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A final word about implementation: I think we'll need to keep in mind that a significant education campaign will need to accompany any changes on the labeling, not only to raise awareness of the changes, but also the energy equation as a factor that consumers now need to think about. As the one percent or less milk campaign has shown and been successful with, you need multiple and varied distribution channels to get your message out in order to make a difference.

We're just delighted at the Foundation that the FDA and other--and HHS and other people in government are taking on this issue, and we would be delighted to work with them and others to address this.

MS. TUCKER FOREMAN: Can I stand up here, please?

DR. PITTS: Absolutely.

MS. TUCKER FOREMAN: Since I have to--I want to make one click. What happened to the blue screen that has it? I've lost my--oh, thank you. I see. Great. Thanks. I'll do it. Thanks a lot.

Hi. Thanks very much. I think better if I stand up. I'm delighted that FDA is going into a serious

consideration of the need to update the labels. We've got some experience now, and it's time to move on.

I'm going to try to talk very quickly. I missed this morning, but I read Professor Wansink's paper, and I was very impressed with the question that he asked about how do we make food labels more effective by asking not just what we eat, but how much we eat, which I think is especially important. He pointed out that a 50-calorie a day change could result in a weight loss for 82 percent of U.S. adults.

The current food label really does not address controlling total caloric intake. There's really no effective message there about total calories. Last night, I pulled a box of cereal out, and went through it; and, you know, you got to look down in the itty-bitty type with two asterisks before it to say that the measurements are based on a 2,000 calorie a day diet. And I think it was Dr. Cummings who noted that a lot of her clients are people who, if they ate 2,000 calories a day, would keep gaining weight. I'm afraid I may be into that category as well.

Current labels should be changed to emphasize the need to control total intake. The labels might state that,

based on 2,000--they're based on 2,000 calories a day, but that many adults will want to consume fewer calories in order to maintain weight.

You know, consumers really shouldn't have to have a degree in nutrition or carry a calculator, put on their reading glasses, or be prepared to spend an hour at the supermarket, strolling through the aisles in order to be able to understand what it takes to buy healthy foods and to consume a healthy diet.

We're all rushed. The Food Marketing Institute has talked about consumers being driven the three C's: convenience, cost, and confusion. That shouldn't be the case, at least the confusion shouldn't be the case.

I come from a political background. We believe messages need to be clear and simple, and pictures and symbols work better than words. One way to communicate with consumers about how much we can eat would be to adopt some simple graphics, and let me see if I can--I am not a graphic artist, but even I could come up with that one, where, if you had--if you were to adopt the walking stick figure, you might be able to say on each, for each food, that the

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serving of that food would require that much brisk walking in order to work it off.

A simple graphic could also be used to show the relative proportion of a day's fat, sugar, and salt contained in a serving of food. Let's see--yeah, once again, you have to forgive my poor artwork, but if you were to have a four tube thermometer--I thought about this while I was looking at the measurement on the hot sauce, and it--you know, the pepper goes up and down--and I thought, well, you know, you might use four tubes like that and have one for total calories, one for fat, one for sugar, and one for sodium. And, you know, that one's so simple that you could put it up on the menu board in fast food restaurants so that, as you're standing in line trying to decide what to buy, you could think well, if I'm going to have that size hamburger, maybe I better skip the milkshake today.

Messages are a lot more effective when they're repeated constantly and used in a variety of settings. The same graphic should be used in restaurants, in nutrition education materials, and food advertisements.

Now, I want to talk for just one minute about food advertising. We can't go the whole day without doing this.

A big chunk of--there are about \$15 billion dollars a year in advertising directed at our children. And a big chunk of that goes to promote foods. Half of all the ads shown during children's programming on weekday afternoons and Saturday morning are about foods.

I don't believe the government's going to come in and tell food companies that they're prohibited from advertising food to kids. But I think responsible people, and I do believe that the people who run our big food companies are responsible, should stop and think for a minute about whether or not food advertising has gone way beyond what's acceptable. Frankly, when you look at that amount of money being spent on advertising and you know what percentage of our children are overweight or obese. I think it comes close to child abuse.

The--you could, however, make use of that advertising to advance these messages. If you had some agreed upon graphics, you could put down in the corner somewhere in every single food ad, some version of this. Some version of how the stick figure of how long it would take to work off a serving of those products. That's the kind of thing that could at least begin to balance out the

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enormous wave of food advertising and promotion that kind of sweeps over all of our children. Thank you. I'm sorry I went on a little long.

DR. PITTS: That was Carol Tucker Foreman. Thank you, Carol. Thank you, panel. This has been a, and Carol, I tell you that Georgia O'Keefe has nothing on you.

[Laughter.]

This has been an excellent--this is an excellent panel for two reasons, and I'll tell what they are.

Firstly, your comments on the questions have been very insightful and thoughtful. And secondly, you have actually, while addressing the three questions, raised more questions. So that being the case, I'd like to just follow up--I'll take the prerogative to asking the first question to Bob Earl.

You raised the issue of the retailer. And if you were representing the retailer, what would you be telling us?

MR. EARL: Well I can't--

DR. PITTS: Bob Earl.

MR. EARL: I really can't speak for the retailer, and I--but there are at least I though I saw a few here

that--I mean, one of the issues that sometimes, particularly in the largest chains, what I sometimes hear from my members is that packaging sizes are specified and demanded. And if you're--if you're, you know, it's either Sue's product or Bob's product that's getting into a--into a supermarket, and in a competitive environment, you know, what are--what's the rationale and what's the perspective there related to health apart from just selling volume of product to consumers.

DR. PITTS: Thank you. Well, in that case, let me give the second prerogative to members of the panel to augment their comments or question other members of the panel. Panel?

MS. KRETSER: I'd just like to add to that--this is Alison Kretser.

DR. PITTS: I'm sorry. Kretser.

MS. KRETSER: As we work to--what we hear from the consumer is that they want to hear a common message everywhere that they go, and so we're working at having a framework for a common communication message that then can be amplified and taken out and so retailers might have. And we're exploring the possibility of having like a national healthy month, similar to other months that may have a focus

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within the retail business. And so then you have an opportunity throughout the store to communicate to consumers.

DR. PITTS: Panel, any other comments or questions to each other before we go to the floor? Carol?

MS. TUCKER FOREMAN: This is Carol. I'd just add that I think that it's true that you want that repetition everywhere, but if you were to go to more specific things, for example, symbols and graphics that deliver those same messages, you could have those at point of purchase in the supermarket. You could--as well as on the labels, as well as in the advertising. And I think that if you had that repetition it would be perhaps more effective than a healthy eating month.

FOOD PACKAGING AND LABELING: Q&A

DR. PITTS: Thank you. Let me turn to the audience and ask for your questions and comments. Let me remind that if you do have a comment to please tell me what your name is and who you represent, and who you're directing your question to. Yes, sir?

MR. KATZ: David Katz, Yale School of Medicine. First, I'd like to echo Dr. Dietz's comments regarding

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health above all rather than weight loss above all. If our focus truly were exclusively weight loss, probably the most important thing we could put on a nutrition label is this product contains salmonella, which pretty reliably produces weight loss in the short term, and I make that comment obviously facetiously just to point out that means of weight loss need not always be consistent with means of promoting health. And I think we want foods that promote health and are conducive to the regulation of weight within that context.

I then like to raise something of a challenge to Mr. Earl and Ms. Kretser, and that is we've talking what we want labels to do. We haven't really been talking about what we would like to them to stop. Dr. Smith noted that the front of the package is prime real estate, and it's there that, for example, some 10 years ago, we saw things like contains oat brain in products that contained vanishingly small amounts of oat brain, and were not nutritionally prudent, but perhaps had essence of oat brain waived over a large vat. I'm quite concerned that in 2006, when transfat labeling is required to kick in, products that

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offer very little in nutritional value will say in large letters on the front contains no transfat.

And to pick on two products specifically, or rather one and compare it to another, in the juice aisle, a busy mother, who's committed to doing well by her kids, is looking for a hundred percent juice. Well, a product like Juicy Juice, which is all juice, says a hundred percent juice. A product like Kool Aid Jammers, which has a strawberry-kiwi variety and has big pictures of strawberries and kiwis on the cover, in the same font, in the same position, on the prime real estate on the front of the package, says a hundred percent, and in fine print underneath of a day's supply of Vitamin C, because, in fact, it's 10 percent pear juice. There's no other fruit in the product.

So I'd like to know what we need to do, whether it's a simplified overarching nutrition quality label that's color-coded. Green, yellow, red, we heard about today. There may be other ways to go. That's my one challenge. I'd like a response to that.

The other is we've heard nothing about the fact that we produce more calories in the U.S. than we need for

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energy balance. And if we really are committed to promoting weight regulation in our population and curtailing the obesity epidemic, ultimately that implies less than purchasing of food. And it's difficult to think that we won't cross a line when the interests of the public health establishment, and the interests of the food industry will diverge, because we are reaching into their pockets.

DR. PITTS: Panel?

[Laughter.]

Alison?

MS. KRETZER: Actually, you asked so many questions, now I've forgot various different thoughts that I had--

DR. PITTS: Kretzer.

MS. KRETZER: And what I was going to say.

Oh, gosh.

MR. KATZ: It's--should I distill down?

MS. KRETZER: Oh, I know you've raised this issue about this conflict that we want to sell more food. I will say that the area of growth within the food industry today is the category of healthier or better for you foods. That is the area that is growing most rapidly within the food

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industry, and that that is what consumers are asking for and the industry is responding to.

The industry is committed to advertising and providing good information to the consumer, and we will continue to do that. And, yes, you know, you will always find specific examples, the one that you brought up about Kool Aid or whatever product. Overall, there are many, many good products there. You know, is it a hundred percent across the board? No, maybe you've found it an exception there, or you take issue with that. I don't know if there's--is there any other question you wanted me to--

MR. KATZ: Well, I guess to distill it down again, I do think that ultimately if the consuming public purchase less food, my understanding is that we produce something on the order of 3,800 calories a day for every man, woman, and child in the country, after export. That's a lot more than people need. And consequently, if we guide them toward the purchase of a dietary pattern, whether it be in the supermarket or in restaurants, that actually meets their energy requirements, they should be purchasing less than we're producing; and there are implications of that. So you address that.

The other is what, in your opinion, would a food label need to convey to trump, and I gave just the one example. In fact, there are many of situations where the prime real estate on the front of the package gives a message that frankly trumps all of the details provided in the nutrition fact label on the reverse. What would need to appear on a package of processed food to fix that?

MS. KRETZER: Well, that's one of the things we want to determine when we do the consumer research, to better understand how consumers are using serving sizes and calories.

