

Health Care Protections Are Proposed

A major battle is expected next year over legislative proposals to impose standards on group health plans and health insurance issuers in such areas as access to care, due process for enrollees and providers, information disclosure, and nondiscrimination.

An advisory panel appointed by the president last year released its "Consumer Bill of Rights and Responsibilities" in November, and several members of Congress have introduced or are working on legislation designed to set federal standards for health care plans.

"Plenty of horror stories have been reported about the problems consumers face in an increasingly cost-conscious health care system," said CFA Legislative Director Mary Rouleau. These include the denial of treatments, lengthy fights with insurance plans, bad outcomes, long waits for appointments, and being denied insurance in the first place, she said.

"People are scared that the push to cut costs is seriously compromising care," she said. "Congress and the administration appear to have received that message loud and clear."

The bill of rights developed by the Advisory Commission on Consumer Protection and Quality in the Health Care Industry offers "an important starting point for future action," Rouleau said.

In releasing the proposal, the president called on health plans to take steps immediately to adopt the proposals. However, he also acknowledged that voluntary action by health plans would not be enough and that legislation would be necessary to ensure that all consumers are covered.

This is essential, Rouleau said, since "the goal of assuring that all health care consumers have access to quality care simply cannot be met without enforceable standards in place."

Republican Leadership Attacks Proposals

Before the plan had even been released, however, Republican leaders in Congress were calling on business and insurance lobbyists to mount an all-out grass-roots campaign to block the legislation.

According to an internal memo of the Health Insurance Association of America obtained and reported on by the *New York Times*, the message being sent to business groups by House and Senate leadership "is that we are in a war and need to start fighting like we're in a war."

"Republican leadership is now engaged on this issue and is issuing strong directives to all players in the insurance and employer community to get activated," the HIAA memo reportedly states.

The goal of the campaign, according to the *Times* article, is to paint these modest quality care proposals as a "Trojan horse" designed to revive the president's comprehensive health care proposal.

"Exposure of this strategy aptly demonstrates that the opposition has no qualms about distorting the facts of the debate," Rouleau said. "To label the current proposals as 'ClintonLite' is like comparing apples and elephants."

"Four years ago, opponents of the then-Clinton plan successfully turned the debate on its head through a well-executed series of distortions about the issues at stake," she added. If they are to prevent that from happening again, consumers and patients need to "demand that Congress fully consider these consumer protections," she said.

Despite their efforts, it is not clear that the Republican leadership will be able to generate the same, nearly unanimous Republican opposition to these measures

that they used to defeat the earlier comprehensive health care legislation.

Legislation Introduced

After all, Republicans in the House and Senate — Rep. Charles Norwood (R-GA) and Sen. Alphonse D'Amato (R-NY) — have already introduced companion bills, H.R. 1415 and S. 644, that would set federal standards for health plans. The House bill has attracted 193 co-sponsors, including 83 Republicans.

Furthermore, Sen. James M. Jeffords (R-VT) and Sen. Edward M. Kennedy (D-MA) are working on a separate bill that is expected to be the primary vehicle for consideration of these issues in the Senate.

"While none of these bills is as comprehensive as we would like, we are encouraged by this showing of strong, bipartisan support for enhanced patient protections," Rouleau said. "We look forward to working with sponsors to

strengthen and expand the protections offered."

The advisory panel's bill of rights helps to define many of the issues that are likely to be at the heart of next year's debate.

Among the broad patient rights defined in the proposal are:

- the right to far more information about their health plans, professionals, facilities, and treatment options;
- the right to a choice of health care providers that is sufficient to assure access to appropriate high-quality care;
- the right to emergency health care services when needed;
- the right to communicate with health care providers in confidence and to keep their individually identifiable medical information private; and
- the right to a fair and efficient process for resolving differences with their health plans, health care providers, and the institutions that serve them.

(Continued on page 3)

Consumer Movement Encyclopedia Published

The first comprehensive reference book on consumer movement in the United States and worldwide is now available through CFA.

Edited by CFA Executive Director Stephen Brobeck, University of Utah Professor Robert N. Mayer, and Penn State University Professor Robert O. Herrmann, the nearly 700-page *Encyclopedia of the Consumer Movement* contains 198 entries by academics and consumer leaders from the United States and other countries. It is published by ABC-CLIO, which is a leading publisher of social science reference books.

