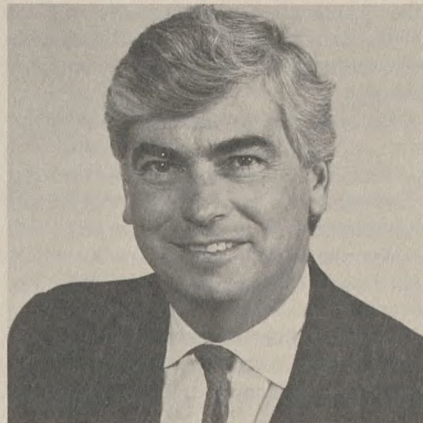


Senate Passes Check Hold Legislation

Legislation strictly limiting banks' check hold periods has passed the U.S. Senate and moved one step away from final action in the House. The two bills differ in a number of details, but agree in general terms.

On March 27, the Senate adopted the "Competitive Equality Banking Act of 1987," S. 790, by a 79-11 margin. Many portions of the 200-plus page bill were discussed at great length during three days of Senate floor debate, but Title VI, restricting check holds, was never at controversy.

CFA Legislative Representative Alan Fox worked with lobbyists from Consumers Union, Public Citizen's Congress Watch, U.S. PIRG, and the American Association of Retired Persons to win commitments from all sides to protect the check hold provisions. In the end, even senators seeking to pass a limited "emergency" bill agreed to leave Title VI alone. In earlier action in the Senate Banking Committee, an unsuccessful motion to adopt a limited bill would have stripped out Title VI.



Sen. Christopher Dodd

Sen. Dodd's Efforts Make the Difference

Senator Christopher Dodd (D-CT) sponsored the check hold provisions as a separate bill. After hearings in his Consumer

Affairs Subcommittee, Dodd succeeded in including those provisions in the larger bill sponsored by Committee Chairman William Proxmire (D-WI).

"Senator Dodd's efforts made all the difference in the world," Fox said. "What was once an issue of great controversy in the Senate has been accepted by all parties as a necessary part of any comprehensive banking legislation."

Consumers won two additional victories when Sen. Howard Metzenbaum (D-OH) succeeded in adding more pro-consumer provisions to the bill. One amendment will require depository institutions to cash government checks for nondepositors at no charge. The other amendment requires all adjustable rate mortgages (ARMs) to include a limit on the amount by which the interest rate may increase during the life of the loan. Coupled with improved ARM disclosure requirements expected from the federal banking agencies, this amendment will allow any consumer to determine the "worst case" effect of any ARM.

House Action Expected After Easter Recess

The House Banking Committee sent its check hold legislation, H.R. 28, to the House floor on April 2, with final House action expected soon after Congress returns from its Easter recess. The House bill, which was sponsored by Committee Chairman Fernand J. St Germain (D-RI), was not linked to other legislation. As adopted by the committee, H.R. 28 is not as strong as the bill passed by the House in 1986.

That bill provided, after a three-year phase-in period, for next-day availability on all in-state and some out-of-state checks, and for a limit of three intervening business days for other checks. Generally speaking, both the House and Senate bills will now allow holds of up to four days, with limits of one or two days on "local" checks.

"Local" checks are defined differently in the two bills, and the Federal Reserve Board is given some flexibility under both bills to vary allowable hold periods. This flexibility will probably result in hold periods as short as one intervening business day only for checks that stay in the same metropolitan area or, even more restrictively, that are processed by a private clearinghouse association. Two-day holds could be normal for checks traveling between nearby cities, but may also be the limit on checks traveling between major banks in large cities even if those cities are on different coasts.

Both bills provide for shorter hold limits on low-risk items, such as government checks. Both also provide exceptions to the hold limits for situations involving higher risks of loss to banks, such as new accounts and large deposits.

Fed Given Discretion

Fox said that although the general outlines of the final legislation have been formed, much work must still be done. "Many detailed differences between the two bills will have to be worked out, probably within a month or two. In any event, the Federal Reserve Board will have a great deal of discretion. We will have to work with the Fed to ensure that consumers receive the best access feasible to deposited checks, and to be sure that the Fed continues to improve the check processing system after the initial regulations are issued," Fox said.

The process for final approval of the legislation is not clear. The bill may be linked to other matters, as it was when it passed the Senate, or it may be treated separately. In either case, final passage seems likely within a few months at the most.