The other thing I would add is, as I talk to reporters on various different issues about the nutrition facts label, for instance, around transfat, from this summer, as I would point out and discuss the amount of calories in our diet that come from transfat--represents--the average American is about three and a half percent, and that we need to be encouraging consumers to look at the serving size and the calories in the product, and that's what concerns me most, and I always lead with that. And I've never seen it in print. It's what the one specific issue is that they are reporting on and looking at when I

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talk to a reporter about trans and the link to obesity and go over, wait a minute; let's back up. We're talking about three percent of the calories, and then walking through what that meant. Then, you know, a light bulb goes on.

But I am certainly pointing out that it's important for consumers to look at the serving size on the package and look at the number of calories.

DR. PITTS: Panel, any other comments? Yes, ma'am.

MS. HENRY: One of the things that you were talking about with the industry's food supply--I'm sorry.

DR. PITTS: I'm sorry. We were just identifying you for the audio transcript.

MS. HENRY: Oh, Rona Henry.

DR. PITTS: It wasn't a little voice talking to you.

MS. HENRY: Voice of God. With the food supply, the things that I've been seeing with the industry is where they're thinking about making money, because, you're right, if they're going to eat less, they're going to make less money is the trend toward more processing of foods, making things taste better. But also, I was just at the Food and

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then Beverage Exchange conference, and a lot of talk about fortifying foods and adding things like zinc, and Vitamin D, and anti-oxidants and so on. And I think that that actually is an issue for the FDA to be thinking about. That might be sort of the next wave of things we need to pay attention to, because it's possible with some of those things that they're using to fortify may be more than we need. And so I think that's just another element to be looking for in the future.

The other thing is, the comment that you said is sort of what are going to put on the label, and that's kind of my question. What are the--I've asked different people what are the top three things that consumers should be concerned about, and depending on who I ask, I get different answers. They all seem to agree calories. And fat comes up a lot. But then, it starts deviating. Is it sugar? Is it sodium? Is it what kind of fat? So, I think that that's an area where more research and consensus needs to happen.

DR. PITTS: Thank you. Any--yes?

MS. CUMMINGS: I wanted to address your question about the prime real estate on the front and the idea of a hundred percent and then ten percent. I think it's a very,

very good point, and I think we need to just take--make note of it, because the same thing happened with peanut butter.

When we went to low-fat, peanut butter started saying no cholesterol. Well, peanuts have never had cholesterol, and they never will have cholesterol. Many of them, though, have hydrogenated fats, which is going to make their--people's cholesterol go up higher than cholesterol. So I think we have to think about those messages on the front, and how they are portrayed.

And I think--believe that was one of the points that you were making.

MR. KATZ: And thank you for the response. If I may close, just by saying I would strongly encourage a simple, overarching symbol. I had the privilege of conveying this directly to the Commissioner over the summer. Whether it's green, yellow, red, A, B, C, or some variation on the theme, but I think there is the authority here, potentially, to empanel a group of nutrition experts who do for foods what we've done for the diet. We heard about the healthy eating index earlier today. We could have a nutrient quality index that prioritizes factors related to weight regulation, such as energy density, factor in volume,

think about the nutrient composition of the food, and provide an overarching guidance to the consumer so that much of the detailed work is no longer their burden, because people really do not want an encyclopedic experience in the supermarket. Thank you.

DR. PITTS: Thank you. That was David Katz, and before that Susan Cummings.

DR. WANSINK: Let me just make a comment. I mean, there's providing guidance and there's actually--

DR. PITTS: Mr. Wansink.

DR. WANSINK: Telling the consumer what he or she should eat, and that's the problem, I think, with a red, yellow, green sort of thing.

There's definitely a nice way to be able to tell people and inform about things without saying Big Brother says this is what you should eat.

DR. PITTS: Thank you. Audience. Yes, sir.

MR. GRAY: My name is Ken Gray. I'm from Lincoln, Nebraska, and I don't know how to address this, whether it's with my company that I have now called Best of Health, Nebraska, or to go back when I had a popcorn company up until two years ago, or to just address it as a consumer.

Dr. Dietz is the only person I heard here today that mentioned fat, protein, and carbohydrates in one sentence. I remember in 1990, when I started my popcorn company, and we had the new nutritional label come out; and we weren't able to determine how to determine whether it was low-fat or low-sodium, because the laboratory procedures had not been written. And thanks to a lovely lady, Dr. Joyce Salzman at FDA that I happened to know when I lived back here in '80s, she and the University of Nebraska Food Science Center Laboratory worked out the procedures so that we could come up with that determination. And, in 1992, we had the first low-fat microwave popcorn.

The problem is, is that four years ago, I weighed 258 pounds, and I was a diabetic. And I did everything I was told to do. And the real problem you're going to have with the new nutritional label or any changes you make to it is that, in conjunction with the food pyramid that came out in the '90s, you lost your credibility. And I don't mean that harshly. We've got to work together on this.

But it was bad science, your bad recommendations. We've increased carbohydrates over the last 30, 40 years, and I'm not a Dr. Atkins fan, don't get me wrong there. And

we've gone after fat and proteins and minimized those. And what's resulted? We have a 40 percent increase almost in heart disease and stroke and cancer and diabetes and obesity. And put to you that obesity is not a disease. It's a condition that we used to qualify. I know there may be some psychological aspects of somebody that's obese. But the American consuming public I will tell, because I used to do food demonstrations in the grocery stores, they lost confidence in the food pyramid. They read the nutritional labels like crazy. They've done it since the early '90s. But what happened was what they were seeing there and what they were being told, and then they started putting on a pound and a half, two pounds a month.

DR. PITTS: Excuse me, sir. Could I ask, do you have a question for the panel?

MR. GRAY: My question is, are we going to get back to the basic science of fat, protein, and carbohydrates? I mean, you're talking about calories, but I can eat a lot more calories of meat, and I'll still put on weight if I eat a lesser amount of calories of light carbohydrates.

DR. PITTS: Okay, well, let's hear what the panel has to say. Thank you very much.

Bill, do you want to take a crack at that? Dr. Dietz.

DR. DIETZ: Dr. Dietz. Thank you for that comment. At the risk of disagreeing, I think the science says that a calorie is a calorie, and there have been some very nicely controlled studies. That the--I think what you may be alluding to, though, is the differential impact of a calorie from protein on satiety versus the impact of a carbohydrate calorie on satiety. And my view is that for people like you and others, we need to provide that information, because, until the science is clear, people are going to be making their own choices about what they need to do to regulate their weight. And some people are going to follow the Atkins Diet, and some people are going to follow a low-glycemic index diet, and who knows what else?

The bottom I think here is that we may--I think the issue is weight regulation, and we need to give consumers as much information as they need to do that, while the science becomes clearer.

MR. EARL: Just to tag on to what--

DR. PITTS: Mr. Earl.

MR. EARL: This is Bob Earl. To tag on to what has just said, I think we need to--you know in the discussion of the label and weight management a calorie is a calorie is a calorie. That's very true.

Some of the things that Dr. Katz mentioned: I think you need to look at what are some of the pieces of food regulatory policy that relate to claims about foods and those types of things that may have or not have direct relationships to the topic of this panel related to obesity.

Again, I think the issue is very simple messages, but I agree with Bill that we have to--you know, no one I think has advocated today to move away from macro nutrient listings on the food nutrition facts panel in protein, fat, and carbohydrate. But that for weight management, more information or some different presentation about calories may be very important as long as we're doing it in a way that works well for consumers through testing.

And then the final piece of that is that we have to take this one step further. And how do we put this into overall dietary lifestyles. We can't necessarily completely change the nutrition facts panel to serve just people that

want to lose weight. There are a lot of individuals that use the nutrition facts panel for a multiple set of purposes, and we have to address all of them because with, you know, low-fat, non-fat products and the calorie message getting lost over the last 20 years, we don't want to repeat those types of issues.

DR. PITTS: Yes, sir.

MR. BLACK: Richard Black, Hilsey, North America. I'd like to make on comment on fortification of foods, Ms. Henry raised that issue. The FDA, to my knowledge, as well as Health Canada, has supported the food nutrition board to undertake a review of that. That report is, I believe, going to be--is due for release on the 11th of December. It not only will refer to how the DRI numbers should be used on a panel, but also make some policy suggestions regarding fortification of specific foods.

I really want to make a comment, following the gentleman who did the--made the comment on the popcorn business and so on. It's a comment that we hear often as nutritional scientists that we have no credibility. But let me put it to you this way, because I get frustrated with that comment.

Nutrition is a very young science. It's a very, very young science. If I said to people here, we know everything we need to know about computers. They'll never get any better. What we have is what we have. You'd all call me crazy. And consumers would call me crazy. And consumers are fully willing to say, yeah, I know nothing about computers. I'll buy what they tell me. Oh, I got a buy one this year? Yeah, okay, that's just the way consumers think of computers.

Same thing for drugs. We don't know everything about drugs, but if I had said, yeah, we've discovered all the anti-cancer things we'll ever discover, you'd say he's crazy.

And yet, because we eat food every day, and because it's such an intimate thing for the consumer, the consumer feels a personal knowledge for the food. Even though it is a science, it doesn't appear that way to the consumer. So it's not that scientists change their minds. It's not that we get off message. This is a science, and science evolves. And I think we've just done a very bad job of conveying that to the consumer. I don't know how to do it, but I think that's the big issue.

DR. PITTS: Thank you. Panel, any comments on that? Yes, sir.

MR. HILL: Doug Hill with the Kellogg Institute for Food and Nutrition Research. There was some discussion--Sue particularly talked about the idea that graphical interpretation of nutritional data was condescending; that we've heard a lot of people say, oh, well, graphics would be good. Would you respond? Maybe I misunderstood what you said. I thought I was.

MS. BORRA: I'm sorry. Maybe I didn't understand your question. We didn't hear you.

MR. HILL: I'm sorry. No, it wasn't.

MS. BORRA: Me?

MR. HILL: It was Chris. I'm sorry. Yeah, she's right. I'm interested in the--someone said--let's do it that way.

[Laughter.]

Someone said at some point that graphical--

MS. BORRA: Christine said.

MR. HILL: Christine said, okay. Somebody said that graphical presentation of nutrition label information was condescending. We've now heard several people say, oh,

yes, we think graphics would be good, and, as a practitioner, I'd like to know where we might want to go.

MS. TAYLOR: That was Chris Taylor.

DR. PITTS: Christine Taylor.

MS. TAYLOR: I think what I remember saying was the research in 1990 showed that things like smiling faces and stars were considered somewhat childish and condescending. We found that consumers had some difficulty using the graphics compared to numbers, but I think as we went through, we talked about the idea of taking numbers and supplementing them with graphics. And so that's what I remember from my own presentation, which was--

[Laughter.]

long, long, time ago.

