



## Senate Approves Indoor Air Bill

**F**or the third time in as many congresses, the Senate passed comprehensive legislation in late October to increase research on indoor air pollution and improve the federal and state response to this serious human health threat.

As in previous years, companion legislation has been introduced in the House, but it has yet to be the subject of subcommittee markup.

One difference this year that may improve the legislation's prospects for being enacted is the fact that it has been endorsed and actively supported by the administration.

"Years of research have clearly documented the threat to human health and lost productivity that result from the presence of a variety of contaminants in the air indoors," said CFA Product Safety Director Mary Ellen Fise. "The bill passed by the Senate represents a strong, balanced response to that threat, and as such it has earned overwhelming bipartisan support."

### Bill Would Fund Expanded Research

S. 656, the "Indoor Air Quality Act of 1993," would authorize total funding of \$48.5 million each year from 1994 through 1998.

The bulk of that money, \$20 million each year, would fund research on the causes and extent of indoor air pollution and the technologies and practices needed to correct the problems.

It would also support a program to develop health advisory documents for a list of indoor air contaminants. These advisories would include the characteristics of each contaminant and the health threats posed at various concentrations.

An additional \$12 million each year would be turned over to the states, in the form of state management and response grants. These grants would be used to demonstrate indoor air quality management and assessment strategies and to develop response programs for specific contaminants, classes of buildings, or buildings in a specific geographic area.

Approximately \$10 million of the total would go to the Environmental Protection Agency, which is designated as the lead federal agency in addressing indoor air quality activities. As lead agency, the EPA is responsible for developing a national response plan identifying specific actions to be taken to reduce indoor air pollution.

Because a wide range of federal agencies participate in assessment and control efforts, the bill also authorizes \$1.5 million to support a Council on Indoor

Air Quality to oversee and help coordinate the indoor air activities of the various agencies.

Finally, the bill provides \$5 million each year for a building assessment program to develop the most effective measures to identify the causes of "sick building syndrome" and to mitigate those problems.

The bill also requires a report to Congress on chemical sensitivity disorders, including multiple chemical sensitivities.

H.R. 2919, introduced by Rep. Joseph P. Kennedy II (D-MA) in August, is similar to the Senate bill and to previous bills that have gotten bogged down in the House.

This year, however, Rep. Kennedy has crafted the bill to reduce the number of committees with jurisdiction, and it is hoped that this will help to hasten consideration of the bill.

"There is no excuse for further delay," Fise said. "The House should pass this legislation now so that we can finally begin

to develop a coordinated federal and state campaign to better understand and combat indoor air pollution."

### Radon Bills Progress

Related legislation to address radon, one of the most dangerous indoor air contaminants, has also progressed.

The Senate Committee on Environment and Public Works reported out its bill, S. 657, before adjourning for the summer recess.

Companion legislation in the House, H.R. 2448, was approved on a voice vote in September by the Health Subcommittee of the Energy and Commerce Committee.

Both bills would reauthorize the three programs that form the centerpiece of the EPA's efforts to increase public awareness of the need to test and mitigate homes for radon.

In addition, the bills contain provisions to prevent radon problems in newly con-

structed buildings, to improve disclosure of possible radon contamination in real estate transactions, and to implement a mandatory proficiency program for radon test devices and service providers.

The House provisions on radon disclosure during real estate transactions were weakened during subcommittee markup, when a provision giving homeowners ten days to have the home tested for radon was deleted.

Instead, the bill requires only that purchasers or renters be provided with radon warning pamphlets and that sellers disclose any known radon test results. Home purchase contracts would also have to contain a radon warning statement.

"Increasing consumer testing and mitigation of radon is an enormous public health challenge. This legislation gives EPA clear directives to address this objective and provides important safeguards for consumers in radon-related transactions," Fise said.

## Senate Panel OKs Community Lending Plan

**I**n September, the Senate Banking Committee gave its enthusiastic endorsement to President Clinton's plan to help ease the credit crunch in disadvantaged communities.

S. 1275 would create an independently managed fund to provide financial backing to community development banks and other non-traditional lenders that serve poor and underdeveloped areas. It was approved on an 18-1 vote, with only minor changes to the administration's plan.

