

BEFORE THE UNITED STATES SENATE
COMMITTEE ON COMMERCE, SCIENCE & TRANSPORTATION

**Statement by Amy Taylor on Behalf of Red Bull North America, Inc. Regarding
RBNA's Marketing Practices as They Relate to Children and Teenagers**

My name is Amy Taylor. I have been employed by Red Bull North America, Inc. (RBNA) for the last 14 years. I currently serve as RBNA's Vice President & General Manager, a position I have held since November 2012. In that capacity, I am responsible for the brand's overall strategic marketing, sales and distribution throughout the eastern region. Prior to this position, I served as RBNA's Vice President of Marketing from 2008 to 2012, and led brand marketing, sports and culture marketing, digital marketing, and communications.

Company Background

Founded in 1984 by Dietrich Mateschitz, Red Bull GmbH (Fuschl am See, Austria) created the "modern" energy drink category with the launch of its Red Bull® Energy Drink, first in Europe in 1987, and then in the United States in 1997 through its U.S. subsidiary RBNA. Red Bull® Sugarfree was launched in 2003, followed by Red Bull® Total Zero in 2012, and Red Bull® Editions in 2013.

Today, Red Bull® products are sold in more than 165 countries. Health authorities around the world, including Food Standards Australia New Zealand (FSANZ), Health Canada, and the European Food Safety Authority (EFSA), have concluded that Red Bull® Energy Drink is safe to consume. Indeed, since 1987, over 40 billion cans of Red Bull® products have been safely consumed and enjoyed worldwide.

RBNA's vision is to "give wings to people and ideas," and our brand is built on supporting the dreams and ideas of innovative individuals across sports, culture, science and technology. Red Bull® is a sophisticated, adult, aspirational brand that aims to communicate with consumers in a manner that is witty, progressive and often complex. We are the premium product in the energy drink category – as evident in our packaging, pricing, messaging, and the demographics of our consumer base.

Corporate Responsibility

RBNA always has taken an active leadership role in the public health debate surrounding the consumption of caffeinated soft drinks, including energy drinks. We recognize our responsibility, along with other food and beverage companies, to play a positive role in this discussion. RBNA is committed to promoting active and healthy lifestyle choices. We believe that teaching children and teenagers moderation in consumption habits and the importance of proper exercise is an important public health goal. Finding the ideal balance is not easy, but it is the responsibility of parents to set those limits. We respect parents' choices about their children's diets and do not interfere with that control.

We are committed to working with regulators such as the Food and Drug Administration (FDA) to ensure that there is no question about the safety of Red Bull® products. RBNA is confident that our products are just as safe to consume as the many other caffeine containing beverages, regardless whether the caffeine is naturally occurring or added. Accordingly, we remain open to discussing changes for the entire beverage industry, and believe that any comprehensive effort regarding child and teen nutrition must include all sugar- and caffeine-containing beverages (e.g. caffeinated soft drinks, coffee, and tea).

Safety of Red Bull® Products

As noted above, health authorities around the world have concluded that Red Bull® Energy Drink is safe for consumption. An 8.4 fl. oz. can of Red Bull® Energy Drink contains 80 mg of caffeine – about the same amount of caffeine as a cup of home-brewed coffee, and about half as much caffeine as many coffee house coffees. Caffeine has been safely consumed for hundreds of years and is one of the most researched and widely consumed food ingredients in the world. It is a naturally occurring alkaloid that is present in the leaves, seeds, and fruits of more than 60 plants. Caffeine also can be synthetically manufactured. There is no chemical difference between synthetic caffeine and naturally sourced caffeine.

For its part, Health Canada scientists conducted an extensive review of the scientific literature on caffeine. Based on this review, in March 2010, Health Canada advised that healthy adults are not at risk for potential adverse effects from caffeine at daily consumption levels of up to 400 mg caffeine (approximately 5 mg/kg bodyweight). The FDA referred to Health Canada's conclusions in its August 10, 2012 and November 21, 2012 letters to Senator Durbin. Health Canada just published an updated risk assessment of energy drinks and reaffirmed its earlier views.

For adolescents 13 and older, Health Canada has not developed definitive advice, but concluded that daily caffeine intake of up to 2.5 mg/kg body weight would not cause adverse health effects. This dose would suggest that teenagers (with an estimated range of body weights between 40-70 kg, or 90-155 lbs) could consume 100 to 175 mg of caffeine daily, depending on the individual body weight of the teenager. Health Canada described this as a conservative approach because older and heavier adolescents may be able to consume adult doses of caffeine, recognizing the importance of body weight to an individual's metabolism of caffeine.

As you consider the safety of energy drink consumption by teenagers, it is important to note that the FDA has considered teen exposure to caffeine from all sources, including energy drinks, and found that the contribution of energy drinks is minor when compared to caffeine consumption from coffee, soft drinks, and tea. In its November 21, 2012 letter to Senator Durbin, the FDA explained:

In an effort to better understand consumption patterns for potentially susceptible subgroups, FDA contracted for the performance of an in-depth analysis of caffeine consumption by the U.S. population, which was completed in September 2009 and revised in August 2010 (Somogyi 2010)

This report indicates that the mean amount of caffeine consumed by the U.S. population is consistent with past FDA estimates, remaining relatively stable at approximately 300 milligrams per person per day (mg/p/day), despite the entry of “energy drinks” into the market place. . . . Significantly, this report also indicates that teens and young adults (14-21 years of age) consume, at the mean, approximately one-third (or about 100 mg/p/d) the amount of caffeine as adults, and that their caffeine consumption is mainly from coffee, soft drinks, and tea.

