
Consumer Federation
of America



1984

ANNUAL REPORT

Consumer Federation of America
1424 16th Street, N.W.
Washington, D.C. 20036
Telephone (202) 387-6121

Consumer Federation of America Staff

President: *Ellen Haas*
Executive Director: *Stephen Brobeck*
Legislative Director: *Gene Kimmelman*
Administrative Director: *Erika Landberg*
Legislative Representative: *Alan Fox*
Energy Director: *Mark Cooper*
Public Affairs Director: *Jack Gillis*
Product Safety Director: *Mary Ellen Fise*
Product Safety Coordinator: *Edith Furst*
CFAnews Editor: *Terry Schuette*
Secretary: *Lydia Rivera Grogan*
Secretary: *Janet Snyder*
Administrative Assistant: *Miguel Carpio*

Dear CFA Member,

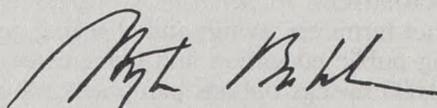
I am pleased to submit the following report on CFA's activities and accomplishments.

1984 was a year of transition for the Consumer Federation. We moved our offices, for the first time in the organization's 16-year history, away from 14th Street. More important, after several public interest activists were recruited to replace departing staff or fill new slots, a new staff team emerged in the new offices.

During the year, we expanded our legislative and regulatory advocacy, developing broad-based campaigns on issues such as indoor air quality and bank fees and rates while leading targeted campaigns on other issues including hazardous exports and cable TV franchising. In the summer and early fall, most of our energy was directed to supporting the campaigns of 97 pro-consumer Congressional candidates, 75 of whom won.

Record revenues, which generated a surplus for the fourth time in the past five years, resulted primarily from income increases in publication sales, grassroots networking projects, and conference registrations. Net income from these sources was used to support not only Congressional and regulatory advocacy, but also member services including the State and Local Resource Center.

All this, however, would not have been possible without your support and encouragement. I and the rest of the CFA staff thank you for both, and look forward to working with you in the coming year.



Stephen Brobeck
Executive Director
February 2, 1985

The Year for Consumers

Consumers did not fare poorly in the second session of the 98th Congress. Both the House and Senate passed legislation establishing new consumer rights or protections in the areas of toy safety, auto theft, generic drug availability, and cable television franchising. Both houses also resisted pressure to completely deregulate natural gas prices, preempt strong state product liability statutes, and exempt beer distributors from antitrust laws.

On the regulatory front, the Administration continued to weaken consumer regulatory agencies, which were reluctant to address old and emerging threats to consumer welfare. Yet, consumer advocates successfully urged the Consumer Product Safety Commission to maintain a ban on hazardous exports and to oppose the Office of Management and Budget's proposed budget cuts, persuaded the Department of Housing and Urban Development to require a formaldehyde warning label to be posted on new mobile homes, and pressured the Federal Communications Commission to substantially reduce proposed phone access charges.

In Congressional elections, pro-consumer candidates did surprisingly well. Nearly all House incumbents endorsed by CFA's Political Action Committee were re-elected (though no challengers were successful). And five new Senators with strong consumer credentials were victorious.

Major CFA Accomplishments

CFA's major accomplishments included not only support for pro-consumer Congressional candidates and advocacy of issues before Congress and regulatory agencies, but also the development of new consumer issues.

Congressional Candidate Endorsements: CFA's Political Action Committee endorsed and supported 97 pro-consumer House and Senate candidates. These endorsements were announced at a Capitol Hill press conference attended by 22 of the candidates. The principal assistance rendered endorsees was the preparation and distribution of individualized press releases to local press. Most candidates used these endorsements and the results of CFA's 1983 Congressional Voting Record in their campaigns. These efforts appear to have been helpful to most endorsees, for 68 of 87 House candidates and 7 of 10 Senate candidates were elected.

Hazardous Exports: In response to one commissioner's proposal to eliminate Consumer Product Safety Commission controls on the export of hazardous products, CFA mobilized Congressional and consumer opposition. Rep. Henry Waxman, chairman of the CPSC oversight subcommittee, sent a strongly worded letter to the Commission. In hearings before the Commission and in meetings with individual commissioners, consumer advocates also objected to the proposal. CFA helped bring this issue to the attention of the press, then debated its chief proponent in print and electronic media. As a result, CPSC commissioners voted three to one to defeat the proposal.

Banking Disclosures: To persuade Congress to consider the need for disclosure of rates, fees, and other terms on savings and checking accounts, CFA developed a broad-based campaign featuring public education and Congressional lobbying. Through the release and distribution of 100,000 savings options pamphlets, we dramatized the need for greater bank disclosure on savings accounts. Several months later, through release of a 10-state bank fee survey at a Capitol Hill press conference, we demonstrated the urgency of fee disclosure. Both the pamphlet and study received extensive news coverage, including two appearances on network news programs.