"The Community Development Banking and Financial Institutions Act is the brightest beacon of hope in years for low- and moderate-income and minority communities long neglected by our nation's commercial banking industry," said CFA's Director of Banking and Housing Chris Lewis.

"Under Chairman Riegle's direction, the Banking Committee has crafted an innovative and aggressive program to spur capital provision into distressed communities. We are pleased that almost all of the administration's proposal was included in the committee's bill," he added.

### Alternative Lenders Funded

Under the bill, community development banks and other alternative lenders, such as loan funds and credit unions that serve disadvantaged populations, would be eligible to receive up to \$5 million in federal assistance each over three years.

The assistance would be provided in the form of grants, loans, and equity in-

vestments, with institutions required to match the assistance on a dollar-for-dollar basis. Some cash-poor institutions would be eligible to match the assistance on a \$1-for-\$2 basis.

Although the administration originally proposed providing \$382 million over four years, with a goal of creating 100 new community development financial institutions, it later scaled back its request to \$60 million in 1994. Most of that money is expected to go to existing institutions, rather than to create new ones.

"We regret that the program is funded at such a low level," Lewis said. "Community needs and the potential of the program are great, and we trust that the administration and Congress will move swiftly to increase the funding and the scope of the program when budgetary problems are stabilized."

Despite a concession on nonprofit community development subsidiaries owned by a partnership of several banks or thrifts, the committee generally continued to resist, as the administration did in its original proposal, industry pressure to turn over the funds to private commercial banks.

"Such a step would have been a gross waste of taxpayer resources," Lewis said. "The banks would have simply substituted the federal funds for their charter obligations to serve low- and moderate-income areas — and communities and taxpayers alike would have gained nothing."

Also included in the bill were provisions from S. 924, "the Home Ownership and Equity Protection Act," to address the recent rash of home equity scams.

### Home Equity Relief Provided

The bill would make it illegal for the highest priced home equity loans to contain balloon payment, negative amortization, and prepayment penalty clauses — loan terms that have led many homeowners to lose their homes.

However, the restrictions would apply only to those loans with either an interest rate 10 percentage points above comparable Treasury notes or up-front fees of \$400 or eight percent of the loan amount, whichever is greater.

Such loans would be subject to more rigorous disclosure requirements, including a statement giving the annual percentage rate, the monthly payment amount, and a warning that borrowers who default could lose their home.

CFA praised passage of the home equity provisions as a step forward, but warned that the legislation must be strengthened to address additional problems that plague consumers in the home equity market.

"We expect that, for the sake of homeowners, the Senate will act to improve the legislation as it moves forward," Lewis said.

Consumer groups have advocated adoption of broader reforms that generally prohibit unfair and deceptive practices in the home equity market.

"Without broad prohibitions against predatory equity loan practices, prohibiting today's unconscionable deeds will only spur the creation of new ones tomorrow," Consumers Union Counsel for Government Affairs Michelle Meier said in earlier testimony on the legislation.

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## College Students Fail Consumer Knowledge Test

**M**ost college students are unprepared to make wise purchasing decisions about financial services, according to a survey of the consumer knowledge of college students released in September.

The college students scored correct answers for only 51 percent of the survey questions, when guessing would produce a score of 25 percent.

"Most college students are not fully prepared to make smart decisions about financial services," said CFA Executive Director Stephen Brobeck, who wrote the report summarizing the research.

"After college, they risk losing billions of dollars in the purchase of unneeded or overpriced consumer loans, auto insurance, and life insurance," he said.

Students answered questions on credit (53 percent correct), checking/savings (53 percent correct), life insurance (43 percent correct), and auto insurance (58 percent correct).

College students scored much higher than high school seniors who took a similar test in 1991 and about the same

as adults who were asked many of the same questions in 1990.

In general, test scores of different demographic groups of students (broken down by sex, major area of study, type of institution attended, and years completed) did not differ significantly. Furthermore, although whites scored higher than minorities, race-related differences were not nearly as great among college students as they were among the high school seniors and adults tested earlier.