"The consumer movement has influenced both institutions and culture in ways that are likely to endure for many years to come. This reference work summarizes what we know about the consumer movement worldwide and contains much information that has never before been published," Brobeck said.

Articles, which range in length from 1,000 to 5,000 words, treat movement-related institutions, leaders, activities, and impacts in a historical framework, with particular attention to the laws and regulations that purport to protect consumers.

Articles are divided into the following seven topic areas:

- general topics — such as consumer problems in market economies, economic deregulation, and public opinion — which help define the economic and

psychological context in which the consumer movement has operated or which consider general characteristics of the movement and its history;

- special consumer populations, focusing on the unique problems of subsets of the population and efforts to mitigate these problems;

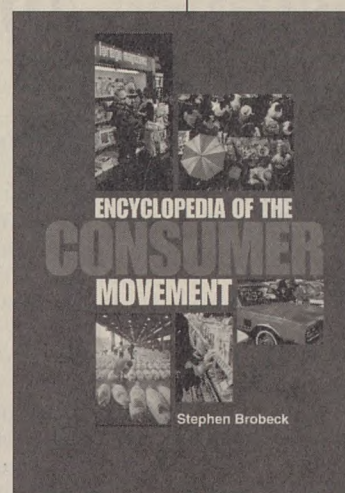
- consumer movement activities, such as advocacy, litigation, education, and product testing;

- consumer organizations, including government bodies, non-profit agencies, research or education organizations, cooperative groups, and business or labor organizations;

- consumer leaders, most of whom are discussed in the entries on those organizations with which these individuals are most closely associated, but with additional coverage of Ralph Nader, Esther Peterson, Colston Warne, and advocates who became government regulators;

- consumer protections related to different types of products and sales practices, including product safety, financial protections, protections against deceptive and unfair marketing practices, and protections related to post-purchase experiences of purchasers; and

- international consumer movement,



including consumer movements in other countries and regions and transnational consumer protections.

While the work focuses disproportionately on the United States — because the movement there has been much larger and more active than those in other countries — about one-fifth of the encyclopedia's entries treat consumer movements in nations or regions outside the United States. Furthermore, the information in many of

the latter entries contain previously unavailable information.

Consumers Union President Rhoda H. Karparkin has called the encyclopedia "the only comprehensive source of information on consumer protections and organizations in the U.S. and other countries," while *The Consumer Affairs Letter* Editor George Idelson has called it "an essential reference book for consumer affairs professionals from business, government, and the press."

It is available for \$100 from CFA. To order, send a check, made payable to Consumer Federation of America, to: Consumer Movement, 1424 16th Street, N.W., Suite 604, Washington, D.C. 20036. Allow one month for delivery.

GAO Report Calls CPSC Data Inadequate

A General Accounting Office report released in September found that the Consumer Product Safety Commission lacks sufficient data to determine what hazards are most deserving of agency action and how best to address those hazards.

"While we certainly agree that the CPSC could benefit from more data, there is nothing in the GAO report that indicates that a lack of information has caused the agency either to make poor decisions regarding which hazards to address or to allocate its resources ineffectively," said CFA General Counsel Mary Ellen Fise.

"In fact, the agency has done a remarkable job in recent years with the limited resources Congress has been willing to allocate it," she added.

The GAO report, "Consumer Product Safety Commission: Better Data Needed to Help Identify and Analyze Potential Hazards," was commissioned by the House and Senate Commerce Committees to look at the CPSC's project selection, use of cost-benefit analysis and risk assessment, and information release procedures.

The report found that:

- CPSC's current data provides insufficient information to allow the agency to monitor ongoing projects or to determine whether potential projects adhere to the agency's selection criteria.

- Inadequate agency data often prevents CPSC from conducting risk assessments on projects, potentially limiting the agency's ability to target resources to the hazards presenting the greatest risks.

- The lack of sufficient data, combined with methodological problems, also makes

CPSC's cost-benefit analyses less useful than they could be.

"With more detailed information on both internal resources and external product hazards, CPSC would be better able to assure the Congress and taxpayers that its resources are expended wisely," the report states.