CFA followed up these public information initiatives with Congressional lobbying. We played a key role in the addition of consumer amendments to Senate legislation and in support for House truth-in-savings legislation, which included Congressional testimony. The 1985 prospects for these consumer protections look favorable.



Product Liability: Manufacturers and insurers redoubled their efforts to persuade Congress to preempt strong state product liability statutes. This offensive was strongly resisted by a coalition of trade unions, trial lawyers, and consumer groups, including CFA. Our work on this issue featured daily lobbying of Congressmen and Congressional staff, several of whom relied on CFA analysis of proposed legislation and amendments. It also included the development of a proposal to ensure that a larger proportion of victims of unsafe products would receive compensation. In numerous press interviews and public speeches, CFA staff members voiced opposition to preemption. The legislation was not seriously considered by the House and, after extensive debate, was not voted out of Senate committee.

Indoor Air Pollution: CFA developed an extensive campaign to encourage Congressional and regulatory agencies to give serious attention to this emerging issue. During the first half of the year, we focused most of our attention on the dangers of formaldehyde in consumer products. With the Manufactured Housing Institute, we developed a strong warning label for mobile homes which we urged the Department of Housing and Urban Development to require. It agreed to do so. Shortly afterwards, we submitted widely-publicized comments to HUD urging them to adopt strict formaldehyde emission levels for mobile homes. We also began distribution of 150,000 pamphlets analyzing health risks associated with formaldehyde in consumer products.

At mid-year, we broadened the campaign to include other pollutants. In an effort to persuade the Consumer Product Safety Commission to focus more attention on the issue, we met with individual commissioners and submitted a petition to the Commission. The petition generated extensive news coverage including a segment on the CBS Evening News. At year's end, we were busy preparing a petition to the Environmental Protection Agency on radon, organizing an indoor air quality conference, and developing a Congressional agenda for 1985.

Public Participation in TV Cable Franchising: What began as an industry-sponsored effort to deregulate cable television ended up as compromise legislation with pro-consumer provisions. Chief among these was an amendment, requiring public participation in all franchise renewal proceedings, for which CFA organized public interest support. The amendment was accepted after Sen. Howard Metzenbaum threatened to kill any legislation that excluded public participation.

Construction Work in Progress: With the American Public Power Association, CFA worked hard to reverse a Federal Energy Regulatory Commission decision allowing electric utilities to charge their wholesale customers for construction work in progress. 1983 lobbying bore fruit, in early 1984, when the House passed legislation repudiating the FERC rule. With its allies, CFA then turned attention to the Senate by lobbying members, giving testimony, and releasing a major economic analysis of the issue. Unfortunately, this was not sufficient to persuade the Senate to take action. But efforts will continue in 1985.

Advocacy

Strategies

CFA utilized a diverse array of advocacy strategies on the 47 issues we worked on in 1984. These strategies included Congressional and regulatory lobbying, coalition-building and grassroots networking, advocacy-related research, and dissemination of information to the news media.

1. CONGRESSIONAL AND REGULATORY LOBBYING

CFA's principal lobbying strategy was communicating information and viewpoints to Congressmen, Congressional staffs, and regulators. Most of this lobbying took place in individual conversations and small meetings. But its extent is suggested by the number of testimonies, comments, and petitions submitted to Congressional committees and regulatory agencies in a year shortened by Presidential and Congressional elections.

MONTH	COMMITTEE/AGENCY	WITNESS	ISSUE
February	Senate Banking	Nishimura	Bank deregulation
	Senate Banking	Greenberg	Credit surcharges
March	CPSC	Averyt	Hazardous exports
	House Judiciary	Cooper	Oil mergers
April	House Energy/Commerce	Nishimura	Bank deregulation
	HUD	Averyt	Formaldehyde in mobile homes
May	Senate Energy	Cooper	Oil mergers
	Senate Judiciary	Greenberg	Beer monopoly
	Senate Energy	Cooper	Construction work in progress
June	House Energy/Commerce	Brobeck	Mergers
	House Health/Environment	Greenberg	Toy safety
	Senate Commerce	Greenberg	Toy safety
July	House Energy/Commerce	Cooper	Phantom taxes
	House Banking	Brobeck	Truth-in-savings
September	CPSC	Averyt	Indoor air pollution
	House Small Business	Kimmelman	Telephones
October	ICC	Cooper	Coal rail rates

2. COALITION AND GRASSROOTS NETWORK BUILDING

CFA's unique character as a federation of national, state, and local organizations provided numerous opportunities to build and maintain Washington-based coalitions and grassroots advocacy networks.