### Lowest Scores Include Importance Of APR

The following were among the areas in which students scored worst:

- Only 22 percent of respondents knew that the best indicator of the cost of a loan is the annual percentage rate.
- Only 33 percent knew that banks and other institutions issuing credit cards — not Visa, Mastercard, or the government — set interest rates on those cards.
- Only 19 percent knew that auto in-

surance rates can vary by as much as 100 percent, while over half thought that rates range less than 30 percent.

- Only about one-third understood the major differences between term, whole, universal, and credit life insurance policies. Only 26 percent knew that the interest-adjusted cost is the best indicator of the cost of a whole life insurance policy.

- Only 30 percent knew that the government agency most likely to resolve an insurance problem is the state insurance department. About the same percentage believed that the Federal Deposit Insurance Corporation, which regulates banks, resolves insurance problems.

### Highest Scores Include Loan Approval Factors

On the other hand, the students scored extremely well in the following areas:

- 92 percent of respondents knew that the most important factors lenders use when deciding whether to approve a loan are bill-paying records and income.

- 90 percent understood what type of household most needs life insurance.

- 70 percent knew that, to avoid regular fees on a checking account, a consumer must keep a minimum balance in the account at all times.

- 68 percent knew that a collection agency is not allowed to discuss a consumer's debt with his or her employer.

- 66 percent knew that a credit bureau provides creditors with reports of consumers' bill-paying records.

The 38-question multiple choice test surveyed 2,010 students on 75 campuses, representing a sample of full-time juniors and seniors attending four-year colleges and universities. Jointly sponsored by CFA and American Express Travel Related Services Company, Inc., it was administered by Princeton Survey Research Associates of Princeton, New Jersey.

For a copy of the test report and questions, send \$10 to: Consumer Federation of America, 1424 16th Street, N.W., Suite 604, Washington, D.C. 20036.

## Senate Advances Weak Investment Adviser Bill

**T**he Senate Banking Committee approved investment adviser legislation in October which does virtually nothing to protect consumers from major abuses in the industry.

Instead, the Senate panel passed a bill, S.423, to replace the current one-time \$150 per firm registration fee with an annual fee based on firms' assets under management. The minimum fee would be raised to \$300 for firms with less than \$10 million under management, with a maximum fee of \$7,000 to be paid by firms with \$500 million or more under management.

The additional revenue would be used to fund improved Securities and Exchange Commission oversight of investment advisers, which includes most but not all financial planners. The agency is currently able to inspect most investment adviser firms only once every 30 years.

### SEC Funding Not Enough

"Clearly, the SEC needs the additional resources that this legislation would

provide," said CFA Director of Investor Protection Barbara Roper. "But just as clearly, additional money is not enough. This bill will do nothing to protect consumers from self-dealing, the most pervasive problem in the financial planning industry."

The bill also fails to require any of the reforms in the SEC's oversight program called for in a General Accounting Office study of the investment adviser program, such as requiring follow up inspections when serious deficiencies are uncovered, requiring the agency to establish a program to enforce registration requirements, and requiring earlier inspections of newly registered advisers.

In contrast, the House gave voice vote approval in May to investment adviser legislation, which, in addition to raising registration fees, requires the SEC to adopt these reforms and requires investment advisers to disclose more completely the conflicts of interest which may bias their recommendations.

"The House bill is a truly bipartisan effort," Roper said. "Although it does not contain all the added protections we believe are called for, it takes aim at the most serious problem — massive self-dealing by financial planners — and provides reasonable solutions."

### Senate Stalls Rollups Legislation

Meanwhile, in staff negotiations over limited partnership rollups legislation, the Senate continues to refuse to adopt even the most basic investor protections, particularly provisions from the House bill requiring general partners to provide limited partners with an independent analysis of the fairness of the proposed transaction and financial compensation, where feasible, to limited partners who oppose the deal.

"A decade of the worst investor abuses since the securities laws were passed is apparently not enough to convince senators that America's small investors deserve some meager added protec-

tions," Roper said. "The legislation they have proposed on these two issues is a travesty."

Roper urged the Senate to adopt the

stronger House protections. "Without added investor protections, the Senate bills are simply not worth passing," she said.

