

CFA NEWS



CONSUMER FEDERATION OF AMERICA

WASHINGTON, D.C.

APRIL/MAY, 1980

The Corporate Lobbies **More Money Buys More Votes**

Consumer Federation of America **10th Annual Awards Dinner**

June 16, 1980
Reception 5:45
Buffet Dinner 7:00
to be held at the
Capital Hilton
\$95. per reveler

This year featuring:
cocktails, music,
entertainment and
the presentation
of the . . .

Distinguished Consumer Service Awards

Sen. John Culver Mike Pertschuck
Cong. Parren Mitchell 60 Minutes
Kathleen F. O'Reilly

"Steed of Oklahoma . . . He hasn't committed himself, maybe Phillips should call him . . ."

"Gaydos of Pennsylvania . . . ask Alcoa if they'll do it, John Harper was very enthusiastic about this one . . ."

"Gore of Tennessee . . . Carrier Corp. and TRW . . . do we really have a chance with Gore? We really think we do? Ask Lloyd Hand of TRW . . ."

—transcript of a strategy meeting held by a business coalition formed to defeat legislation establishing consumer protection agency

Money buys votes, more money buys more votes. The romance between business and government only surfaces when news leaks out that Bristol Meyer's "political action committee" threatened Sen. Mathias before the "Illinois Brick" bill vote or when the 58 members of the House receiving the most money from oil industry PACS vote 55-3 for the oil industry-preferred version of the windfall profits tax. But this romance is not merely a "sometimes thing," it is an ongoing if at times uneasy relationship. The comfortable courtship of government by business in the 1950s and early 1960s ended with the erosion of seniority and the fili-

buster rule in Congress, together with the emergence of countervailing public interest lobbies and a more aggressive press. Yet the old-style coziness has been replaced by a more sophisticated, skilled wooing by well-financed corporate lobby groups.

There are an estimated 15,000 business lobbyists operating in Washington, D.C.—or about 30 per Congressional member—who spend \$2 billion annually. In addition, corporate PACS will spend \$55 million this year to elect or re-elect Congressional members who are likely to remember the favor. And they do get results—on the FTC, the consumer protection agency, labor legislation . . . the list goes on and on.

A new study published by Ralph Nader's Congress Watch analyzes "the strategies, troops, money and will" of the two most powerful corporate lobbies—the Chamber of Congress and the Business Roundtable. The report, *The Corporate Lobbies: Political Profiles of the Business Roundtable and the Chamber of Congress*, was written by Mark Green, director of Congress Watch, and Andrew Buchsbaum, information director of Big Business Day. It documents the widespread assumption that "large corporations and corporate lobbies have immense political power"—that they can in fact "exercise a sort of veto over Congress."

A clear picture of the two lobby organizations emerges in this report, the first detailed analysis of specific corporate lobbies ever undertaken. The styles and structures of the two groups actually represent opposing approaches. "The Roundtable is distinguished and mellow—its [chief executive officers] lunching with senators and cabinet secretaries. The Chamber is contentious and unyielding—preferring polemics to negotiations." But they share common goals and ultimately "speak with one voice . . . both share a corporate catechism that uncritically regards big business as good and regulation for consumer protection as bad." The groups, Green notes in his introduction, have "two traits in common that make them compelling subjects to profile—power and secrecy. Both help shape national policy in important though often invisible ways." The report is an attempt to de-mystify the two lobby organizations.

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Brobeck Named New CFA Executive Director

Stephen J. Brobeck has been named new Executive Director of CFA succeeding Kathleen F. O'Reilly who is leaving after five years at CFA, two years as Legislative Director and three years as Executive Director. O'Reilly will shortly announce her candidacy for Congress from Michigan's second district. (Those wishing to contact her should write: 10541 JoAnn Lane, Plymouth, Michigan 48170.)

Brobeck's association with CFA began in 1976 when he was selected first to CFA's Board of Directors, then to its Executive Committee. He held these positions until September, 1979 when he joined the staff as Associate Director to coordinate the State and Local Resource Center, assist on management and fund raising, and develop an "internal audit" for the organization.

