veggies. What vegetables do you see?

>> Peppers!

>> And what about this cucumber? Yes. Cucumbers are vegetables too.

>> Whatever your sport, whatever your skill, get your head in the game.

>> Hi, my name's Philip, and my favorite sport is wakeboarding. Wakeboarding's a family sport. The whole family can go out on the boat and have a good time, and everyone can try wakeboarding.

>> Get your head in the game. On Disney channel.

>> But to do this every night --

>> -- you have to take care of your body and work hard to stay healthy. So, it's time for us to call in an expert and get serious about staying healthy.

>> If you look at your plate and there's not enough color, then think about, "where can I get color from?" If you look at your plate and it's all white, that means you're probably not getting enough variety.

>> When it comes to eating healthy, here's some global inspiration on Disney Channel's "Pass the Plate." Ever wonder where fruit comes from? Besides a bowl? The answer is all over the world. Apples from New Zealand. Bananas from Costa Rica. Oranges from Spain. But there are also, many fruits that don't come from all over, because they grow right where you live. That's why I love coming to my local market. There's so much local food to choose from! Locally grown fruit is really fresh, too. Sometimes you can even go out and pick it yourself. Of course, what you can get depends on where you are. And some places have a lot more choices than others. To learn more about eating local produce, get your parent's permission, and you can go to [DisneyChannel.com/passtheplate](http://DisneyChannel.com/passtheplate).

>> Jennifer Anopolsky: So, content like this that features our top talent like The Jonas Brothers is a really important contribution, and it's one we're really proud to make. I hope you enjoyed watching that. We also work with groups like the Ad Council to promote healthy lifestyle education for families, and I want to show you a recent example from one campaign.

>> A bright future starts with a healthy lifestyle. Good nutrition and physical activity are fuel for your child's mind and body.

>> Attaboy, Pinoch!

>> And the food pyramid will help you find the right balance. Just, remember, every color, every day.

>> Nothing can stop me now.

>> Eat right.

>> Here's an apple.

>> Be active.

>> Come on, I'll race you home!

>> Make it balanced.

>> This calls for a celebration!

>> A healthy lifestyle can lead to great things for your child. Visit [MyPyramid.gov](http://MyPyramid.gov) to learn more.

>> Jennifer Anopolsky: So, I've been asked to keep my remarks brief. So to learn more about what we're doing in this area, or to see more of our content, you can find it online at our corporate responsibility report at [Disney.com/seeourreport](http://Disney.com/seeourreport). In closing, I want to thank all of you for taking interest in our progress as a company and for inviting us to share and update on our -- on that work that we've been doing. At Disney, we'll continue to promote good nutrition and healthy life styles to kids using our very best talents and abilities, and we look forward to reporting back to you.

Thank you.

[ Applause ]

>> Mary Sophos: Good afternoon. I'm Mary Sophos with the Grocery Manufacturers Association. And I'm delighted to be here this afternoon to provide an update on the advertising trend since our last report, at the FTC Forum, and to discuss some very promising initiatives that we're taking in schools, in the workplace, in the marketplace and the media that we think will make a very positive

