



Legislative Update

Anti-consumer Bills Make Quick Progress

A wide-ranging assortment of anti-consumer bills got off to a quick start in the 108th Congress, in sharp contrast to the fate of most pro-consumer bills.

"Although there may be the occasional bright spot for consumer interests, it is already clear that this Congress will be pursuing an agenda that is, at best, largely indifferent to consumer concerns and, at worst, hostile to them," said CFA Legislative Director Travis Plunkett.

Leading the way was House passage in March of legislation limiting the ability of financially strapped individuals to make a fresh start in bankruptcy.

The bill, H.R. 975, is virtually identical to the creditor-friendly legislation that passed the House late last year.

More than two dozen consumer, labor, women, and civil rights groups wrote to House leaders in March urging them to "reject legislation that would make it harder for the millions of families hit by financial misfortune to get back on track" and instead make a fresh start on the bill.

"At a time when many Americans have been harmed by a very shaky economy and a massive wave of corporate scandals, moving forward mechanically with last year's conference report would be a mistake," they wrote.

No one was surprised, however, when the House proceeded quickly to a vote.

Meanwhile, Senate Judiciary Chairman Orrin Hatch (R-UT) continues to say he hopes to bring the bill directly to the floor this year, foregoing committee consideration.

One issue arose, however, that could put a bump in the bill's path. That involves its previously little noticed provision loosening conflict of interest protections that prevent investment banks from serving as advisors to the bankruptcy trustees of debtor companies with which they have had a recent investment banking relationship.

With the major investment banking firms having been involved in questionable financing deals at Enron and other high profile bankruptcies and having recently been forced to pay hundreds of millions of dollars in fines to settle charges related to their poor handling of conflicts of interest in the stock research arena, the issue has garnered new attention.

Senators Paul Sarbanes (D-MD) and Patrick Leahy (D-VT) wrote to Securities and Exchange Commission Chairman William Donaldson in April seeking his views on the issue. Consumer groups followed up with a letter urging him to come out quickly and forcefully in opposition to the provision.

"If there is one lesson we should have learned from the recent corporate crime

wave, it is that conflicts of interest matter," the groups wrote. "Investors paid dearly to learn that lesson. And the markets have paid through the loss of investor confidence."

During a Senate hearing in May on the analyst settlement, Chairman Donaldson made a strong statement against changing the current law. That view was seconded by New York Attorney General Eliot Spitzer, who launched the investigation that led to the settlement.

"Given that the bankruptcy bill may be on the Senate floor in a matter of weeks, it is important that Donaldson detail his concerns about this obvious conflict of interest as soon as possible," Plunkett said. "Congress needs to hear from our nation's top guardian of investor interests how this proposal will further undermine confidence in the integrity of our financial markets."

Energy Bill Speeds Through House

Having dispatched the bankruptcy bill in March, the House followed by passing its anti-consumer energy bill in April.

Consumer groups wrote to House members urging opposition to "this ill-timed, anti-

consumer legislation that will make Enron-style con games increasingly likely, and would leave federal regulators with no way to stop them."

The groups criticized both specific provisions of the bill and its timing, coming before federal regulators have determined what went wrong in the western electricity market and what should be done to fix it.

A central provision of the bill would repeal the Public Utility Holding Company Act (PUHCA) and, with it, "nearly seven decades worth of effective, proven consumer protections," said CFA Research Director Mark Cooper.

Recent scandals in the energy sector "would have been much worse but for the provisions of PUHCA, and would not have been nearly as tragic had PUHCA been fully enforced," he noted.

The groups also expressed opposition to provisions of the bill that:

- "trample on states rights by creating new federal transmission siting authority;"
- expand Federal Energy Regulatory Commission (FERC) control over the actual

transmission of electricity, further eroding the role that states have traditionally played in setting rates; and

- mandate "incentive-based transmission rates" that will increase costs for consumers by "unjustly rewarding companies for transmission construction that they are already being well compensated for."

Furthermore, the groups noted, since FERC — the federal regulator charged with overseeing the electricity market — is still investigating what went wrong in California and the West and figuring out what to do about it, "it makes no sense to take action now that may only exacerbate the problems."

