



Statement Of Karen Raskopf
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Before The
Subcommittee On Health, Education, Labor And Pensions
House Of Representatives Energy & Commerce Committee

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Chairmen Pitts, Ranking Member Green, and members of the Subcommittees on Health, Education, Labor and Pensions; thank you for the opportunity to testify before you today on “menu labeling” for chain restaurants and “similar retail food establishments” and H.R. 2017.

My name is Karen Raskopf and I serve as the Chief Communications Officer for Dunkin Brands, Inc. It is an honor to be here to share our perspective on the importance of menu labeling.

Dunkin' Brands is the franchisor and parent company of two of America's most beloved brands: Dunkin' Donuts and Baskin-Robbins. Both Dunkin' Donuts and Baskin-Robbins are essentially 100% franchised. At the end of 2014, Dunkin' Brands' franchise business model included more than 10,500 Dunkin' Donuts and Baskin-Robbins restaurants in the United States and more than 18,000 worldwide in 60 countries.

Dunkin' Brands has proudly supported national, uniform menu labeling for many years; and, in fact, was at the table as final details of the law were being determined in 2009 and 2010. We continue to support these efforts and look forward to providing our thoughts on why we believe a national standard for providing nutrition information on all restaurant type foods is appropriate.

Today, my testimony will focus on key issues of importance with respect to H.R. 2017 and menu labeling, in general, as we move towards compliance. These issues are:

- The need for consistent nutrition labeling on all restaurant type foods;
- Coverage of chain restaurants and “similar retail food establishments;” and
- The determination of which store materials should include calorie and/or nutrition information



Our Company and Our Industry Supports Labeling of Restaurant Type Food

At the end of 2014, the Administration announced the final menu labeling regulation. With implementation scheduled later this year, December 1, 2015, for the first time our country will have a national standardized approach to labeling restaurant type foods, ensuring a clear, effective and transparent way to present calorie information to best meet the public interest.

Dunkin' Brands and many others in the restaurant industry have worked proactively with Congress and the Administration over the past several years to help reform what had previously been a complex, highly localized approach to menu labeling. Before this federal solution, labeling laws were being passed on a state-by-state, city-by-city basis and, in some cases, counties were competing with cities to pass such laws. Competing state and local menu labeling laws were difficult and disruptive for businesses, as well as lacking in consistency for customers. A national approach to labeling was an important and necessary step for our franchisees, our industry, and more importantly for our consumers, and one that was long overdue.

Today's food service industry is large and complex. Though we continue to have some specific questions in regards to how to efficiently and effectively implement certain sections of the regulation, we appreciate FDA's commitment to working with stakeholders. We believe FDA generally followed the intent of the law and did so in a manner to largely minimize cost and burden to the food service industry. While some may argue that there is expense and inefficiency in regards to implementation, after having complied both with individual state laws as well as completing much of the work to meet the December 1, 2015 deadline, I can assure you, FDA has worked to address most of the significant and potentially costly issues that faced us.

Consistent, National Labeling and Pre-emption

As I mentioned earlier in my testimony, prior to the passage of the national requirement to label restaurant type food, the industry was facing a patchwork of varying state and local menu labeling regulations throughout the United States. For small and medium sized business owners, such as Dunkin' Donuts and Baskin-Robbins franchisees, we were tasked with having to design different menus for different parts of the country. This was inefficient, burdensome and costly. To prevent this from happening in the future, the federal law pre-empted state and local governments from passing different standards, which was news that our franchisees welcomed.

Similar Retail Establishments

Similarly, the new labeling regulation is intended to benefit both businesses and consumers by focusing on a full breadth of establishments that serve restaurant type food, not a select few. For this reason, the regulation specifically includes not just restaurant chains, but also other food-service retailers with 20 or more locations, including convenience stores, grocery stores, and others. Representatives from some of these non-restaurant food service establishments have been lobbying Congress for an exemption from the new federal menu labeling regulation. H.R. 2017 includes such a provision that imposes a percentage revenue threshold exempting grocery and convenience stores from having to label their restaurant type food. We strongly disagree with this. The benefits of nutrition labeling are important no matter the size of the menu or the percentage of sales from food, and I hope you and your colleagues in Congress will maintain the labeling regulation as it was written.

Grocery and convenience stores are increasingly competing against our restaurants and our franchisees. While we welcome the competition, we believe that the restaurant type food grocery and convenience stores sell should be held to the same standards as the food that traditional restaurants sell. We understand that grocery and convenience store businesses operate differently than restaurant businesses; however, when it comes to the actual serving of restaurant type food, there is no difference. When department stores, such as Target and Walmart, started selling grocery/convenience store food, they were not exempt from including the same nutrition information required for grocery/convenience stores – even though the department stores had additional regulations because of their differing business operations. We see no difference in the situation we are now faced with for restaurant type foods. Congress decided that restaurant type foods should bear calorie labeling, regardless of where they are sold. In the interest of creating a level playing field for these types of foods, we emphatically agree.

Primary Writing

Though we have additional comments on H.R. 2017 which we are sharing with the sponsors, co-sponsors and committee, an issue of significance that we want to raise here is language that would permit an establishment to label only the one menu that such establishment believes to be the primary writing from which customers make a selection in placing an order. We do not support this provision. Nor do we support the language that would permit an establishment where the majority of orders are placed by customers off premises to only provide calorie declarations through its remote access menu.

Dunkin' Brands, and many of our colleagues in the industry, believe that all menus and menu boards from which customers place an order should be labeled. Customers place orders using menu boards in the restaurant, menu boards at the drive thru, online menus, and menus now included in smartphone apps. At Dunkin' Brands, we intend to label all of these menu boards because to only choose one menu board to label defeats the purpose of the law entirely.

Additionally, restaurants and food service establishments that are claiming tremendous expenses associated in determining nutrition information and creating new menu boards clearly misunderstand the new regulation. The regulation states that food-service operators need only use reasonable means to calculate nutrition information.

While Dunkin' Donuts made the business decision to convert to digital menu boards in part for ease and flexibility in providing information to our guests, the regulation doesn't require menu boards to be replaced, only updated. How companies choose to label their menu boards, with stickers, slats, the use of iPads instead of menu boards, etc. is a business decision, not a legislative one.

We support a definition of menu and menu boards that includes all the menus from which customers place an order. We also believe the law must be clear that promotional items and advertisements are not considered menus and do not require calorie declarations. It is our understanding that FDA intends to clarify this point in their upcoming guidance document. For these reasons, we do not support the language in H.R. 2017 that clarifies this point.

Summary

In summary, Dunkin' Brands, strongly supports nutrition labeling for restaurant type foods in establishments with 20 or more units. We believe menu labeling is simply the right thing to do. The final regulation, as written, is in the best interests of both our industry and consumers. I am proud that Dunkin' Brands could play a part in its creation and we urge Congress to reject HR 2017 and any legislative efforts to alter the law or final regulation as written.

Thank you again for the opportunity to provide our views. I have provided my full statement for the record. I would be happy to answer any questions.