contribution to our goal of reversing the trends in childhood obesity. First, let me quickly highlight some of the findings in our report on advertising trends, and these are based on Nielsen data we've been tracking since 2004. As you can see, overall advertising viewed by children, whether on kids' TV or all TV has declined in 2008 just as it did in 2007. In 2008, on children's TV, the typical child saw 14% fewer food and beverage ads and 8% fewer food/beverage and restaurant ads. This is a decline that began in 1977 and from 2004 to 2008, children viewed 31% fewer food beverage and restaurant ads on children's programming and 15% fewer on all TV. The second noteworthy thing about these trends is the continuation of the shift in mix of products advertised. As you can see, soft drinks both regular and diet have disappeared almost entirely from children's TV. Sugared fruit drinks advertised on children's TV have declined by almost 50%. On the other hand, fruit and vegetable juices have increased over 150%, albeit from a very small base. The same trend is observed for bottled water both in advertising seen by kids on children's TV and on all TV. The shift in mix continues with significant declines in categories including cookies, snack bars, candy, gum and mints. And in the case of cookies and snack bars, the decline is over 80% on children's television. In terms of meal components, we're seeing declines in categories such as frozen pizzas, breads, pastries, waffles, pancakes, cereals and oatmeal. We're seeing increases in other categories, such as entrees, soups and fruits and vegetables. Again, while the fruits and vegetables categories start from a very small base, the increase is over 150%. We are also reporting on advertising viewed by teens. Teens view 28% fewer food and beverage ads in 2008 than in 1994. Although ads viewed did increase slightly from 2007 to 2008 by 2.4%. Similarly, teens viewed 8% fewer food and beverage and restaurant ads since 1994, while they viewed more ads in 2008 than 2007. Importantly, the same shift in product mix that we're seeing in the ads viewed by kids under 12 is occurring in ads viewed by teens, particularly with respect to the declines in ads for soft drinks. Again, you can see the same kind of declines for teens in cookies, snack bars, snacks and candy and a slight increase for gum and mints. Again, the same basic trends and shifting of the mix of products -- frozen pizzas down. Fruits and vegetables up. And as we reported last year, television still represents the lion's share of paid advertising. I want to talk a little bit about some of the efforts that the industry is undertaking with the many stake holders who will be critical to achieving our goals of reversing the trends in childhood obesity. In October, more than 40 retailers, non-governmental organizations and food and beverage manufacturers launched the Healthy Weight Commitment Foundation. A \$20 million national multi-year effort designed to help reduce obesity,

particularly childhood obesity, by 2015. The Healthy Weight Commitment Foundation will promote ways to help people achieve a healthy weight through energy balance. In the places, that people spend most of their time in schools, in workplaces and in the marketplace. And, it will also undertake a public education campaign aimed at 6 to 11 year olds and their caregivers. Among other things, the Healthy Weight Commitment Foundation is supporting an expansion of the healthy school partnership with an \$8.5 million grant. The healthy schools partnership is an innovative program with partners being the American Dietetic Foundation Association, P.E. for Life, and the American Council For Fitness And Nutrition Foundation. It provides an integrated nutrition curriculum into the P.E. for life, physical education classroom, bringing RDs, registered dietitians, in to coach and motivate students alongside of P.E. for Life teachers. Together, they teach students the concept of energy balance and it is working. In the fall of 2008, the ADAF and U.C. Berkeley launched a study to evaluate the effectiveness of RD nutritional coaching component of the healthy school partnership. Although, they started out roughly the same after coaching students in the intervention schools had scores significantly higher than those of students in controlled schools, particularly, as shown here, in understanding how to maintain a healthy body weight and recognizing the value of eating more fruits and vegetables. The study included 500 fourth, fifth and sixth grade students from five schools in the urban core of Kansas City, Missouri, where the student population is 75% or more eligible for free or reduced price lunch. After RD nutrition coaching, twice as many students from intervention schools, 31% compared to the controlled group 17%, were eating vegetables at school lunch. And the program evaluators validated the self-reporting with photographic measures of actual consumption during school lunch. The difference was statistically significant. So, the next step for U.C. Berkeley researchers is to develop where the Kansas State University a joint assessment of P.E. and nutrition coaches curriculum. Based on the student verbatims, we believe this is likely to show an added value to an integrated curriculum, as students connect with the energy balance dots and learn how to balance healthful eating with physical activity. Finally, in addition to these efforts in the marketplace, the workplace and schools, the healthy weight commitment foundation will launch in the first quarter of 2010 a national public education campaign on energy balance. The campaign is designed to help raise awareness about the importance of balancing a healthy diet with physical activity, particularly among children 6 to 11, their parents and their caregivers. So, in conclusion, the average child aged 2 to 11 viewed fewer food, benefit rage and restaurant ads in 2008 than in any recent year.

And the long term decline has accelerated in the last four years. The mix of advertising continues to shift, a key objective of the Iowa recommendations, as well as those of the FTC. Industry is developing and supporting initiatives in schools, in workplaces and the marketplace that are already having an impact and that are getting momentum, and we're going to continue to make every effort to address this problem which we view as one of the most serious ones facing our society today. So I will stop there. Thank you.