According to the report, “energy drinks” contribute a small portion of the caffeine consumed, even for teens. . . .

An even more recent caffeine consumption survey in the United States shows that within each age group (including children and teenagers), 90% or more do not consume energy drinks at all, and more than 93% of the caffeine consumption within each age group comes from sources other than energy drinks. As in the FDA study, among all children and teenagers, the primary source of caffeine was found to be coffee, tea, and soft drinks. Perhaps these results are not surprising because energy drinks represent only 2% of the total soft drink market. Thus, given the very limited consumption of energy drinks (and corresponding intake of caffeine from energy drinks), we believe that any comprehensive discussion regarding the consumption of caffeine also must include caffeinated soft drinks (which are widely consumed by children and teenagers), coffee, and tea.

Because people have different tolerance levels of caffeine, the daily consumption of Red Bull® products should conform to a person’s intake of caffeine from any source. Of course, as a general proposition, children should consume less caffeine than adults due to their lower body weight, which is why we do not market our product to children and do not recommend our products for consumption by children. In fact, Red Bull® product labels specifically state that the product is not intended for consumption by children. Further, to help enable all consumers to make informed consumption decisions, our product labels will declare caffeine content.

As you may know, the FDA is in the process of considering current safety data on caffeine, including data on caffeine-containing energy drinks, and we fully expect the agency to agree with the conclusions of other health authorities regarding the safe use of caffeine in Red Bull® products. We are supporting the FDA’s evaluation by providing Red Bull® product safety information to the agency.

Taurine, another ingredient in Red Bull® products, is an amino acid and a natural constituent of the human body that performs a number of useful functions. It is found in foods such as poultry, fish, and shellfish. It also is found in human breast milk, which is why it is frequently found as an additive in infant formulas. The safety of taurine consumption through energy drinks is supported by health authorities around the world. By way of example, in February 2009, the EFSA published its scientific opinion on ingredients of energy drinks and concluded that taurine does not raise any safety concerns at the levels present in Red Bull® Energy Drink. EFSA further considered the possibility of synergistic effects among the key ingredients in Red Bull® Energy Drink and concluded that the scientific data do not support the possibility of interactions between the ingredients.

The other ingredients used in Red Bull® products, which are FDA-approved food/color additives or generally recognized as safe (GRAS) substances such as sugars, inositol and B-vitamins, also satisfy the FDA's ingredient safety and regulatory standards. In fact, one 8.4 fl. oz. (250 mL) can of Red Bull® Energy Drink contains 27 grams of sugars and 110 calories. Non-diet soft drinks contain about the same amount of sugar and calories as energy drinks, but are consumed more frequently and in larger volumes.

Red Bull® is an Aspirational, Adult Brand and a Premium Product Positioned for and Marketed to Adults

Since its inception in 1987 and launch in the U.S. in 1997, Red Bull® always has been and remains an aspirational, adult brand and a premium product positioned for and marketed to adults. This is reflected through our can design, pricing, and core marketing messages, as well as the content, timing, and placement of our advertising and communications. Over time, RBNA's marketing strategy evolved and our investments became more focused. For example, in 2011, RBNA made a strategic decision to refine our marketing activities to focus further on adults 18-34 years of age, which always has been our primary target demographic. This allowed us to leverage our positioning – our premium package design, package sizes, and pricing – and play to our strengths via differentiation from our competition within the energy drink category. Since 2012, RBNA has continued to sharpen our marketing communications and investments to reach this target demographic, recognizing, however, that no company can ensure that its marketing materials will only reach a particular audience, as people of all ages and demographics may be attracted to them.

To be clear, RBNA has never targeted our marketing to children and we will not do so in the future. Regarding teenagers, RBNA believes that the underlying science and historical product use support the conclusion that Red Bull® products may be safely consumed by teenagers in the same way as coffee, tea, or caffeinated soft drinks. However, because teenagers younger than 18 do not represent our target demographic, we do not focus our marketing activities on them.

To further promote balanced nutrition and consumer awareness, we remain open to discussing changes for the entire beverage industry. Caffeine consumption surveys commissioned by both the FDA and the food industry demonstrate that the primary dietary contributors of caffeine in all age groups (including teens and youth) are coffee, tea and soft drinks. Caffeine from energy drinks represents a very small contribution to the overall daily intake. Indeed, some major soft drink companies are marketing products such as juices and waters with caffeine in them as well. The broader solution to excessive consumption of calories and caffeine must go beyond energy drinks, which are a niche product representing only 2% of the total soft drink market.

Conclusion

We are committed to empowering consumers to make informed choices about the amount of caffeine they consume and to differentiating ourselves from our competitors by positioning Red Bull® as the premium, adult energy drink brand. Red Bull® products are safe for teenagers and

adults to consume, but we agree that children should consume little or no caffeine, including from caffeinated sodas, coffees, teas, or energy drinks. We are therefore interested in being a leader in a broad, industry-wide solution to the public health concerns surrounding sugar- and caffeine-containing beverages.

Thank you again for inviting RBNA to testify. We look forward to partnering with you on these issues going forward.