



# Federal Trade Commission

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**Remarks of Lydia Parnes<sup>1</sup>  
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**“Weighing In: A Check-Up on Marketing, Self-Regulation, & Childhood Obesity”  
FTC/HHS Forum on Childhood Obesity  
Washington, D.C.**

**July 18, 2007**

It’s been a whirlwind of a day, and I’d like to thank our distinguished speakers, panelists, and attendees for participating in today’s forum. A special thank you to the FTC Staff who did such a fabulous job of putting this forum together: Mary Johnson, Carol Jennings, Sarah Botha, Keith Fentonmiller, Diana Finegold, Erin Malick, our Summer College Interns and Ad Practices Support Staff. Many have traveled from afar and are eager to return home, so I’ll be brief.

Some of you may remember the *Kung Fu* television series from the 1970’s starring David Carradine as a wandering monk. During a flashback to his childhood, his master unravels a large roll of rice paper along the floor and asks the young monk to walk along it. The master says that when he can walk the rice paper without leaving a trace, he will be ready to leave the monastery

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<sup>1</sup> The views expressed herein are my own and do not necessarily represent the views of the Federal Trade Commission or any other Commissioner.

and go out into the world. In a similar way, we – as government, as industry, as educators, as advocates, as parents – need to be the masters. We need to educate and motivate our children to lighten their caloric footprint so they can walk through this world without the burden of overweight and obesity.

Childhood obesity is such a difficult problem to tackle because it results from a confluence of factors – less physical activity at home and school, changes in family eating patterns, competitive foods and beverages in schools, and a popular culture that encourages over-consumption, to name just a few. Although food marketing to children also may play a role in childhood obesity, the purpose of today’s forum was not to debate causation or assign blame. Instead, we focused on strategies that food and media industry members have adopted or pledged to adopt for our children’s health. Based on what I heard today, I am hopeful that industry self-regulation will continue to adapt to help make a healthy choice the easy choice.

### **Re-Cap of the Day**

Our 2006 report on childhood obesity announced several recommendations to improve self-regulation in the food marketing industry, and as we heard today, some industry members have stepped up to the plate. Most significantly, consider the eleven members of the Children’s Food and Beverage Advertising Initiative. Three have pledged not to advertise to kids at all. Eight have adopted minimum nutritional standards for marketing food to children under 12; *all* foods they advertise to children will soon meet “better for you” nutritional standards. These companies account for two-thirds of television food ads directed at kids. So, in the years to come, we should see a marked change in the types of food ads children see. And to the companies responsible for the remaining one-third of ad expenditures, including major quick

service restaurants and candy and snack companies, why aren't you here today with your pledges? We expect you to join this self-regulatory effort sooner rather than later.

There has been some follow-through on several other recommendations from the 2006 report. First, CARU now has the authority to take action against unfair advertising targeted to children and to address newer forms of marketing such as advergames, buzz marketing, and viral marketing. Second, food companies like Kraft, Kellogg's, and General Mills have designed packaging to control portion sizes and have reformulated existing products or created new ones that are lower in calories or are more nutritious.

Third, cereal boxes for General Mills and Kellogg's, and packaging for numerous Kraft and PepsiCo products, among others, carry nutritional information or icons to help consumers easily identify nutritious, lower-calorie products. One question that remains is whether consumers would benefit from a uniform, front-of-package seal to identify healthier foods. The Keystone Center's Food and Nutrition Roundtable has begun to explore this very idea.

Fourth, leading food manufacturers and the major beverage companies have partnered with the Alliance for a Healthier Generation to establish nutritional guidelines for beverages and competitive foods in our schools. We also heard that food companies have enhanced their public education efforts on nutrition and fitness.

Fifth, media and entertainment companies like the BET Foundation and corporate partners of the Ad Council have continued to disseminate effective messages to children and parents about nutrition and fitness. Also, The Walt Disney Company and the Sesame Workshop have adopted policies that gear the use of licensed television and movie characters toward more nutritious, lower-calorie products. Their bold new policies are commendable, but the remaining

movie studios and television content providers must follow suit. Like Disney and Sesame, these companies well understand the persuasive power of their characters. So, we expect they, too, will go beyond public service announcements and rein in their use of licensed characters to sell less nutritious foods.

### **Next Steps**

The FTC will be carefully scrutinizing the industry pledges announced today. We will monitor both the level of compliance and, if necessary, the sufficiency of penalties imposed against members who break their pledges. And, we also will assess the quality of the pledges themselves.

To assist our analysis, within weeks we will be serving compulsory process orders on forty-four food and beverage companies that market to children and adolescents. The study will establish a baseline of child- and adolescent-directed marketing practices by which to measure the success of industry initiatives. It will provide us with a comprehensive look at how the food industry uses measured media, such as television and print advertising, and unmeasured media, such as in-store marketing, character licensing, viral marketing, and product placements, to target children and adolescents. Once we've analyzed the data, we will issue a report on these methods and expenditures. In addition, we will issue a report card on industry responses to the recommendations we made in the 2006 report.

As Chairman Majoras said this morning, the battle against childhood overweight and obesity is a marathon. I am encouraged that members of the food marketing industry are on their way. Now it's up to the rest of industry to join the race.

Thank you all again for attending.