The report also made specific recommendations on changes the agency should make in its procedures for conducting risk assessments and cost-benefit analyses.

House Telecommunications, Trade and Consumer Protection Subcommittee Chairman Billy Tauzin (R-LA) announced at an October CPSC oversight hearing that he would be introducing CPSC reauthorization legislation in 1998 that would incorporate the GAO's suggestions.

In testimony before the subcommittee, CPSC Chairman Ann Brown said the agency would implement many of the report's recommendations, including recommendations to improve "transparency and completeness" of agency cost-benefit analysis.

She also noted that the agency has repeatedly sought funding to integrate the agency's databases, which would allow better internal project tracking along the lines advocated by the GAO, but Congress has not provided the necessary funding to implement such a plan.

Finally, however, Brown challenged the GAO's central assertion about the adequacy of the agency's data. "This raises the age-old question, how much information is enough to justify agency action?" she said.

"As a government regulatory agency with limited resources, we must strike the

proper balance between information gathering and our responsibility to act promptly to protect consumer health and safety," she said.

While assuring the subcommittee that CPSC would "continue to search for cost-effective ways to improve [its] data," Brown noted that "Congress and government agencies often must act with less than perfect knowledge."

"This is particularly true at the CPSC, where our mission is to prevent deaths and injuries," she said. "We cannot and should not wait for deaths and injuries to pile up before we act."

Brown noted that the "real test" for the agency should be how effective it has been in reducing the number of injuries and deaths associated with consumer

products, an issue not addressed in the GAO report.

She offered as evidence of the agency's success in this area the fact that consumer products are much safer today than they have been in the past and that the number of annual deaths and injuries related to consumer products has declined by more than 20 percent since 1980.

The 1994 rule on child-resistant cigarette lighters alone is projected to prevent up to 100 deaths each year, several hundred injuries, and millions of dollars in property damage from fires caused by children under five playing with lighters, she noted. "Estimated annual net societal savings are over \$500 million, saving consumers more than ten times CPSC's 1997 budget of \$42.5 million," she said.

Senate Approves Mortgage Insurance Bill

Following the lead of the House earlier this year, the Senate approved legislation in November to shield homeowners from unnecessary and costly private mortgage insurance payments.

"Although the legislation is less than perfect, it promises consumers significant relief from the high costs of carrying unnecessary private mortgage insurance," said CFA Director of Consumer Protection Jean Ann Fox.

Lenders generally require borrowers who make a down payment of less than 20 percent to obtain private mortgage insurance. The insurance protects the lenders from defaults.

However, borrowers often unnecessarily continue paying the insurance premiums after paying off a substantial portion of their mortgage.

The Senate bill, S. 318, would allow homeowners who have paid off their mortgages to accumulate 20 percent equity in their homes and who are current on their payments to end their mortgage insurance policies without penalty. In addition, policies would be cancelled automatically after they acquire 22 percent equity in their homes, except for high risk borrowers.

The House passed its version of private mortgage insurance legislation, H.R. 607, earlier in the year.

Although the bills are similar, they are not identical, and those differences prevented final legislation from being adopted before Congress recessed for the year.

For example, while the Senate allows for cancellation when 22 percent equity is acquired, the House bill sets a 25 percent equity requirement. On the other hand, the House bill does not provide the broad exemption for "high risk" mortgages contained in the Senate bill.

Under the Senate bill, Fannie Mae and Freddie Mac, the secondary mortgage companies, are charged with defining "high risk" loans. For these loans, insurance is not automatically cancelled until halfway through the loan term. Thus, on a 30-year loan, a "high risk" borrower would have to carry private mortgage insurance for 15 years.

In addition, the House bill does not preempt state laws that offer stronger consumer protection, so long as those state laws are consistent with federal law. The Senate bill would preempt all state laws

dealing with private mortgage insurance requirements, with the exception of existing laws in a handful of states, which would be grandfathered in.

Finally, the House bill establishes a duty on the part of insurers and mortgage lenders to give mortgage services the information they need to comply with the notice and cancellation requirements of the bill. The Senate bill does not clearly identify the party responsible for complying with the bill's reforms.

A conference committee is expected to be convened next year to work out these differences.

