

Testimony of Bob Bedell
Unit Sales Manager
Coca-Cola Bottling Company Consolidated
On Behalf of the Beverage Association of Tennessee

On

Tennessee job Creation: Do Federal Regulations Help or Hinder Tennessee's Economic Development?

Before

The House Committee on Oversight and Government Reform

June 18, 2012
Middle Tennessee State University
Murfreesboro, TN



Good morning.

I am Bob Bedell, Unit Sales Manager for Coca-Cola Bottling Company Consolidated. Thank you for your invitation to appear before the Committee on behalf of the Beverage Association of Tennessee, including its seventeen member companies that employ over 4,000 people. We appreciate the opportunity to discuss the impact of government regulations and programs on job growth in Tennessee and across the country.

Coca-Cola Consolidated is a non-alcoholic beverage bottling business with operations in eleven states employing 6,000 workers in a variety of jobs related to marketing, sales and delivery, production, engineering, nutrition, chemistry, science, and management. We have five facilities and 700 employees here in Tennessee. In fact, we have a sales center and a warehouse nearby in La Vergne that employs 440 people and a production plant about 28 miles from here in Nashville.

We are part of a larger beverage industry representing more than 227,000 jobs nationally, paying \$18 billion in wages directly, with an additional \$19 billion in wages for jobs that rely on beverage sales. As an industry we contribute almost \$900 million to charitable causes, and we have a presence in every community in every state in the U.S. We are the industry you call on first when you are looking for product donations to your local charity event, and we're the folks you turn to when disaster strikes and life-sustaining potable water is needed. And we're happy to help.

The beverage industry makes soft drinks, ready-to-drink teas, water, sports drinks, juices, flavored and enhanced waters, energy drinks and more. Most of the newer products we introduce into the market are low-and-no calorie beverages along with mid-calorie beverages. Our innovation pipeline continues every day as we produce beverage options to fit the ways people live.

As an employee of Coca-Cola Consolidated, I have the privilege of representing a dynamic industry that is doing incredible things in the marketplace. This industry is taking leadership roles in a number of critically important areas and is at the forefront of innovation in the food and beverage sector in an effort to meet ever changing consumer tastes and needs, and I appreciate the opportunity to outline our initiatives for you today.

We voluntarily removed full calorie soft drinks from all schools and replaced them with lower calorie, smaller portion beverages, which resulted in an 88% reduction in beverage calories shipped to schools since 2004. We did this because parents told us schools were special places where they weren't present to guide students' choices. We sell water, milk and 100% juice only in elementary and middle schools, and in high schools, the beverages with calories we do sell are in smaller portions so that calories are capped at 100 for products like sports drinks and enhanced waters, with a slightly higher calorie allowance for 100% juice.

Our products come in a variety of sizes, and we've recently introduced the 7.5 ounce can which is a big hit with women, particularly moms. We've placed clear calorie labels on the front of each can, bottle and pack of everything we sell so consumers can make the choice that's right for them. For example, a 20-ounce soft drink will now list the total calories in that bottle right on the front, rather than list it 8-ounce portions on the back as part of the nutrition facts panel.

Regular soft drink consumption is down 39% since 2000, while obesity rates continue to rise, according to the CDC. Beverage calories represent only 7% of the total calories consumed each day, while foods

comprise the other 93%, according to NHANES data from USDA. These are the facts as presented to us by government, not our statistics.

But in spite of the data and in spite of all we've done, we find ourselves increasingly under attack by agenda driven activists who are looking for a scapegoat to blame for the nation's obesity challenges. Recently, we were shocked to learn such activism had spilled over to our own federal government in the form of grants administered by the Centers for Disease Control under the guise of obesity prevention. These grants were administered as part of the American Recovery and Reinvestment Act also known as the "stimulus bill." The grants were part of a \$1 billion grant program called Communities Putting Prevention to Work dedicated to obesity prevention, smoking cessation and preventing disease through administering vaccinations to children. About one third of the funding was spent on anti-obesity efforts that targeted the beverage industry.

Specifically, these grants have been used to run ads discouraging soft drink consumption and misleading the public into believing soft drinks are the cause of obesity and directly linked to causing diabetes. It should also be noted that a number of Congressional inquiries have been made into whether these grants were also used to directly lobby for changes in public policy in the form of restrictions, bans, and taxes on beverages, a practice which is illegal.