House Subcommittee Passes Credit Card Cap

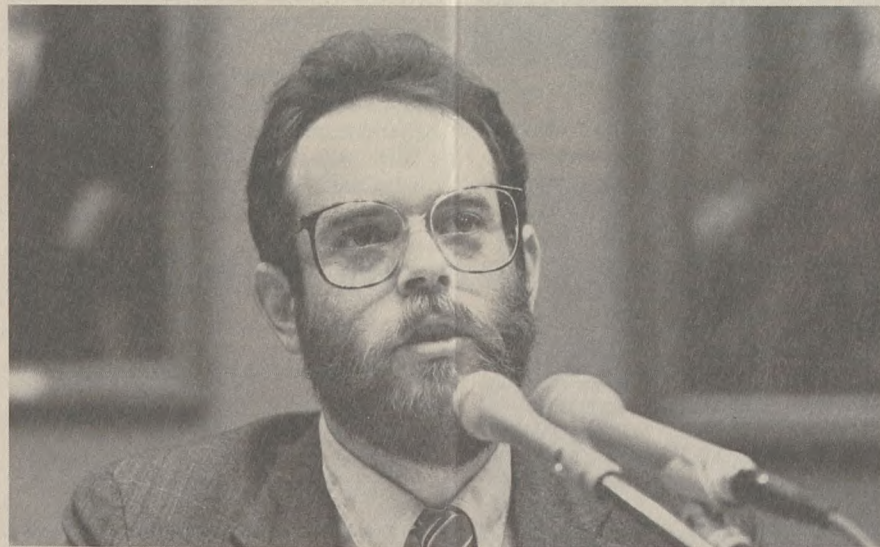
The Consumer Affairs Subcommittee of the House Banking Committee has reported legislation limiting credit card interest rates and setting new disclosure requirements for credit card applications.

The subcommittee met March 18, days after the President of VISA U.S. greeted the introduction by American Express of a 13.5 percent credit card by urging banks to complain to American Express and to "rethink [their] position in offering American Express products." (See related article, page 3.)

CFA Legislative Representative Alan Fox presented evidence at the hearing that the VISA letter is not an isolated incident and that VISA and other "credit card profiteers" do not believe in full disclosure to consumers. He quoted from a recent speech by VISA's Senior Vice President for Marketing: "Only 20 percent [of Premier VISA cardholders] know what their correct annual fee or interest rate is. Almost all err on the low side, so the news there is don't tell them about really what is going on."

Fox concluded that rate cap and disclosure legislation "is the best answer Congress can give to this abuse of consumers."

Minutes later, the subcommittee approved an amendment, written by Subcommittee Chairman Frank Annunzio (D-IL), setting a floating interest rate cap at eight points above the yield of one-year Treasury bills. If currently in effect, that measure would cap rates at 13.8 percent.



CFA Legislative Representative Alan Fox

The rate cap was added to H.R. 515, a disclosure bill sponsored by Rep. Charles Schumer (D-NY) and similar to a bill adopted by the House last year. H.R. 515 requires full disclosure of credit card rates, fees and grace periods with any promotional material containing a credit card application. An identical bill, S. 616, was introduced in the Senate by Sen. Christopher Dodd (D-CT). Sen. Dodd's Consumer Affairs Subcommittee of the Senate Banking Committee has scheduled a hearing on the

bill in late April.

The interest rate cap faces an uphill battle in the full committee and on the House floor, Fox said. "The conventional wisdom is that the Banking Committee will kill the rate cap. But killing the rate cap will require individual members of the Committee to go on record, in a roll call vote, in favor of 21 percent interest rates. If committee members know that their constituents are watching, they may think twice about casting such a vote."

CFA Opposes DOJ Diversification Recommendations

A Department of Justice (DOJ) recommendation to allow Bell Operating Companies virtually unlimited freedom to diversify would "undermine the Court's underlying public interest goals of preserving and furthering universal telephone service," CFA stated in comments filed in March in U.S. District Court.

The comments, filed by CFA, the United Church of Christ Office of Communication and the U.S. PIRG, oppose the findings of the DOJ report and its recommendation to eliminate the AT&T breakup's line-of-business restrictions.

"We are deeply concerned over the impact this action would have on individual consumers, particularly the more than 90 percent of residential ratepayers who depend on the Bell Operating Companies (BOCs) for local exchange telecommunications services," said Gene Kimmelman, CFA Legislative Director. "The restrictions are still necessary to protect competition and universal service."