It is essential that the broad high risk exemption contained in the Senate bill not be included in the final version, Fox said. "Any high risk exception should be narrowly drawn and based on empirical evidence. Otherwise, the high risk exception will cancel out the purpose of the bill," she said.

The final bill also should delete any preemption language, so that states retain the right to enact stronger protections for their citizens, and it should be "crystal clear in identifying the parties responsible for ensuring that the reforms mandated by the bill are actually carried out," Fox said.

Anti-Consumer Auto Salvage Bills Advance

Auto salvage legislation that is opposed by consumer groups and attorneys general passed the House of Representatives and was reported out of the Senate Commerce Committee in November.

"This measure has been labeled as a consumer protection bill. It clearly isn't," said CFA Legislative Director Mary Rouleau. "It contains no meaningful disclosure to help consumers determine if their used cars have been in a wreck or even had a safety inspection."

The House voted 336-72 to bring H.R. 1839 to the floor under suspension of the rules just before Congress recessed for the year. Meanwhile, the Senate Commerce Committee passed the bill, on a 15-5 vote, after substituting H.R. 1839 for the text of S. 852.

Working with their allies in the Senate, CFA and other bill opponents fought successfully to keep the bill from being rushed to the Senate floor before recess.

"Having bought ourselves some additional time, we plan to work during recess to get some much needed consumer protections added to the bill," Rouleau said.

Each year, more than 2.2 million vehicles are wrecked and declared a total loss. Many of these cars are then bought at auction, refurbished to conceal the prior damage, and sold to unsuspecting consumers without safety inspections or disclosure of the prior history.

Although the stated purpose of the bill is to provide "national uniformity" in

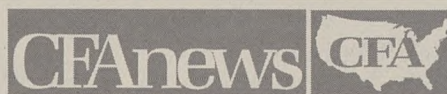
titling of salvage cars, the Congressional Budget Office reports that an estimated 75 percent of states would opt out of coverage. Thus, the bill would not achieve its stated objective.

Furthermore, the bill would needlessly eliminate numerous better state laws that now protect consumers from unknowingly buying previously wrecked vehicles, require safety and anti-theft inspections, and provide private rights of action for violations.

In their place, the legislation would: make safety inspections of rebuilt salvage vehicles optional; exempt sellers of most cars over six model years old from major damage disclosure requirements, despite the fact that the average age of cars currently on the road is seven years; and set a damage threshold for disclosure of 80 percent, higher than many states now use and higher than the National Association of Attorneys General recommends.

Finally, the legislation contains no effective provisions for federal or state enforcement. Nor does it authorize consumer victims to bring claims, even if injured by a deliberate and criminal concealment of "salvage" damage.

"Members of Congress, the press, and the general public do not know what is in this bill. If they did, they would realize that it does more harm than good," Rouleau said. "Our goal is to get that message out before Congress reconvenes and the Senate votes on a final bill."



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Ineffective Bankruptcy Reforms Proposed

With personal bankruptcies rising to record levels, and creditors lobbying hard for legislation to force debtors to pay off more of their debts, Congress is considering a variety of changes to the bankruptcy system.

"This whole debate is based on a false assumption that large numbers of debtors can pay off significantly more of their debts," said CFA Legislative Director Mary Rouleau. "There's simply no reliable evidence to support that contention."

Furthermore, "by failing to focus on the primary cause of the increase in personal bankruptcies — rising credit card debt — the advocates of reform have failed to produce proposals that are likely to be effective in resolving the problem," said CFA Executive Director Stephen Brobeck.

Three major proposals introduced this fall are likely to be the focus of discussion when Congress returns next year.

In October, the National Bankruptcy Review Commission, which was created by Congress in 1994 to suggest incremental changes to the bankruptcy laws, came out with its list of recommendations.

These include: setting uniform national standards for personal and homestead exemptions that would raise the level of exemptions allowed in some states and lower it in others; requiring debtors to repay credit card debt incurred 30 days or less before they filed for bankruptcy; and allowing debtors to discharge student loans in bankruptcy.

What the commission's recommendations do not include is substantial new limits on access to Chapter 7 bankruptcy, in which debtors are able to discharge their debts and make a fresh start.