[ Applause ]

>> Elaine Kolish: Thank you, Mary, for inviting me and giving me an opportunity to discuss the BBB program over the last two years. My name is Elaine Kolish, and I'm the director of the BBB's Children's Food And Beverage Advertising Initiative. As you may recall, this program became operational when we announced the commitments of our then 11 participants right here at FTC's July of 2007 forum. At that time, we announced our participants had exceeded our baseline commitment requirement of 50%, and instead had pledged that 100% of their advertising is for healthier or "Better For You" advertising or they would not advertise to children at all. Among other things, we have now expanded the program and have 16 members of the initiative and all 16 of these companies have now implemented their pledges. My remarks today are focused on two points. One, the participants have made serious and important commitments about food advertising to kids. They are honoring those commitments and those commitments are resulting in significant improvements in the products advertised to kids. Second, we have been listening to the feedback on the program, and while it's not feasible for us to make every change that has been recommended, later in this presentation, I'll be describing the many changes that we're adopting that will be effective on January 1. Our goals -- well, let me just say first, Mary Sophos nicely talked about the overall decline in food advertising to children. And that's important data for food policymakers to know about and to consider. But the goal of the CFBAI, however, is not to reduce the amount of food advertising to children, but, instead, to change it. The food pledge program is seeking a shift in the mix of food ads directed to kids under 12. By this, we mean we're encouraging ads for products that are more nutrient dense, that have fewer calories and that are lower in fats, sodium and sugars. As is widely acknowledged, however, childhood obesity is a complex problem. The food pledge program is not, and cannot be, a silver bullet that ends this problem, but we are a part of the solution, and our actions support the efforts of the most important influences in children's lives, their parents and their schools. We recently released a report on the year 2008 and we found

that compliance was virtually 100%. Because of the comments that have been made about advergames today I would like to spend a minute on this topic. But first let me say, we did not have the benefit of seeing the study in advance so we don't know what food manufacturers are in the study, what websites or games were reviewed or exactly how the foods were analyzed. And without this information it's difficult for us to comment on the results. But we do think it's important that research do show -- contain this methodology, or it's of little use for policymakers in this area. During our review of web site compliancy during 2008, we found that when companies used branded products in their child directed games, they used only foods approved under their pledges, with just a couple of minor exceptions, and our results are fully laid out in our report. Since then, there have been some independent analyses of Internet advertising, and they have not reported any problems to us. We're also surprised that the MSU researchers are contending that the nutritional content of foods in participants advergames is not as good as the foods in non-participants' games. These results appear to be contrary to the findings and reports issued recently by both the Center for Science and the Public Interest, and by Professor Kunkel. Both those reports concluded participant's food were better than non-participants. Before our initiative was launched, almost anything went about what was advertised. Now, science based nutrition standards guide participants on what they are going to advertise and the BBB's oversight is providing transparency and accountability. The nutrition standards the companies use are very recognizable, as it's based primarily on the dietary guidelines and FDA standards. And they're similar to a number of third party standards. We think that looking at the progress that has been made on a product and meal base is very important, but we think using simplistic and sometimes inexplicable categories such as "go, slow and woe" is a woefully inadequate way to measure change. These categories cannot measure the significant reductions in calories, fat, sodium, and sugars that have occurred across a range of products. Those categories also seem to judge kids' meals that are advertised based simply on one component such as the entrée, and do not recognize the large amount of fruit and low-fat dairy advertising that is occurring through ads for kids' meals that now meet our nutrition standards. For those of you who are interested in learning more about this, I presented remarks yesterday at Children's Now events and those prepared remarks are available on the BBB's website. The fact that not all products meet CSPI standards is not surprising, either. Our program is designed to encourage participation, and accordingly, it balances flexibility by allowing individually developed standards with rigor by requiring that the standards be science based. We think that judging