They cited substantial evidence that electricity deregulation is a failure everywhere it has been tried, even in those states where proponents have proclaimed it a success.

"Acting in the absence of knowledge is foolhardy. But taking action that promotes something that we know is a failure is just poor public policy," they wrote.

Although the bill sailed through the House, Senate passage was viewed as more difficult.

(Continued on Page 2)

New Credit Counseling Abuses Harm Debtors

Unlike the previous generation of mostly creditor-funded counseling agencies, a new generation of credit-counseling agencies often abuse their non-profit status and harm debtors with improper advice, deceptive practices, and excessive fees, according to a report released in April by CFA and the National Consumer Law Center (NCLC).

The report also found that:

- creditor practices and funding reductions have caused agencies to cut back on educational services and have led more consumers to drop out of counseling and declare bankruptcy; and
- poor oversight of credit counseling agencies by the Internal Revenue Service and the states has allowed unscrupulous counseling agencies to grow and prosper.

"The credit counseling industry has undergone an alarming transformation in the last decade," said CFA Legislative Director Travis Plunkett.

With deceptive practices and outright scams on the rise, "more consumers are getting bad advice and access to fewer real counseling options," said NCLC Staff Attorney Deanne Loonin. "Meanwhile, most state and federal regulators appear to be asleep at the switch."

The report notes that not all of the new credit counseling agencies are a threat to consumers. Some are above-board and have pioneered consumer-friendly practices, such as flexible hours, electronic payments, and easy access by phone and Internet.

Complaints Rise Sharply

However, as the new generation of agencies has gained market share, consumer complaints have risen sharply from 261 in 1998 to 1,480 in 2002, according to the Better Business Bureau.

The CFA-NCLC report documented four main types of problems:

- **Deceptive and misleading practices.** These include not making consumers' payments on time, deceptively claiming that fees are voluntary, and not adequately disclosing fees to potential clients.
- **Excessive costs.** In an industry that rarely charged for debt counseling and other services a decade ago, most now charge fees to set up a debt management program (DMP) and to maintain it on a monthly basis. Some agencies charge as much as a full month's consolidated payment, usually hundreds of dollars, just to establish an account.

- **Abuse of non-profit status.** Although nearly every agency in the industry has non-profit, tax-exempt status, some function as virtual for-profit businesses, aggressively advertising and selling DMPs and a range of related services, maintaining close ties to for-profit firms, reaping high revenues, and paying their executives salaries that are much higher than average for the non-profit sector. As a result, some agencies may be in violation of IRS rules governing eligibility for tax-exempt status.

- **No options other than debt consolidation.** While traditional credit counseling agencies offered a range of services, including financial and budget counseling and community education, newer agencies often funnel consumers only into DMPs, even if they will not benefit.

Banks Cut Funding

Continuing a trend that began in the mid-1990s, major banks have continued cutting funding to credit counseling agencies, the report found.

Before that decline began, credit card issuers had typically paid agencies 15 percent of the debt they recovered from bor-

(Continued on Page 2)

Legislative Update

Continued from Page 1

The Senate debated the bill for several days in early May, but pulled it from the schedule until after the Memorial Day recess in order to address other priorities.

House Votes for Gun Liability Shield

Also in April the House voted to give gun manufacturers, sellers, and trade associations new immunity from civil liability for damages resulting from negligent manufacturing or selling practices.

"America's gun industry manufactures increasingly lethal and dangerous products, yet is insulated from accountability when it goes over the line," said CFA Firearms Project Director Susan Peschin.

"This industry is not regulated for health and safety, is not in any way required to carry its share of the public health burden, and now they are taking away the only recourse consumers have left against negligent practices," she added.

The bill went from hearings to passage in the course of a week, with little opportunity for debate or amendment.

A companion measure, S. 659, that was introduced in the Senate in March has yet to be acted on, but it had already garnered 53 co-sponsors.

Limits on Class Actions Advance

The House was not alone in pushing anti-consumer legislation.

In April, the Senate Judiciary Committee reported out a bill, S. 274, that, in the name of curtailing class action abuses will instead create barriers for consumers seeking redress. The House Judiciary Committee was quick to follow, reporting out its companion measure, H.R. 1115, in May.