Creditors Seek To Restrict Chapter 7 Access

As a result, the commission's recommendations have been vigorously attacked by creditors, who have instead helped Reps. Bill McCollum (R-FL) and Rick Boucher (D-VA) to write legislation more favorable to their position.

Introduced in September, before the commission's recommendations were released, H.R. 2500 would require debtors who meet certain income standards to file under Chapter 13 and pay off at least a portion of their unsecured debts over time.

In the Senate, Charles Grassley (R-IA) and Richard Durbin (D-IL) have introduced their own bill, S. 1301, which seeks to address abuses by both debtors and creditors.

While it could require debtors to file under Chapter 13 if they can repay at least 20 percent of their debt, the Grassley-Durbin bill would also protect consumers from efforts of creditors to require them to pay off some of their debts outside the bankruptcy plan, called "reaffirmation" of debt, and to mount unjustified multiple procedural challenges to the filing.

"Each of these proposals would remedy substantial abuses," Brobeck said, citing in particular the ability of wealthy individuals to shelter substantial assets in home in states such as Florida and Texas that have virtually unlimited homestead exemptions.

However, Brobeck sharply criticized both the House and Senate bills for denying access to Chapter 7 bankruptcy to "a number of financially insolvent households with moderate incomes."

Brobeck cited research by Georgetown University's Credit Research Center, which found that Chapter 7 bankrupts average less than \$20,000 in after-tax income, but carry credit card

debts exceeding \$17,000.

Many of these families "probably cannot afford to pay even the \$3,000-plus in annual interest obligations, let alone the principal, on their credit card debts," he said. "Congress must not restrict access to Chapter 7 bankruptcy to those crushed by debts."

Brobeck also criticized all three of the major proposals for failing to acknowledge the principal cause of escalating personal bankruptcies — rising credit card debt.

Congress Must Address Rising Credit Card Debt

In the 1990s, credit card debts more than doubled to nearly \$500 billion, according to Federal Reserve data. The 60 percent of households estimated to carry credit card balances now have related debts averaging about \$7,000, Brobeck noted.

"No one forced these households to accept and run up large balances on credit cards. Yet the rapid increase in these debts is clearly related to the aggressive marketing of credit card companies," he said.

Despite rising debt losses that have caused them to call on Congress to restrict access to bankruptcy, card companies have continued to increase solicitations by mail, by phone, and by media advertising.

"The most effective solution to the consumer insolvency crisis would be for card issuers to extend credit more responsibly," Brobeck said.

He suggested limiting debt to income ratios to 20 to 25 percent in most cases. The average credit card debt to income ratio of 89 percent for Chapter 7 bankrupts offers "the most telling evidence of the irresponsibility with which many card companies extend credit," he said.

To accomplish that goal, Congress should consider limiting the ability of issuers who have extended unaffordable credit to collect these debts from bankrupts, he said.

"The credit card companies, bankers, and retailers have mounted a huge campaign to move the McCollum bill," Rouleau said. "Though other, more pro-consumer proposals may be put forward in the House, it will be an uphill fight to overcome the creditors' lobbying campaign."

Rouleau added that the Senate bill is not as extreme as the House bill, but warned that it contains "opportunities for creditors to 'game' the bankruptcy process — effectively making the process unaffordable for those who need it."

"We will work to point out those problems, as well as to introduce amendments addressing credit card debt issues" when Congress takes up the legislation next year, she said.

Drug Market Exclusivity Measure Halted

Consumers scored at least a temporary victory in the final days of the congressional session when drug company attempts to attach patent extension language to the Health and Human Services appropriations bill were stymied.

"This is a classic case of the wolf in sheep's clothing. It is stark special interest legislation attempting to mask itself as a harmless funding demonstration project," said CFA Legislative Director Mary Rouleau.

"Sen. Richard Durbin (D-IL) and Rep. Henry Waxman (D-CA) deserve a lot of credit for identifying this measure as the anti-consumer proposal it really is," she added.

The measure would have extended existing market monopolies by up to ten years for certain drugs if the manufacturer agreed to pay a three percent royalty of net sales to the federal government. It would have applied to drugs approved by the Food and Drug Administration within five years before and after passage of the legislation.

The royalty payments were to be earmarked for pharmaceutical research controlled by the National Institutes of Health. The company would also have been required to spend a comparable sum of its own funds on research and development related to the product.

Proponents of the measure, who attempted to add it to the appropri-

tions bill in conference committee, argued it would provide up to \$750 million in NIH funding without putting any additional strain on the federal budget.

In fact, the measure "really amounts to a tax on sick people, in that they will continue to pay higher prices during the extended period. These are people usually least able to pay," wrote CFA Chairman Sen. Howard M. Metzenbaum (Ret.) in a letter to the Labor, Health and Human Services, and Education Appropriations Subcommittee.

Even if that trade-off were acceptable, the legislation would still be a bad deal, he wrote, since the amount of money paid to NIH would pale compared to the financial benefits to the pharmaceutical manufacturers.

Before any legislation is considered, the full effects of the proposal, including the cost of delaying the appearance of generic drugs on the market, should be carefully analyzed, he said.

"Deciding which diseases to research and how to fund such research are compelling public policy decisions," Sen. Metzenbaum wrote. "They deserve careful and open consideration in a manner that will not pit patient groups against each other."

Although the legislation was not included in the 1998 appropriations bill, proponents of the measure are expected to revive their efforts to win its passage next year, Rouleau said.

Health Care (Continued from page 1)

In defining these rights, the panel outlined more detailed standards related to the various areas but did not attempt to recommend ways to put its proposals into practice.

Bill Would Close ERISA Loophole

Many of these issues are also addressed in the Norwood-D'Amato bill. One area in which the Norwood-D'Amato bill goes further than the bill of rights is in making it easier for patients to sue their health plans for medical malpractice.

Currently, patients who suffer when the policy or practice of their health plan directly results in an inappropriate health care decision generally have no legal recourse against the health plan.

This is because the Employee Retirement Income Security Act of 1974 (ERISA) exempts employer self-insured health plans from virtually all state medical malpractice and patient protection laws. Approximately 60 percent of the insured population, or 125 million patients, are covered by such plans.

H.R. 1415 and S. 644 contain provisions to close the ERISA loophole.

These bills also would prohibit plans from using incentives for doctors to deny or limit care to patients.

Although the Jeffords-Kennedy bill has not yet been introduced, early drafts indicate that it, too, will contain a number of important protections designed to give patients access to more information, to guarantee access to care, to require development of quality assurance programs, to guarantee confidentiality of patient information, and to create grievance and appeals procedures to handle patient complaints.

Rouleau predicted a strong push to move the legislation in the next year.

"It should be hard for the Congress to face the electorate next year if it has not taken steps to protect patients," she said.

"However, if Congress does not hear from the grassroots," she added, "it is likely, best case, to settle for less than patients need, or, worst case, to believe the hype that there is no problem or only a small problem that can be fixed by voluntary actions of health plans."

Bliley Calls For Electric Deregulation

Breaking up the monopolies in electricity will lower prices to consumers and improve their quality of life, House Commerce Committee Chairman Thomas J. Bliley, Jr. (R-VA) said in keynote address at CFA's utilities conference in October.

"I can think of no issue more pressing to consumers, more important to their well-being, than breaking up the electricity monopolies and giving them the power to choose their electric companies," he said.

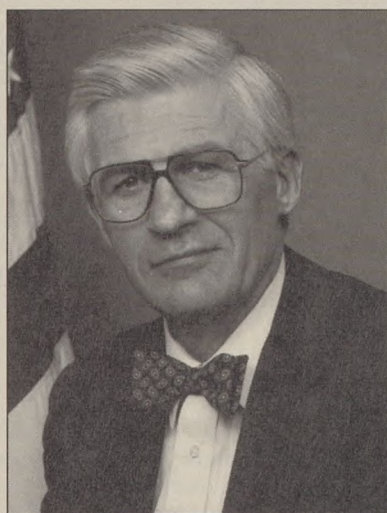
Citing research that indicates deregulation of electricity would lower prices between 15 and 43 percent, Bliley said, "that 43 percent of the electric bill is nothing other than a monopoly tax... imposed by the government on the poor and for the monopolies." He said he is firmly committed to its repeal.

In addition to lowering individuals' electric bills, deregulation would also save taxpayers money, by lowering electric bills for government bodies such as school districts, he predicted.