### Community Lending (continued from page 1)

#### Anti-Consumer Measures Kept Out Of Senate Bill

Committee Chairman Donald W. Riegle, Jr. (D-MI) and Ranking Minority Member Alfonse M. D'Amato (R-NY) cooperated to keep several controversial, anti-consumer measures out of the legislation.

Although some regulatory relief measures were included in the bill, the committee "avoided the wholesale attack on safety and soundness and consumer protection regulations advocated by banking industry trade groups," Lewis said.

Also not included in the measure, though being pressed separately, was legislation sponsored by Sen. Christopher J. Dodd (D-CT) to allow interstate branching by banks.

Contrary to the claims of its advocates, "the increased industry consolidation and concentration that branching would usher in would increase the cost of basic banking services and might hamper the ability of federally insured and subsidized depositories to meet local credit demand," Lewis said in October testimony before the Senate Banking Committee.

Furthermore, he noted, the nation's highly fragmented regulatory machinery is not "strong enough, sufficiently independent, or properly coordinated to deal with the modern era of banking, particularly if the Congress decides to add new products, new markets, and allow virtual unlimited expansion to a taxpayer-backed industry."

"We urge that the Congress move to restructure, modernize and consolidate banking regulatory agencies before handing the industry longer reaches in the economy," he said.

Lewis also urged the committee to proceed cautiously on interstate branching, seeking independent data on the costs

and benefits to consumers before taking action. No bill should proceed that doesn't include airtight consumer protections up front, he said.

#### Anti-Consumer Bill Introduced In House

Although no action has yet been taken in the House on the community development initiative, a bipartisan group of House Banking Committee members has introduced a competing, anti-consumer measure.

H.R. 2707, introduced by Rep. Floyd H. Flake (D-NY) and Rep. Jim Leach (R-IA), would provide approximately half the proposed \$382 million to the community development fund and would allow banks, thrifts and credit unions that do not have community development as their primary mission to compete for those funds.

The other half would fund the Bank Enterprise Act, which provides rebates on federal deposit insurance premiums to banks and thrifts with good lending performance in under-served areas.

The bill also would require regulators to devise "performance based" CRA standards to reflect the amount of lending being done in distressed communities, would allow banks and thrifts to invest in community development financial institutions as a way of meeting their CRA obligations, and would exempt banks that receive the highest CRA compliance rating from enforcement sanctions initiated by community groups.

"The Bank Enterprise Act is poor public policy," Lewis said. "It would reward with public monies the very institutions that have abandoned lower income consumers and communities and made the president's initiative necessary in the first place."



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# Congress Considers Telecommunications Issues

**W**ith the administration promising a plan to speed deployment of an information superhighway, and cable and telephone companies pressing ahead with massive mergers, telecommunications issues are once again heating up in Congress.

In the Senate, Commerce Committee Chairman Daniel K. Inouye (D-HI) and Ranking Minority Member John C. Danforth (R-MO) have co-authored legislation to promote development of high-tech telecommunications infrastructure and encourage competition.

S. 1086, the "Telecommunications Infrastructure Act of 1993," would require local telephone companies to open their networks to competition on nondiscriminatory terms and conditions. It also calls for breaking local bottleneck control over telecommunications transmission before allowing the local exchange carriers to expand into an adjacent market like cable television.

## Senate Bill Lacks Needed Consumer Protections

At a September Communications Subcommittee hearing on the bill, then CFA Legislative Director Gene Kimmelman testified that, while CFA shares the sponsors' goal of developing a pro-competitive telecommunications policy, the legislation "will require significant alteration to meet these goals."

"Unfortunately, the bill does not provide adequate safeguards to ensure the development of local competition, or the preservation of affordable local phone service, before allowing local exchange carrier expansion into the video marketplace," he said.

In particular, "a precise, updated definition of universal service, consumer-friendly cost allocation principles . . . and more thorough safeguards against anti-competitive practices" must be added to the legislation, he said.

Without those added protections, it is likely that the legislation would have the unintended effect of stifling emerging competition, he added. "As we found with the Cable Act of 1984, reduced regulation in the name of promoting competition can lead to the opposite: entrenched, expanded monopolization," he said.

## Bills Being Drafted In The House

In the House, Telecommunications and Finance Subcommittee Chairman Edward J. Markey (D-MA) is at work on two bills, including one which is a companion to the Inouye-Danforth bill.