Furthermore, the elimination of the restrictions is not justified under the specific

terms of the consent decree, "because there remains a substantial possibility that the Bell Operating Companies would be able to use their monopoly power to impede competition if they entered the restricted markets," Kimmelman said.

CFA's comments argue that the DOJ's recommendations:

- are unsupported by evidence of substantial changes in the telecommunication industry since divestiture;
- fail to consider important changes in the state and federal regulatory environment; and
- are reflective, instead, of the changing political perspective of the DOJ itself.

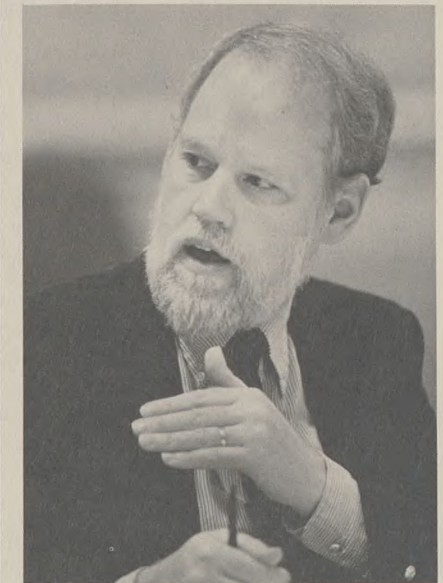
The line-of-business restrictions represent "a significant dam holding back a reservoir of monopoly power within the local exchange, but the DOJ now recommends destruction of the barrier," Kimmelman said. This represents a "plan of action which is substantially at variance with the anti-trust policies upon which the DOJ based its case against AT&T and with the consent decree which that case generated."

CFA recognizes the problem facing the DOJ's Antitrust Division as a result of the many requests for waivers of the restrictions by the BOCs and the Regional Holding Companies, Kimmelman said. Rather than lift the restrictions, however, the DOJ should modify the waiver procedure to make it more efficient. "Further inclusion of the Federal Communications Commission in the Waiver process may spur the agency, and the RHCs, to devise a network architecture—not just the hopes of one—that minimizes the likelihood of cross-subsidy, and cost allocation rules that do not threaten the goal of universal service," the comments state.

The opportunities and incentives to abuse the monopoly power the BOCs and their parent holding companies can exert through their control of local telephone service have not diminished, Kimmelman said. "Subscribers of local telephone service will be harmed as the attention and financial resources of the Bell companies become focused on entering new markets, undercutting their competition, and increasing monopoly, basic-service rates," he concluded.

CFA Members Elect Officers

At CFA's Annual Meeting, representatives of member organizations elected a president, secretary-treasurer, and eight vice presidents to one-year terms, and ten board members to three-year terms. They joined 21 other board members currently serving multi-year terms.



CFA President Ken McEldowney

CFA Testifies on Access Charges

A recommendation by the Federal-State Joint Board to increase residential telephone subscriber line charges (SLC) to \$3.50 a month is economically unnecessary and unfair to consumers, CFA Legislative Director Gene Kimmelman told the Subcommittee on Telecommunications and Finance of the House Committee on Energy and Commerce. "This proposal would further industry efforts to load inordinate telephone network costs onto consumers' local phone bills," he said.

Proponents of the charge originally claimed a \$6 a month SLC was needed to protect the local phone companies' customer base and thereby keep rates reasonable. Recent experience, however, demonstrates that large customers are not leaving the network, and local rates would be sig-



CFA Legislative Director Gene Kimmelman

nificantly lower if the SLC had never been instituted. "Even with the current \$2 a month SLC, most consumers are paying

much more for local service than they save through long distance rate reductions," Kimmelman said. "The Joint Board now proposes to increase the SLC despite the fact that the Bell companies have outperformed almost everyone in the marketplace by raising local phone charges at four times the rate of inflation. To protect consumers' interest in fair telephone rates, Congress must prevent the Joint Board's proposal from taking effect," he concluded.

CFA urges all consumers to write their representatives and senators, Rep. John Dingell (D-MI), Chairman of the House Energy and Commerce Committee, and Sen. Fritz Hollings (D-SC), Chairman of the Senate Commerce Committee, in opposition to the FCC's subscriber line charge, which is scheduled to increase on June 1, 1987.

Coalition Urges Expansion of Medicaid

The National Health Care Coalition, of which CFA is a member, has launched a campaign urging states to take advantage of the Omnibus Budget Reconciliation Act of 1986 (OBRA '86) to expand Medicaid coverage for eligible individuals living in poverty.

