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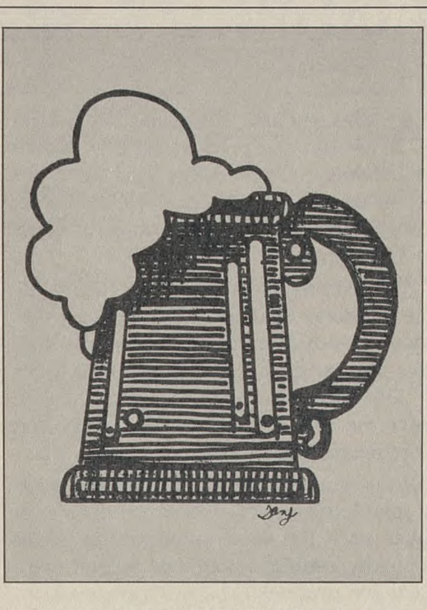
"Beer Bill" Detoxified by Senate Subcommittee

In a severe setback to beer wholesalers, a Senate Judiciary subcommittee voted out a "beer bill" with amendments requiring tough anti-alcohol labelling and an emasculating "rule of reason" provision.

As originally written, the measure would cost consumers up to $1 billion a year in higher beer prices by allowing wholesalers exclusive territorial monopolies throughout the nation.

At the beginning of a November 18 markup of this legislation by the Senate Antitrust, Monopolies, and Business Rights Subcommittee, wholesalers were confident they had the votes to report out the "Malt Beverage Interbrand Competition Act" (S. 567) to full committee. All parties agree that the committee would have sent the bill to the Senate floor, where only parliamentary maneuvering could have blocked passage.



Sens. Metzenbaum and Thurmond Lead Fight

But beer wholesalers were shocked when the skillful opposition of Senators Howard Metzenbaum (D-OH) and Strom Thurmond (R-SC) turned the legislation into a pro-consumer measure.

The markup first took an unexpected turn when Sen. Thurmond introduced a nine-page amendment calling for the placement of rotating health warning labels on all alcoholic beverages. These labels, for example, would link alcohol consumption to cancer and would identify alcohol as a drug that could be addictive.

In response, the bill's chief proponent, Sen. Dennis DeConcini (D-AZ), argued that the Judiciary Committee had no jurisdiction over the subject, then tried to separate the amendment from the beer bill and report out the former as separate legislation.

But Subcommittee Chairman Metzenbaum thwarted both moves. After noting that committee jurisdictions were a gray area, he ruled DeConcini's motion out of order. His ruling was upheld by subcommittee members, who then voted in favor of the Thurmond amendment.

Next, Sen. Thurmond introduced a second amendment banning the use of any form of advertising alcoholic products to children. To put Thurmond on the defensive, Sen. DeConcini moved to add tobacco products to the amendment. (Sen. Thurmond represents a tobacco-producing state.) But to Sen. DeConcini's surprise, Sen. Thurmond supported the amendment, and it was approved.

Finally, Sen. Metzenbaum offered a "rule of reason" amendment that would apparently have the effect of confirming current law for exclusive beer territory agreements, thus negating the intended purpose of the original legislation. In the ensuing discussion, Sen. Arlen Specter (R-PA), the swing voter, decided to support it, which permitted its approval five to four.

Wholesalers Oppose "New Beer Bill"

Beer wholesalers were dismayed by this unexpected turnaround, and within the week they had sent a letter opposing the "new beer bill" to Judiciary Committee members. It was rumored that they had been pressured by major beer manufacturers, original supporters of the legislation, who were now apoplectic that the beer bill had generated discussion about product safety and marketing practices.

Consumer Federation of America (CFA) Executive Director Stephen Brobeck noted that "the worst fears of manufacturers had come to pass, and their worst nightmare—the mobilization of zealous anti-alcohol forces behind the safety amendments—could become a reality."