products solely on the basis of whether they are above or below a particular threshold to draw conclusions of quote, healthy or of poor nutritional quality is overly simplistic, and yields misleading conclusions. Nutrition science isn't that simple nor are people's diets. What is surprising is that CSPI does not acknowledge its own rule in the standards used by some companies. In particular, CSPI singles out cereals as having too high a sugar content. So, let us spend a minute describing the basis for the 12 gram, 48 calorie guideline that seems to be a particular concern. This standard is based, in part, on taking the 200 discretionary calories in the diet and dividing those calories by four daily eating occasions, which equals 50 calories, or 12.5 grams, which was then rounded down 12 grams. But beyond that, I consider data showing that ready to eat sweetened cereals are not a major source of added sugars in the American diet. Cereal accounts for just 5% of a child's daily intake of calories and just 5% of the sugar in their diets. I also consider that ready to eat cereals are nutrient dense products generally eaten with milk which provides calcium, another nutrient that most children do not get enough of. Finally, just before we finalized our pledge review, I took into account that CSPI had announced it had negotiated a settlement with Kellogg's. That settlement included a 12 gram sugar guideline. Here's a picture of their press release. Margo conveniently omits this fact when she calls the 12 gram sugar guideline a hole in the standards. As you can see, although it was a settlement, CSPI lauded it as both historic and important agreement that could be a rising tide that should lift all boats. So, to disavow it now suggests that the Center For Science And The Public Interest settlement was neither based on science, nor in the public interest. But what is more likely, is that CSPI believed, as I do, that it was a reasonable place to begin and that important first step could lead to further progress, and that, in fact, is what is happening. The use of nutrition standards have resulted in a lot of changes. Well over 100 products have been reformulated or newly created to meet participants' nutrition standards. The significance of the large number of reformulations may not be obvious to everyone. It may seem like a simple task to remove some sodium or sugar or fats, from a product but it is not simple. Changing one ingredient can affect the rest, and even small changes can significantly affect taste, mouth feel and very critically, consumer acceptance of the product. I've included this flow chart to illustrate the numerous steps that are involved in reformulation. But even this flow chart is unlikely to give you a full appreciation of the time and effort that is involved. In addition to being a multi-faceted, lengthy process, it is a very costly, resource intensive process. Exact figures are not available, but many, many, many millions of dollars have been spent to reformulate

products to meet a company's standards for child directed advertising. In some instances, just changing one flavor can cost a million dollars or more. So now, I would like to turn and talk about some examples of company changes. Burger King implemented its pledge six months ahead of schedule in July 2008. In doing so, it launched a new product -- BK Fresh Apple Fries. These fries are really popular. They are actually even going sold in grocery stores. Later in 2008, it strengthened its already rigorous nutrition criteria for kids' meals by adding a 600 milligram sodium limit and a requirement that a meal provide a good source of at least two nutrient short falls for children. I also wanted to visually show you how Burger King's advertising has changed over the last five years. In fact, five years ago, the kids' meals included a double cheeseburger, French fries, a soft drink, and of course, a SpongeBob toy. A couple years later, the kids' meals now include a variety of options, including Motts Apple Sauce, low fat chocolate milk, and of course, a SpongeBob toy. Now, in 2009, all BKC's kids' meals are primarily advertised to children, meet strict nutritional criteria. This meal, one of four currently committed under its pledge, comes in at 390 calorie, well one its limit of 560, and less than 25% of the calories come from fat. Campbell's also has successfully tackled one of the hardest jobs in food science, reducing the sodium in soups and pastas significantly, while retaining flavor. It devoted substantial resources to developing a proprietary seesaw and other knowhow that allowed the sodium content to be reduced while keeping great taste consumers like. This know how is being used across the company's different brands and just yesterday Campbell's announced it will be further reducing the sodium in its canned pastas by up to 35%. Now, all varieties of Spaghetti-Os will be nutritionally aligned to the FDA's criteria for healthy main dishes. My kudos to Campbell's. I'd also like to acknowledge the effort that ConAgra Foods made in reducing sodium and fats in its canned pastas. For example, the sodium content in one variety of Chef Boyardee has been reduced more than 30%. Additionally, the company has committed to reduce sodium in its products 20% by the year 2010. And here's one example of a Campbell's product, it's Chicken and Stars soup, showing it's been reformulated twice, first from 940 to 640 and then to 480, the FDA level of healthy for individual products. General Mills has reformulated many products and introduced new products to meet its standards. In particular, it has now reformulated "Trix" cereal twice. First, it reduced the sugar content from 13 grams per serving to 12 to meet its sugar guideline, and this month, it again reduced the sugar content. It's now at 11 grams per serving. This visual shows exactly how the reductions have taken place and the years they have taken place in these eight cereals that it advertises to children. And