Between 1970 and 1979, Brobeck taught and worked as a consumer activist in Cleveland, Ohio. He co-founded and coordinated Cleveland Consumer Action and a companion

organization, Cleveland Consumer Action Foundation. Brobeck also served as Assistant Professor of American Studies at Case Western Reserve University, where he published scholarship on social change and consumer issues, and was awarded the Carl F. Wittke Award for "distinguished undergraduate teaching."

Brobeck's immediate plans as he assumes his new position are to "begin to expand CFA's grassroots network and encourage its advocacy on national issues. We are in the process of developing new and highly innovative programs to enlarge CFA's voice at the state and local level," he said. Brobeck also hopes to implement a development plan as part of the internal audit to raise funds to expand CFA's legislative staff as well as to organize more effectively at the grassroots level.

"CFA will have to make some tough choices about legislative priorities," Brobeck said. "Most importantly, we must select issues where a lot is at stake and

we can make a difference. In the coming months, for example, we will be focusing a great deal of attention on major inflation related issues, including Federal budget cutting. By the end of the summer, I will be disappointed if we have not begun to suggest fresh perspectives on these issues."

CFA has also announced the election of Sharon Stark as President of the Board of Directors. Stark is editor of *Everybody's Money*, published by the Credit Union National Association. Other new Board members include: Lee Richardson, past president of CFA's Board of Directors and currently affiliated with the Maryland Consumers Citizen Council; Robert Harbrant, President of the Food and Beverage Trades Department of the AFL-CIO; Pam Piering, President of the Seattle Consumer Action Network; Howard McClennan, President of the International Association of Firefighters; Ira Thompson, Comptroller of the Ohio AFL-CIO, and Jean Ann Fox, Director of the Pennsylvania Citizens Consumer Council.



by Kathleen F. O'Reilly, Executive Director

Washington Desk:

First OPEC . . . Now OGEC?

A new acronym may enter public parlance in the near future—OGEC—Organization of Gas Exporting Countries. Led by Algeria, gas exporting countries are attempting to use OPEC tactics of embargo to raise the price of natural gas to the BTU equivalent OPEC oil price. Although the United States is far less dependent on foreign natural gas than it is on foreign oil, the impact of such a price rise on consumers and on the balance of payments will be measured in billions of dollars a year. The consequences for other nations and the world economy will be more severe as many other industrial nations are more dependent on imported natural gas than we are.

U.S. policy has been at best to do nothing to discourage such price increases and at worst to actually encourage them. Such actions run counter to sound economic and consumer protection policy, to say nothing of the Administration's rhetorical commitment to fight "unjustified foreign blackmail." Another dimension of the U.S. policy is the implication for domestic prices. Once foreign gas prices have risen to the OPEC BTU equivalent, the same arguments used to justify oil decontrol will be used to justify American producers receiving the world price for their natural gas production. When that happens consumers will have to spend tens of billions of dollars a year more for natural gas. If, for example, the price of natural gas were to rise to the OPEC equivalent today, the cost to consumers would be over \$70 billion a year. Since the use of natural gas is even less discretionary than oil, the equity impacts will be enormous.

We objected to an Algerian proposal—which would set a precedent for future price increases—by formally petitioning the Department of Energy (DOE) to deny a proposed contract amendment between Algeria and El Paso (an American firm). The effect of the contract amendment would be to raise the price of natural gas by 422% or more than \$25 billion over the life of the contract. Despite these considerations, DOE approved the contract amendment. And encouraged by the ease with which DOE acquiesced, Sonatrach (the Algerian national oil company) suspended deliveries on April 1, 1980, and is now demanding roughly \$6.00 per MCF, or the equivalent of the world price of oil.

The current situation stems from a contract Sonatrach negotiated in 1969 with El Paso Algeria (a subsidiary of El Paso) to export liquified natural gas (LNG) to the U.S. The contract called for the export of 1 billion cubic feet of LNG a day for a period of 25 years at an initial price of 30.5¢ per MMBTU with provision for future increases based on indexes of

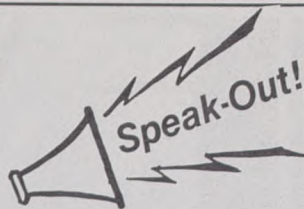
petroleum workers wages and steel mill products. One billion cubic feet a day is 1.9% of 1979 U.S. natural gas consumption and one third of U.S. imports of natural gas. The contract was approved by the Federal Power Commission (FPC) in 1972 and deliveries began March 1978. Deliveries in the first year totalled only 35% of the contracted volume.