DR. PITTS: Panel?

DR. DIETZ: I mean, has--I mean, have any of you all that have focus group data tested graphics? I mean, kind of industry--

DR. PITTS: It's Dr. Dietz. Ms. Borra.

MS. BORRA: I have not--as people talk about graphics--Sue Borra--I have not seen any data that I've had my hands on that shows how they're utilized. How consumers

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are using them. What's happening. I know--I think there's some research that's possibly going on even at FDA looking at qualified health claims and some graphic representations there which may shed some light on some of this.

I think, as we explore the calorie information, we may look at is there anything graphically that can help there and have consumers design that and see then what the actions are. But I have not seen any good research based on consumer information that says that that's the way to go.

MR. EARL: Bob Earl. I just want to add that back in the experience when the formats for nutrition labeling were tested back in the early '90s, again, there were adjectival and graphical representations tested, and those, you know, not to the magnitude that Chris described about smiley faces and some other, you know, iconic types of things, but those did not perform as well as the format that was finally chosen and something that was very much just what we had in the voluntary system for nutrition labeling that added the selection of nutrients that were called for by the NLEA.

DR. PITTS: Yes, ma'am.

MS. FOREMAN: Can I say something?

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DR. PITTS: Oh, sure, Carol, go ahead.

MS. FOREMAN: Carol Tucker Foreman. As the consumer on the panel down here, our folks tell us that they really would like to see the simplest possible formatting of the message. And I don't find the detail on the current nutrition label very helpful to them. It's helpful if you're on Weight Watchers, and you're really spending time examining the labels. But for somebody, and the Food Marketing Institute stuff on confusion in the supermarket is pretty persuasive to me. You want to get through the supermarket as quickly as you can, and take care of your family as best you can. And the study of messages would indicate that if you have simple graphics that are repeated, not just on the labels, but with regard to nutrition education and advertising and in restaurants, that pretty soon people do catch on to what the message is. This assumes you can agree on a few messages. I'm not sure we could.

DR. PITTS: Ladies and gentlemen, we have about 20 more minutes, so please keep your questions and comments crisp. Yes, ma'am.

MS. CHILDS: Yes, Nancy Childs, St. Joseph's University.

I just want to say consumers are complex. Nutrition is dynamic. And so we have our work cut out for us, but a concern I have is that when we pursue this consumer research that we do it in a comprehensive way. We're trying--right now, we're dissecting the label in the sense that the qualified health claims are being evaluated over here. Maybe this weight management over there. Are going to and how do you suggest we bring this to the consumer as a total package, where it's coherent and cohesive in totality.

DR. PITTS: Panel? Bob.

MR. EARL: Bob Earl with NFPA. Just to add to what Nancy says I agree completely that you need to look it at for all the purposes, because, you now, even with the statistics of two-thirds of Americans that are overweight, they're still a third that would probably be using the label for purposes that doesn't necessarily relate to weight loss, certainly. And you have a whole set of issues of why consumers look to and use different aspects of the food label. So, again, that the label needs to be

comprehensively evaluated by consumers that, you know, there are as many options as there are people in this room of what we think is the best way to do it. But until we thoroughly test it with consumers to understand what works, what performs, we'll really be nowhere.

DR. PITTS: Sir. Yes, ma'am.

MS. WIEMER: Kathy Wiemer from General Mills. I was just going to comment on the symbol question. I don't know if there's anyone here from American Heart, but the one symbol that has been used fairly significantly on a number of food packages is the American Heart Check symbol. And I know that they have done some research on that, and I believe that that is positively viewed, and it is a symbol that consumers seem to understand that that means that part is good for your heart. And in the case of using that symbol, the product needs to qualify for the saturated, or the fat heart disease health claim. So I just wanted to add that, because that is something that I think there might be some value in exploring this whole graphic arena, which we haven't done a lot of work on that I'm aware.

DR. PITTS: Thank you. Rona.

MS. HENRY: There is another--

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DR. PITTS: Ms. Henry.

MS. HENRY: Rona Henry. There is another example of a food logo being used in Australia called Check the Tick--Pick the Tick. They obviously don't have Lyme's disease there, but that it's been successful and is well recognized, and, as I recall, incorporates a number of different factors into their logo. It's not just, you know, fiber and fat.

MS. BORRA: It's the same [inaudible] our Association [inaudible] in this country. It's modeled after Heart Check [inaudible].

DR. PITTS: Sue Borra. Yes, sir.

MR. KATZ: David Katz, Yale. Just to exploit the earlier comment about computers. It was used to make a point, but I wonder if we might consider, and I'd invite Panel reaction to this, the need for an overflow valve here. As we talk about many ideas, not all of which could fit on a nutrition label, what about www.fda/nutritionlabeluse.gov. And, you know, for more tips on how best to use the nutrition label for the specific health goals of your family, and whatever doesn't fit on the label, we could actually have an interactive web site, advertised right on

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food labels to empower consumers to use nutrition information. All those that can read the label and have an Internet access might benefit.

DR. PITTS: Panel, any thoughts on that?

MR. EARL: Just that--just to--Bob Earl with NFPA. This is--this was an item that was part and a core part of our label facts for healthful eating curriculum that was done early on in the process and reviewed by FDA and USDA, where we did have separate materials to look at. Is it weight management? Weight loss? Diabetes? Heart disease? Those types of things. We're in the process of updating those and hopefully to move them to a more interactive web-based tool for consumers that supplements the already good information on basics on using the label that FDA has on its web site.

DR. PITTS: Thank you. Yes, ma'am.

MS. FOX: [inaudible] Medical Foundation. And I have a comment and then a question for--

DR. PITTS: I'm sorry. I'm sorry. Ma'am, I can't hear you. Would you speak up please?

MS. FOX: Can you hear me now? Hello, can you hear me?

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DR. PITTS: Just ever so vaguely.

MS. FOX: Tracy Fox. I'm a nutrition consultant representing the Produce for Better Health Foundation. A comment and then a question for the panelists.

In terms of the--an effective graphic, I think a couple of them have been mentioned. I know the Produce for Better Health Foundation has launched a pretty successful consumer education campaign to be used in grocery stores on promoting foods and vegetables, and it's the color-way campaign that tries to communicate the importance of variety through color issues so that's something to look at in terms of promoting a message in a fairly simple way, hopefully effectively.

And I think the information that Dr. Dietz presented, or touched upon, in terms of volumetrics and the idea of taking a look at volume, and I think Dr. Katz also mentioned the nutrient density type of approach is appealing as well, because it really doesn't focus necessarily on one or two nutrients, but it also does provide the message that, for example, fruits and vegetables are items that consumers are not eating enough of. And it's a message that is positive in terms of promoting those types of things. I

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just am thinking about that, and we thought about this a lot. How do you convey what can kind of be a complex sort of issue to consumers in a fairly simple way on the label? I think it's worth looking at. I think it would present challenges, but it would certainly take the approach of promoting those things that are right now underconsumed. We know what's overconsumed in America, and we're trying to address that. We also need to look at what's underconsumed, like fruits and vegetables. So, I don't know if the panelists have thought about how to best address that approach. I think the visual, the graphic would help that in terms of taking a look at overall diet quality as well.

DR. PITTS: Thank you. Panel?

MS. CUMMINGS: It seems like--Sue Cummings. It seems like that's a--

DR. PITTS: Sue Cummings.

MS. CUMMINGS: That's a tall order for one small label, and that we definitely need an education program to go along with this. And, although the food guide pyramid has come under attack and may be changed, it is a visual. And I think it's a worthwhile visual. The problem is, is that the message has just got a little confused. So where

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it says carbohydrates, fruits, and vegetables at the bottom, it doesn't say white flour, white bread, white muffins, white crackers. And maybe we just need to work on that message that we're talking about whole grains, whole fruits, and whole vegetables.

DR. PITTS: Yes, sir.

MR. ADAMSON: Dick Adamson, National Soft Drink Association.

This is for anybody on the panel. Does the panel agree that any change that you make to the food label, that it be consumer tested and make sure that the consumer understands it before we go into full blown, total full industry of changing of the panel?

[Panel chorus of "yes.]

MS. FOREMAN: No, I want to--please, not if it takes 20 years to get any change.

DR. PITTS: Carol Foreman.

MS. DODDS: Could I address that?

DR. PITTS: Yes, ma'am.

MS. DODDS: It's Karen Dodds with HELS, Canada. And we were in the position of just last January putting into regulations essentially the nutrition facts table that

the Americans have had for a number of years. And I would discuss that one point, because you can use the nutrition facts tables and other things to educate consumers. I don't think you necessarily have to have the consumer education ahead, and understanding, ahead of the tool. The tool is to achieve education information, not to follow education information necessarily. You have to have a strategy that you agree will achieve what you want.

So, I'd be interested in all those heads that nodded that yes, consumers should understand. Do you really think that? Or do you really think, no, you should be able to know that you're going to have the outcome that you want?

DR. PITTS: Anybody want to address that question?

DR. DIETZ: Bill Dietz. I agree with you. I mean, I think what I was agreeing to was the need to pre-test the revision of the label, not that it demonstrably change the population, because, as you point out, that's the ultimate goal.

MR. EARL: Bob Earl. I would just say that I just agree that it takes much more than this educational effort for outcomes and behavior change takes far more than the nutrition facts panel or any piece of a food product label;

and that, you know, I think that with--I think we all were nodding our heads in agreement that it was testing to make sure that changes to label information provide information that's what you're expecting. But as far as moving toward behavior change among a population, it's going to require far more than the label, and the label will never be able, and I don't think was ever intended, to do that.

DR. PITTS: Yes, sir. Oh, pardon me. Yes.

DR. CASWELL: This is Julie Caswell. I think that I agree with your point, and the overarching issue is what is the public health goal. If we're using the labeling to try to achieve public health goals, then the tool has to be lined up for that in the end. And you can't expect a label to do everything. And the label--when we're designing labels, we're making choices; and, from a public health perspective, we have to make choices about which are the most important issues to address in a labeling format, given that it's a limited resource, and there's limited amounts of information that you can transmit through a label.

DR. PITTS: Yes, sir.

MR. BERENDS: Paul Berends, Adkins Nutritionals. My question for Bob Smith. Bob, you were kind enough to

share what you thought would be the future trends in the industry, and you mentioned calorie reduction per serving among others. What did you envision by available calorie reduction per serving?