General Mills announced last week it would be further reducing the sugar content of all of these cereals to single digits. That's great news. Kellogg's also has reformulated a number of products too, including many well known and popular products such as Apple Jacks. Here you can see the sugar content of apple Jacques is reduced from 15 grams to 12 which was a 20% reduction.

McDonald's has introduced a new combination that meet its standard, the snack wraps, and its Happy Meal advertising now always includes apple dippers and low-fat milk. And the number of healthier options that are being purchased that include apple juice, chocolate and low-fat white milk and apples has increased significantly since they were introduced as options in 2004. Now, about one-third of Happy Meals sold include these healthier products. And, in an astonishing 100 million orders of apple dippers have been purchased in Happy Meals since January of 2008. That's a lot of apples. In terms of long term changes in food advertising, the first Happy Meal promotion was in 1979 and it featured fries and a soda. Now, Happy Meals are shown with milk and apple dippers and can you see that the calories alone have decreased substantially. I also want to share with you an informal analysis of participant advertising in 54 hours of children's programs that we did in March of 2009. This involved 233 ads for 24 products. First, we found that all the products of our participants in our sample met their nutrition standards. We then analyzed the products to determine whether they provide at least 10% of the daily value of potassium, fiber, calcium, magnesium, or vitamin E, which the 2005 dietary guidelines for Americans identify as nutrient short falls for children or if they supplied a half serving of fruit, vegetables, low-fat dairy or 8 grams of whole grains. We found that 83% of the ads provided one or both of these nutrients. We also looked to see how many ads were for products in specific categories and we found the following. 35% of the ads were for products or meals that had whole grain. 12% featured or included yogurt products. 7% of the participants' ads were for products that included a half serving of vegetables. And 28% of participant ads included apples and milk. We also thought it would be useful to share an analysis of the cereal category with you. As a preliminary matter, let me first explain that the products on the CFBAI's approved product list change as new products get added and others are discontinued. Currently there are 37 cereals on the list. This means they may be advertising to children, though not all of them necessarily actively advertised to kids. Some flavors may be advertised only on websites, or are on the list because they meet the company's nutrient criteria, though they are not necessarily currently advertised to kids. There are several noteworthy characteristics of this collective group of cereals. The analysis you see on the slide is based on up

to date formulations. First, much has been made of the sugar content of cereals. Well, prior to adoption of this program, some cereals advertised to kids had as much as 16 grams of sugar per serving. Now, current formulations contain no more than 12 grams of sugar per serving. But, in fact, the number of cereals that has 10 grams or less is larger than the number that have 12 grams, and almost half has no more than 35% sugar by weight, a commonly used standard. Of course, sugar is just one ingredient. When you look at the products in their entirety, you will find that virtually all meet a healthy nutrient content claim and all of them meet it on a per label serving basis. Further, all of the cereals contain essential vitamins and minerals and the vast majority, 73% are a good source of a nutrient short fall for children, and well over half provide at least eight grams of whole grains per serving. Finally, many scientists believe that many children and adults are not getting enough vitamin D. More than two-thirds of the cereals in this group are at least a good source of this vitamin. Going forward, as I said at the outset, we have been listening to feedback and we're making some changes. A key change is increasing the baseline advertising commitment to 100% from 50% and eliminating the possibility of meeting the commitment by including healthy lifestyle messaging in ads. This means that going forward, all new participants will have to meet this revised standard and no participant may go down in its commitment. Consistent with our focus on child directed advertising, we're expanding the venues and type of advertising covered to include other child directed advertising in games, cell phones and on child directed DVDs. Word-of-mouth advertising, if done, also would have to meet our principles, and our new principles are available on the table in the foyer. Since the outset, we have said that our standards will be grounded in science and evidence based. Accordingly, in the fall or winter after the dietary guidelines for Americans 2010 are issued, we will look comprehensively at relevant, authoritative developments in nutrition science including the recommendations that the interagency working group will send to Congress in July 2010. Secondly, although we think that the current definitions of child directed advertising are working well, we are considering changes that could further harmonize them. The participants in this program have not only met their commitments, they have exceeded them. They have made many, many improvements in the products they advertise to kids. I am proud of what we have accomplished together, and I look forward to working with the participants to accomplish even more through collaboration and competition. Thank you very much.