The other would protect the privacy of telecommunications consumers by giving them greater control over the information the telephone companies gather about them. In addition, it would prevent local telephone companies from using that

information to compete unfairly.

"We are hopeful that Rep. Markey's infrastructure legislation will not only recognize the ever-increasing dangers of consumer abuses, but also will include significant safeguards to combat such abuses," said CFA Legislative Counsel Bradley Stillman.

Stillman also praised Rep. Markey for recognizing the increasing importance of consumer privacy protections as we enter the information age.

## Privacy Protections Needed

"Information about consumers, their buying habits, and who they talk to by phone is becoming increasingly available and valuable," he said. "We are confident Rep. Markey's privacy bill will help put control over private and personal information back into the hands of consumers."

Also in the House, Energy and Commerce Committee Chairman John D. Dingell (D-MI) and Judiciary Committee Chairman Jack Brooks (D-TX) have been negotiating on legislation related to the eroding restrictions against local phone company entry into the fields of information services, equipment manufacturing, and long distance services.

In recent years, the two powerful chairmen have fought lengthy jurisdictional battles on the issue, with Rep. Brooks seeking to use antitrust laws to enforce the restrictions and Rep. Dingell seeking to regulate rather than strictly limit the activities.

After months of negotiation, the two are said to be close to a compromise.

"Without adequate consumer protections in law, monopoly ratepayers will be used as an unwilling financing arm of the telephone companies as those companies attempt to monopolize new lines of business," Stillman said. "Ultimately this will destroy competition and lead to higher prices with less choice."

In October, five consumer groups, including CFA, voiced their concerns over increasing concentration of the telecommunications industry in a letter

to Sen. Howard Metzenbaum (D-OH), Chairman of the Senate Antitrust Subcommittee.

"The Bell Atlantic deal — and others like it — raise the most troubling antitrust issues this nation has faced since the creation of the Standard Oil trust," the groups wrote.

If the Bell Atlantic-TCI merger goes through, one in four U.S. households would be dependent on this one company for television programming, telephone service, or both.

"Even more ominously, the acquisition of TCI constitutes an unprecedented move towards vertical integration, the common ownership of both information and the means of distribution," they wrote.

## Concentration Harms Consumers

Concentration in the telecommunications marketplace threatens to divide the nation into information "haves" and "have nots," the groups warned. Furthermore, consumers are likely to be gouged, first when the rates they pay for local telephone service cross-subsidize the purchase of competing distribution systems and forays into new ventures, and second when they are forced to pay monopoly rates for access to the information superhighway.

"Unless our information superhighway includes common carrier obligations, including open platform architecture, there is no way to guarantee that both users and unaffiliated producers of information will have access to the networks," they wrote.

Both the telephone companies and the cable companies have a long history of discriminatory practices, they noted.

They urged Congress to ensure careful antitrust oversight and to take any necessary remedial actions. "Failure to respond quickly in the public interest can only result in the re-creation of the vertically integrated dinosaur that held back competitive prices and innovation in both the telephone and cable industries," they concluded.

# Regulation Loophole Allows Cable Rates To Rise

**S**oon after cable rate regulations went into effect September 1, it became apparent that the widespread rate reductions predicted by the Federal Communications Commission had simply not materialized.

When they released the final rules in April, the FCC had estimated that rates would come down for between two-thirds and three-quarters of all subscribers.

Instead, news reports from around the country and complaints from constituents to their congressional representatives indicated that many cable subscribers were actually seeing their rates rise.

Called to account for this failure in congressional hearings in late September, interim FCC Chairman James H. Quello managed to fend off congressional action with the promise of an FCC survey of rates at the top 25 systems, the preliminary results of which were released in late October.

According to the FCC, that survey showed that "a substantial number of subscribers have seen significant reductions in rates for both program service and equipment since the September 1 effective date of the commission's cable rate regulations. The preliminary results also show that a minority of subscribers have seen rate increases since the rules went into effect."

In fact, what the results indicate is that the FCC "designed a survey that couldn't answer the questions Congress cared about," said CFA Research Director Mark Cooper.