In early 1979, after less than a year of deliveries, Sonatrach began negotiations with El Paso to raise the previously agreed to contracted price. Sonatrach's expressed aim was to capture the monopoly value of energy created by OPEC, and it was frank in acknowledging its motivation was not tied to recovering actual costs. In its ruling, DOE agreed with this reasoning, putting aside considerations of costs, contractual agreements or legal precedents. Indeed, the Administration has been sending signals that it will accept any price that does not exceed the OPEC oil equivalent.

A fundamental principle that DOE chose to ignore in approving the contract amendment is that a contract is a contract, and the U.S. government can not tolerate a foreign nation's blatant disregard of its contractual obligations to American companies. The conditions and terms of this contract make such a sanctioning all the more outrageous:

- During the original 1972 FPC hearing approving the contract a representative of the Algerian Government made an explicit commitment to the contract's terms.
- Sonatrach is currently suing an American company, Chemico, for \$600 million in International Court for breach of contract—a clear indication that Sonatrach has a different contract philosophy when it comes to other companies' obligations to it.
- The original contract enabled Sonatrach to receive an \$850 million loan from the Export-Import Bank.
- The Maritime Administration provided \$600 million in loan guarantees and subsidies to facilitate the project.

Ironically, DOE acquiesced to Algeria's demands despite the fact that, for the foreseeable future, American consumers will not be hurt by the loss of the Algerian gas. Indeed, one of the three American pipeline companies contracted to distribute the natural gas was in such oversupply when deliveries began, that it had to reduce its use of low-cost gas to meet its contractual obligations to accept the Algerian LNG. Furthermore, spokesmen for two of the three pipeline companies have publically stated their consumers would not be hurt by the cutoff of the Algerian natural gas.



Federal Fundraising Campaign Rule Changes Only A Start

by Robert Bothwell, Director,
National Committee for Responsive Philanthropy

In a development that could have a major impact on all workplace charity drives, the federal government's on-the-job fundraising campaign has been opened up to local charities which are not members of the United Way. However, a number of other changes that would have increased the fairness and responsiveness of the "Combined Federal Campaign" have not been made.

The action culminated a 6-month struggle over changes in the Campaign, which raised \$82 million from federal employees last year. The struggle began last October with hearings held by the House Subcommittee on Civil Service, which eventually recommended that major changes be made in the Campaign. Those recommendations included opening up the Campaign to many legitimate charities that had been unfairly excluded (particularly those run by minorities), eliminating pressure on employees to give to the Campaign and making more equitable the formula for distributing the money raised.

However, proposed regulations issued by the Office of Personnel Management last February ignored nearly all of the Subcommittee's recommendations, generating more than 3,000 written comments and causing Subcommittee Chairwoman Patricia Schroeder (D-Co.) to say that parts of the regulations "look like they were written by United Way of America." (United Ways get 74% of the proceeds from the Campaign.)

The final regulations are a balanced, good faith first step. For the first time the federal government has acknowledged that United Ways do not "work for all of us," as they are always telling us. By its action the government has acknowledged that United Ways support only a relatively small percentage of a community's charities and seldom admit new charities.

Already 11 states and a number of private businesses have opened up their charity drives, and many more will be following suit. The issue is of vital importance because the workplace charity drive is the most effective and cheapest method for raising the most charity dollars from large numbers of people.

But although the new rules establish an extremely important precedent they don't go nearly far enough. Too many organizations are still excluded from the Campaign, which only allows health and welfare organizations to participate. Tens of thousands of charities involved in the arts, education, community development, and environmental and consumer affairs are not eligible, nor are most national minority organizations.