MR. SMITH: This is Bob Smith. Paul, what I had in mind there was if, in fact, we get the right message, and we get the right conveyance for that message, and we do feel that we're going to make some progress, there's obviously going to be a great deal of effort concentrated on getting the energy per serving, if you will, or per hundred grams or whatever, down. And there's no doubt in my mind that the industry is quite capable of doing that. And they may be doing it by using unavailable calories, and I think you know where I'm going with that one. I think that's an important new issue for us, and we'd have to study that fairly carefully: just what impact does that have on the whole digestive system and everything else. But that's what I had in mind about reducing calories that way.

DR. NAYGA: Can I just make a comment? Just an observation, really. I think most of our discussion today is more on the input side. I think we can represent this issue of obesity with an equation or some sort. It's really

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an input-output part. And I guess my question is, is it possible to also focus on the output part of it? I think a major source of this problem is the less inactivity, if you will, of the whole population, perhaps because of TV or improved technologies and convenience and so on. And we're talking about packaging here. I wonder if there will be some--if there's a need for packaging innovations that would include information related to physical activity.

DR. PITTS: That was Dr. Nayga. Any other questions from the audience? Yes, sir.

MR. KATZ: David Katz, Yale. I would just react to that with a cautionary note. I agree with you this is about energy input and energy output. But we ought not to let perfect become the enemy of good in efforts to revise and improve food labeling. Food labeling can only do so much. And it's likely that efforts in other areas will be better investments in promoting physical activity. If we ask too much of the food label, we'll never get where we want to go.

In terms of energy balance, I agree with you entirely, but we're here primarily to address what's the--

what's the most we can get out of optimal food labeling.

Thank you.

DR. PITTS: Panelists, we have--I'm sorry, Bob.

DR. SMITH: Just quickly. I was going to react to the comment here--

DR. PITTS: Dr. Smith.

DR. SMITH: I hope you were not inferring that we have these--get away with easy open packages and make them more difficult. It's something that I faced--

MR. KATZ: It's an open question.

DR. SMITH: That's what I faced all my life. And the other question on packaging that I would like to comment on; there's a bigger world than just us in terms of making package sizes maybe taller rather than--or shorter rather than taller and that sort of thing. We do have a distribution problem, and whenever packages are made, they're made on a cost effective basis. If, in fact, we come out with much taller packages, it has an enormous impact, not only the market shelves, but on your home shelves. So, they'll be another whole area that you have to investigate before that goes on.

I personally feel that today is a wonderful day for expressing what I call this is a conversation for opportunity. This is not a conversation today to decide what's good and what's bad, and all that sort of stuff. And I think the opportunities that are being sent out today are magnificent. I just hope somebody's smart enough to take all this, distill it into something very useful. Thank you.

DR. PITTS: Ladies and gentlemen, we have two minutes left, so rather than a lot each of you 10 seconds for a closing statement, I would ask if any of you would like to make any comments before we close out the panel?

DR. KONDE: I was hoping that I could get the question on the symbol labeling so that I can clear some things that I forgot to say. And one thing that I forgot in my presentation is that there has been suggestions of adding a short text to the symbol. For fiber-rich, you should simply add fiber rich. And for the low-fat, and low-fat that would enormously increase the understanding and the risk of not--of misunderstanding of the symbol. And I would just like to tell you about that possibility, because I think it won't make it more difficult in any way, but it can make it much easier to understand the symbol.

DR. PITTS: Ms. Konde. Thank you. Panel? Ladies and gentlemen, panelists, thank you very much for a stimulating session.

[Applause.]

We'll take a break. We'll take a 15-minute break until 3:35 p.m., at which point, we will reconvene for our restaurants. So your reservations are for 3:35 p.m. Thank you.

[Recess.]

RESTAURANTS

DR. PITTS: Let's wait for some stragglers to come in.

3:35 p.m. to 5:00 p.m. panel on restaurants. Let me read to you the panel objective, and pass the microphone over to my co-host.

The panel objective is an exploration of whether lessons learned through examination of food labeling and packaging can improve our understanding of dietary messaging in restaurants. This session will provide a restaurant perspective on the issue of consumer information and promotion of food choice as a part of healthy lifestyles. This session will explore consumer research and industry

programs used to help consumers make more informed choices in restaurants. Panelists will discuss successes and challenges in providing menus and information to meet customer demands.

Let me introduce my co-host, Steve Grover, Vice President, Health and Safety Regulatory Affairs for the National Restaurant Association. Steve.

MR. GROVER: Thank you very much, Peter. AT the outset, I want to say that the restaurant industry recognizes the growing problem of obesity in the United States, and we are committed to promoting healthy lifestyles with our customers. Choices available in restaurants today will be part of the solution to the problems we face.

I want to leave you with three quick words before I turn it over to the panelists. Those words are: diversity, people, and competition.

When you think of the restaurant industry, you must think of diversity. With 11.7 million employees, serving over 70 billion meals a year, we serve a meal to just about every culture and every ethnic group in the United States. And it is very important that there

literally is no other industry as diverse as the restaurant industry in the United States.

People. This is a people to people business. You walk into a restaurant. You talk to a person, and people prepare your food usually within minutes of your order to your exact specifications. The food is not prepared in a plant some thousand miles away, weeks or months before you buy it. It's prepared on the spot to your order, to your exacting specifications.

And competition. We work, and the people that you're going to talk to today, work in a very, very competitive industry. As we sit here, hundreds of new restaurants will open with a hope for developing a new demand, a new market. And sadly, hundreds of restaurants will close, because they did not meet consumer demand or did not find a market. Sixty percent of new restaurants fail in their first five years.

So, as we say, I will turn it over to the panelists.

Our first panelist is Hudson Riehle. He's Senior Vice President for Research and Information Services for the

National Restaurant Association in Washington, D.C. And Hudson is going to do a presentation on the latest research.

Our second panelist is Linda Bacin. She's Vice President of bella!Bacino's in LaGrange, Illinois, and Co-Chair of our Communications Committee of the National Restaurant Association Board of Directors.

Our third panelist is Mats Lederhausen, President, Business Development Group, McDonald's Corporation, Oakbrook, Illinois.

Our fourth panelist is Chris Ricchi, President of i Ricchi Restaurant in Washington, D.C.

Our fifth panelist is Brian Yost, Vice President of Restaurant and Beverage, Marriott International, Inc., Washington, D.C. And our final panelist is Rob Dowdy, Vice President, Strategic Communications, Burger King Corporation, Miami, Florida.

I'll let each panelist introduce their company a little bit as they come up. Our first panelist will be Hudson Riehle.

MR. RIEHLE: Well good afternoon, everybody. On behalf of the National Restaurant Association and its research and information services division, I'm pleased to

have a few minutes to talk with you today about really what are the drivers regarding consumer patronage at restaurants.

The presentation is basically divided into three distinct areas. First, we'll quickly go through and do a restaurant industry overview, and then we'll take a closer look at what are the consumer drivers of patronage in the industry today. And finally, we'll do a wrap up and look at some of the conclusions that the research shows.

Basically, in a quick overview, industry sales this year for the industry will exceed \$420 billion. That is four percent of the nation's gross domestic product, an average of about \$1.2 billion per day.

At presently, there about 870,000 individual restaurant locations in the country. On average that number will exhibit a net increase per year of about 8,000 to 12,000, 14,000. Employees. Almost 12 million. The restaurant industry today is considered one of the most labor-intensive industries in the country today, and there's a reason for that, which I'll get into in just a few minutes.

The restaurant industry is by no means monolithic. It is an extremely complex and fragmented industry. The

Association, each year, tracks sales for 39, 39, distinct segments within the industry. And this slide I put up there just to give you a basic idea. This is not all 39, but I'll quickly run through some of these to give you an idea of the diversity and breadth and depth of the industry.

Basically, full-service restaurants are those that you would know with waiter-waitress service, and generally the consumer pays for the meal after it is consumed.

Quick service, generally the consumer will pay before the meal is consumed. Those two segments are the largest segments out of the 39 within the industry. But there are also cafeterias, social and business caterers, snack and non-alcoholic beverage bars. A rapidly growing segment within the \$420 billion industry is what we call managed services contractors. And those are restaurants and food service operations that are run at industrial plants, such as manufacturing plants, and different office complexes.

There's also hospital and nursing home food service. There's schools--primary, secondary, and university food service. There's transportation, for example, airlines, steamships. There is also recreation and

sports centers. Then there's lodging places. One of the more rapidly growing segments is what we call retail host. That is, for example, food services now available in bookstores, service stations, and convenience stores. They're also what we call self-operated, or, in other words, what is known as non-commercial, in other words, organizations that run their food service by themselves. And this group over here is contractors and generally this group is enlarging and this group is diminishing.

There's also military restaurant food services.

One characteristic of the industry is its labor intensity, as I've mentioned. Government data shows that for eating and drinking places, the average sales per full-time equivalent employee is just \$57,000. Now, compare that to grocery stores, at \$172,000. Gasoline service stations, at almost half a million per full-time equivalent employee. And even appliance stores at \$1.5 million. And there are certain capital intensive industries which will exhibit sales for full-time equivalent of \$2 million and \$3 million. But the main point here to be made is the extreme, extreme labor intensity of the industry.

And why is the industry so labor intensive? It's labor intensive because there are so many consumer customization demands, and that is a pivotal underpinning of the restaurant industry today--customization.

It is also an extremely competitive industry. I'm sorry, the sequence seems to be out here. All right. Well, let me just--basically, the competitiveness of the industry--I'm sorry.

DR. LEVITT: You want me to go back?

MR. RIEHLE: Yes, thank you. Okay. Thank you. Sure. All right. The competitiveness of the industry is a hallmark in terms of consumers' usage of the industry, because basically customers today, with the 870,000 locations, vote with their feet and palates. There is, in terms of competitiveness within the industry, unequalled growth in terms of the number of units and also in terms of the variety within those restaurants. And we continually do consumer research, as you would expect, and what we find is that basically, 80 percent of adults, four out of five, agree that they have a larger selections of restaurants available to them than they did two years ago.

Also, too, another hallmark of the industry is that even though everybody is quite familiar with a lot of the chains, it is still an industry that is dominated by small business. Average unit sales at the typical quick service restaurant were just \$599,000, and at table service, \$676,000. And more than seven out of ten eating and drinking places are single-unit, independent operations.

Also, too, using the latest Census information that is available, we can document that less than one of five restaurants, 19 percent, are part of companies which operate ten or more restaurants. And the restaurant has, and for the foreseeable future, will basically be small mom and pop businesses.

Amazingly enough, when you look at the 21 meal period per week for the typical American consumer, 76, in other words, over three out of four meals, are still prepared at home. In other words, if you take that 21-meal period, roughly about five are restaurant prepared, two are skipped, and the fourteen remainder are prepared at home. And that is a very important point in terms of when you look at the food consumption patterns in America today.