Since 1981, beer wholesalers have been seeking to pass legislation that would provide an antitrust exemption allowing exclusive territorial monopolies for the distribution of individual brands. Their intention is to force retailers throughout the nation to purchase Budweiser, for example, from a single wholesaler. Already these territorial monopolies are mandated in 27 states.

A broad coalition—including CFA, other consumer groups, the Federal Trade Commission, the U.S. Department of Justice, the National Association of Attorneys General, and beverage retailers—has opposed the legislation. A 1986 study by CFA Research Director Mark Cooper, estimating that exclusive territories nationwide could cost consumers up to $1 billion annually in higher prices, has been widely cited by these opponents.

As to the beer bill's future, Brobeck predicted: "Knowing full well that Senators Thurmond and Metzenbaum stand ready to advocate their amendments, wholesalers will probably try to bypass the full Judiciary Committee entirely and attach their original proposal to some other measure on the floor of the Senate. Yet, there is an outside chance that nervous manufacturers will persuade them to shut down their legislative campaign entirely."

CPSC Reform Progresses in Congress

A bill to reauthorize and reform the troubled U.S. Consumer Product Safety Commission (CPSC) was approved by the Senate Commerce Committee in November, while a similar bill in the House was passed out of subcommittee.

On November 19th, Consumer Subcommittee Chairman Sen. Albert Gore, Jr. (D-TN) introduced a reauthorization measure that was immediately approved by the full Commerce Committee and referred for floor action.

Like the House reauthorization bill, S. 1882 proposes to streamline CPSC's voluntary standards practices, allowing the agency to defer only to voluntary standards that actually exist. This is designed to end the current agency practice of deferring to voluntary standards it hopes the private sector will someday develop.

Sen. Gore's proposal would permit an interested party to challenge through a petition the adequacy or timely development of voluntary standards. It also would tighten regulatory practices.

Under S. 1882, the agency would have to issue a proposed rule within a year after initiating rulemaking. Currently there is no time frame for such action.

Specific Products Targeted

The bill also targets specific products for CPSC action, in particular calling on the agency to negotiate with the manufacturers of All Terrain Vehicles (ATVs) to address safety risks. If negotiations fail to produce a settlement within 60 days after enactment of the bill, the CPSC would be required to file an "imminent hazard" enforcement action under Section 12 of the Consumer Product Safety Act.

This provision has drawn criticism from consumer groups and other interested parties, who charge that the effect might be to further delay the Justice Department's filing of its enforcement action. A request for such an enforcement action has been pending at the Department of Justice since earlier this year. Sen. Gore responded to these concerns in a letter to the CPSC and Justice stating that the intent of this provision is as a catalyst for action, not as a means for delay.

S. 1882 would also ban the further sale of lawn darts. Consumer advocates, including CFA, have charged that the current regulation banning lawn dart sales except to adults has not worked, pointing to the 6,100 injuries since 1978. An estimated 81 percent of these injuries were to children under age 15.

Finally, the bill would require the submission of reports to Congress on CPSC's indoor air pollution activities, small parts standard for choking hazards, and adult sleepwear flammability.

"Although this measure does not address certain critical problems plaguing the CPSC, it is a significant step towards cleaning up this agency," said CFA Legislative Representative Susan A. Weiss. "Specifically, the bill neither enhances enforcement efforts by the agency nor eliminates the morass that has come to characterize CPSC's information disclosure procedures."

House Bill Marked Up

The day before Sen. Gore introduced S. 1882, the House reauthorization bill introduced by Rep. James J. Florio (D-NJ) was passed out of the House Commerce, Consumer Protection, and Competitiveness Subcommittee by a vote of 11 to 4.

H.R. 3343 was amended in subcommittee to partially restore CPSC jurisdiction over fixed-site amusement park rides. The amendment was introduced by Rep. Henry A. Waxman (D-CA). The Subcommittee rejected an amendment offered by Rep. William Dannemeyer (R-CA) to make CPSC a single administrator agency within the Department of Health and Human Services. The subcommittee also rejected efforts to amend CPSC jurisdiction to include tobacco products.