CFA took the lead in mobilizing national groups against indoor air pollution and hazardous exports, and in support of public participation in TV cable franchising. On these issues, and on bank fees, coal rail rates, construction work in progress, and beer monopoly, we also generated grassroots support. On product safety issues, this advocacy was undertaken by the some 1,000 activists belonging to CFA's Consumer Product Safety Network.

Another strategy for building networks was organizing conferences. CFA organized conferences on product liability, telephones, interest rates, and indoor air quality, in part, to achieve this purpose.

3. PUBLIC EDUCATION: PUBLICATIONS

CFA staff prepared a number of studies demonstrating the need for new legislation or the preservation of existing consumer protections. Most of the following publications were covered by the news media.

Major Studies *CFA's 1983 Congressional Voting Record*—A record of how Congress voted on consumer issues together with an analysis of patterns and trends.

Mega-Mergers and High Interest Rates—A report on how record merger activity in 1983 and early 1984 helped push real interest rates to record levels.

Consumer Bank Fees: A 10-State Survey—A survey of bank fees in ten metropolitan areas, conducted by CFA-member groups, which revealed high and escalating fee levels.

The Bigger the Better: The Public Interest in Building a Larger Petroleum Reserve—A 100-page study arguing that building up the Strategic Petroleum Reserve would provide American consumers vital insurance against future oil shortages.

The Consumer Economics of CWIP: A Short Circuit for American Pocketbooks—A 30-page report that examines the consumer impact of allowing electric utilities to recover the costs of construction work in progress.

Divestiture: One Year Later—A 50-page analysis of the economic impact of divestiture on consumers which estimates that more than two million will be forced to give up phone service in 1985.

Newsletters *CFAnews*—Seven issues of this newsletter reported on current consumer issues and CFA responses.

CPSNewsletter—Six issues of this product safety newsletter provided network members with regulatory news on auto, household, food, and drug safety.

Newspaper/ Magazine Articles *USA Today* op ed essay on credit surcharges.

UPI essay on hazardous exports.

Detroit Free Press article on bank branch closings.

At Home with Consumers article on product liability.

At Home with Consumers essay on the future of consumerism.

Pamphlets *Your Savings Options*—A pamphlet summarizing current savings options, distributed to more than 100,000 consumers.

Formaldehyde: Everything You Wanted to Know But Were Afraid to Ask—A brochure treating formaldehyde hazards in consumer products, distributed to more than 50,000 consumers.

4. PUBLIC EDUCATION: PRESS

As well as reacting to other stories, CFA repeatedly made news. In 1984, we generated eleven separate consumer stories that were reported by national press.

Much of this coverage was stimulated by the 22 advocacy press releases issued by CFA and by the more than 70 releases issued by CFA's Political Action Committee. Additional consumer news was made by CFA's four press conferences, all of which featured Congressmen as speakers.

Print coverage included more than 1,000 articles in newspapers and magazines including *Congressional Quarterly*, *Newsweek*, *U.S. News & World Report*, *Changing Times*, *The Washington Post*, *The New York Times*, and *Wall Street Journal*. CFA staff were also interviewed on *The MacNeil-Lehrer Report*, *CBS Evening News*, *NBC Evening News* (twice), *The Today Show*, *Good Morning America* (three times), and *CBS Morning News*.

Member Services

Conferences/Meetings

The 1984 Annual Meeting, where CFA member representatives had opportunities to elect the Board of Directors and vote on CFA policies.

Consumer Assembly '84, featuring keynote speeches by Rep. John Dingell, Rep. James Florio, Judge Harold Greene, FTC Chairman James Miller, FTC Commissioner Mike Pertschuk, Professor Robert Reich, and many national and grassroots consumer leaders.

The 1983 Awards Dinner honoring Senator Paul Tsongas, Rep. John Dingell, Arnold Mayer, and consumer reporter Roberta Baskin.

Conferences on product liability, telephones, formaldehyde in consumer products, electric utility rates, and interest rates.

Regular Publications

CFAnews (7 issues)

CPSNewsletter (6 issues)

CFA's 1984 Policy Resolutions

CFA's 1983 Congressional Voting Record

State and Local Resource Center

Responses to several hundred informational requests.

Monthly mailings with information on issues, jobs, funding opportunities, and group news.

State and local workshops at Consumer Assembly.

Travel grants to Consumer Assembly, the phone conference, and the electric utility conference.

Coordination of the 10-state bank fee survey.

Finances

1984 was a good year financially. Income exceeded expenses by \$43,375, so by year's end current assets had risen to \$194,445.

1983	1984	
Revenues	\$342,693	\$405,617
Expenses	286,376	362,242
Surplus	56,317	43,375
Total Current Assets (end of year)	\$153,680	\$194,445

