

**Testimony of Jim McGreevy**  
**American Beverage Association**  
**Senate Committee on Health**  
**January 22, 2010**

Chair Duane and members. Good morning. I'm Jim McGreevy of the American Beverage Association. The ABA represents over 200 non-alcoholic beverage makers and distributors in the United States, including local bottlers in New York. Thank you for the opportunity to address you this morning.

A tax on soft drinks, juices and other beverages, in our view, unfairly lays the blame for the complex problem of obesity on the consumption of one particular type of product and perpetuates the myth that taxing those products will make a difference in fighting obesity. The only 2 states with an excise tax are Arkansas and West Virginia. How are those states doing in the fight against obesity? Arkansas has the 10<sup>th</sup> highest obesity rate and West Virginia has the 3<sup>rd</sup> highest rate in the United States according to a 2009 report by Trust for America's Health and the Robert Wood Johnson Foundation.

The problem of obesity is an important one for our society to overcome. But this type of tax focuses only on soft drinks as a cause for obesity and not total diet and exercise or other possible factors, be they environmental, behavioral, or genetic, which may contribute to obesity which require much broader response than a beverage tax.

I'd like to briefly tell you about initiatives that the beverage industry has committed to in order to make an impact on the problem of obesity. In 2006, the beverage industry committed to change the beverage landscape in schools over the following three years. We pulled full-calorie soft drinks out of schools. Implementation of the School Beverage Guidelines, included in your materials, is nearly complete. We reduced calories shipped to schools by nearly 60%.

As of the beginning of this school year, we completed implementation of our Beverage Guidelines in nearly all of the 123,000 public and private schools in the United States. A final report of the complete implementation of the Beverage Guidelines will be available next month.

In 2008, the beverage industry implemented our Global Marketing Policy. The Policy applies to all our non-alcoholic beverages other than water, juices and dairy-based beverages. Our commitment is not to advertise or market other beverages to audiences primarily comprised (50% or more) of children 12 years and younger.

This advertising and marketing applies to the following media: television, radio, print, Internet, phone messaging and cinema (including product placement). It is the first industry-specific, global marketing standard of its kind.

The School Beverage Guidelines and the Global Guidelines is an example of our commitment to be responsible to our consumers and others. Another example of that is our members' participation in the Healthy Weight Commitment Foundation. The goal of the Health Weight Commitment Foundation is to help reduce obesity, particularly childhood obesity, by 2015 by helping people achieve healthy weight through energy balance – calories in and calories out.

The work of the Foundation focuses on three critical areas where people spend their time – in the marketplace, in the workplace, and in schools. In schools, the Foundation's Healthy Schools Partnership integrates nutrition education and physical education in a school-based curriculum to help children develop healthy habits. The partnership successfully piloted the curriculum in schools in Kansas City, MO and will expand to schools in other cities and tribal communities this year.

Finally, companies in our industry also engaged in numerous health and wellness initiatives with local, state and national non-profit organizations, like the Boys and Girls Clubs of America, and the YMCA. These initiatives are designed to teach children and adults the importance of making good decisions regarding nutrition and health. The companies are also engaged in other initiatives to highlight the importance of making informed choices, like Coke's front-of-pack labeling and Pepsi's Smart Spot program.

The beverage industry offers a wide range of products, from zero-calorie and low-calorie sodas to 100% juices and beverages with varying ranges of calories. The

fact is that today more and more Americans are drinking our no- and lower-calorie beverages than they did just 10 or 15 years ago resulting in a 21 percent decrease in the calories per ounce produced from 1998-2008 – that’s across our entire product portfolio. Yet, obesity and overweight continue to be an epidemic in this country.

That’s why we as an industry are working to educate consumers about the importance of living an active, healthy and balanced lifestyle. Our industry is committed to being part of the solution to the issues of obesity, particularly childhood obesity. We welcome the opportunity to continue this work with members of the committee and others to propose solutions that educate, inform, and benefit New Yorkers of all ages and backgrounds.

In our view, a soft drink tax is not the solution to combat obesity and will only lead to higher prices for consumers, an additional tax burden for residents of the state, and potentially, lost jobs.

Thank you for the opportunity to discuss these issues with you and I’m happy to stand for any questions.