Now, that 76 percent over the past 20 years has been moving up slowly, but relatively is at a glacial pace still compared to the at-home dominance.

Perhaps one of the most important drivers of restaurant industry growth is household income. Various statistical studies have confirmed time and time again that restaurant patronage is very strongly correlated with increases in household income. It is correlated in primarily two ways: it is correlated with the level of household income, as well as the growth in household income. And when you look at the household income levels within America today in real dollars, the number of higher income households has been increasing at double-digit rates. And basically, that's a reflection that America, as a whole, has become a wealthier country, and that is reflected in the per capita incomes of its citizens.

If you look at the real disposable economic income indicator, since 2000, you can see in that year it had a solid growth of 4.8 percent. In 2001, the year of the nine-month recession, it did taper off to 1.8, but it is important to keep in mind that that was still a positive number. Even in a recessionary year, the real disposable

household income for America continued to advance as a whole. Consequently, restaurant patronage did taper off, but continued to advance. 2002, there was a rebound to 4.2, and this year we're estimating somewhere around three percent in terms of disposable income growth.

So now, let's quickly go over and look at some of the primary consumer drivers.

Obviously, the restaurant industry has and always will have as an interesting and repetitive driver consumers seeking entertainment and stress reduction. Eating out at restaurants has been and will continue to be fun. Over 92 percent of adults agree that they enjoy going to restaurants.

Now, an interesting statistic that we picked up on over the past couple years is the proportion of adults that feel the need to reduce stress. And this is an important component, again, in the consumers decision to use restaurants. For example, and these are all--all these consumer statistics I use are from nationwide projectable telephone surveys. Roughly about 53 percent of all adults in 2001, in the post-9/11 fielding period for this, felt they need to reduce stress. In one year, one year, that

number went from 53 percent to 72 percent. That is a 19 percentage point gain, and those of you that are familiar with consumer surveys know that that is a very, very huge movement in one period.

Also, too, in terms of going out to a restaurant with family or friends, consumers feel it does give them an opportunity to socialize and make better use of their leisure time than cooking and cleaning up. Almost four out of five adults agree with that statement.

And perhaps also importantly from our industry's perspective, because restaurants are used for many special occasions, when consumers go out for a special occasion, such as a birthday, Mother's Day, anniversary, consumers are less concerned about the nutritional value of the food they eat. Seventy-one percent of adults agree.

Now, let me just touch upon quickly a moment about the customization demand. I mean, in our industry, the consumer has been and will always continue to be king.

Adults know that they have lots of choices on restaurant menus, so they can decide exactly what they want to eat. Eighty-eight percent of adults agree with that.

Seventy percent of consumers customize their food orders, and this goes back to why the industry is so labor intensive. Consumers constantly, daily, in and out, among all of the 39 different segments request that their meals prepared away from home be customized to their own wants and needs.

And it's interesting. When you get into the mathematical permutations of this, if you take a typical sandwich with five food items, for example, bread, meat, cheese, ketchup, there are 120 possible combinations of those five items. But, as you know, diversity and variety in the industry has exponentiated over the past years.

A sandwich with 15 individual food items, has approximately 1.3 trillion combinations. And if you are familiar with a lot of these restaurants today. There are, in many situations more than 15 possible items that can be put on those sandwiches.

Another driver among the consumers is the issue of control. Preparing daily meals at home takes up more time than they want to spend on that activity. Time control and how restaurants satisfy consumers' wants and demands in terms of meeting time demands is very important. Forty-

seven percent, in other words, almost one out of two adults say that it takes up more time than they want to spend on that activity.

Interestingly enough, when you look at some of the demographics, almost three out of five 25- to 34-year-olds agree that it takes up more time.

Having carryout or delivery meals means they have more time to spend on other activities. Almost three out of four adult Americans agree, 72 percent. Once again, it's substantially higher in the younger age groups. Eighty-three percent of 18- to 34-year-olds agree with that statement.

Also, too, in terms of portion size, seven out of ten adults report ordering larger portions to turn tonight's dinner into leftovers. And this is a very important component because there are more consumers now that are ordering, in other words, to take up more than just one individual meal item. And, back in the '60s, they used to call them doggie bags, but now the proportion of consumers that actually take leftover food to use for other meal periods has grown substantially.

There is also increased emphasis on self-service within a variety of restaurant operations, and this ties back into the control issue. There is a greater increase of food bars, where the customer can actually prepare those items to his or her specifications. There's an increase in self-serve beverage kiosks. Even in table service, there's an increased ability to make reservations over the Internet. And this is all responding to the increased consumer demand to have control over their dining experience.

The industry has continued to respond to these evolving consumer wants and needs. Basically, 71 percent, over seven out of ten adults, report that there are more nutritious foods available to them in restaurants compared to five years ago.

As I said before, it is a consumer driven industry. The operators are responding to the wants and needs of consumers as their lifestyles evolve now.

Restaurants are usually responsive to their special food preparation requests, such as hold the mayonnaise and serve the salad dressing on the side. Ninety-five percent of adults agree, and those of you that know survey research, it is darn hard to get 95 percent of

American adults to agree on much anything. But the fact is the restaurants are responsive, and the consumers know they are responsive.

Almost two out of three fine dining operators report customers ordering more seafood entrees than two years ago. And more than half of family dining and casual dining operators report customers ordering more salad entrees than two years ago.

The fact is the restaurants respond to the evolving wants and needs of consumer food items on the menu.

And it's interesting. When you look at where consumers get their information about restaurants, and particularly food items within those specific operations, advertising does play a role. But when you look at the top three sources of information, how consumers chose a table service restaurant, it is basically word of mouth from friends and family members, as well as restaurant reviews.

The restaurant industry is a very, very strong word of mouth industry in terms of patronage, in terms of which signature food items they chose at those establishments.

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And the industry, because it is consumer driven and operators remain in business by meeting those consumer tastes, over eight out of ten are satisfied with their restaurant experiences. And compared to other industries, this is a very high satisfaction rating.

So, in wrapping up, when you think about the restaurant industry primary characteristics, it is and has been and will continue to be a very, very intensely consumer driven industry. It is large, fragmented and diverse. It is still dominated by small businesses, extremely competitive, and one of the most labor intensive industries in the country.

In terms of consumer drivers, entertainment, convenience, socialization, control and household income. And customer satisfaction levels remain high as the industry has and continues to be responsive to their wants and needs. So that's it for me. Thank you. Linda.

[Applause.]

MS. BACIN: Thank you, Hudson. And thanks very much for the opportunity to be here today to talk to you about the issues of nutrition and the role that restaurants play in helping people live a healthy lifestyle.

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I am Linda Bacin, a restaurant operator from the great City of Chicago. We own and operate eight Italian trattorias there, and our format is known as a contemporary Italian cuisine.

Some may refer to us as a chain, as we employ over 600 talented individuals, and we're very proud to be a part of the restaurant industry.

Our industry has become known to be the cornerstone of the economy, the cornerstone of career and employment opportunities. As Hudson said, the nation's 870,000 restaurants employ 11.7 million people, and we are the cornerstone of most of the communities.

I am very glad to be here today because specifically I and the restaurant industry generally are committed to helping individuals live a healthy lifestyle. We recognize for some people the problems of overweight and obesity are real, and we want to be a part of the solution. We believe strongly in balance, moderation, personal responsibility, and physical activity are keys to helping people live a healthy lifestyle.

At Bacino's on every takeout and delivery order that goes the doors, we attach one of the brochures that was

developed by the National Restaurant Association and positively reviewed by the USDA, that conveys the importance of balance, moderation, and exercise. I strongly believe that all foods can fit into a healthy lifestyle, and that no food should be deemed good or bad.

As we all know, determining whether someone is healthy involves more factors than just what they eat on a regular basis. You need to take into account if they're exercising, what their family history may be, if they have other medical conditions, and so forth.

Perhaps no industry has its finger more on the consumers' pulse than the restaurant industry. We see consumers asking for menu changes, and we in the industry make them on a day-in and day-out basis, and it's just that simple.

For decades, and I dare say possibly since the beginning, the restaurant and the food service industry has been leading the way in providing a diverse constituency with a whole variety of restaurants to chose from and not to mention a whole range of menu items once the consumer steps into the restaurant.

Look on the panel here today as we walk--and as you would walk down any main street in America. You can see all the options consumers have. We certainly are not a one-size fits all industry.

And consumers certainly have the right not to come at all.

At Bacino's, we have always been nutritious conscious. Our foods are made fresh to order, appropriately sized for a normal appetite. And in 1985, long before it was trendy, we ventured off on a path to develop America's first heart healthy pizza, which was the first pizza to be included in the Chicago Heart Association's Eat Well Guide, and still today meets the nutritional criteria of the American Heart Association.

Interestingly enough, the development of our spinach pizza came at the request of a core group of runners who were in training for the Chicago marathon and loved our spinach pizza. But they did not want to consume the fat from the whole milk mozzarella. So, over a nine-month period of time, we slowly and very calculated changed whole milk cheese to part skimmed cheese. And, as we proceeded in the development over this nine-month period of time, the

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spinach pizza remained and still remains today our number one product; and it is our signature item.

This is something that I am very proud of, and have felt strongly about to be able to provide to these customers who wanted it 18 years ago, and who still order it and want it today.

As you see, I'm very supportive of the consumers' rights to customize their order. That is what our industry is truly all about. And for the 25 years that I've been in the business, we've been doing exactly that. As Hudson said, we accommodate the needs of every customer that walks in our door, and because we are flexible in the preparation, we allow our guests to personalize their orders and enable them to pick and or combine any items they see listed on the menu, and we prepare it in a manner that meets their dietary needs.

I operate Italian restaurants, so it's certainly fair to say that a vast majority of items on my menus have a number of carbohydrates. As you all might expect, we see a lot of diet trends being practiced in our restaurants, and we've seen a lot of changes over the years. Consumers are

smarter today than they've ever been. They know what they want and they know exactly how they want it prepared.

For example, I am sure it's not a surprise to anyone in the room right now, that we are seeing a lot of people coming in the door who are on the Atkins diet. Just last week, I had an order for a spinach pizza that the customer wanted ordered without the crust.

[Laughter.]

And on a side note, it was very humorous actually. When the pizza maker came to me and said, how do I make a pizza, a spinach pizza without the crust, and I said just make it exactly the same way, and when it comes out of the oven, just slice the crust off and present it on the plate as if the crust were really under there.

In addition, we had someone order our best-selling pasta, the cavotopi [phonetic], which consists of grilled chicken, fresh spinach, Alfredo sauce, and, of course, cavotopi pasta. And they too ordered the cavotopi without the pasta.