Currently, Medicaid is available almost exclusively to people who are receiving cash benefits such as Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI). As a result, many poor individuals are not covered. In 1982, only 13 states extended Medicaid coverage to more than 50 percent of the poor, while 12 states covered less than 26 percent. Since 1979, the number of individuals who are poor has increased dramatically, while the number receiving Medicaid has declined. Exacerbating the problem is the fact that half of the nation's uninsured population of 37 million falls below the poverty line.

One provision of OBRA '86 severs the link between Medicaid and cash benefits, thereby allowing states to expand the income qualification for Medicaid coverage for eligible groups without expanding the



income qualification for AFDC and SSI. This makes it less expensive than in the past for states to expand Medicaid coverage. The provision applies to poor pregnant women, children up to age five, senior citizens, and disabled individuals.

States have the option of participating in the program and are given several choices with regard to which groups to cover, how high to raise income eligibility levels (up to 100 percent of poverty), and what services will be provided.

If states fully implemented OBRA '86, they could provide Medicaid coverage to

an additional 1.5 million infants and children up to age five, 190,000 pregnant women, and more than a million aged and disabled poor.

The NHCC sees Medicaid expansion as part of a comprehensive state effort to increase access to health care. "Expanding health care coverage for the uninsured and the underinsured will move us closer to a national health care program that guarantees access to high quality health care for all Americans, which is the ultimate goal of the coalition," said Gene Kimmelman, CFA Legislative Director.

The coalition is composed of 65 national member organizations with 30 affiliated state coalitions. The goal of the coalition is to educate the public and to support policy reforms to improve health care while moving toward a national health care program.

While the states are working on a variety of reforms, the campaign increasingly is focusing on improving access to health care for the uninsured through a Health Care For All Campaign, of which the expansion of Medicaid is a central piece.

Consumer Action Executive Director Ken McEldowney was the first representative of a West Coast organization to be elected CFA president. A public interest advocate for more than two decades, McEldowney has earned a national reputation as an effective consumer spokesperson on banking and communications issues.

For the fourteenth consecutive year, United Steelworkers Legislative Representative Ken Kovack was selected secretary-treasurer. He and McEldowney are joined on the executive committee by Ann Brown, Consumer Affairs Committee Chairman of the Americans for Democratic Action; Jake Clayman, President of the National Council of Senior Citizens; Jean Ann Fox, President of Virginia Citizens Consumer Council; Ellen Haas, Executive Director of Public Voice for Food and Health Policy; Arnold Mayer, Vice President and Director of Government Affairs for the United Food and Commercial Workers International Union; Larry Hobart, Executive Director of the American Public Power Association; Mark Silbergeld, Director of Consumers Union's Washington Office; and Carl Turner, Executive Manager of New Mexico Rural Electric Cooperative Association.

Ten representatives of CFA member groups were elected to the board. Eight were incumbents: Lovena Cooper, a board member of Greenbelt Cooperative; Gene DeFries, President of the National Marine Engineers' Beneficial Association; Evelyn Dubrow, Vice President and Legislative Director of the International Ladies Garment Workers Union; Virgil Fodness, President of the East River Electric Power Association; Robert Krughoff, President of the Center for the Study of Services; Ira Thompson, Comptroller of the Ohio AFL-CIO; Jim Thompson, Consumer Affairs Manager of the American Association of Retired Persons; and Bill Winn, a board member of the North Carolina Consumers Council.

The two newly elected board members were Geri Palast, Legislative Director of the Service Employees International Union, and Jan Borunda, a board member of the Consumer Federation of California.

Bank Insurance Sales Might Aid Consumers

Consumers might have greater access to lower cost life insurance and more widely available insurance information if banks were allowed to sell insurance, according to a recently released Consumer Federation of America report. But rigorous policies to protect the safety and soundness of banking institutions and to regulate the insurance sales and information practices of banks would be necessary, the report warns.

"The potential benefits are in the billions of dollars," said Mark Cooper, CFA Research Director and author of "The Potential Costs and Benefits of Allowing Banks to Sell Life Insurance." "But there are serious risks, and without extensive safeguards the benefits enjoyed by insurance companies could be more than offset by costs imposed on banking customers."

The report bases its conclusions on more than 260 attempts to purchase life insurance, 56 from savings banks or bank-based brokers; an extensive review of the banking and insurance literatures; and an econometric model developed to evaluate policy-owner costs.