Both bills would permit defendants to remove most state class action suits to federal court. In doing so, they would over-burden an already backlogged federal docket and

slow the pace of certifying class action cases.

They would also leave consumers caught between conflicting state and federal class certification requirements, which could force consumers to choose between two ineffective alternatives:

- bringing their claim in state court as an individual action, which is often economically infeasible and lacks the same deterrent effect, or

- re-filing an amended class certification in state court, once again opening the door to removal to federal court.

"H.R. 1115 and S. 274 do not provide the right solution to a class action system in need of reform," said CFA Assistant General Counsel Rachel Weintraub. "Rather, they make it more difficult for consumers to obtain redress, to hold bad actors accountable for the harms they caused, and to deter future misconduct.

"These bills would substantially reduce the effectiveness of one of the most important legal tools consumers now have," she said.

With a few Senate Democrats having declared their support for the bill, it is unclear whether opponents will have the 41 votes needed to sustain a filibuster. That uncertainty and a busy Senate calendar had so far kept the bill off the Senate floor when Congress adjourned for the Memorial Day recess.

Assault Weapons Ban Reauthorization Introduced

While a number of anti-consumer bills have made substantial progress toward passage, most pro-consumer bills faced a more difficult road.

In May, for example, Rep. John Conyers (D-MI) and Carolyn McCarthy (D-NY) introduced legislation to reauthorize and expand the assault weapons ban, which is due to expire next year.

Their bill, H.R. 2038, broadens the definition of "assault weapon" to include any semi-automatic rifle, shotgun, or pistol that can accept a detachable magazine and includes one listed additional feature such as a pistol

grip, fore-end grip, or collapsible stock.

The bill would also close other loopholes in the current law and would make the ban permanent.

"It's no secret that the current assault weapons ban does not meet Congress's original intent," Peschin said. "Reauthorization of the ban under the McCarthy-Conyers bill includes substantial improvements to prevent the gun industry from continuing to flood America's streets with these deadly weapons."

Although the bill has already acquired 80 co-sponsors, it is given virtually no chance of passage.

Majority Leader Tom DeLay (R-TX) said in May that House leadership would not even allow a vote on the issue. House Speaker Dennis Hastert (R-IL) countered the next day that no such decision has been made, but he did not promise a vote.

Although President Bush stated his support for the assault weapons ban during his 2000 campaign, the White House has said it has no plans to lobby lawmakers to extend the ban.

SEC Civil Enforcement Provisions Advance

One exception to the generally grim news so far this year for consumers was Senate passage of legislation sponsored by Sen. Carl Levin (D-MI) to enhance the Securities and Exchange Commission's civil enforcement authority.

The Senate included provisions in the managers amendment of the CARE Act that would build on last year's corporate reform legislation by:

- expanding the universe of firms and individuals the SEC could fine directly for securities law violations to include, for example, publicly traded companies, corporate officers, directors, auditors, and attorneys;

- raising dramatically the maximum civil administrative fines the agency is allowed to impose, with new limits ranging from \$100,000 to \$2 million per violation, depending on the nature of the violation; and

- giving the SEC the same authority that

federal banking agencies have to subpoena financial records as part of an official agency investigation without first notifying the subject of the records request.

With that legislation having passed the Senate, House Financial Services Chairman Michael Oxley (R-OH) and Capital Markets Subcommittee Chairman Richard Baker (R-LA) introduced legislation in May that contains the Senate provisions as well as additional measures to enhance SEC enforcement authority.

These include provisions supported by CFA to improve SEC access to grand jury information, to allow for nationwide service of subpoenas in agency civil actions, and to allow the Commission to hire private debt collection attorneys to assist in collecting disgorgement funds and financial penalties from securities law violators.

The bill also includes a provision to direct into the federal disgorgement fund any civil penalty and disgorgement money collected by states in actions in which they impose a conduct remedy that goes beyond federal law requirements.

CFA wrote to the sponsors in general support of the bill in May, but expressed concern over the latter provision.

"While we share the goal of this provision — making more money available for investor restitution — and while we support other of the bill's provisions to achieve that goal, we are concerned that, in its current form, the provision may overreach and could inadvertently undermine state efforts to aid investors," wrote CFA Director of Investor Protection Barbara Roper.

Specifically, CFA is concerned that the provision could apply to conduct remedies routinely imposed by states that have little if any effect beyond state borders and that it could discourage states from imposing appropriate conduct remedies where they find serious abuses.

Bill sponsors have pledged to work with CFA to address these concerns.

Credit Counseling

Continued from Page 1

rowers in DMPs. Data collected for the report indicates that creditors today often contribute less than eight percent, but on a sliding scale based on the ability of individual agencies to meet a range of requirements.

As available revenue has declined, most agencies have curtailed the range of services they offer and have increased the fees they charge to consumers.

At the same time, creditors have also become increasingly unwilling to reduce interest rates for consumers who enter debt management programs. In the last four years, five of 13 major credit card issuers have increased the interest rate they offer to consumers in DMPs, and only two have lowered rates during the same period.

As a result, more consumers are dropping out of credit counseling and declaring bankruptcy. An industry survey, for example, found that one third of consumers who failed to complete a DMP said they would have stayed on if creditors had further low-

ered interest rates or waived fees. Almost half of those who dropped off a DMP either had or were going to declare bankruptcy.

Creditor Practices Encourage Bankruptcy

"By slashing agency funding and charging credit counseling consumers interest rates that are too high, credit card companies are leaving debt-choked Americans with few options other than bankruptcy," Plunkett said.

"It is hypocritical for the credit card industry to demand that Congress give them relief by enacting the bankruptcy bill while they close off credit counseling as an effective alternative to bankruptcy for many consumers," he added.

Ignoring the growing abuses in the industry, federal bankruptcy legislation, H.R. 975, and some state laws require credit counseling for those who enter bankruptcy. "This could increase the number of consumers who are served by disreputable credit counselors," Plunkett said.

Although the legislation seeks to insure that agencies meet certain standards of qual-

ity, it does not authorize funds to investigate these agencies, their fees, practices, or success rates, he said. "That will make it harder to prevent shady operators from getting placed on the list of approved agencies maintained by bankruptcy courts and trustees and to ensure ongoing compliance."

Reforms Urged

Based on report findings, CFA and NCLC urged the Internal Revenue Service to aggressively enforce existing standards for non-profit credit counseling organizations and to use its power to impose "intermediate sanctions" when agencies pay unreasonable or excessive compensation to individuals associated with them.

They also called on Congress and the states to enact laws that would directly address abuses by:

- prohibiting false or misleading advertising and referral fees;
- requiring credit counseling agencies to

better inform consumers about fees, the sources of agency funding, the unsuitability of DMPs for many consumers, and other options that consumers should consider, such as bankruptcy;

- prohibiting agencies from receiving a fee for service from a consumer until all of that person's creditors have approved a DMP;

- giving consumers three days to cancel an agreement with a credit counseling agency without obligation;

- capping fees charged by agencies at \$50 for enrollment or set-up and allowing only reasonable monthly charges;

- requiring agencies to prominently disclose all financial arrangements with lenders or financial service providers; and

- providing consumers with the right to enforce the law in court.

The report also includes recommendations for credit counseling trade associations and creditors and advice for consumers.

On the Web

http://www.consumerfed.org/credit_counseling_report.pdf

Research Wrap-up

Homeowners Insurance Rates Up, Commercial Rates Down

Two new CFA reports on insurance rates offer conflicting news for commercial and retail insurance buyers. While home insurance rates have risen sharply in the past two years, commercial rates should level off and then begin to drop in the near future.

Updating a 2001 report, CFA surveyed state insurance departments to determine the size and reason for homeowners insurance price increases.

The data provided by the 33 states that responded this time around indicated that rates rose seven percent in 2001 and 13 percent in 2002, far higher than the three percent and four percent increases for 1999 and 2000 recorded by the 40 states that responded to the earlier survey.

The study also found enormous differences among the states, with Oregon reporting the smallest 2002 rate increase, at four percent, and Texas the highest, at 57 percent.