In addition the new regulations still strongly discriminate in favor of the United Way. Rep. Schroeder has pointed out that local non-United Way charities are eligible only for contributions specifically designated for them by a federal employee, which amounts to only about one-third of the money collected. The United Way will also retain a major role in running local campaigns, and is exempt (along with the Red Cross) from annual reporting requirements. The United Way will also have review power and can make recommendations on applications from local non-United Way charities.

Groups can get into a combined federal campaign nationally or locally if there are federal employees in your area. Each local campaign will set its own deadline for applications for this fall's charity drive. The earliest possible deadline is May 15. For more information on how to get into a local campaign, contact the National Committee for Responsive Philanthropy, 810 18th St. NW, Suite 408, Washington, D.C. 20006—(202) 347-5340.

A Pay Phone In Every Home?

by Lee Richardson and Judy Rubin

The phone company wants to measure your phones. If you don't like the idea, you can tell your state public utilities commission armed with 11,000 signatures on petitions.

That's what CFA affiliate, the Florida Consumers Federation, did on April 9, 1980. As part of its mounting campaign to nip Southern Bell Telephone's local measured service experiments on customers in that state, Florida Consumers Federation has held rallies, given testimony, and talked to the media.

The Florida group calls local measured service the equivalent of a pay phone in every home.

None of this activity was requested by the Florida Public Service Commission nor did Southern Bell announce the plans for local measured service in the press. Only the timely efforts of a consumer organization has made the issue of local measured service into a matter of public concern.

Local measured service (also called Usage Sensitive Pricing - USP) is basically a method of pricing every local phone call according to its length, time of day, and distance within the city area. The goal of the Bell System (82% of the telephones in the U.S.) is to change the flat monthly rate system of phone service to local measured service. Other telephone companies generally like the idea too. Ma Bell wants 50% of their customers on local measured service by 1985. That compares to virtually none today. About 10% of the U.S. now has some type of service where there is a charge for each call or sometimes for the length of the call. Ninety percent is flat rate. The 1980s will be a time for rapid, radical changes in the way consumers pay for phone service if the telephone industry is not stopped state by state.

Here's how a phone bill will be affected by local measured service. First, the consumer will be charged some

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Home Pay Phone?

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amount for having service in a home. This may be anywhere from \$3.00 to \$10.00 depending on what the state public utilities commission will allow. If this rate for the month is very low, it will not include any free calls. The monthly charge is only for "access" to the phone system. A consumer pays extra for actually using the phone. The company computers will measure this use in a most precise way—just like long distance. The bill at the end of the month will vary according to use. It could be modest if the phone is little used. It could go out of sight if the customer is not careful, controlled, and determined to minimize the bill.

The telephone industry says that this change is necessary. Admitting that the new rate system is complicated and that it introduces uncertainty into the consumer's monthly phone bill, the industry says factors such as competition, inflation, and wide variations in customer's phone usage make it necessary. Maybe these are factors to consider, but more telling is the effect that the new scheme will have on the company treasuries. According to the Department of Commerce: "It is simpler for the telephone companies to change components of a USP tariff structure than to ask for an increase in the flat-rate tariff."

Numerous other facts about measured service should be studied before starting a campaign to stop the local variation on the scheme.

In a particular state or locality:

- LMS is not a real option once it is introduced. As some customers will switch to it to save money, the remaining flat rate customers will have to pay more. As they find their rates hiked, more will switch to LMS. This vicious cycle will result in only a few people on a very high priced "premium flat rate" and every one else on computerized pay phones in their homes. This is AT&T's idea.

- Phone company revenues will grow as phone use continues its natural growth each year. The extra growth will be outside the purview of regulation and will keep companies out of rate cases as frequently as they are now.

- Active community-oriented people will be hit. Volunteers for consumer groups will pay as they give their time for projects requiring telephone use.

- No provisions for low income or fixed income hardship cases have yet been offered by the industry. They argue that such people can stay inside their budgets by cutting down on phone usage.