Savings Banks More Responsive to Consumers

The survey of agent sales practices shows that savings banks are more responsive to consumer requests for information.

Banks were more willing than agents to discuss the exact policy the consumer inquired about, to give guidance on cost comparisons between policies, and to mail information on the desired policy.

"While this evidence suggests that banks do sell insurance more cheaply and are easier to deal with, four major areas of potential costs to consumers emerged in the literature review," Cooper noted. Those areas are:

- Safety and soundness: a concern that banks might pursue high-risk, high-return activities, placing the banking system at risk;
- Concentration: a concern that banks' access to federal deposit insurance and the discount window would allow them to undercut agents and subsequently exercise market power;
- Point-of-sale service: a concern that bankers will be unable, or unwilling, to provide the detailed advice and personal service that the agent does; and
- Coercion: a concern that banks will be able to use their control over other financial transactions to coerce consumers into buying insurance from them.

Safety and Soundness: A Valid Concern

"Evidence in each of these areas was evaluated," Cooper said, "and where seri-

ous problems seemed possible, policies to eliminate the concern are suggested." The safety and soundness concern is particularly valid, while the point-of-sale service concern does not appear to have merit, he said.

The report identifies a number of alternative policies to respond to concern about safety and soundness and concentration. The banking and insurance businesses could be kept separate. Limits could be placed on the size of the insurance company relative to the bank. And sale of insurance could be restricted to state-chartered or savings banks.

There is also a "serious question," which must be weighed against potential benefits, whether regulatory and institutional

changes can be implemented that would allow banks to sell insurance without burdening the banking system or destroying the potential benefits to life insurance consumers. "If regulation is too light-handed, bank customers will suffer," Cooper said. "If it is too heavy-handed, the potential benefits to insurance consumers will be eaten up."

The potential benefits, however, are extensive enough to lead CFA to urge policymakers to work very hard at striking the proper balance, Cooper concluded. "There is certainly no reason to prohibit states from carefully expanding bank sale of insurance or for federal authorities to dismiss bank sale of insurance out of hand," he said.

CFA Calls for Repeal of Insurance Exemption

CFA Research Director Mark Cooper testified before the Senate Judiciary Committee in February on the need for improved federal oversight of the insurance industry. The industry's exemptions from antitrust laws and from oversight by the Federal Trade Commission (FTC) should be repealed or modified, Cooper said. "These exemptions are helping to sustain practices that impose massive costs on consumers."

Cooper reported to the committee on the results of a CFA study of sales practices by life insurance agents. This study "found essentially the same distasteful picture that the FTC did" when the FTC last was allowed to study the industry in 1979, he said. According to the CFA study, consumers pay \$5 to \$10 billion a year in excess costs, because life insurance policies are overpriced, and insurance agents are reluctant to provide consumers with the product and cost information necessary to make effective cost comparisons.

"The code of silence in the industry is inexcusable," Cooper concluded. "By forcing consumers to decide in relative ignorance, the industry enhances its power over consumers and gains the ability to impose unjustified costs and excessive price discrimination."

"These anti-competitive practices and unjustified costs could not exist if they were not protected from close scrutiny by special exemptions granted to the industry."

CFA Charges VISA with Anti-Competitive Pressure Tactics

In releasing a "smoking gun" letter from VISA U.S. President C. T. Russell to bankers offering their credit cards, the Consumer Federation of America charged that VISA is using "anti-competitive, strong-arm tactics" to oppose the new American Express 13.5 percent rate "Optima" credit card.

"VISA's suggestion that banks 'rethink [their] position in offering American Express products' such as travellers checks represents pressure tactics of the most anti-competitive kind," stated Stephen Brobeck,

CFA Executive Director. "We are asking the U.S. Department of Justice to investigate whether VISA is acting in restraint of trade."