In changing the menu seasonally, it requires a tremendous amount of effort and energy to coordinate when you allow unlimited modifications. At Bacino's, we have

over 23 modifier buttons on the order entry system, which would allow you to include ingredients, add ingredients, delete items, change from sauteed to grill, or simply having something on the side.

As Hudson earlier said, a large percentage of our menu items come into the kitchen with a modifier button, and every pizza, short of a cheese pizza, has been modified.

In addition to that, I can honestly not think of a food item that is more customized than pizza. By its sheer nature, every pizza is built exactly for the customer as they order it. And because of the prominent role that customization plays in my restaurants, our chefs and cooks proudly view their profession as an art, and not necessarily as an exact science. And don't get me wrong, consistency is the number one key to being successful in the restaurant. But I'm really saying is that if someone does customize an order, the kitchen does not really--they're looking at it in an art form more than a science form. And they're preparing that order exactly as the customer required it.

And because of the prominent role that customization plays in our restaurants, it takes an inordinate amount of training and an inordinate amount of

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time convincing young employees today that it is our job to give the customer exactly what they want, because there's so many options out there. If we don't do that, we will not have them as customers in the future.

And I know that one of the questions that you are looking at this issue is menu labeling. And I hope my comments have clearly conveyed to you that, in fact, for my business, it would be completely unworkable. Again, I thank you very much for the opportunity to be with you today, and I hope that I have shed some light on our industry and from my own personal perspective as to what our business is all about. Thank you.

[Applause.]

MR. LEDERHAUSEN: I did it all by myself. Isn't that quite something.

Hello, everybody. Thank you, Linda. I have a couple of disclaimers before we get started here. Ronald is not overweight. If you've seen him recently, he's fitter than ever. And I have another interesting observation: I think we're making progress. We started this morning by kind of, to me, it was a reflection of the exact we're here to debate or discuss, which is, we've been sitting all day--

I don't know how many steps you've taken today, but not many. And we started eating like four serving sizes of muffins. But I was happy to see this afternoon that I think we're making improvements. So that's good.

Responsibility, I find is a very difficult thing to talk about, because most discussions about responsibility is frustratingly enough always about someone else's responsibility.

I think, personally, that this is perhaps the biggest epidemic of our modern society. It's, therefore, refreshing and very encouraging that the spirit of this day and of this workshop recognizes that we all have a role to play when reversing the negative weight management issues we face in our society.

And I hope you'll be glad to know that McDonald's will never shy away from doing our part to make the lives of all human beings better. That's the route we were given, and that's the role we continue to play.

We recognize the growing public health issues related to weight management, and we are committed to playing a constructive role in developing solutions. We're obviously grateful for being invited to take part here

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today. And we are looking forward to eagerly engaging in a constructive dialogue geared towards reversing the weight trends of our society.

As you know, we've taken some steps already to encourage customers and employees, through our initiative, Eat Smart, Be Active. We are increasing the variety of menu choice, particularly toward younger customers.

Our menu today includes grilled chicken sandwiches, fruit and yogurt parfaits, fresh premium salads, fruit juice, one percent low-fat milk, and, at many restaurants now, soup. And we're adding additional nutritious options for our Happy Meals. We're promoting physical activity through partnerships, alliances, and creative promotions.

One of our most exciting ideas is our popular Step With It campaign that includes an adult Happy Meal launched earlier this year in Indianapolis that provides people with a new premium salad, a bottle of water, and a pedometer that encourage them to increase their walking, along with guidelines for how to live a more physically active lifestyle.

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And finally, we are supporting consumer education with a number of ongoing activities, some of which I will mention in more detail later.

We're supporting Eat Smart, Be Active because we've always stayed close to our customers and paid attention to what they want and need. And that is one of the most beneficial things of being in business, because if you lose your customers, you kind of lose yourself.

And we are eager to work in collaboration with the FDA and many of you to help solve the issues we're facing.

We believe humbly, but confidently, that we have some assets and competencies that can be useful in a massive effort to help reverse these trends. We have marketing expertise and experience that can help sharpen messages. We think we can help sell healthy lifestyles as effectively as we sell the good taste and good times at McDonald's. We have a brand strength from a 50-year relationship with customers that have made us a pretty recognized brand. Oops, I forgot to introduce the company, but I think you know who we are.

Every day, we have a face-to-face connection with more than 24 million U.S. customers, and we have numerous

vehicles that we can use to deliver educational messages, such as our tray liners and other impactful channels of communication. And we also have a strong relationship and a productive collaboration with agencies and others such as the FDA.

In June, for example, we issued a global policy to reduce uses of antibiotics in farm animals raised for the McDonald's system. This initiative was based on part of the FDA's conclusion that overuse of antibiotics fuels resistance to drugs important to human and animal health. We consulted with the FDA in shaping the policy and briefed the agency before announcing it.

Last year, we supported the FDA's proposed nationwide ban on fluroquinalones [phonetic], sharing our experience as the first U.S. restaurant chain to adopt the voluntary fluroquinalone ban. We recently provided assistance to the FDA and USDA Fight Back campaign, bringing in marketing experts to help refine messages and provide advice in handling an iconic figure. Something we learned about.

And several years ago, we collaborated with the Centers for Disease Control on a home safety campaign, using tray liners and bag hangers to deliver CDC messages.

This is a good example of the kind of activity that we collaboratively could use to promote healthy eating and active lifestyles. So we have a history of a positive, proactive initiative in the background, and we approach the current issue of today in the same manner.

So, and given that background and in the spirit of cooperation and collaboration, and given that we are just a few weeks away from Thanksgiving, or actually just one week, let's talk a little turkey.

I'd like to share two related axioms that I think are important to keep in mind as we approach different solutions to the problems we're trying to attack.

First, for every complex problem, there is a simple solution, and it is usually wrong.

Second, every simple solution invokes the law of unintended consequences.

The history of public policy making is rife with examples of well-intended actions that were not only wrong, but that also produced counterproductive consequences.

Prohibition is a classic example of a simple approach to change people's behavior that not only didn't work, but created a lucrative business for organized crime.

A simple solution to bring down education costs was eliminating soft programs, such as physical education and home economics, but that has resulted in less physical activity and lack of knowledge of nutritional issues, and I would argue contributed to the problems we're here to discuss today.

And labeling, while it might seem like a simple step, has become so ubiquitous, that it's losing its effectiveness. And even consumer product food labels have not had an appreciable effect on weight management, as we will discuss in greater detail later. That's why we need to be vigilant in guarding against simple solutions with unintended consequences in the weight management arena.

McDonald's is eager to support measures to address weight management problems that will be effective and reasonable. We take this position from our experience and imperatives as one of the world's largest companies, and certainly the world's largest quick service restaurant chain. We know our customers concerns and issues, and we

try to respond with what is acceptable to them and what they will support. And even then, of course, we're not always right. For example, we introduced a low-fat hamburger in the early '90s in response to customers. You remember? McLean Deluxe. But they voted with their feet, and they didn't buy the product.

We also approached this issue as a franchising company. Independent businessmen and women own and operate 85 percent of our restaurants. The impact of sales and increases of costs fall directly upon them. Therefore, we're looking for initiatives that will have a truly positive impact on weight management issues and that our customers will accept.

The only sustaining effect will be measures that work for business. Because if they don't, it means people are ignoring them. If we see sales rise as a consequence of our actions, it means it is working. We see no conflict between doing good and doing well.

Our experience is that nutrition data is of limited value in changing the behavior of individuals, and does not address key weight management issues. McDonald's has been providing nutritional information about our food

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products for three decades, because we believe it's important to give people the information they need. However, recent consumer research we've conducted in this area provides interesting insight.

Most customers say they don't need more information about nutritional values. Different groups of consumers also have different priority needs when it comes to information. Diabetics, coeliac disease, lactose intolerance, allergies--the point is different people need different type of information.

In addition, increased nutrition information does not necessarily reduce weight management problems. The FDA's labeling regulation, under the Nutrition Labeling and Education Act, became effective in 1992, covering 76 percent of all meals. If nutrition information were effective, you would have expected weight management problems to decrease. Instead of decreasing, weight management problems have increased--that's why we're here.

QSR meals account for only 10 percent of the meals eaten. So adding nutrition data in QSRs would have little impact even if was effective

Furthermore, physical activity is an equally important part of the energy balance equation. I frankly and personally think it is getting less attention than it should.

Here's what was reported in a study by University of North Carolina researchers to this year's meeting of the Federation of American Societies for Experimental Biology.

They found that the calorie intake of American teenagers increased by one percent between 1980 and 2000. At the same time, physical activity among teens fell by 13 percent.

As I mentioned earlier, this is a partly--it's partly an unintended consequence from educational cuts in physical education, where Illinois and Texas are the only two states that still require physical education in high school.

It is clear to us that increasing physical activity for all age groups is at the heart of an effective weight management approach.

As a food retailer, we know from our marketing experience that if you want to change behavior, you have to associate the behavior you want to promote with positive,

pleasurable feelings. Guilt, fear, and anxiety are not good motivators. That's why most anti-smoking and anti-drinking and driving campaigns do not change behaviors. Fun, happiness, and music are good motivators. That's what Ronald McDonald is all about. That's why we call some of our meals Happy Meals.

Embedding desired weight management behavior in the popular culture can be successful by using culturally relevant music, images, and spokespeople. As one example, we've just launched a new Ronald McDonald show to encourage daily physical activity in children and families, songs, games, stories, and popular McDonald's characters, but no warnings, no lectures.

We've also revived and updated the successful What's on Your Plate nutrition education program for kids from the early '80s. This is a series of videos and PSAs featuring Willie Munchright and his friends that we have provided to television stations across the country. Take a look at how What's on Your Plate uses adventures, memorable rhymes to teach children about a balanced diet and healthy lifestyle. I apologize for the quality. I don't think it's great.

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[What's on Your Plate video.]

Cute, huh?

Obviously, the most important aspect of anything and everything we do is what our customers think. They are our reason for being and certainly our boss, and they're many drivers that affect what they think.

Among the most important is, of course, execution. Customers expect quality service, cleanliness and value from us. And recently, we announced actually the best sales month in recent history in the McDonald's U.S. company, and I think the introduction of premium salads as a new menu choice helped bring in new customers, as did a veggie burger in some parts of the country. In fact, I thought you might enjoy how Jay Leno and some other California customers reacted.

[Jay Leno video.]

[Healthier alternative news video.]

[Salads and more news video.]

I'm going to try to run a little bit faster because we've all--we've all running a little bit late.

In terms of the subject at hand, menu boards, we've done some pictures here. I'm going to show you. One

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of the ideas is, of course, to put information up on our menu boards, and just to show you how hard that would be and how impractical that would be, we've done a couple of tests here for you.