Dates have not been set for floor action on the Senate bill or for full committee action in the House.

Congress Acts to Improve Airline Service

Bills were passed in both the U.S. House and Senate in October aimed at protecting passengers from poor airline service that has become common in the wake of deregulation.

On October 5, the House passed by voice vote H.R. 3051, the "Airline Passenger Protection Act of 1987," introduced by Rep. Norman Y. Mineta (D-CA). On October 30, the Senate passed a companion measure, S. 1485, by a vote of 88-5. S. 1485 was introduced last summer by Sen. Wendell H. Ford (D-KY).

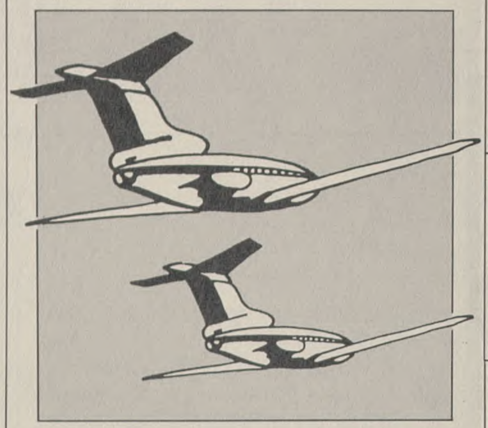
Major provisions shared by both bills include:

- mandatory airline disclosure of on-time performance records and other service-related information to the public;
- establishment of a toll-free consumer complaint hotline at the Department of Transportation (DOT);
- a prohibition on flight cancellations within 72 hours before a flight for any reason other than safety precautions;
- establishment of maximum capacity levels for airports (the House version mandates the enforcement of these capacity levels, the Senate makes them "advisory"); and
- protection of airline employees from job loss or other adverse effects on their positions due to airline mergers.

The House bill, which details more specific consumer protections, would require airlines to develop a plan, subject to DOT approval, to honor tickets issued by a bankrupt carrier. CFA has testified in favor of such a requirement.

Senate Bill Calls for Drug Testing

The major difference in the two bills is a controversial amendment, introduced by Sen. John Danforth (R-MO), that would



make airline employees with safety-sensitive responsibilities subject to screening for alcohol and drug use. Such testing would also be required in the rail, bus, and trucking industries.

The Senate bill is opposed by labor groups, which argue the drug testing provision is unworkable, and by the American Civil Liberties Union, which criticizes the provision as an invasion of personal privacy.

Equally controversial are provisions to protect employees from the adverse effects of airline mergers. The Reagan Administration opposes the labor protections and argues that the act would be expensive and difficult to implement. A veto is threatened.

Conferees have been appointed in both the Senate and the House, but no date has been set for conference on the two bills.

DOT Takes Action

Passage of the two bills comes at a time when the DOT has implemented its own airline disclosure requirements. The DOT requirements, which Rep. Mineta claims are "too little, too late," include: disclosing on-time performance to consumers inquiring through travel agents and airline ticket agents, publishing lost-baggage records monthly as part of the DOT's consumer complaints, and prohibiting flight delays for reasons other than mechanical problems.

The DOT plan does not establish toll-free consumer hotlines, nor does it penalize airlines for unwarranted flight cancellations.

Bill Would Weaken Product Liability System

A bill consumer advocates say would weaken the product liability system and reduce product safety was voted out of the House Subcommittee on Commerce, Consumer Protection, and Competitiveness in December.

A substitute amendment to H.R. 1115, the "Uniform Product Safety Act of 1987," sponsored by Rep. Bill Richardson (D-NM), was approved by a voice vote December 8. The subcommittee then voted 11-3 to refer the measure to the full Energy and Commerce Committee.

Proponents of the bill say it is designed to enable manufacturers to produce products with the same standards in all 50 states by setting a uniform federal standard for product liability. Opponents, including CFA, argue that the bill weakens the law by giving manufacturers more defenses for defective products.