There is more to the issue than space permits. The best single resource on the telephone industry for consumers (reviewed opposite) is *How To Talk Back to the Telephone Company* by Lou Sirico. For in depth analysis from all points of view send \$5.00 for the paperback, *Proceedings of the Telecommunications Industry Workshop*, to LMS Steering Committee, P.O. Box 11269, Kansas City, Missouri 64112. For copies of the Florida Consumers Federation extensive battle plans as presented at CFA's Consumer Assembly in February, Consumer groups can write FCF's Dade County Chapter, P.O. Box 414535, Miami Beach, Florida 33141 or the Dade County Consumer Advocate, 16th Floor, 140 W. Flagler Street, Miami, Florida 33130.

CFA's Telecommunications project functions as a clearinghouse on LMS and can put consumers in touch with each other, suggest expert witnesses for rate cases involving LMS, and locate detailed resource materials.

Lee Richardson, a CFA director, heads the CFA National Telecommunications Project. Judy Rubin is President of the Dade County Chapter, Florida Consumers Federation, a CFA affiliate.

Talking Back to Phone Company

There are "how-to" books on every subject imaginable, but few offer the specific information found in the recent Ralph Nader report, *How to Talk Back to the Phone Company*. Written by Rutgers University professor Louis J. Sirico Jr, a former associate of Nader, the book tells phone users what to expect from the phone company and how to go about getting it: how to challenge the phone company instead of paying higher bills, how to get your complaints heard by the right people, and how to file a complaint with your Public Utility Commission. For consumer advocates the book also offers information on how to organize a telephone watchdog group, how to challenge operating expenses and rate bases, how to decipher phone company jargon and where to find consumer resources around the country. It also tells consumerists of past AT&T rip-offs and

alerts them to what new ones to be looking for.

Sirico begins his book by proposing a Telephone Consumer's Bill of Rights, which he says should be an addition to the front page of all telephone books. Among the rights listed are the right to service priced as low as reasonably possible, the right to be informed of all service options and rates, the right to be informed of company requests for rate increases, and the right to privacy. He also discusses the activities of the telephone company on the national scene in relation to FCC regulatory activity, antitrust action, industry lobbying, and consumer owned telephone equipment. A brief look is also given to the future of telecommunications, particularly satellite technology.

Copies may be obtained for \$10 from Nader's Citizens Committee for Broadcasting, P.O. Box 12038, Washington, DC 20005.

CFA Contests AT&T Rate Hike

CFA, the National Citizens Committee for Broadcasting, and individual consumers from three states and the District of Columbia filed a petition at the Federal Communications Commission against the \$1.2 billion request of the American Telephone & Telegraph Company for interstate rate increases on March 28, 1980. One of the individual consumers was Ralph Nader.

CFA's Telecommunications Project developed an interest in the huge increase request particularly because of the inflationary impact it would have and the fact that AT&T was setting all time corporate records for profits with almost \$6 billion in the past twelve months.

The AT&T request was made with the unusual preclearance of the Council on Wage and Price Stability. COWPS' decision, the petitioners argued, should be reviewed by the President himself, but as we go to press this has not been done.

Dr. Lee Richardson, CFA's Telecommunications Project Director, referring to the 10.5% across-the-board rate hike, questioned such an increase for evening and weekend long distance rates. "The company forgot that we consumers are hardest hit by this part of the rate increase. If the company wants to hold down inflation, it should not increase off-peak rates, but instead increase only weekday rates when peak use occurs. This will reduce the need for some of that \$16.7 billion in capital that Bell says is necessary for its growth," he said.

CFA expects the FCC to soon decide whether it will accept, reject or delay AT&T's request. The first part of the increase is scheduled to go into effect on June 1, 1980 unless FCC determines otherwise. Further information on CFA's activities in the case is available from Lee Richardson.

A Tale of Two Lobbies

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With a Washington staff of 1,200 and a \$30 million budget, the Chamber is described as a "rigidly conservative" organization which speaks for big business, although it claims to represent small business. Although 80% of the Chamber's member companies had less than 100 employees in 1978, only 4 of 65 companies—6%—on its board of directors, represented companies that small.

Richard Leshner, president of the Chamber, admits the group's "main mission in life is to influence the U.S. Congress." The Chamber has 45 registered lobbyists in Washington and an extensive network of "KRPs" (key resource personnel) in every district and state with direct, personal access to the Representative or Senator. According to the Nader report, the Chamber can generate massive letter-writing campaigns with the touch of a button, thanks to a new \$1.3 million computer. More than 250,000 letters were targeted to Congress on the

current FTC authorization alone, and the potential is awesome. Chamber lobbyist Fred Byset is quoted as saying: "You can probably, given enough time, generate enough grassroots support or opposition for a bill on any issue to affect the outcome."

