



Movie Theaters Fight to Keep 1,460-Calorie Popcorn From Rule !

By Jeffrey Young

March 10 (Bloomberg) -- Movie theater chains are fighting a U.S. requirement that they disclose that their popcorn contains as many as 1,460 calories, or equal to almost three Big Macs. Chain restaurants with at least 20 U.S. locations will have to post the calorie content of menu items under a provision in the health-care law. Regulators will propose rules by March 23 and can include concession stands and grocery stores, according to guidance that came out last year.

"It's easy enough to blow your whole diet for a week from one snack at the movie theater," said Margo Wootan, the director of nutrition policy at the Center for Science in the Public Interest in Washington, by telephone. "Just because you happen to be watching a movie while you're eating doesn't mean you aren't eating out."

Movie theaters and grocery stores are lobbying the **Food and Drug Administration** to avoid the proposed regulation. Theater chains led by Knoxville, Tennessee-based **Regal Entertainment Group**, the biggest U.S. chain by sales, generate as much as one-third of their annual revenue from concessions. Congress didn't mention theaters in the law and the idea of regulating them never came up at legislative hearings, said Patrick Corcoran, a spokesman for the **National Association of Theatre Owners**, a Washington-based trade group.

"In the basic history of the bill there is no real intent to include movie theaters that we could discern," Corcoran said in a telephone interview. His trade group is recommending the FDA exempt companies that get less than 35 percent of gross revenue from food sales.

Always a Target

Regal Entertainment fell as much as 24 cents, or 1.7 percent, to \$13.52 in intraday New York Stock Exchange composite trading, Cinemark Holdings Inc. dropped as much as 44 cents, or 2.2 percent, to \$19.10; and Carmike Cinemas Inc. slid as much as 71 cents, or 9.2 percent, to \$7.04 on the Nasdaq Stock Market.

Grocery stores also shouldn't be subject to the rule, said Erik Lieberman, regulatory counsel for the Food Marketing Institute, the Arlington, Virginia-based trade group representing chains including Pleasanton, California-based Safeway Inc.

"There's no indication that the Congress ever intended to regulate supermarkets," he said by telephone. Teena Massingill, a Safeway spokeswoman, didn't respond to an e-mail requesting comment.

Movie theater chains were supposed to be targeted by the mandate, said Representative Rosa DeLauro, a Connecticut Democrat who sponsored a food-labeling bill in the House of Representatives that was incorporated into the health-care law. The requirement "is meant to let people know what it is that they're consuming," she said in an interview.

Calorie Counts

Senator Tom Harkin, a Democrat of Iowa who sponsored a similar measure, aimed for a broad definition of retail food operations that included movie theaters and grocery stores because people often buy prepared meals at the establishments, Justine Sessions, his spokeswoman, said in an e-mail.



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The **FDA** plans to issue the proposed regulation by March 23, the first anniversary of the law's enactment, Siobhan DeLancey, an agency spokeswoman, said in an e-mail.

Only prepared food such as popcorn and hot dogs sold at concession stands may be subject to the labeling requirements because packaged food already has nutritional labels.

Popcorn Analysis

If concession stands are exempt, a customer of Oak Brook, Illinois-based McDonald's Corp. would know a Big Mac meal with a medium French fries and a medium Coca-Cola has 1,130 calories while a theatergoer at Regal Cinemas wouldn't know that a large popcorn with butter-flavored topping packs 330 more calories than the fast-food combo. A Big Mac alone has 540 calories.

Movie theaters offer fare similar to fast-food establishments and should be subject to the same rules, said Wootan.

The Center for Science in the Public Interest analyzed popcorn sold by Regal Entertainment, Cinemark of Plano, Texas, and closely held AMC Entertainment Inc. of Kansas City, Missouri, in 2009 and found it contained from 370 calories to 1,460 calories depending on the serving size and whether butter-flavored toppings were added. A "moderately active" man who is 26 to 45 years old should consume 2,600 calories in a day, according to guidelines published by the U.S. Department of Agriculture.

Food Sales

Food sales accounted for 26 percent of Regal Entertainment's \$2.81 billion in revenue last year, according to the firm's annual report. Thirty percent of Cinemark's \$2.14 billion in 2010 sales came from food and drinks, according to the company's annual report.

Dick Westerling, Regal Entertainment's senior vice president of marketing and advertising, declined to comment in an e-mail. Cinemark and Columbus, Georgia-based Carmike declined to comment through Robert Rinderman, managing director of New York-based consulting company Jaffoni & Collins Inc., which represents both companies. Justin Scott, a spokesman for AMC Entertainment, declined to comment in an e-mail.

The **National Restaurant Association** in Washington and the National Council of Chain Restaurants, a division of the Washington-based National Retail Federation, endorsed the federal labeling requirements to replace laws in cities including New York and Philadelphia, said Scott Vinson, vice president of the chain restaurants group. Movie theaters ought to play by the same rules, he said by telephone.

"A lot of these places are, in our opinion, our competitors," Vinson said. Danya Proud, a spokeswoman for **McDonald's**, declined to comment in an e-mail. The National Restaurant Association supports covering movie theaters in the regulation, Sue Hensley, a spokesman, said in a voice mail.

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The End . . .