Reasons given for the price increases had also changed, with mold now topping the list and reinsurance price increases now also mentioned as a major factor.

"It is surprising that insurance commissioners do not see terrorism and litigation as important aspects of the homeowners insurance price increases, given the hype of these issues by the insurance companies," said CFA Insurance Director and report author J. Robert Hunter.

As for commercial insurance rates, data shows that commercial insurance loss ratios — the portion of premium dollars used to pay claims — have dropped sharply in the last year, while rate increases have slowed for the fourth quarter in a row.

"These two trends indicate the end of the 'hard' insurance market in commercial insurance," in which sharp rate increases and significant cutbacks in coverage have adversely affected many buyers of insurance, from doctors to municipalities, Hunter said.

"This classic turn after two years of sky-

rocketing premiums is good news for the hard-pressed buyers of commercial insurance," Hunter added. "While there may be some increases yet ahead for some specific commercial insurance buyers, the end of the hard market is clearly at hand for most business consumers."

The report gives particular attention to two lines of commercial insurance that have been the subject of proposed or enacted legislation — medical malpractice and terrorism insurance.

It notes that while medical malpractice rate increases have slowed, they are still sharp.

Hunter attributed this to "the present lack of competition in many regions of the country, as well as heated rhetoric about the causes of malpractice insurance hikes and political ratemaking," as insurers seek restrictions on malpractice lawsuit payouts.

He predicted that pricing for this line will stabilize within two to three quarters.

Rates for terrorism insurance appear to have gone from an increase of 63 percent for the fourth quarter of 2002 to a 13 percent increase in the first quarter of 2003, according to the report.

When the projected loss savings provided by the recently enacted Terrorism Risk Insurance Act are considered, however, CFA calculates that insurers have actually increased rates by over 100 percent during the first quarter of this year.

Concern About Personal Finances Growing

While a large majority of Americans say they live comfortably or close to it, the number who worry about their personal finances has increased in the past year, especially among the young and the least affluent, according to a report released in May by CFA and the Financial Planning Association (FPA).

"Growing concern about the economy and diminished concern about terrorism may well have increased the number of Americans worrying about their personal incomes and savings," said CFA Executive Director Stephen Brobeck.

The survey, conducted by the Opinion Research Corporation International, also revealed that less than half of Americans have developed a financial plan, despite the fact that nearly all believe having such a plan is important.

"Over the past decade, financial planning has grown in importance for individuals and families," said FPA President David Yeske. "We are encouraged that most Americans recognize the importance of financial planning."

CFA and FPA are offering free advice on developing a plan through America Saves, a national initiative to help individuals and families with low savings to build wealth.

Those who enroll as American Savers qualify for free financial advice from certified financial planners who belong to FPA. The planners are prepared to answer questions about a broad array of issues, including budgeting, debt management, stocks, bonds, and annuities, insurance, employee benefits, tax planning, retirement planning, and estate planning.

Among the survey's key findings:

- 39 percent of Americans say they "live

comfortably," while another 33 percent say they "meet their expenses with a little left over for extras." Only 8 percent say they "don't have enough to meet expenses."

- Well over 80 percent say that they are not "extremely" or "very worried" about the adequacy and security of their savings and the amount of their consumer debt. Over half say they are "not very" or "not at all" worried personally about these financial factors.

- However, from February 2002 to April 2003, the percentage of Americans who said they are extremely or very worried about personal finances increased — from 7 to 12 percent for adequacy of income, from 8 to 14 percent for security of income, from 13 to 16 percent for adequacy of savings, and from 6 to 10 percent for amount of consumer debt.

- Most striking were increasing concerns among young adults and those with low or moderate incomes. Over two in ten in these categories expressed such concerns.

- 86 percent of those surveyed said they consider financial planning to be important, including 52 percent who said it was "very important" to them. However, only 46 said they had developed such a plan, with the young (32 percent) and the poor (22 percent) being the least likely to have done so.

- Among those without a plan, 28 percent say they intend to prepare one in the coming year.

Consumers Under-value Comparison Shopping

Most consumers underestimate the value of comparison shopping, according to research released in April by the Consumer Literacy Consortium (CLC). The CLC is a group of consumer education leaders from consumer, government, and business organizations managed by CFA.