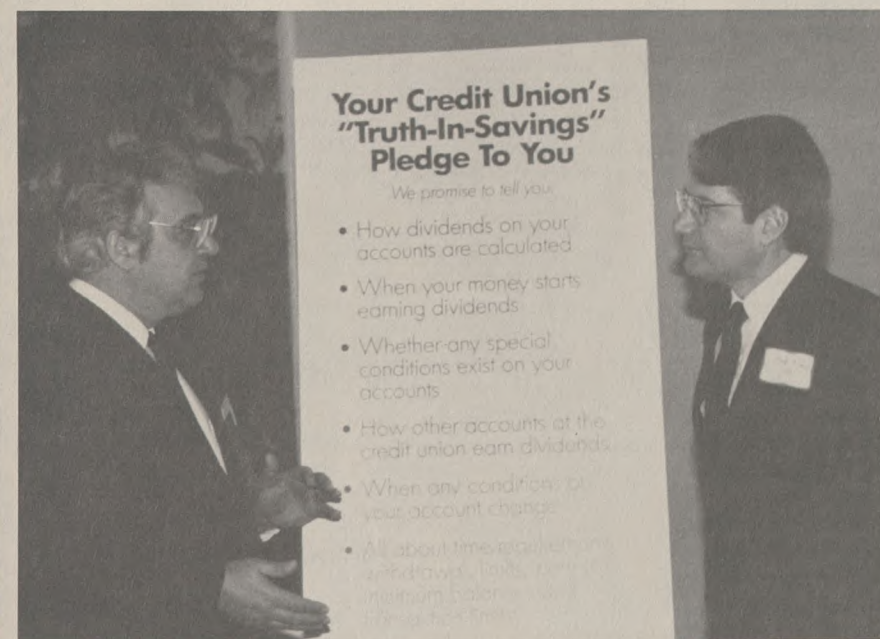
In a letter of response, Charles F. Rule, Justice's Acting Assistant Attorney General, indicated that "the Department is conducting an investigation to determine whether VISA's conduct constitutes a violation of federal antitrust law."

The Russell letter also admits that bank cards are highly profitable and that even the marketing of a national, low-interest card only to American Express charge card holders would force credit card markets to become more competitive. Russell called bank cards "one of your most profitable lines of service," and predicted that the Optima card "will have a far greater effect, in the long run, upon your bank's profits than will the much-publicized Discover card."

CFA Legislative Representative Alan Fox noted that "the letter confirms what Congressional and consumer critics of bank card interest rates have been saying all along. Credit cards are so profitable that national banks can absorb huge marketing expenses and bad debt losses, and still earn substantial profits. Their response to low-cost competition is not to compete fairly, but to try any means necessary to keep the market from working for consumers."

The VISA letter was one focus of hearings held by the House Banking Committee's Consumer Affairs Subcommittee on March 18. (See related article, page 1.) Representatives Frank Annunzio (D-IL), Charles Schumer (D-NY), and Peter Rodino (D-NJ) and Senator Joseph Biden (D-DE) called on the Justice Department to investigate possible antitrust violations by VISA.

CFA and CUNA Promote Truth In Savings



At a February press conference, the Consumer Federation of America joined the Credit Union National Association to announce CUNA's initiation of a new program to promote savings disclosures by credit unions. CFA Executive Director Stephen Brobeck (right) joined CUNA President Joe Perkowski in the announcement of a campaign to encourage credit unions to disclose fully all important terms

and conditions of deposit accounts. Brobeck commended CUNA for taking this initiative, even though credit unions "generally offer more favorable terms on deposit accounts than do for-profit institutions." He said that the campaign would complement truth in savings legislation, passed by the House of Representatives last year and expected to pass both houses of Congress before the end of this session.



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Grassroots Groups Expand Credit Card Campaign

State and local consumer groups across the country have already begun to report positive results in their fight against excessive credit card rates.

The "Fight and Switch" campaign, encouraging the 75 million consumers who hold credit cards to fight high interest rates by switching to lower rate cards, was launched in January by six national consumer organizations, including CFA.

Since then, participating consumer groups in several states have reported extensive media coverage, government interest, and popular support.

Michigan Citizens Lobby has launched a particularly aggressive campaign, asking State Attorney General Frank J. Kelley to investigate the possibility of anti-trust violations by large banks in that state. In a letter to the Attorney General, Citizens Lobby Executive Director Joseph S. Tuchinsky said the fact that the state's ten largest credit-card issuing banks all charge the state maximum rate of 18 percent indicates the possibility of "tacit or explicit collusion."

"Dishonor Roll" Published

Michigan was also among the first states to publish a "Dishonor Roll" of state banks with high credit card rates and "Honor Rolls" of banks that either have relatively low interest rates or, for those consumers who generally pay credit card balances in full each month, an interest-free grace period and low annual and other fees. In addition to extensive media coverage for these lists and publication in membership newsletters, the information was distributed

through door-to-door canvassing in many areas of Michigan. Approximately 10,000 flyers containing information on lower rate cards were distributed.