Among the things H.R. 1115 would do are: establish four types of product liability—construction defects, design defects, violation of warranties, and inadequate warnings; establish criteria under which manufacturers could not be held liable for defective products; set standards for punitive damages; and establish a mediation panel as the initial forum for all claims in an effort to speed up dispute resolution and reduce the need for lengthy trials.

"Contrary to claims by proponents, this bill would abandon the standard of strict liability which state courts established in order to compensate people injured by defective products and to improve product safety," said CFA Legislative Director Gene Kimmelman. "Instead, this legislation creates a series of new immunities for manufacturers that would prevent compensation for injured victims and reduce incentives for product safety."

Kimmelman cited several examples of how the legislation would undermine the strict liability standard:

Manufacturers would not be liable if victims fail to prove that experts should have known of product defects. Under a similar standard, asbestos manufacturers for decades escaped liability to victims of severe lung diseases caused by their products. Recently discovered records have revealed that manufacturers in fact knew about the hazards of asbestos as early as the 1920s. The victims, however, were unable to prove such knowledge in court.

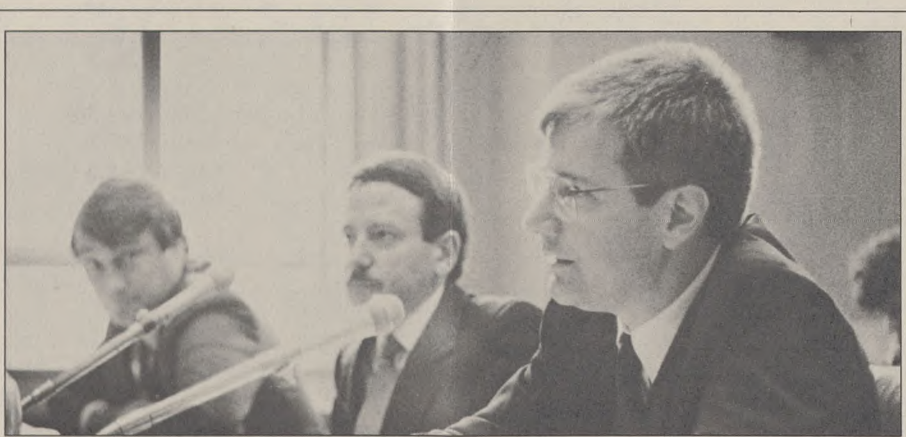
Manufacturers would not be liable if there was not a "practical and technically feasible alternative design" they could have used to make the product. Under this standard, manufacturers of disposable lighters might escape liability for fires started by children playing with lighters by claiming that a childproof safety cap for the lighters would make them less profitable and less marketable, and therefore would not be "practical."

Manufacturers would not be liable for drugs and medical devices that are "unavoidably unsafe." Under this provision, the manufacturer of a defective heart valve could escape liability for deaths caused by the valve. Even though it could have been made safer, the fact that such a surgical implant could not be made completely safe might immunize the manufacturer from liability.

Manufacturers would not be liable for products whose dangers are "inherent characteristics" of those products, even where a much safer, though less "desirable" product could have been made. Under this provision, the manufacturer of a rapid-sawing machine that routinely ate human limbs could escape liability because the quick sawing function is an "inherent characteristic" of the machine, and it would be less "desirable" if equipped with a guard or if blade speed were reduced.

The bill is supported by businesses and the insurance industry, Energy and Commerce Committee Chairman John J. Dingell (D-MI), Rep. James Florio (D-NJ), and most Republicans. Rep. Dingell has said he hopes to get the bill through his committee before Congress adjourns for the holidays.

Senate Acts on Indoor Air Quality



In testimony before the Senate Environmental Protection Subcommittee, CFA Executive Director Stephen Brobeck (far right) called the Indoor Air Quality Act of 1987, introduced this summer by Sen. George Mitchell (D-ME) (far left), "an effective, appropriate response" to concerns about indoor air pollution.

