

Testimony of Susan K. Neely
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Senate Committee on Agriculture, Nutrition and Forestry

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Introduction

Good morning, Mr. Chairman and members of the Committee. Thank you very much for the invitation to appear before the Committee to discuss the issue of nutrition in the school setting.

I am Susan K. Neely, President and CEO of the American Beverage Association (ABA). As a representative of the nation's beverage industry and the mother of two elementary school children, I applaud the committee for holding a hearing on an issue that is critical to the health of our school children. I also want to thank the Chairman for his leadership in introducing the Play Every Day bill to help children and communities eliminate barriers to the kind of physical activity that is equally critical to their health.

The American Beverage Association has been the trade association for America's non-alcoholic refreshment beverage industry for more than 85 years. Founded in 1919 as the American Bottlers of Carbonated Beverages and renamed the National Soft Drink Association in 1966, ABA today represents hundreds of beverage producers, distributors, franchise companies and support industries. ABA's members employ more than 211,000 people who produce U.S. sales in excess of \$99 billion per year.

According to American Economics Group, Inc., direct, indirect and induced employment in the beverage industry means over 3 million jobs that create \$280 billion in economic activity. At the state and federal level, beverage industry firms pay more than \$30 billion of business income taxes, personal income taxes, and other taxes with over \$14 billion in taxes paid to state governments alone. In 2003 it is estimated that beverage companies donated \$326 million to charities.

ABA members market hundreds of brands, flavors and packages, including diet and full calorie carbonated soft drinks, ready-to-drink teas and coffees, bottled waters, fruit juices, fruit drinks, dairy-based beverages, and sports drinks.

Adoption of School Beverage Guidelines

The American Beverage Association agrees that the obesity crisis is a complex, national challenge that requires us to re-examine old practices and find new solutions. All of us --- policymakers, parents, educators, industry and community leaders - have a responsibility to do our part to help teach our children how to have a healthy life style. I am proud to report that the

American beverage industry is doing just that.

In May of 2006 the American Beverage Association, Cadbury Schweppes, The Coca-Cola Company and PepsiCo teamed up with the Alliance for a Healthier Generation (a joint initiative of the William J. Clinton Foundation and the American Heart Association) to develop new School Beverage Guidelines that limit calories and increase nutritious beverages in schools.

We agree with parents and educators that schools are special places and play a unique role in shaping our children's health. The guidelines provide students with a broad array of lower- and no-calorie options along with nutritious and smaller-portioned beverages to help kids build healthy habits as they learn to balance the calories they consume with the calories they burn. The guidelines are designed to balance children's nutritional and hydration needs with appropriate caloric consumption for their age.

The Guidelines

Elementary School

? Bottled water

? Up to 8 ounce servings of milk and 100% juice

- Low fat and non fat regular and flavored milk and nutritionally equivalent (per USDA) milk alternatives with up to 150 calories/8 ounces

- 100% juice with no added sweeteners, up to 120 calories/8 ounces, and with at least 10% daily value of three or more vitamins and minerals

Middle School

? Same as elementary school except juice and milk can be sold in 10 ounce servings

? As a practical matter, if middle school and high school students have shared access to areas on a common campus or in common buildings, then the school community has the option to adopt the high school standards

High School

? Bottled water

? No or low calorie beverages with up to 10 calories/8 ounces (e.g. diet soft drinks, diet and unsweetened teas, fitness waters, low calorie sports drinks, flavored waters, seltzers)

? Up to 12 ounce servings of milk, light juice, 100% juice and certain other drinks

- Low fat and no fat regular and flavored milk and nutritionally equivalent (per USDA) milk alternatives with up to 150 calories/8 ounces

- 100% juice with no added sweeteners, up to 120 calories/8 ounces, and at least 10% daily value of three or more vitamins and minerals

- Other drinks with no more than 66 calories/8 ounces (e.g. light juices and sports drinks)

? At least 50 percent of beverages must be water and no or low calorie options

For elementary and middle schools, we limit the beverage offerings to water, milk and juice because parents believe, and we agree, that younger children need more guidance to choose foods and beverages appropriate for their nutrition and caloric needs.

By the time students reach high school, parents believe children should have more freedom to choose their food and beverages during the school day. These guidelines provide more options for older children, while still capping calories and portion-sizes. No full calorie soft drink products will be offered in any grade.