The systems from which the FCC sought survey data were among those most likely to have had to lower their rates, he

explained. And nearly half of those systems (11 of the 25 multi-systems operators included in the survey) restructured their services in anticipation of rate regulation to offer a la carte packages of per channel offerings. As a result, the FCC has been unable to date to determine whether their rates went up or down.

For the remaining 14 systems, rates went down slightly in approximately two-thirds of the systems, and up in just under one-third of the systems.

"What they found was that, among the systems most likely to reduce rates, one-third actually raised rates instead," Cooper said. "For the three-quarters of subscribers most likely to have been abused by rate increases, the FCC has no data."

A key problem with the rate regulations is that the reasonable rate benchmarks are too high. In its comments on the proposed regulations, CFA advocated a pricing formula — based on pricing in competitive markets and historical price trends — that would bring down rates by nearly 30 percent.

"If the FCC can't make their current regulations work, perhaps its time for them to go back to the drawing board and write rate regulations that fulfill the intent of Congress and that bring the full benefits of the Cable Act to all cable consumers," said CFA Legislative Counsel Bradley Stillman.

Unfortunately, that is not likely to happen until a new FCC Chairman is sworn in and the Reagan and Bush holdovers on the staff who have opposed effective rate regulation are replaced with more pro-consumer personnel, he said.

# Driver Privacy Bills Introduced

**B**ills have been introduced in both the House and the Senate to prevent Departments of Motor Vehicles from disclosing personal information about a licensee, without authorization, to the general public.

Currently, in 32 states individuals can get a person's name and address simply by submitting that person's license plate number and paying a nominal fee to the Department of Motor Vehicles.

The information has been used, not only by businesses for marketing purposes, but also by individuals who have used it to stalk and initiate unsolicited contact with police officers, women, doctors, attorneys, celebrities, and others.

Companion bills to restrict access to this information have been introduced by Sen. Barbara Boxer (D-CA) and Rep. James Moran (D-VA).

Both bills would continue to allow unrestricted access to courts, law enforcement, and government agencies, as well

as to insurance companies engaged in certain claims-related activities. Businesses could gain access only if the individual waived his or her right to confidentiality.

These bills represent "a major step forward in creating a Bill of Rights for Consumer Privacy," said CFA Director of Banking and Housing Chris Lewis, speaking at an October news conference in support of the Boxer bill.

He did advocate, however, that the bills be strengthened by requiring that consumers make an affirmative written choice to allow their information to be made available, rather than forcing them to opt out when they don't want the information made public.

"Essential public databases are stronger and the information likely to be more complete and more accurate when consumers know that the data is protected — used only for the specific purpose for which it was collected," Lewis said.



## Coalition Releases Hidden Hazards Brochure

**T**he Coalition for Consumer Health and Safety, which CFA coordinates, released a new free brochure in September identifying ten everyday threats to health and safety and outlining simple precautions to minimize these risks.

"The ten hazards included in the brochure were chosen because they have a significant impact on the health and safety of millions of Americans and because most Americans either don't know about them, don't realize the extent of the risk, or don't realize that with very little effort they can protect themselves," said Coalition Coordinator Diana Neidle.

For example, many people do not know that:

- Light trucks, minivans, and utility and sport vehicles are far more likely than passenger cars to experience a fatal rollover accident, in some cases, 20 times as likely.

- When your vehicle has an automatic shoulder harness, you risk death or serious injury if you don't also buckle your seat belt across your lap.

- Grass and other hard surfaces are inappropriate for use under playground equipment. Each year, more than 200,000 children go to hospital emergency rooms because of playground equipment-related injuries, and three-fourths of these are because of falls to hard surfaces. Wood chips, wood mulch, or synthetic surfacing materials are preferable to grass, soil, dirt, concrete, or asphalt.

- Each week in this country, a toddler drowns in a five-gallon bucket. If young children are in or around your house,



CFA Product Safety Director Mary Ellen Fise (right) released the Hidden Hazards brochure at a Washington, D.C. news conference. Also participating were Glenn Soden of Nationwide Insurance Companies and Gladys M. Campbell of the American Association of Critical-Care Nurses.

you should use only smaller buckets.