The bill, which has bipartisan support, would create a comprehensive program to address indoor air pollution, designating the Environmental Protection Agency (EPA) as the lead agency to coordinate this federal effort.

If enacted and fully funded, S. 1629 would cost $58 million, but Brobeck argued that, "even in purely economic terms," the expenditure is justified. Brobeck cited the CPSC estimate several years ago that indoor air pollution costs the nation as much as $100 billion a year in medical costs and lost days at work. Even using the conservative conventional economic estimate of a human life as worth $1 million, the 5,000 to 20,000 cancer deaths from radon each year and the 3,500 to 6,500 cancer deaths from non-radon indoor air pollution impose costs of roughly $8.5 to $26.5 billion on our society, Brobeck said. "If your legislation were to reduce these deaths by only ten percent or even five percent, it would pay for itself many times over."

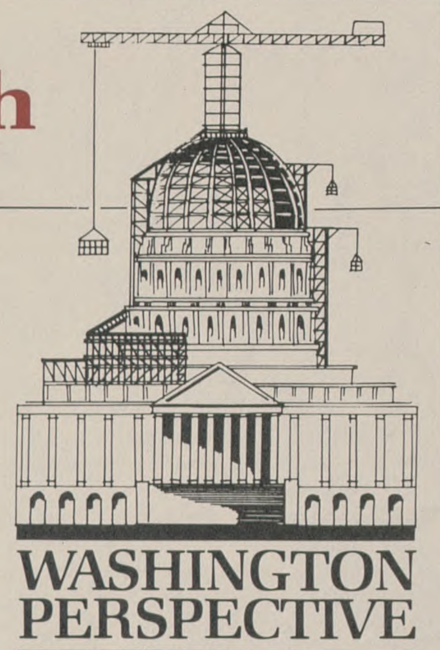
J. Craig Potter, EPA's Assistant Administrator for Air and Radiation, voiced the administration's opposition to the bill, calling it "too much, too soon," despite EPA's characterization of indoor air pollution as a major priority.

As Brobeck pointed out in his testimony, in an assessment of 31 key environmental problem areas, EPA ranked radon first and indoor air pollution from other sources fourth in terms of cancer risk to the population.

Rep. Claudine Schneider (R-RI) is expected to introduce a House measure addressing indoor air pollution early next year.

FINANCIAL RESTRUCTURING:
The Stakes for Consumers Are High

By Alan Fox, Legislative Representative



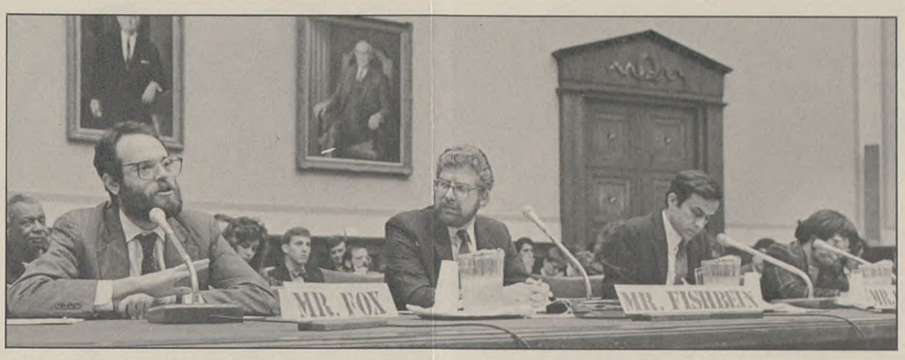
The banking committees of both Houses of Congress have begun serious consideration of basic changes in the legal and regulatory structure of the entire financial services industry. On the table are bills ranging from a limited proposal to allow affiliates of banks to underwrite some securities to sweeping proposals to allow banks to be owned by insurance companies, securities firms, and even retail or industrial companies—and vice versa.