We hope the Committee appreciates the extraordinary steps our companies are taking with these guidelines. Our companies are removing full-calorie soft drinks from elementary, middle and high schools throughout America - an unprecedented move by a member of the broader food and beverage industry. They're also reducing the portion sizes of many beverages and capping the calories of products offered in schools. This does not come without real cost and risk to the industry.

Guidelines Developed Using Nutrition Science

The American Heart Association wielded great influence in the development of the School Beverage Guidelines along with the Clinton Foundation and the beverage industry.

The guidelines were designed using nutrition science, including the Dietary Guidelines for Americans, 2005 as well as the American Heart Association's Dietary Guidelines for Healthy Children and 2006 Diet and Lifestyle Recommendations in order to balance children's nutritional needs with the requirement to manage caloric consumption.

The guidelines are also developmentally appropriate, taking the age of the student into great account. They balance children's nutritional and hydration needs with appropriate caloric consumption.

By using nutrition science, along with parental concerns, we were able to develop guidelines that are responsive to concerns about school wellness and that will make a meaningful impact on our children.

Parents Support this Commonsense Approach

We are very proud of these guidelines and are happy to report that parents think we've struck the right balance by limiting calories and increasing nutritious offerings in schools. A recent nationwide survey showed that 82% of parents surveyed support our school beverage guidelines. In fact, they clearly support our school beverage guidelines over more restrictive alternatives.

When asked to choose between the School Beverage Guidelines and a policy that provided bottled water, 100 percent juice, and low fat milk for K-12, parents supported our guidelines by a margin of 56% to 42%. And when asked if they preferred our guidelines or a complete vending ban in schools, they chose the guidelines by a margin of 82% to 14%.

Some of the reasons parents gave for supporting the guidelines:

- ? They appreciate the age-appropriateness of the policy.
- ? They like that it limits choices for younger students.

? Most feel that high school students are old enough to make choices.

This poll was conducted of 700 parents (59% female/42% male) by the highly respected Public Opinion Strategies firm, which is the research firm for the NBC News/Wall Street Journal poll.

The parents responding to the survey reaffirm that our policy makes good sense. It is based on sound nutrition and reflects the reality of how most of us live. Like grown-ups, kids want to drink both nutritious and enjoyable beverages. As a result of these guidelines, schools can help our children learn to choose beverages that are lower in calories and/or high in nutrition.

Committed to Implementation

The beverage industry is working hard to implement these guidelines. In the past 10 months since we signed the Memorandum of Understanding with the Alliance for a Healthier Generation, our companies have spent hundreds of hours training their marketing and sales teams about the guidelines. These teams have reached out to school contract partners to educate them. Our companies are reformulating products. They are creating new package sizes to meet the smaller portion sizes required in the guidelines. And, they are retrofitting vending machines to accommodate the changes in package sizes.

In addition, both the Alliance for a Healthier Generation and the industry are continuing our outreach efforts with schools and national education groups to garner their support to implement the guidelines. The Alliance will soon offer a web-based product catalog so that schools can more clearly understand what beverages fit the guidelines when they enter into or amend contracts.

The School Beverage Guidelines MOU requires full implementation of the guidelines by August 2009. The first progress report on implementation of the guidelines will be completed in August. Dr. Robert Wescott, an independent economist and member of the Clinton administration, is overseeing the process to gather and evaluate both sales volume and contract data from thousands of bottlers and schools across the country. This is not a simple process, but the work is well underway. We fully expect the August report to show a continued decline in the sale of full calorie soft drinks in our schools.

Conclusion

The American Beverage Association welcomes the opportunity to work with the Alliance for a Healthier Generation to provide guidelines for schools that offer more lower-calorie and nutritious beverages. As we complete the first school year affected by our agreement, we can report good progress in achieving our goals. While we applaud this Committee's efforts to find new ways to address student nutrition, we hope that it will recognize and support the significant effort by this industry to change the beverage offerings in schools that is already well underway. Limiting calories in schools is a sensible approach that acknowledges our industry's long-standing belief that school wellness efforts must focus on teaching kids to consume a balanced diet and get plenty of exercise. Our industry will continue to do its part to

help our kids learn how to have a healthy life.