[ Applause ]

>> Mary Engle: Thank you, Elaine. Since we started late, I'll exercise the prerogative of extending this panel a little bit so we have some time for questions. I have a few questions I would like to just to clarify some of the presentations. And Dale, one of the things you mentioned was the increase in the use of licensed characters that you thought from 2005 to 2009 and you noted that IOM had recommended that licensed characters be used only for healthy products and that was one of the recommendations that the FTC made as well. On some of these slides we've seen Disney and Nickelodeon characters on healthy products. So, one of your findings was half of licensed characters represent foods in the poorest nutritional category in which I believe was in 2009. I wonder if you were able to compare that to 2005. Was there a change in, what is it, the characters promoted foods of poor nutritional value over time. Did that get better?

>> Dale Kunkel: Mmm -- I'm not sure that we did that in 2005. We absolutely could, so it's a very legitimate question.

>> Mary Engle: Okay. A question for further research, I guess.

>> Dale Kunkel: Yeah, could I expand, though, on this -- what I would like to do is address one of the points that Elaine makes, where she says that the "go slow woe" approach doesn't allow the opportunity to measure the improvements that the industry has accomplished, and I think that's actually not true. It's just that the changes have been so inconsequential that they haven't moved to another category of nutrition. So, I think it's important to appreciate that as Margo underscored, she's using a more precise or refined measure. Her data matched mine perfectly. It's just a question of whether we want to have benchmarks, and basically have an analysis where we can categorize and make sense of it, rather than saying you have to have a Ph.D. in nutrition to understand this issue. I think it's a really legitimate measurement technique.

>> Elaine Kolish: I would like to respond to that, Mary. I think that the categories are very nice ones, as an effort to simplify complex nutrition to make it easier for consumers to make purchasing decisions for their menus over the course of a week. This tool was not designed to be a basis for formulating public policy decisions and presumably, policymakers are sophisticated enough to

understand the complexities of nutrition science. These categories can't and won't ever capture change. Some of them are totally inexplicable. For example, French toast and waffles are in the slow, sometimes category while sweetened sugars -- sweetened cereals, regardless of the sugar content seem to be in the woe category. There's no explanation of the nutrition science that underlies the basis for these categorizations. It doesn't make sense. Cheerios with one gram of sugar could be in the woe category as well as any other cereal that has 12 or more grams. Those categories don't make sense for assessing change and the progress in the nutritional profile of foods.

>> Dale Kunkel: You need to talk to Secretary Sebelius and her 12 leading nutritional experts who devised that framework. Not -- you know -- I'm just applying the framework.

>> Elaine Kolish: I agree, they devised it for consumers to help them.

>> Margo Wootan: But it doesn't matter, because even using nutrient based standards which are very similar to what your companies have pledged to follow, you said our standards are arbitrary but they are very similar to what many of the, many of your participating companies have used. Using those types of standards with limits for fat, and salt and sugars the results come out the same.

>> Elaine Kolish: No, they don't --

>> Margo Wootan: It's not the problem that Dale's categories don't work. I use standards very similar to what your companies are using and I get the same results. So do a number of other researchers that are finding the same thing over and over again.

>> Elaine Kolish: But Margo, apparently you did not use the 12 gram sugar guideline that you negotiated with Kellogg in evaluating those cereals --

>> Margo Wootan: It was a litigation compromise. It wasn't our nutritional -- we've had these nutrition standards since 2005. That's what I used, and which have been --

>> Elaine Kolish: So, I guess it wasn't science based or in the public interest.