Bank regulators have endorsed a variety of proposals largely aimed at allowing banks and other financial services companies to be jointly owned and operated. Bank trade associations have led the charge, also touting a variety of proposals, while the insurance and securities industries have led the opposition to legal changes that would expose their companies to ownership by—and competition from—banks.

Both sides claim to have the best interests of consumers at heart. Advocates of restructuring say that allowing banks into the insurance and securities industries will enhance competition and that the greater profits in those areas will allow banks to cut prices or improve services for bank customers. Opponents say the competition would be unfair and would endanger the federal deposit insurance program. But beyond a few general statements, neither side is most concerned about consumers.

Until recently, consumer and community groups, who represent the individuals most directly affected by these changes, have kept a low profile. The different proposals are very technical, and our voices seemed destined to be drowned out in the cacophony of debate the special interests have established. But the stakes are too high for us to remain silent. A consumer and community analysis of the restructuring debate is being developed, and the opportunities, as well as the dangers, inherent in restructuring are being recognized.

Consumer and community groups should evaluate these proposals on three criteria: whether they address the concerns with consumer services we have previously identified and raised; whether they deliver the benefits to consumers their proponents promise; and whether they protect adequately against dangers to consumers that would not be created if no restructuring takes place.



CFA Legislative Representative Alan Fox (left) testified on consumers' stake in the restructuring of the financial services industry before the House Subcommittee on Banking, Finance, and Urban Affairs in December. Other consumer advocates to testify were: (from left to right) Allen Fishbein, Director of the Center for Community Change; Jon Brown, Director of Bank Watch; and Mildred Brown, President of the Association of Community Organizations for Reform Now (ACORN).

All of the proposals before Congress fail this test. Most have some provisions dealing with the third point, but there is no reason for consumers to support a proposal simply because it contains safeguards against problems that would not occur if the proposal were simply turned down. In particular, these proposals offer no tangible benefits and pose serious risks to low- and moderate-income consumers and the neighborhoods in which they live. The vague promises of future benefits made by the proposals' supporters amount to little more than trickle-down economics.

In contrast to these vague promises of future benefits, there are several clear dangers to consumers inherent in these proposals. The creation of financial superfirms risks further erosion of already inadequate enforcement of existing consumer protection and community reinvestment laws; excessive concentration of economic resources to the detriment of full competition; dilution of the stabilizing impact of federal deposit insurance; and continued inattention to the needs of low- and moderate-income families and communities.

If consumers are to benefit from these restructuring proposals, the benefits must be explicitly provided for in any legislation establishing that restructuring. Turning large corporations loose to merge with other large corporations will not improve consumer services and will probably work to the detriment of many consumers. Financial restructuring accompanied by a clear set of legal, regulatory, and service requirements, however, may answer consumer needs.

There are four general areas Congress must address in association with any restructuring proposal to ensure that consumers benefit from that proposal:

1. Enforce existing consumer and community reinvestment laws. Financial services restructuring will require the federal banking agencies to invest additional resources into scrutiny of banks and their affiliates. These agencies, however, have a history of neglect of their responsibilities to enforce existing consumer and community reinvestment statutes. Before these agencies are given additional responsibilities, they must be required to meet their current mandates.

2. Protect the federal deposit insurance system. Federal deposit insurance is the greatest guarantor of financial system stability. Deposit insurance must not be compromised in any form. Restructuring that dilutes the effect of deposit insurance is dangerous to the financial system and harmful to consumers.

3. Don't leave out low- and moderate-income families and neighborhoods. Restructuring risks the establishment of a two-tiered financial system in which poor and working Americans are left with no or minimal services and exorbitant prices while large financial firms abandon basic services in favor of new powers. Large financial firms that take advantage of restructuring must have affirmative responsibilities to provide basic credit and deposit services to these consumers.

4. Ensure greater competition. Competition will not be enhanced if restructuring simply allows large financial firms to merge with each other under newly created umbrellas. To ensure that new powers produce new competitors, large financial firms must not be allowed to merge with other large firms when they enter new lines of business.