Because consumers often do not realize that a wide range of prices are available for most products, they often pay too much for the items they buy, the CLC concluded.

To assist consumers in their comparison shopping, the CLC is releasing a revised and updated version of its popular brochure, "66 Ways to Save Money," which offers simple, straightforward money-saving tips on 28 types of products.

The CLC is also introducing a new website, which includes an easy-to-use overview of money-saving tips and links to unbiased web pages that supplement the information in the brochure.

A recent survey by Opinion Research Corporation International found that the typical consumer needs about a 10 percent price savings to persuade them to comparison shop for most products, such as gasoline, auto insurance, color TVs, long distance phone service, and new and used cars.

For car rentals, plane tickets, and life insurance, the price difference required to motivate shopping around was substantially higher, at 25 percent.

These results show that most consumers need a far lower price savings to persuade them to comparison shop than can actually be obtained from shopping around.

A 2002 study of comparison shopping by Virginia Tech students found typical price savings from making just three calls that far exceeded the price savings consumers say they need to shop around.

However, available consumer behavior research indicates that, on average, only about 50 percent of people shop around, in large part because they do not expect the savings to be worth it.

"The fact is that shopping around for most products will yield savings far greater than 10 percent," said CFA Public Affairs Director Jack Gillis. "The 50 percent of consumers who don't shop around are losing out on thousands of dollars of potential savings."

For a copy of the pamphlet, send a self-addressed, stamped envelope to: 66 Ways to Save Money, c/o CFA, P.O. Box 12099, Washington, D.C. 20005 or print it from the new website at www.66waystosavemoney.org.

NAS Study Supports Science-based Food Safety Program

The National Academy of Sciences Committee on Scientific Criteria to Ensure Safe Food issued a report in April calling on Congress to "grant the regulatory agencies clear authority to establish, implement, and enforce food safety criteria, including performance standards and the flexibility needed to update these standards." The report also recommended testing beef trim for E. Coli O157:H7.

"The clear message to the meat and poultry industry, the Bush Administration and some in Congress is an effective 'science-based' food safety system requires changing the law to permit performance standards," said Carol Tucker Foreman, Director of CFA's Food Policy Institute.

"For those who say they want a 'science-based' system, the scientific community has now spoken. Performance standards and an effective science-based system that will protect public health are inextricably entwined," she added. "Further opposition to change should be recognized for what it is, a desire to protect the industry's least effective, least competent, and least responsible from requirements to protect public health."

She called on Congress to enact legislation authorizing the U.S. Department of Agriculture to set and enforce performance standards and on the USDA and industry to "stop impeding the action necessary to reduce food-borne illness and protect the public health."

CFAnews

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Obesity, Bioterrorism Focus of Food Conference

In a spirited keynote address, Health and Human Services Secretary Tommy Thompson urged attendees at CFA's National Food Policy Conference to join him in an effort to make the United States a slimmer, healthier nation.

Before a packed crowd at Washington's National Press Club, Thompson recited a familiar litany of ills associated with the obesity epidemic.

The Bush Administration is doing its part to address the problem, he said, by investing in such things as the 5-a-Day program to encourage fruit and vegetable consumption and a new effort to "make cities healthier" by giving them cash rewards for reducing chronic disease and adding amenities like walking paths.

While concluding that "we're not a very healthy society," Thompson said we can turn



HHS Secretary Tommy Thompson



FDA Administrator Mark McClellan

things around with a concerted national effort, led by those involved in food policy.

For example, he urged everyone in the audience to wear a pedometer to check how far they walk each day. Those who take at least 10,000 steps a day, he said, will start to look and feel better.

"That's what this is all about," he said. "Each and every one of us can play a role. If we start doing that, we can have a tremendous impact across America."

Thompson also discussed bioterrorism threats and, along with Food and Drug Administration head Mark McClellan, who delivered a keynote address following Thompson, announced a new grant program to create counter-terrorism laboratories capable of analyzing foods.

Efforts to Combat Bioterrorism Discussed

McClellan also outlined FDA efforts to implement new bioterrorism procedures based on a classified assessment of the most serious risks of intentional food contamination.

