



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

AUG 19 2011

Ms. Elizabeth R. Berlin
Executive Deputy Commissioner
New York State Office of Temporary and Disability Assistance
40 North Pearl Street, 16th Floor
Albany, New York 12243-0001

Dear Ms. Berlin:

Thank you for your request of October 6, 2010, that the Department of Agriculture (USDA) waive Supplemental Nutrition Assistance Program (SNAP) rules to permit a demonstration project restricting the purchase of sugar-sweetened beverages with SNAP benefits in New York City (NYC).

While we share in the underlying goal of the waiver to reduce obesity, several aspects of the proposal raise concerns about its potential viability and effectiveness:

- We are concerned that the scale and scope of the proposed demonstration is too large and complex. The proposal would restrict purchases of sugar-sweetened beverages for hundreds of thousands of SNAP households throughout New York City. A change of this significance should be tested on the smallest scale appropriate to minimize any unintended negative effects.
- There are a number of unresolved operational challenges and complexities, including several that could substantially impact the operations of food retailers that accept SNAP benefits. The proposal offers little evidence that the city's retailer community is well-positioned to implement the proposed restrictions. Without the active commitment and participation of all authorized retailers, the chances of operational success are limited.
- The proposal lacks a clear and practical means to determine product eligibility, which is essential to avoid retailer confusion at point-of-sale and stigma for affected clients. It also lacks a process for disseminating product information to participating retailers, a communications and coordination plan for retailer compliance activities, and clear evidence that small businesses would not be disproportionately affected by the prohibition.
- The proposed evaluation design is not adequate to provide sufficient assurance of credible, meaningful results with respect to the demonstration's effect on obesity and health. It falls short on incorporating strong measures of sugar-sweetened beverage purchases and consumption, and total calorie intake. The proposed study does not have a strong counterfactual to show what would have happened in the absence of the restriction. It also does not have the capacity to isolate the effect of the SNAP purchase restrictions from the proposed public information campaign that is intended

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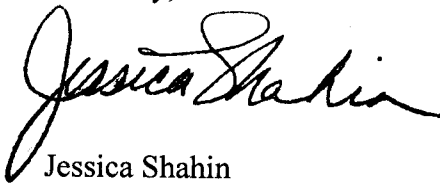
to educate SNAP participants about the consequences of consuming sugar-sweetened beverages.

While it is possible that some of these concerns could potentially be addressed through additional consultation, after carefully and extensively considering your original proposal and your response to our questions, we have decided to deny the waiver request. USDA has a longstanding tradition of supporting and promoting incentive-based solutions to the obesity epidemic, especially among SNAP recipients. In fact, USDA is currently partnering with the State of Massachusetts in implementing the Healthy Incentives Pilot, which increases SNAP benefits when fruits and vegetables are purchased. This pilot also includes a significant and rigorous evaluation component to measure success in consumer behavioral changes and health outcomes. We feel it would be imprudent to reverse policy at this time while the evaluation component of the Healthy Incentives Pilot is ongoing.

We appreciate New York's interest and unparalleled leadership in pursuing innovative approaches to promote healthful diets and healthy weight, and would like to work with you in this area to achieve the goal of reduced obesity rates more effectively and efficiently. We would like to look to potential alternative collaborations such as a private-public partnership to design, implement, and evaluate an anti-obesity intervention targeting consumption and associated behaviors while encouraging healthy choices. As part of this proposed project, USDA could evaluate the intervention's efficacy and cost-effectiveness in promoting healthy choices and reducing overweight/obesity.

I regret that we were unable to reach agreement on your waiver request. However, it is clear that no single approach will reverse the trends in overweight and obesity, and our ultimate success will depend on all of us, parents, nutrition and health care providers, government officials, and other like-minded partners. USDA stands ready to work with New York City on ways to address the problem of obesity and promote good nutrition and health for all Americans.

Sincerely,



Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program