There are a wide variety of methods available to implement these proposals. Consumers, particularly low- and moderate-income consumers, will realize benefits from financial restructuring only to the extent that those benefits are explicitly provided for in legislation. Restructuring without these provisions creates many dangers for consumers. But the debate over restructuring should also be regarded as an opportunity to press for resolution of existing problems and to insist that any changes clearly benefit consumers.

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Credit Card Disclosure Reaches Senate Floor

The Senate Banking Committee, by unanimous voice vote on December 2, sent a credit and charge card disclosure bill to the Senate floor. Full Senate action on H.R. 515, the "Credit and Charge Card Cost Disclosure Act," is expected at any time.

The bill, which passed the House in a different form in November (see *CFAnews*, November 1987), could reach the President's desk for signature by the end of December.

The Senate version of H.R. 515 was written by Consumer Affairs Subcommittee Chairman Christopher Dodd (D-CT). It requires credit card applications mailed to consumers to disclose: the interest rate or rates; if the rate is variable, an explanation of how it will vary; the annual fee or any similar fee; the grace period, or a statement that there is no grace period; and the name of the balance calculation method.

Applications contained in magazines or left on store counters ("take-ones") would either include all of this information, plus the date the material was printed and a statement that the information might no longer be accurate, or none of the information and a toll-free number and an address from which consumers may receive full information.

Special provisions are also made for telephone solicitations where the card issuer takes application information over the phone and does not require a written application.

The disclosure requirements apply to all bankcards, such as Visa and MasterCard, to "retail" cards, such as those issued by gasoline companies and department stores, and to "charge" cards, such as American Express.

A late change in the bill, opposed by CFA and other consumer groups, preempts all state credit card disclosure laws in favor of the federal standard. The 12 states that had such laws on the books or through one house of the state legislature by December 2 would have two years to reenact their laws and thus save any stronger state provisions.

The House-passed version of the bill also preempted state laws, without allowing any exceptions.

"It's disappointing that states will not be able to enact tougher laws or meet unique local circumstances," CFA Legislative Representative Alan Fox said. "Even with that unwelcome provision, H.R. 515 is a solid piece of legislation. If it becomes law, consumers will soon have the means available to critically compare credit card costs, and we will learn very quickly whether this uncompetitive market can be made competitive."

CFA Calls for CPSC Action on Lighters

Following an exhaustive review of cigarette lighter accident investigations, the Consumer Federation of America has called on the U.S. Consumer Product Safety Commission (CPSC) to expedite its review of this hazard and to begin rulemaking immediately.

Approximately 200 people die each year in fires associated with cigarette lighters, according to CPSC statistics. Of these, 140 are children, and 125 are children age four and under.

Despite the high number of deaths to very young children, the CPSC has not responded to a 1985 petition by a hospital burn unit nurse requesting that cigarette lighters be made child resistant.

"We find this regulatory paralysis appalling," said Mary Ellen Fise, CFA Product Safety Director. "Nearly 12 children, on average, die every month, and millions of dollars of property are damaged each year, yet we have to plead with our nation's safety agency to begin rulemaking immediately."

Report Reviews 244 Lighter Accidents

Fise is author of a report released by CFA in November titled, "Up in Flames: The Deadly Consequences of Children Playing with Cigarette Lighters." The report reviews 244 cigarette lighter accidents caused by children. It includes the following major findings:

- Three-year-olds and four-year-olds are very proficient at operating lighters. Additionally, some children as young as one and two have used lighters to start fires.
- The adverse medical consequences of children playing with lighters include death, all degrees of burns to all parts of the body, and smoke inhalation.
- Property damage resulting from fires ignited by children using cigarette lighters includes the total destruction of homes and severe damage to multiple dwelling units.
- Both boys and girls play with lighters.
- Many lighter accidents occur in the bedroom, with sheets, blankets, and mattresses most often ignited. Another typical accident scenario involves the child playing under or behind a sofa and igniting it with the lighter.