This is just drinks, and, by the way, that's probably the easiest one in terms of consistency. And this is just the drink side. And if you just want to put calories, it would look something like this, even if you took away the actual pictures to make the font size larger, it becomes very complicated. And not to speak about the products, which actually often, even at McDonald's, are customized.

So that's just an idea. We do provide brochures with complete ingredient and nutrition information, and we plan to include it on the back of our tray liners next year, as well.

And the same information is also available on our website: mcdonalds.com. Where our new Bag a Meal programs allow consumers to build their own meal and find out calorie information.

There are also a few other ideas we're working on that we're pretty excited about. One idea we working on is

maybe to provide nutrition information on the receipt from what your own purchase has been. There's some technology challenges with 13,000 restaurants, believe me, but we're working hard on it, and we hope to be able to crack that code, as well as self-ordered kiosks, where you actually can go into the restaurant and get the information on your meal right there and then.

We recommend that the FDA plan focus on elements that can inspire the nation's restaurants to deliver powerful healthy lifestyle messages that can change people's behaviors.

McDonald's believes that there are many opportunities to help people make good choices through icons and visual keys on menu boards. Many restaurants use the heart symbol to highlight menu choices that are low in fat content. In Sweden, as we heard earlier today, they use the Key Hole approach to signify good choices, and so do actually we in Sweden. Here's an example of light approach that our partners in Canada have developed, where light options have their own location on the menu. Here's how our restaurants in California right now are treating their menu listings. And our McDonald's Australia partners have

developed a fresh approach to their menu that is very attractive.

Looking forward, the adoption of the new food pyramid and nutritional guidelines next year presents an outstanding opportunity to partner with McDonald's and other restaurants and deliver positive messages in innovative and creative ways.

To summarize, we are anxious to play a positive role in solving weight management issues, because it is the best interest of our customers. McDonald's has obligations to our customers and the public at large, as a leader in corporate social responsibility to our brand and to our franchisees.

We are proud of our food, and we will not support any effort that associates visits to our restaurants and or consumption of our food with negative feelings.

We also can't support any effort that will impair our service times. Our goal is to sell great food to our customers. McDonald's is eager to share our marketing experience, to help create campaigns with the potential to change consumer eating and physical activity behaviors.

Finally, I'd like to close with an observation about the idea that giving more people more information will change their behavior. I think the problem in our society is not one of needing more information. I personally think we're drowning in information, and what we need is knowledge and wisdom. Data and information is passing by; knowledge and wisdom is grabbing hold to stay. Data and information is ignored at the moment of truth; knowledge and wisdom is what influences the choices we make. Ultimately, wisdom comes from within, and information sits outside. And in order to change a culture, which is exactly what the weight management problems needs to have in order to change, we need a cultural massive shift. A culture shift that recognizes the huge importance that our lifestyle choices have on our health. Culture shifts of this magnitude can only be achieved when all institutions in our society are aligned and work collaboratively together--government, education, health care, businesses, and special interest group. In short, it will take all of us to be successful.

I'd like to end by showing a brand new commercial we call Work Out Mom. I think it's a great example of what kind of new attitude we can help create when we put our

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marketing dollars towards a new changing consumer who actually wants to live a healthier and more active lifestyle. Thank you.

[Work Out Mom commercial.]

[Applause.]

RESTAURANTS: FIRST Q&A SESSION

DR. PITTS: Ladies and gentlemen, I have to apologize. We've practiced very poor time management. This panel runs until 5:00 p.m. It's now 4:30 p.m., and this is an open public meeting, and we've done three presentations, and we have three to go. So I'd like to insert, at this point, questions from the audience, after which point, we can continue with the three following presentations, and those who are willing to stay after 5:00 p.m. are certainly willing to do so. Hopefully, the panelists will stay as well.

Yes, ma'am.

MS. UTAN: Hi. I'm Margot Utan with the Center for Science in the Public Interest. While the presentations have been interesting so far, I think it's very disappointing that the Restaurant Association was unwilling to allow any other perspectives to be presented on the

panel, and that the Food and Drug Administration caved to this demand, and that there is no other perspective provided; that not surprisingly, you know, in our very extensive on nutrition labeling and providing better nutrition information in restaurants, we have some different interpretations of some of the data that has presented. People are eating out a lot, about twice as much as in 1970. It's a growing part of their diet. It's about a third of calories, and studies show that when people eat out, they don't eat as well. They eat more calories, more saturated fat, fewer key nutrients, like calcium and fiber. And a number of state legislatures have agreed, and as has the U.S. House of Representatives, that this is an important issue to help provide people with better nutrition information in restaurants.

So, I just express very deep disappoint that this panel provides only one and very limited perspective.

DR. PITTS: Well, I should add that, you know, we are having two additional panels, one of which is on consumer issues, which your group is invited to. Do you have a question for the audience--for the panel?

MS. UTAN: Just a comment.

DR. PITTS: Okay. Thank you. Yes, sir.

MR. KATZ: David Katz at Yale. Just in passing earlier, Dr. Dietz made reference to sensory specific satiety. I don't know how well informed this group is about that, but it's the tendency to stay hungry longer when a variety of flavors are put in any given meal, snack, or, for that matter, food, and it's a very prevalent practice with packaged foods to add salt to sweet food; sugar to salty foods. We obviously have an experience, and I'm reticent to compare anything about food to tobacco, but that's been done many times. And there's certainly were things done to make tobacco products as enticing as they could be, in essence adding to their addictive tendencies.

Is there any willful practice in the retail food industry, in the restaurant industry, if you will, to maximize the appeal of foods in ways that are, let us say, subliminal.

DR. PITTS: Steven?

MS. GROVER: You know, I've answered that question on numerous occasions, and the answer is guilty. We make food taste as good as possible. Everybody here is in the business of making good tasting food, and so if you mean do

we combine flavors and spices and ingredients so the customers like that taste? The entire industry is guilty of that. Yes. And I would also say that do consumers combine spices and tastes so that their foods taste good at home? Yes. They're guilty, too. I'm guilty. I do that in my own kitchen. So guilty on combining flavor and tastes so that things taste good.

Quite frankly, if you're in the restaurant industry, and consumers don't like the taste of your food, you don't stay in the restaurant industry very long. That's it. Any other questions?

DR. CASWELL: I'd just like to make a comment on the first presentation. In terms of talking about the structure of the industry and focusing so much on numbers of establishments, et cetera. When you look at the structure of an industry, what you need to look at, in addition to just numbers of operations out there, you need to look at the sales volume and where is the sales volume concentrated. And so I'd like to ask the question of what is the structure--when you look at the entire restaurant industry, the top 10 firms, for example, or the top 20 firms, what is their percentage of sales, because I think that's a much

better or a different indicator of market structure than looking at numbers of operations.

DR. PITTS: Ms. Caswell. Panel?

MR. RIEHLE: Basically, there's very good data on that from the Census Bureau. And what you find is that the industry is not concentrated at all. If you look at other industries in terms of industry concentration because the sales volume per units are so low, you have a situation where the industry--for example, in table service sales, the proportion of sales that come from chain firms with ten or more establishments is roughly about 24, 25 percent. So when you go in and you look at the data, and that's why we say it's an industry of small businesses, because this is not a concentrated industry, unlike other industries, and what you find in service, because it is so labor intensive, the concentration index is probably one of the most diffuse indexes that exist.

DR. PITTS: That was Mr. Riehle. Thank you. Are there any further questions from the audience? Yes, sir.

MR. MARTIN: I'm Andy Martin. I'm from the Chicago Tribune. I had two questions. The first is pertaining to what Ms. Utan said. I do think it's strange

on a panel that's supposed to talk about the pros and cons of restaurant labeling that it's all industry people, and I wondered who put together this panel. And my second question unrelated and that is, we've heard a lot about new nutritional offerings at restaurants like McDonald's and Bacino's, but I wonder what percentage of some of these restaurants' business--sorry to pick on McDonald's, but that's the one I could think of right now--is this--these biggy offerings that were introduced several years ago, or super-sized portions. Biggy's not your term, I understand, but these super-sized portions of--

MR. LEDERHAUSEN: Super-sized portions account for about less than five percent of our total volumes.

MR. MARTIN: Okay. Thank you.

MR. LEDERHAUSEN: And one interesting fact that people may shock you, and I'm sorry if I shock you, the hamburgers on our menu, the regular hamburgers, the Big Macs, all our products, including the serving sizes of all fries, are exactly the same as in 1955, when we launched them. So our serving sizes have not increased. It is true that on fries and drinks, people tend to buy a few more larger than what they did before, but the actual serving

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sizes have not changed, and super sizing accounts for about five percent of our sales.

DR. PITTS: It's Mr. Lederhausen.

Andy, in answer to your question, FDA decided that it would be best on an industry panel to have people from the industry, which is why we're having separate panels for people from the field of medicine and also from consumer groups. Yes, sir.

DR. NAYGA: Rudy Nayga, from Texas A&M. I want to know what you think about the value of nutritional--of having a nutritional quality index in the restaurant industry.

MR. GROVER: I'll answer that from a restaurant industry perspective: by what standard of measurement would you use that quality? I mean, you--

DR. NAYGA: It's a hypothetical question. It could be--

MR. GROVER: If there's no standard of measurement, then it would be premature to talk about what we would think about an index. You know, if you can't develop a standard of measurement, if none exists today, I don't know how you would do that; how you would qualify it.

For what group? For what diet? For what--I mean, for the average American? For the obese American? For me or for, you know, a 105-pounder? What are we talking about?

DR. NAYGA: I'm not a nutritionist.

MR. GROVER: Well, neither am I, but I mean, but, you know, you're asking in abstract, and it's very difficult to answer a question if it's thrown out in abstract, without, you know, a qualifier. You said a quality index. Well, what would that quality index look like? What are we talking about?

DR. NAYGA: Well, I think part of the reason for that question is because I know that McDonald's has offered this nutritional information for years now, but I wonder how many of your customers really know that that's available or and how many really has availed of that, you know, that option to be informed?

MR. GROVER: I'll answer from personal example just to move along. My wife has been on a diet for many years. She eats in every restaurant and has probably eaten in every one of the restaurants where the people hear, and she knows before she walks before she walks in. I mean, it's not--for the people that want to watch their diet, for

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the educated, for people who have knowledge, as Mats says, that's very easy. The information is easily available. It's available over the Internet. It's available in brochures. It's even available in books. She carries a book with her that has everything by someone who's on the panel. I hate to use the name brand, but she uses the points system. So, for those seeking information, for those that have knowledge, it's easily available.

Maybe we need to work on ways to make that information more easily available, and more understandable to more people, but that's what the restaurant industry is here to do and to talk about.

DR. PITTS: That's Mr. Grover.