>> Margo Wootan: That -- you know what, Elaine, that's really uncalled for.

>> Elaine Kolish: No it's not!

>> Mary Engle: Okay. I would like to ask some more -- I think the panel --

>> Margo Wootan: She has a Ph.D in nutrition and none of the rest of us do.

>> Mary Engle: I think, you know, Elaine has provided some concerns about the measure that was used to evaluate success and that's always, of course, going to be very important what the measure is. And I think going forward, in the next panel, we will have a discussion about standards, uniformed standards that the interagency working group is coming up with, and that's something the FTC also will use to evaluate changes. And, if I may, I would like to -- I think we're not probably going to agree on that standard right now, but I just had a couple of other questions I just wanted to -- for some of the panelists, if I could clarify. For example, on Liz's research of the advergimes, it was interesting because Dale's research suggests very good compliance with the pledges on TV advertising, and on advergimes it didn't look that way. But I'm wondering again, if it is a question of measurement, or the universe that you studied. And I noticed that you excluded advergimes that were targeted to adults from your study. Did you -- what about the teen category, because the CBBB initiative just covers 11 and under so those would only go to advergimes for the youngest segment.

>> Elizabeth Taylor Quilliam: That is also a very good question. There is, as I mentioned, there's no published list that we could find for which websites target children, which advergimes are directed to children. So, we did cast a wide net and looked for games that children would find and play. The fact that we found disclaimers saying, "hey kids, this is an ad" on a site seemed to us to be an indication that the marketer was expecting that children would play those games. Also, we found games, particularly among the four pledge participants that agreed to refrain from advertising, we found games that were age restricted, that you had to enter a birth date, and if we entered a birth date that made us younger than 12 or younger than 11, our researchers were not

allowed to play those games. So, we tried to apply those criteria across the board regardless whether it was an initiative company or not. But in the absence of published information, clearly there is some judgment that we had to apply to categorizing.

>> Elaine Kolish: And Mary, Mary, just -- not to be argumentative this time --

>> Mary Engle: It's too late for that!

>> Elaine Kolish: You mentioned Liz, that where, if they had an ad or a flag on it like "hey kids this is an ad" that you counted those as kids games. And I think some companies may be including that in an excess of caution, in case a kid does come across it, so they're trying to be you know, very, very careful but they may not still be considering that website to be directed to kids or for the game to be directed to kids. It just may be the lawyer saying, "you better put it on there."

>> Elizabeth Taylor Quilliam: And we would like to be able to do future research where we have actual data on the demographics of who is visiting the sites and who are using these games. And we don't have that information.

>> Elaine Kolish: Right, and that's very important. We did a lot of research in our report looking at that. And there are COMP scores and other empirical evidence available, because occasionally, we've gone to one of our members, and we said we're a little concerned about this game, and they pull out Nielsen data showing that 95% of the visitors are women age 35 and up. So, even though you and I may not be good game players, we're a minority for our gender and age group.

>> Mary Engle: Okay. Elaine one of the announcements you made today was the extension of the initiative to some other forms of marketing. I didn't see product packaging on that list. I'm wondering, that's certainly something the FTC has called attention to as an area we'd like to see the initiative extended to. Is that something that your companies might be willing to discuss?

>> Elaine Kolish: Aren't we out of time? It's not a change that we were able to agree on. Some companies, of course, do include it as part of their global corporate social responsibility

commitment. But for others, there are business, complex business decisions that doesn't make it feasible for them to make that change.

>> Mary Engle: And Mary, I had a question for you. You had some graphs showing trends in categories ever foods that are advertised and a decrease in some sodium and other things and increase in fruit juice and water, but, and as you noted, the baseline is quite different on those so I wondered, so the magnitude of this increase is hard to assess without knowing what the baseline is. Does your report provide that, the baseline figures?