If the Chamber represents "Mr. Outside" then the Business Roundtable is "Mr. Inside." Included in its membership are 27 of the top 30 *Fortune* 500 industrialists. The member companies of the Roundtable control \$1.263 trillion in assets; their collective gross revenues are equal to almost half of the Gross National Product (GNP) of the United States. "If the Business Roundtable were a country, its GNP would be second only to that of the U.S." Not surprisingly, with wealth this vast comes power just as vast and easy entree to high-level government officials and members of Congress. This open door policy typifies the Roundtable's style and is also responsible for its success.

The contacts between the Business Roundtable and government are extensive. According to John deButts, formerly chairman of AT&T and a ranking Roundtable member: "We don't have any trouble getting to Carter now. Or Fritz Mondale. He's very easy to get to. I talk to Fritz Mondale fairly often." As for Congress, the Roundtable's stated aim is "the best way to get to each member. Sometimes contributions are helpful... or you find who has operations where, or who knows who, which is even more important."

Money is the powerful resource of these two lobby organizations. As the authors note: "Money buys studies, lawyers, economists and at times, members themselves. It undeniably can buy access... and it can buy computers, mailing lists, advertising space and stamps." Green and Bushsbaum argue that we are living in a new age of machine politics—dominated by a computer that can simulate a massive grassroots lobbying drive at the push of a button. A computer owned and operated by the business elite.

The impact of these two groups has been significant. Separately they've been

instrumental in killing or weakening major consumer legislation over the past few years. The reports studies in depth the influence of the Chamber of Roundtable in five specific areas: labor law reform, consumer protection agency, anti-trust bills, business criminal sanctions and anti-boycott legislation.

The Green-Buchsbaum study includes the previously secret list of the 192 chief executives of major corporations that comprise the Business Roundtable. It also presents findings based on the authors investigations that 52% of the Roundtable's membership (and 30% of the Chamber's Board) have been involved as defendants in one or more prosecutions or lawsuits, ranging from antitrust actions to illegal payments abroad.

"As long as the corporate lobbies operate in secrecy and the media fail to give them the attention they deserve, organizations such as the Roundtable and the Chamber will be able to regulate government in ways that seriously undermine democratic processes and results."

The Corporate Lobbies is available from Public Citizen, 215 Pennsylvania Avenue S.E., Washington, DC 20003. The cost is \$25.

FCC Tackles "Kidvid"

The Federal Communications Commission is considering a series of options to improve television programming for children, following a task force report that the television industry has not complied with programming policies required by FCC in 1974.

The Children's Television Task Force found that little progress has been made in providing more programming designed for the specific needs of children. The bulk of children's programming is still clustered on Saturday mornings and there has been no substantial increase in age specific, educational or informational programming on weekdays.

"The situation is a mess," said Peggy Metzger, General Counsel for Action for Children's Television. "The industry has had plenty of time but we're still not getting the service we should."

The five options being considered by the FCC include:

1) Repeal of the 1974 Policy Statement, thereby relieving commercial broadcasters from the responsibility of providing children's programming. Rely instead on noncommercial public television and cable television for children's programming.

2) Maintain or modify present guidelines and modify license renewal forms to obtain more specific information about the licensee's programming for children.

3) Adopt interim mandatory programming rules requiring specific amounts of educational programming for preschool and school age children. The task force staff proposal would require 2½ hours per week for school age children and five hours per week for preschoolers, aired between 8 a.m. and 8 p.m. The rules would

end when competition and additional TV outlets generated sufficient children's programming.

4) Adopt processing guidelines by which TV station licenses would be reviewed at renewal to determine if they met minimum guidelines.

5) Adopt long-range policies to increase competition with existing broadcasters by increasing the number of cable systems, subscription TV and other forms of pay TV services.

The FCC is actively soliciting comments from individuals and citizen's groups on the proposed rulemaking. