

Howard County Chamber Testimony
May 18, 2015
Bill No. 17 – 2015

Chairwoman Sigaty and members of the County Council, my name is Leonardo McClarty and I am the President of the Howard County Chamber of Commerce, a business organization comprised of 700 businesses ranging from sole proprietors to major corporations. I appreciate the opportunity to speak briefly concerning our opinions on Bill No. 17, pertaining to healthy food and beverage options.

I believe it goes without saying that societal health issues relative to obesity and related illnesses are in many cases the direct reflection of food options, decisions, and what we choose to put into our bodies. From a business perspective, we understand the impact an unhealthy workforce has on production and profitability. For those reasons, the Chamber appreciates the efforts taken by Councilmember Ball to facilitate healthier lifestyles and choices for Howard County residents and visitors.

As in many cases, the challenge is not in the goal or the desired outcome but rather in the mechanisms and actions we take to arrive at those goals. As it stands now, the Chamber has concerns relative to the language and proposed directives outlined in Bill 17 and their impact on business. We are of the mindset that the goals outlined can be achieved, but in a manner that also takes into consideration business realities and norms.

Our initial concerns are related to product placement and determining the price vendors may sell their products. In consumer goods, products are placed and priced based upon market demand and in some cases negotiated arrangements between two parties. This is why we see certain items placed in particular locations within a store or vending machine. Placing a \$.25 cost differential on goods does not take into account acquisition cost or marketability. A quarter may seem nominal but it could be a determining factor whether a product is sold or stays on the shelf. Pricing is based upon a host of factors. Although public health is a concern and role of local government, the Chamber strongly believes that the dictation of cost and product placement is not.

Another concern is related to the unintended consequences of increased operation costs. The requirement that some goods be replaced by others does not take into account that some products cannot be easily swapped. Certain products call for certain spiral coils to be used so that products can be dispensed. Depending upon the products and required percentage, some companies may find themselves spending more money in efforts to change out certain machine pieces. These costs may not translate into sales.

On a related note, some healthy foods have a shorter shelf life than their non-healthier option. As such, companies may ultimately lose money simply because an item has sat on the shelf and expired, which ultimately drives up the cost of healthy items to cover waste.

Never to be critical without sharing solutions, I would like to propose some other alternatives. In 2005, the National Automatic Merchandising Association (NAMA) created FitPick®, a healthy vending and micro market labeling program, to help vending operators and consumers identify products that meet recognized nutrition guidelines. To date, many local governments and military bases are using these standards. Additional information can be found at www.vending.org. In utilizing a system like FitPick, consumers are notified of healthy options prior to purchase. Our own Columbia Association fitness

facilities use a similar system. Several studies have shown that Point of Purchase signs DO have a positive influence on healthier purchasing behavior.

Another alternative would be to have items labeled good – better – best as reflected in Johns Hopkins model which has been held in high regard. I think we would be remiss if we also didn't include education in these discussions. If you are over 40, you can recall days where smoking was prevalent and seatbelts used as an afterthought. Education, information, and policy ultimately changed behaviors. Policy without education is ineffective.

In closing, the Howard County Chamber again appreciates the desire of the Council and Councilman Ball in particular for wanting a healthier Howard County. In accomplishing this goal, let's keep in mind, the business person that simply wants to run a profitable business, employ people, and contribute to the local economy. Please know that the Howard County Chamber would welcome the opportunity to work with you and others to create a program that encourages healthy lifestyles, but is not punitive to business.