

STATEMENT OF COMMISSIONER JON LEIBOWITZ

on

Marketing Food to Children & Adolescents:

A Review of Industry Expenditures, Activities & Self-Regulation

before the

U.S. Senate Appropriations Committee

Subcommittee on Financial Services and General Government and

Subcommittee on Labor, Health & Human Services, Education & Related Agencies

(September 23, 2008, 10:30 a.m.)

Chairmen Durbin and Harkin, Ranking Members Brownback and Specter,
Members of the Subcommittees:

I am pleased to be here to testify about childhood obesity and food marketing to children. As you know, at your request, the FTC issued a comprehensive Report in July that analyzes food marketing expenditures, reviews new self-regulatory initiatives, and recommends additional steps.

Simply put, whether or not food and beverage marketers are part of the problem – and in my view, we *all* share some responsibility – they have to be part of the solution: industry can play an instrumental role in influencing children’s food choices and helping to curb the obesity epidemic.

To obtain data for the FTC Report, we sent subpoenas to 44 major food, beverage and fast-food companies. As you can see from our charts, in 2006 these companies spent approximately \$1.6 billion to advertise to children and adolescents — or almost \$2 billion if we include the cost of toys provided with fast-food children’s meals.

Our Report details *what* foods were advertised and *how* they were promoted in 2006, just as industry self-regulatory initiatives were starting up. So it will serve as a benchmark to measure future progress.

Perhaps most striking is the *fully integrated, cross-platform* nature of campaigns directed to children and teens – and the *cross-promotional* marketing that links foods, drinks, and restaurants with popular entertainment.

Television advertising still dominates the landscape. But it’s not like what you see on *Mad Men*: modern ad campaigns carry over to product packaging; displays at supermarkets and restaurants; and Internet sites with online “advergames,” contests, and “e-cards” to send to friends. *New digital media* is becoming a major marketing tool.

Our Report also assesses industry self-regulatory efforts. In 2006, after we held a workshop with HHS, the Council of Better Business Bureaus created the Children’s Food and Beverage Advertising Initiative. As of this morning, fifteen major food and beverage companies have pledged to restrict their child-directed TV, print, and Internet advertising to “healthy dietary choices” – or to simply stop advertising to children under 12.

In addition, the Alliance for a Healthier Generation has secured leading marketers’ agreement to stop selling high-calorie foods and drinks in schools.

Our Report concludes with a list of recommendations. For example:

- *All* food marketers should adopt meaningful, nutrition-based standards for promoting their products to children under 12;
- Those standards should apply to *all* child-directed marketing – not only to broadcast, print, and Internet, but also to product packaging and other promotions; and
- Media companies should develop their own programs to impose nutritional standards for both the licensing of characters and the advertising placed on children’s programming.

Mr. Chairmen, your hearing comes at a propitious moment in the debate over self-regulation and how far it can take us. We are encouraged that some industry members are stepping up to the plate. Still, these promising first efforts need to be expanded. To that end, we are committed to monitoring industry progress and issuing a follow-up report.

Hopefully, by working together, we can go a long way toward ensuring the healthier future for our young people that all of us want to see.

Thank you, and I would be happy to answer your questions.