The program to create counter-terrorism laboratories capable of analyzing foods forms a key part of those efforts, McClellan said. It "will strengthen our food surveillance capacity and provide much-needed 'surge capacity' in the event of a serious outbreak of food-borne illness," he explained.

Rep. Sherrod Brown (D-OH) opened the conference's second day by providing his own view of last year's bioterrorism bill. The September 11 attacks were the catalyst for important food safety improvements, but more needs to be done, he said.

Among the next steps, Rep. Brown said, "is to move toward a single, coordinated food safety agency. The bioterrorism act helped in

that regard, but it clearly didn't take us where we want to go."

EPA Head Discusses Pesticide Safety

In her keynote address, Environmental Protection Agency Administrator Christine Todd Whitman discussed EPA implementation of the 1996 Food Quality Protection Act, which established tougher standards for pesticides.

"As a result of this law," Whitman said, "some of the riskiest pesticides have been taken off the market, making the food we eat safer for all of us, but especially for children. By 2006, when [the act] is fully implemented, all pesticides will meet these higher standards."

Applying biotechnology to farm crops "provide[s] the best of both worlds, by controlling pests and protecting the environment," Whitman added.

She acknowledged that the public has concerns about these new products, but attempted to allay those fears.

"The regulatory process that EPA has in place is a strong system based on sound science," she said, "and it is rigorously applied to any new product that comes on the market."



Rep. Sherrod Brown



EPA Administrator Christine Todd Whitman

As we move forward to reap the benefits of biotechnology, we will continue to do so in a manner that maintains the safety and health of our food supply."

Fight Against Obesity Requires Public, Private Efforts

Filling out the second-day conference agenda were two more addresses focused on obesity.

"As Americans, we love to eat, and it shows," said Under Secretary of Agriculture Eric Bost, who oversees school lunches and other government nutrition programs. "If you look at our children, it shows more and more every day. It's time for us to think about doing something about it."

Among USDA efforts to address the problem, Bost mentioned a successful pilot program to put more fruits and vegetables in school cafeterias and efforts to provide more money to schools that offer "a healthy school environment."

But the obesity problem didn't develop over night, and it won't be solved over night, Bost said. "Chip away at it and move in that direction," he said, "that's what we are attempting to do."

Washington Post health writer Sally Squires discussed how that paper is promoting healthier habits, with its highly popular "Lean Plate Club." The two-year-old weekly col-

umn and companion web chat offer nutrition and exercise tips in plain language.

The Post started the feature in part because it wanted to do more than simply report the latest scientific findings on nutrition, which were often conflicting and a source of confusion and guilt for readers, she said.

The Lean Plate Club was designed to offer

"a positive approach," by telling readers all the foods that they can "enjoy, savor, and add to their daily diet to improve their health and their weight," she said. "Instead of admonishing them for not working out ... we give them easy ways to fit more physical activity into their daily lives."

GOLDEN CARROT AWARDS

Dingell, Eshoo Honored for Food Safety Efforts



Rep. John Dingell

At a reception held in conjunction with CFA's National Food Policy Conference, Representatives John D. Dingell (D-MI) and Anna G. Eshoo (D-CA) received 2003 Golden Carrot awards in recognition for their efforts to promote food safety.

Rep. Dingell was cited for legislative achievements stretching over nearly half a century, including: passage of the 1958 Delaney clause, which banned cancer-causing additives in food; the Food Quality Protection Act of 1996, which required that pesticides in food be safe for children; and last year's bioterrorism response bill, which made a long list of improvements in the safety of domestic and imported food.

Rep. Eshoo was recognized as the leading House advocate of imported food safety in recent years. As such, she has fought to give the Food and Drug Administration authority to reject imports that do not meet domestic food safety standards and was author of the legislation that formed the basis for the food safety provisions in the 2002 bioterrorism bill. She is also key House sponsor of legislation to give the Agriculture Department clear authority to close meat plants that fail microbial contamination tests.

The Golden Carrot Awards were started 21 years ago by Public Voice for Food and Health Policy and have been continued by CFA since the 1999 merger of Public Voice into the Consumer Federation of America.

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