"School districts should have the same power to choose, and so should consumers, as the biggest industrial consumers do already," he said.

Bliley said that, when it comes to how deregulation takes place, he is "flexible on the details" and "willing to work with all the concerned parties, especially consumers."

"But I'm not flexible at all on the goal itself," he added. "Consumers —



Thomas J. Bliley, Jr. (R-VA)

and by that I mean all classes of consumers, not just the big ones — must be given the power to choose in all 50 states by a date certain on a date as soon as is practically possible," he said.

Acknowledging the political difficulties that stand in the way of passing deregulation legislation, Bliley nonetheless expressed confidence in its ultimate passage. One reason he cited for his confidence is public demand.

"Three years ago, not one American in ten knew a choice of electric companies was even possible," he said.

"Today, according to a poll by American Viewpoint, 83 percent of Americans not only know about it, but they want a choice."

With that in mind, Bliley said, he has given Rep. Dan Schaefer (R-CO), chairman of the House Energy and Power Subcommittee, the go-ahead to begin moving legislation.



Commissioner William R. Gillis

Not all conference participants shared Bliley's confidence in the benefits of deregulation. For example, CFA Research Director Mark Cooper emphasized that deregulation will only lower costs to consumers if it is

approached correctly.

Furthermore, it is not enough simply to "get the price right" to ensure that consumers benefit from electricity deregulation, Commissioner William R. Gillis of the Washington Utilities and Transportation Commission, said in another conference keynote address. "The market will not do it alone," he said.

If consumers are to benefit, there must be clear pricing and marketing rules, consistent guidelines, universal service, and privacy protections, he said.

Gillis noted that these are all benefits that are currently received under the regulated monopoly. "We are at risk of losing these under competition," he said.

As consumer groups become involved in working on deregulation legislation, they need to pay attention to these types of consumer protection issues, not just issues that affect the cost of electricity, he warned.

"Stranded investments shouldn't get more attention than protecting consumers in the competitive marketplace," he said.

The conference also included keynote addresses on energy efficiency and renewable energy and new consumer issues in a competitive telecom world as well as discussions on electricity, telecommunications, natural gas, and technology issues and on the effect of restructuring on low income households.

Trigger Lock Agreement Called "Ineffective"

In October, President Clinton announced a voluntary agreement with some gun manufacturers to supply child safety locks with new handguns. However, because the agreement does not require the safety locks to meet any efficacy standards, it will do little to protect children from the hazard of unintentional gunshot injury, consumer and gun safety advocates said.

"It is critical that trigger locks marketed to protect children and teens from unintentional gunshot injuries be effective," said CFA General Counsel Mary Ellen Fise. Fise noted that many of the trigger locks currently on the market do not pass that test.

Furthermore, in Connecticut, the only state to require the sale of trigger locks with new handguns, gun dealers routinely supply cheap, ineffective trigger locks to comply with the law, referring to the flimsy devices as "legality locks." "Connecticut's experience starkly demonstrates the need for minimum federal safety standards for the firearms industry," Fise said.

In light of these concerns, CFA, the Violence Policy Center, Physicians for Social Responsibility, and the Trauma Foundation wrote to the president in October urging him to support legislation delegating the necessary authority to the Secretary of the Treasury to set minimum standards for child safety locks. "This expansion of your initial effort is critical to preventing deaths and injuries caused by the accessibility of firearms to children," they wrote.

In their letter, the groups noted that handgun manufacturers are currently enduring a severe sales slump, with domestic production having plunged from 2.8 million in 1993 to 1.7 million in 1995, the last year for which numbers are available. "This gives manufacturers — and dealers — a tremendous incentive to keep gun prices low," they wrote.

Because good quality locks are many times more expensive than the flimsier alternatives, "it will be very tempting for manufacturers and dealers alike to provide the cheaper locks in order to compete on a price basis for customers," they added. "The safety of our nation's children should not depend on the volatility of the gun market. We must ensure that every child safety lock that is manufactured and sold complies with minimum federal safety standards."

"The truth is that the gun industry remains the last unregulated manufacturer of a consumer product," Fise noted. "The gun industry's trigger lock deal does nothing to change this dangerous fact."

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