UNIDENTIFIED SPEAKER: Peter, may I suggest we go regular order. People have flow in.

DR. PITTS: I beg your pardon?

UNIDENTIFIED SPEAKER: May I suggest you take another question and then go to the panelists?

DR. PITTS: You can certainly make that suggestion. Is there another question. Rona, did you have a question?

MS. HENRY: I was interested in all your data about who was eating at restaurants and so on. What is the correlation between household income and particularly patronage at fast-food restaurants?

DR. PITTS: Ms. Henry.

MR. RIEHLE: Basically, what you find is that when you look at household income levels, the frequency goes up of patronage of both establishments. In other words, restaurant patronage is what I call basically a cash on hand business. It is dependent upon literally the amount of cash that an individual at a point in time. And the higher income household obviously have more cash on hand. So, consequently, what you find is that their patronage of different segments increases as that household income increases.

DR. PITTS: Mr. Riehle.

DR. LEVITT: Great, one more question and then we'll move on with the presentations.

DR. PITTS: Yes, sir.

MR. KATZ: David Katz, Yale. I think those of us representing the public health community in the audience are reluctant to push against the line of personal choice. I

think we agree that that's valid with regard to nutrition. On the other hand, the health of children is very much at stake, and, for the sake of time, I won't cite the statistics about the ominous trajectory our kids are on. I would like the panel's reaction to regulation of food advertisement to children. We did invoke different standard with regard to tobacco when kids were involved than when adults were involved. We feel adults should be entitled to make their choices in our society, but children deserve our protection. Your reaction, please.

DR. PITTS: Panel? Steve?

MR. GROVER: I think as an industry, I hate to get into the marketing aspects of any one business or business decisions, but I can tell you that most of the marketing that I do see is very responsible. It doesn't include a specific food product. It's mostly focused on a feeling of happiness or dealing with an establishment, and not focused on any particular food. I think those food choices need to be made by the parents. I hate to say that. But, you know, I have two young daughters, an eight-year-old, and a five-year-old, and they do not get to choose the foods they eat, no matter what the marketing is.

Now, I watch a lot of children's shows because I have to, because I have to sit with them, and I like them. And I've found the marketing very responsible. I do reject any analogy to food and tobacco. I think that is actually sensationalizing it, and, you know, I have a 25-year career in public health, too. And that's what my job is here. And the bottom line is that I don't think tobacco and food are the same. I think food is a necessary component. So, marketing, I think there is responsible marketing. I would encourage everyone to take a look at the marketing of food products as it is to children today and see.

But without that marketing, you don't have a lot of children's programs, so I believe it's a very complex issue, and there's a lot of unintended consequences if you were to remove marketing to children. I would say, you know, TVs and game cubes and everything else need to be taken into consideration, because that might create a sedentary or promote sedentary lifestyles.

So, here again, you know, we can take this to exception, but I reject that marketing is irresponsible or marketing in the food industry has been irresponsible.

DR. PITTS: That's Mr. Grover.

MR. LEDERHAUSEN: I just add one comment to that, and that is that I resent the fact that there are some people in workshops like this and other places where we go that claim that they represent people more than we do. We have 23 or whatever million customers visiting our U.S. restaurants every day. We care deeply about them and their health. And everything we can do to help them make better choices, we're doing. We've replaced items on our--for our younger children this year with many items trying to replace some other items to help them make better food choices, but we can't force people to make choices that they are not willing to make.

RESTAURANTS PANEL, CONTINUED

DR. PITTS: Mr. Lederhausen. Thank you. Thank you, ladies and gentlemen. Let's continue with our panel. Christianne Ricchi.

MR. GROVER: Christianne Ricchi.

MS. RICCHI: Good afternoon, everyone. I'm here representing yet another segment of the restaurant industry. I own a fine dining Italian restaurant here in Washington, D.C., 1220 19th Street, if anyone wants to come to dinner tonight.

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I'm here as a director of the National Restaurant Association, as a restaurateur, as a chef, as a small business owner, a consumer, who is very interested in healthy lifestyles, and as a mother.

I am very concerned about this obesity issue, as well as the effect that menu labeling could have on my business. I'm convinced that if I were forced to label my menu, I would not be able to continue doing business the way I am today, and or even worse, I'd be forced to go out of business.

Let me give you a little bit of background about myself and my restaurant. I've been in the restaurant business for over 35 years. It began in the early '70s in Italy, when I was living there, and I became acquainted with a family who owned and still owns and runs a little trattoria on the hills outside of Florence. That's when my cooking experience began. I was working in the kitchen with the women of the community, and I learned how to cook from them. They used no recipes. They used no measurements. They prepared food the same way that their generations had done before them, and that's the way I learned how to cook.

Then, in 1988, I came to Washington, D.C., to open i Ricchi, on, as I said, 19th Street. It's a very authentic. We pride ourselves on the fact that the recipes are the same as we had prepared in Italy. It's a very authentic Italian menu. We seat about 150 people, and we employ about 60 full-time staffers. We have a very elaborate training program, both for our kitchen help as well as our servers.

Just to give you an idea of some of the changes that we've had to make in the past 15 years. When we first opened, we didn't have, because I was so concerned about having the menu be authentic, we didn't have a lot of seafood on the menu. But in the early 1990s, the American consumer wanted seafood, so we added seafood to the menu.

What we found in the last few years is that people now want more red meat, so in the last two or three years, based on that fact and the fact that I am surrounded by very high quality steak houses, we have had to add more red meat and more beef items to our menu.

We've also had to change our recipes over the years to adapt to the taste of the American palate. For example, the authentic Italian recipes that I learned how to

cook were very salty for the American palate, so that's something that we learned very quickly if we wanted to stay in business, we had to change.

In those 35 years of restaurant experience, I've come up with a very simple recipe for success. Three--there are three important things necessary to be successful in a restaurant.

First, you must offer good tasting and satisfying food. We at the fine dining establishment like i Ricchi view cooking as an art, as Linda mentioned before. No two dishes are ever prepared exactly the same every time. We have over 50 different items offered daily on our menu. Now, Hudson, if we have 50 different menu items offered on the menu, how many kajillion combinations do we have?

And everything on our menu is cooked to order. So when you order it, we cook it for you. Nothing is prepared before hand.

We use fresh seasonal ingredients. We use nothing that's canned or frozen, and everything is made in house, from butchering our own meats to baking our own breads, making our own sauces and pastas, desserts; we even make our own gelato.

The second ingredient for the recipe for success is that we must conform to the special needs and requests of our customers. My staff and I are always present to oversee food preparation. We are available to give dietary information and to discuss in detail ingredients and food preparation. Well over 60 percent of the tables that order at i Ricchi have special requests. It's not my job to ask them whether it's just dietary or personal preference; whether it's a health issue; personal tastes; or religious. If someone says they want it made their way, if I want to stay in business, that's what I have to do.

Anybody who knows me well will know that on any given Saturday night, they can come into the kitchen and they can hear me screaming at the waiters--don't customize. It's busy. It's eight o'clock. There's a flow in the kitchen. We can't stop the entire kitchen to customize. But they are quick to remind me of their excellent waiter training in that that's what the hospitality business is all about. We are here to respect the rights to chose and meet the needs of our customers.

We had a--if I can just take a second just to give you an illustration. A couple of weeks ago, we had a local

radio station call us; wanted us to offer some dinners that they were doing a contest. And I said, sure, we'll give you dinners, but what I'd like you to do is have your two radio personalities come to the restaurant so at least that maybe they could put a good plug in for the restaurant.

Well, little did I know that one of the radio celebrities is former Congressman Fred Grandy, who is a staunch vegan. For those of you who don't know what that means, that means no face, no mother. They will not eat anything that has a face or anything that has a mother. Now, you tell me in an Italian restaurant, you would think that that would be hard. How could I not use dairy, cheese, eggs, meat or fish. Well, needless to say, we developed a menu for him, and he was ecstatic, and gave us a really nice plug.

The third and probably, for me, the most important ingredient for a recipe to success is that you must execute the aforementioned two items in a manner to ensure reasonable cost to the consumer, while maintaining an ability to make a profit.

Now, I have a couple of respectful or questions that I would like to respectfully pose to the panel. In

order to maintain this recipe for success, if I'm forced to label every offering on my menu, how can I offer new items, using new ingredients, while cooking each item to order as I do now? How can offering specific written dietary information be relevant to something that's always changing? Is menu labeling the most effective method of communicating dietary information to my customer? Or, is my personal interaction more effective, relevant, and timely? How can I possibly continue to offer an ever-changing variety of items on my menu if I must have everything analyzed in a lab? And fifth, how can I continue to maintain my price points to the customer while still making a profit if I'm burdened with the additional cost of analyzing my food?

In my opinion, the answer is not labeling my focacha or pasta or fish in white wine sauce. The answer to obesity, in my opinion, is moderation in consumption, physical activity, and education, the most important of these being education.

Restaurants can provide information. But education is the missing component, and it must be done by the FDA, health practitioners, our schools, and in the family settings at home. Thank you for allowing me this

opportunity to share my comments with you, and I look forward to being part of this ongoing dialogue to help Americans find practical and workable approaches to attaining and maintaining healthy lifestyles.

[Applause.]

MR. YOST: Good afternoon, everyone. My name is Brian Yost, and I am the Vice President of Restaurants and Beverage for Marriott International.

First of all, I'd like to thank the National Restaurant Association for recognizing that restaurants and hotels do count. Thank you for the invitation to participate. And as well, the FDA for putting together a panel of industry experts to discuss this very important topic.

I'll start with a story, because I think it illustrates a lot of what my co-panelists have said here. I have a 12-year-old son, who's going through that painful but--it happens to many of us--bout with braces. And yesterday was the big day when he got all the stuff on his teeth, and I called from work before I left to ask what was for dinner, and he said, dad, please California Pizza Chicken, potato leek soup. That was about the only thing he

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could think of. But please, dad, no cheese, no onions. Got my wife's order, called the restaurant, stopped on my way from work, and as I was picking up the food, realized that all three of the items that I had ordered for dinner for myself, my wife, and my son, were customized.

The soup was probably the easiest order. The server had to work through the complexities of the vegetarian pizza with select items, and the salad, without many of the items, on her own did a great job. But when I apologized, probably the most telling thing for me was the server said, there's no need to apologize. That's my job. You're one of almost everybody that comes in and changes their order. Don't worry about it, sir.

That's what the industry faces every day. If not every customer, most every customer.

Now, how do we fit into that? Marriott International is a leading worldwide hospitality company. We have 2,600 hotels around the world. For the purpose of what we're talking about today, I'm only going to address about our 350 full service Marriott and Renaissance properties that we manage or franchise here in the United States.