- Baby walkers are the juvenile product most associated with injury. One out of three infants who use baby walkers will be injured, and each year 29,000 infants will be treated in hospital emergency rooms for such injuries. Gates on stairs are not sufficient to prevent falls. Playpens and infant swings should be used as alternatives.

- More than one in five people in the United States today are infected with sexually transmitted diseases, and many contraceptives do not protect against these diseases. Only a latex condom protects

against AIDS and other sexually transmitted diseases.

- Poisoning from improperly cooked food causes thousands of deaths a year. Food poisoning is especially dangerous for diabetics, the elderly, and those with weakened immune systems. All foods should be cooked a sufficient length of time.

- Children's health can be seriously harmed by secondhand smoke. Each year, up to 300,000 lower respiratory tract infections — 15,000 of which lead to hospitalization — are attributed to the secondhand smoke children breathe. Smoking in the home should be strongly discouraged.

- Drinking is a major contributor to unwanted pregnancies, sexually transmitted diseases, including AIDS, and "date" rape. Half of all motor vehicle deaths, half of suicides, and one-third of homicides and drownings are alcohol-related. If you choose to drink, you should set limits before you begin and enlist the help of others to enforce these limits.

- Each year, 50,000 children suffer bike-related head injuries, some of which result in permanent disabilities. Three hundred children die from such injuries each year, yet only five percent of children riding bicycles wear a bike helmet. Bike helmets can reduce the risk of head injuries — for adults as well as for children — by 85 percent. All children and adults should wear bike helmets when riding.

In addition to identifying ways to minimize each of these hazards, the brochure describes how to obtain more detailed free information on many of the hazards.

The coalition is a partnership of 40 consumer, insurer, and health groups working together to educate the public about, and to identify and promote federal policy solutions to, health and safety threats in seven areas: motor vehicle safety, home and product safety, indoor air quality, food safety and nutrition, tobacco use, alcohol consumption, and AIDS.

Consumers can receive one free copy of the Hidden Hazards brochure by sending a stamped, self-addressed envelope to: Hidden Hazards, Consumer Federation of America, 1424 16th Street, N.W., Suite 604, Washington, D.C. 20036.

## CPSC Votes To Terminate Crib Toy Rulemaking

**T**he Consumer Product Safety Commission voted 3-0 in October to terminate the agency's rulemaking to address strangulation hazards associated with infant crib toys.

To date, at least 33 children have strangled to death on crib toys, one has been permanently brain damaged, and 19 "near misses" have been recorded. Despite this fact, the commission based its decision to terminate the rulemaking in part on "the lack of evidence to show that crib toys present an unreasonable risk of injury."

"Once again this agency has turned its back on young children, refusing to take steps to protect them from predictable risks," said CFA Product Safety Director Mary Ellen Fise. "Termination of this proceeding is tantamount to condoning future production of products that will be involved in future fatalities."

The ANPR was issued in 1990 in response to a petition from CFA and the Attorney General of New York. In October, Consumers Union, the Danny Foundation, National SAFE KIDS Campaign, Public Citizen, and U.S. Public Interest Research Group joined CFA in a letter urging the commission to continue the rulemaking.

"Crib toys pose a risk to infants who can neither perceive the risk nor do anything to protect themselves," they wrote. "The high rate of deaths occurring to children older than five months, the recommended age for removal, convincingly demonstrates that parents also do not perceive the hazard."

The groups also noted in their letter that, although the CPSC staff recommended termination of the rulemaking, the briefing package prepared by the staff actually strongly supports proposal of a final rule. Among other things, the staff notes that labeling alone may not be effective and argues that a maximum string length requirement of seven inches would reduce the entanglement and strangulation hazards. Although it recommends that the staff be directed to seek this change in the voluntary standard, the staff acknowledges that the industry-dominated work group on this issue has already rejected the proposal.

After arguing that these toys pose an unreasonable risk to babies, the letter further contends that a decision by the agency to terminate the rulemaking and rely instead on a voluntary standard would be illegal. "Because the current voluntary standard is inadequate, as the staff has pointed out in the briefing package, and because the standard, with the new recommended string length requirement is not in existence, we believe termination at this point would be illegal," the letter states.

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