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June 28, 2007

The Honorable Edward J. Markey
Chairman, Subcommittee on
Telecommunications and the Internet
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Markey:

You have asked what McDonald's is doing and plans to do to ensure that our advertising promotes children's well-being. I welcome the opportunity to provide an overview of our efforts to exercise leadership in this important area of corporate social responsibility.

Let me begin by saying that we share your concern about the rising rates of overweight and obesity among children. We are committed to being part of the solution and have been acting on various fronts to address the issue. Our work is guided, as we know you want yours to be, by the best and most current research.

In this regard, we note that the findings of the recent Kaiser Family Foundation report are based on data collected in 2005. Children's advertising has evolved since then. More importantly, the report lumps all "fast food" together with other types of food products your letter characterizes as "wholly lacking in nutritional value." This does not do justice to the variety and nutritional value of McDonald's menu offerings. There is simply no valid equation between a Happy Meal and a candy bar.

We nationally advertise only one Happy Meal—a small order of Chicken McNuggets, Apple Dippers (sliced apples with a small package of optional low-fat caramel dip), and 1% low-fat milk. This meal, as a whole, has reasonable levels of calories (370), fat (13 grams), saturated fat (4 grams), and cholesterol (35 milligrams). These are appropriate levels for meals consumed by an average child.¹ The combination also provides at least 25% of three essential nutrients—Vitamin C, protein, and calcium.

As the foregoing suggests, we take our advertising responsibilities very seriously. We have, for many years, had strict internal guidelines that implement a special regard for children. We are also a long-time participant in the Children's Advertising Review Unit (CARU) program. As you probably know, CARU provides detailed guidelines and ongoing oversight to help ensure that children's advertising is not only

¹ See, HealthierUS School Challenge at teamnutrition.usda.gov/HealthierUS/index.html. See also, Dietary Guidelines for Americans 2005 at www.healthierus.gov/dietaryguidelines.

truthful and accurate, but appropriate for the special nature and needs of young audiences.

Beyond this, we have committed substantial resources to encouraging regular physical activity and balanced diets. Since 2005, we have offered a unique free-of-charge physical education program—Passport to Play—to elementary schools across the country. This program has reached approximately 36,000 elementary schools and provided hours of active, educational play for an estimated 9 million children.

We also participate in the Ad Council's Coalition for Healthy Children. This summer, we will be using our Happy Meal packaging to communicate the "Be a Player" message developed by the Coalition and the U.S. Department of Health and Human Services. In addition, we have partnered with Produce for Better Health to educate consumers on the importance of including a variety of colorful fruits and vegetables in their daily meals and snacks.

As you know, we signed on, as a charter member, to the Children's Food and Beverage Advertising Initiative co-sponsored by the Council of Better Business Bureaus (CBBB) and the National Advertising Review Council. Under this initiative, we, along with other participants, have agreed to devote at least half our advertising directed to children to promoting balanced dietary choices and healthy lifestyles.

The CBBB initiative calls for each participant to develop and submit to CBBB "a commitment, tailored to the company's product portfolio, that complies with the principles of the initiative." This provision recognizes that each participant has a unique mix of food and/or beverage products, and also that we distribute to and communicate with consumers in different ways. We are still working on certain details of our CBBB commitment. We would be pleased to share the final version with you. However, you can rest assured that our commitment will implement the initiative's five principles in ways reflecting our opportunities to make a meaningful difference.

You may already have seen the extent and vitality of our commitment in our recent *Shrek the Third* promotional campaign. As part of the promotion, Shrek advertisements and other communications encouraged children to drink milk and to "go for the green" in their food choices.

An upcoming television advertisement for children will focus on Apple Dippers. Currently, parents can choose Apple Dippers, instead of a small order of fries as part of their Happy Meal combination. They can also select from several entrées and a choice of beverages, including 1% low fat milk or 100% apple juice.

What we think all this shows, is that voluntary self-regulatory initiatives and market forces really do work. As a successful retailer, we listen to our customers. We reach out to learn what they expect of us, and what we can do to better meet their needs. Last year, we formed a Global Mom's panel specifically to learn how we can be the best possible ally in promoting the well-being of children and families here in the U.S. and around the world.

In the U.S., we recently formed a similar Moms' Quality Correspondents team. We expect to learn from them as well. Our customers and other stakeholders will also learn because the program provides the Quality Correspondents with a website where they report, unedited, their experiences behind the scenes in our restaurants, our supply chain, and our corporate headquarters. If you are interested in what they have to say about their visits with our menu development, quality assurance, and nutrition

experts, please take a look at their journals at
<http://www.mcdonalds.com/usa/eat/momscorrespondent.html>.

Finally, we believe that the challenges of childhood obesity will best be met by collaborative efforts that bring together all concerned parties, including food companies, public media, marketing and advertising agencies, and government entities. This, as you know, is the intent of the public-private sector Task Force on Media and Childhood Obesity, in which we are actively participating. In this and other forums, we believe it is important that all stakeholders work together in good faith, understanding that each has unique capacities and interests, but that we all are committed to advancing children's well-being and other socially responsible practices.

We would welcome an opportunity to discuss these issues with you and to provide further information about what we at McDonald's are doing to encourage and support children's well-being. Please feel free to call Dick Crawford, our Vice President for Corporate Government Relations, at any time. His direct line is 630-623-6754.

Sincerely,



Jim Skinner