Early indications are that the efforts are paying off, according to Tuchinsky. One of the banks listed on the "Honor Roll" told the group it is receiving about twice its usual number of credit card applications since the campaign began, and another listed bank told the group that it also has had an increased volume of applications,



including many from consumers outside the bank's local community.

Credit Unions Join Campaign

A coalition of consumer groups in Idaho, led by Idaho Consumer Affairs, Inc., has created such a stir through its "Fight and Switch" campaign that 105 credit unions have joined the movement. "This is a historic event," said Helen Kreizenbeck, Executive Vice President of Idaho Consumer Affairs,

Inc. "All of this activity has given our consumer movement the biggest boost ever, because this is the first time Idaho consumers have been made aware there are alternatives to paying a statewide average credit card interest rate of around 17 percent."

Florence Rice of the Harlem Consumer Council, Inc. in New York City said that organization receives scores of requests each week for lists of lower-cost cards. "People in Harlem are finally starting to switch

sition of credit cards to disclose those rates and all other features. Both bills were expected to come up for votes in mid-April.

"We expect financial institutions to bow to the pressure and lower their rates before the April 15 showdown in the North Carolina legislatures," said Jane Sharp of the North Carolina Consumers Council, Inc.

Consumers also have sued California's four largest banks, charging price fixing, and consumers are beginning to shop outside the state for lower rates, according to Harry Snyder, Director of the West Coast office of Consumers Union. Bank of California has already lowered its credit card interest rates for existing accounts from 21 percent to 15 percent and its annual fee from \$20 to \$15, and other banks have made less substantial changes, he said.

State Funds Withdrawn

In Illinois, State Treasurer Jerome Cosentino has initiated his own "Fight and Switch" campaign. In recent months, he has pulled more than \$700 million in state funds out of First National Bank of Chicago in protest over that bank's "usuriously high credit card rates." Other Illinois banks apparently interested in the state's business have reduced their credit card rates to 13.8 percent.

Cosentino and Illinois Public Action Council also joined the request, initiated by CFA, that Attorney General Edwin Meese launch an immediate investigation of the credit card industry nationwide "in response to an ongoing pattern of anti-competitive practices by the industry." (See related story, page 3.)

CFA Joins Fight Against Lead in Drinking Water

The Consumer Federation of America has joined the National Coalition for Lead Control in urging the Environmental Protection Agency (EPA) to take strong and immediate action to lower lead levels in drinking water.

"Lead contaminated drinking water is a major contributor to excessive lead exposures during pregnancy and infancy," said Mary Ellen Fise, CFA Consumer Product Safety Director. "Compared to other sources of lead, such as lead paint, drinking water has been inadequately regulated."

Low level exposures to lead, such as are associated with drinking water, have been demonstrated to interfere with vitamin D metabolism, kidney function, and neurological processes and to lead to impaired cognitive ability in children and hypertension in middle-aged men. The developing fetus and young children are extremely vulnerable.

The coalition—which is composed of 21 consumer and environmental groups, health experts, and child welfare advocates—is calling on the EPA to take immediate action to promulgate a 20 parts per billion (ppb) primary drinking water regulation and to implement the lead-related portions of the Safe Drinking Water Act Amendments of 1986 by using its emergency powers to expedite the rule. In 1985, the EPA established 20 ppb as a goal, down from the earlier standard of 50 ppb, but the EPA has not proposed a rule that would require this as an enforceable standard.

The coalition is also asking the EPA to initiate rulemaking to upgrade existing monitoring regulations for leads; to enforce the existing 50 ppb drinking water standard for lead as well as related regulations regarding measurement of corrosivity and identification of systems using lead pipe solders; and to require systems with identified lead-contaminated drinking water to institute corrosion control measures.

In a report titled "Reducing Lead in Drinking Water: A Benefit Analysis," the EPA estimates that as many as 42 million Americans are exposed to drinking water that contains more than 20 ppb of lead. The sources of this contamination are the lead and lead-contaminated pipes, solders, and fluxes used in municipal, commercial, and residential water systems. Water that is soft and/or acidic can interact chemically with metallic plumbing materials and release high levels of lead into the water. Copper pipes sealed with lead or lead-containing solders leach lead into tap water for several years after installation.

The EPA has proposed a rule to direct public water distributors to notify their customers of any lead concentration in their tap water and to describe the potential adverse health effects.

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