>> Mary Sophos: We can provide that. I think all of these categories are relatively small, they're a very small percentage. So I think cereals may be the largest, but they are fairly small percentages overall. We can probably find that information for you. One thing I would like to do, though, is maybe just address something that Dr. Kunkel said earlier, when he referred to the conclusions of the IOM report from 2005. And while his quote was accurate, I think it may leave the audience with a misimpression about what the IOM actually did conclude. Because what they said in their conclusion on adiposity was that the evidence is not sufficient to arrive at any finding about a causal relationship between television advertising to adiposity among children and youth. So, I think it's important to make sure we get the record reflected accurately on that point.

>> Dale Kunkel: We don't have the time to engage this.

>> Mary Engle: Okay, just to -- just to kind of wrap up here, I have a few question for each panelist. It's almost New Year's. Any New Year's resolutions on this topic? I'll just start with you Dale and go down the line.

>> Dale Kunkel: A New Year's resolution on this topic area? Boy. We need to see a uniform nutrition standard. How do I put that into a resolution form? The fact, you know, Margo observed that there's so much variability between the nutritional standards and that the cereal companies are weak on sugar. One of the findings that I didn't have time to report is that, you look at the percentage of products that meet one company's standard, but violate other company standards, it's 88% for children's meal products. They meet their own standards. They don't meet the other

company standards. It's 92% per cereal product. So, I think the industry needs to resolve to have a more uniform nutritional standard, and I'm looking forward the next panel to address that.

>> Margo Wootan: I don't know, I think I changed my mind over the course of the day. That -- I came in with a very open mind about self-regulation and the chance of it working, and I feel much less optimistic now than I did. So, my resolution might be to talk to some members of Congress about what next to do on food marketing to kids.

[ Applause ]

>> Elizabeth Taylor Quilliam: I guess I would, I agree with both Margo and Dale. I would like to see not only more standardization with respect to nutrition, but also in terms of what does it mean that media is targeted to children, particularly in the online world where it's clearly undefined and Elaine and I have differing opinions, obviously, on which websites or which games might be child directed or not, makes it very difficult for not just researchers, but policymakers and parents to have a clear understanding of what kids are being exposed to and how it affects them. So, I guess that would be my New Year's hope, as opposed to resolution.

>> Jennifer Anopolsky: So, I guess our New Year's resolution will be to continue to focus on this topic and try to apply the strengths and gifts that we have as a company to advance the best interests of children.

[ Applause ]

>> Jennifer Anopolsky: Yay! Thank you, whoever you are.

>> Mary Sophos: I think I would like to Echo Jennifer's New Year's resolution, which is an actual resolution, because it involved a commitment on her part and we certainly intend to continue our commitment to do things including around the issue of marketing, but also on areas that we talked about with a healthy weight commitment where we're actually going to have a chance to make a significant impact on improving children's lives. And I guess, on my Christmas wish list, which we heard from the first half of the panel is that we could, perhaps, stop arguing over categories and individual foods and figure out how to talk to consumers about how to manage a whole diet, to look

at their diets and look at energy balance and calories in and calories out and to find some common sense ways to get a handle on this really difficult and challenging issue.

>> Elaine Kolish: My resolution is to try to persuade people that self-regulation is working and that companies have made very sincere, meaningful commitments to addressing childhood obesity. No one wants children to be in the position they are, and to recognize that cereal companies, other companies are not pernicious purveyors of sugar. They are making products they think consumers want and need. The reason I focused on the CSPI 1 and 12 grams, is that, settlement or not, it was a standard that was agreed to in negotiation and one that the company had to then agree to use and reformulate its products to. And I thought it was unfair then, to judge them by yet, a different standard two years later, when they were doing exactly what they promised to do. And that's what all the companies have done in this program. Two years ago, the standards we announced were, had great fan fare. People were thrilled from FTC, to lawmakers, American Dietetic, American Heart, CSPI -- the companies have done exactly what they pledged to do and more. The goalpost may be moving. I understand that. But that doesn't mean that the companies aren't doing what they promised to do and don't deserve some recognition of the significant progress that has been made.

>> Mary Engel: Okay, please join me in thanking the panelists.

[ Applause ]

>> Mary Engel: We're going to take a break now and reconvene at 3:30.

>> Dale Kunkel: Before we break I just want to direct your attention to the tables in the lobby in the back. It has some materials relevant to the next panel, interagency working group.