A sample of the types of advertisements running in a variety of communities is attached. The messaging is harsh, erroneously singling out beverages as a unique cause of obesity. Some of the language includes:

"Don't get smacked by fat. Calories from sugary drinks can cause obesity and Type 2 diabetes."
"Rethink Your Drink"
"Are You Pouring on the Pounds" depicting cola morphing into fat as it is poured into a glass
"Do you know what your kids are drinking? Sugary drinks can contribute to diabetes and other diseases."

One such advertisement ran in New York depicting an actor whose picture had been manipulated through "photo shop" to show a partial leg amputation below the knee, misleading the viewer to believe that beverage consumption had caused weight gain which caused diabetes that was not controlled, which lead to the need for an amputation. In addition, the *New York Times* uncovered emails from the New York State Department of Health that highlighted disagreement among health professionals whether it was scientifically appropriate to make a causal link between soft drinks and health problems like diabetes. Amid this disagreement, one official queried: "What can we get away with?"

We are concerned that negative advertisements and unfounded demonization of these products will continue. In addition to the stimulus funding, more federal money will be available for these types of efforts from the Prevention Fund established in the Affordable Care Act. Even after Congress pared back the size of the fund, \$10 billion remains available for communities to spend on "prevention" which we now know often takes the form of disparaging beverage products.

The beverage industry agrees obesity is a serious issue and has done a great deal to provide consumers with the options and information they need to make good choices. We oppose the use of stimulus or any other federal funds intended to create jobs to attack an industry and its safe and legal products in a discriminatory way that could ultimately end up costing our country jobs. By simplistically targeting one

industry under the guise of fighting obesity, taxpayer money is being used to undermine job growth in the beverage industry. Simply stated, our point of view remains that if Congress is going to spend taxpayer money on these efforts, it should do so in a manner that addresses meaningful solutions to addressing obesity in a comprehensive manner, rather than targeting an American industry that provides good jobs and leadership in innovation through a variety of options for its consumers.

And we're leading in other areas as well. In fact, the Coca-Cola system recently announced its "Nutrition and Physical Activity the 100 Way Program." In the U.S., the Company will dedicate \$5 million to provide 100 communities with new fitness centers for schools. In addition, The Coca-Cola Foundation has awarded \$3.4 million in grants to support fitness and nutrition programs in the U.S. and around the world. Working with the National Foundation for Governors' Fitness Councils and the American College of Sports Medicine, Coca-Cola will place 100 new fitness centers in schools across the U.S. over the next five years.

We would like to take this opportunity to state for the record that we wholeheartedly endorse Congressman DesJarlais' bill, "Protecting Foods and Beverages from Government Attack Act" (H.R. 3848) and appreciate his recognition that it is inappropriate to attack American workers making American products here in Tennessee and across the United States. We understand the seriousness of obesity. We understand the need to educate the public about proper nutrition, and we understand the need to have a balanced, nutritious diet. We also understand all of this needs to be coupled with exercise and physical activity if we are to manage our weight properly, and each of us faces our own unique challenges in that realm.

We appreciate efforts like those of Rep. DesJarlais that shows us Congress recognizes these things, too, and we look forward to working with this committee and Congress to enact H.R. 3848 into law.

Thank you.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name: Robert D. Bedell

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

n/a

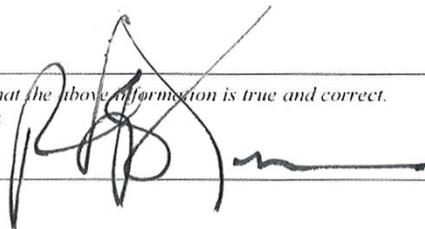
2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

- 1) CCBCC – employer
- 2) Beverage Association of TN – employer, CCBCC, is a dues-paying member

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2009, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

n/a

I certify that the above information is true and correct.
Signature:



Date: 6/15/12

Robert D. Bedell

Sales Unit Manager

Coca-Cola Bottling Co. Consolidated

407 Craighead Street, Nashville, TN 37204

- Bob has worked at Coca-Cola Bottling Co. Consolidated for the past 28 years, holding various positions, including
 - Corporate Marketing Manager - Charlotte, NC
 - Sales Branch Manager – Columbus, GA
 - Division Sales Manager – Mobile, AL
 - VP, National Trade – Charlotte, NC
 - Region Sales Manager – Nashville, TN

- He has served on the local YMCA Board of Directors

- He is currently serving on the Board of Directors for:
 - Nashville Sports Council
 - Nashville Convention & Visitors Bureau
 - Monroe Carell Jr. Children’s Hospital at Vanderbilt

As an active member of the community and state, Bob has a personal and vested interest in helping all Tennesseans prosper and reach their potential thru professional growth and development