In addition to causing hundreds of deaths and thousands of injuries, fires associated with children playing with cigarette lighters are responsible for extensive property damage each year. The National Fire Protection Association estimates that the direct dollar loss in property and contents associated with fires started by children playing with cigarette lighters is more than $30 million.

Voluntary Standard Inadequate

A voluntary standard for cigarette lighters addresses flame generation, flame height adjustment, flaring, flame control, and flame

extinction. However, the standard addresses the problem of children's accessibility to lighters only by means of a warning, "Keep Out of the Reach of Children," which must appear on the packaging.

Current warning labels are inadequate for several reasons, the report concludes. Package warnings are seen by users only once, if at all. The printing is difficult to read. And most importantly, the child playing with the lighter cannot read a label and cannot appreciate the risk and danger associated with lighters.

"It is clear that the voluntary safety standard and warning labels on packages are not going to reduce the number of fires ignited by young children," Fise said.

The CPSC staff reached the same conclusion in January, 1986, finding that the voluntary standard for cigarette lighters is inadequate to protect children under age five. Still, the commission has continued to delay rulemaking to address the hazard.

In May, Commissioner Anne Graham urged her colleagues to vote to commence rulemaking by publishing an Advanced Notice of Proposed Rulemaking. Lacking the additional vote needed for a majority, however, Commissioner Graham's effort failed.

The CPSC staff is expected to brief the commission this month on a field study that examined more than 200 cases of children using cigarette lighters to start fires.

CFA Calls on Congress to Act

In addition to requesting CPSC rulemaking, CFA has called on Congress, particularly those committees with responsibility for CPSC oversight, to support its request for CPSC action.

In the meantime, CFA urges all parents to take measures to keep lighters out of their children's environment. "You should have the same fear of your children's playing with a cigarette lighter as you would have of their playing with an open bottle of medicine. Both can be deadly," Fise said.

ACTION POINT!

Organizations and individuals concerned about the problem are encouraged to contact the CPSC, Washington, D.C. 20207.

Home Health Care Bill Introduced in House

In an attempt to provide long-term home health care for the chronically ill of all ages and thus fill a perceived gap in the Medicare Catastrophic Health Protection Act that passed the House last summer, Sen. Claude Pepper (D-FL) has introduced the "Medicare Long-Term Home Care Catastrophic Protection Act."

H.R. 3436 is designed to provide Medicare and Medicaid patients with a humane, low-cost alternative to hospitalization and eliminate a current cap on the Medicare tax. The goal of the legislation is to make long-term care affordable to all Americans; preserve the self-financing principle of the Medicare system, while raising additional revenue to reduce the federal budget deficit; and make the Medicare tax fairer by applying it to all wages, so that the wealthy would contribute the same percentage of their earnings to Medicare as low wage earners currently do.

The present cap on the Medicare tax allows the top five percent of American wage earners to contribute a much smaller percentage of their earnings to the fund than other workers.

Pepper bypassed the normal committee review process and had H.R. 3436 reported out of the House Rules Committee, which he chairs, without recommendation by the Ways and Means Committee. During the Rules Committee debate, Rep. Dan Rostenkowski (D-IL) who chairs Ways and Means argued that this unusual procedural move would be "a serious violation of House procedures" and would "establish a precedent I do not see how any committee of the House could support." Rostenkowski, who also believes the bill is flawed because of the limited number of home-health agencies currently in existence, is expected to oppose the legislation when it reaches the House floor in January.

Historically, long-term health care has taken place in hospitals and nursing homes. With today's exorbitant medical care costs, however, few families can sustain the expense of these institutions for the duration of their illnesses. Approximately one million Americans become impoverished every year due to the costs associated with long-term illness.

"The Pepper bill addresses the urgent problem of long-term health care with a fair, self-financing mechanism," said Gene Kimmelman, CFA's Legislative Director.

A recent survey by the American Association of Retired Persons (AARP) shows that 68 percent of Americans support legislation expanding coverage for long-term home health care, even if it means increasing taxes.

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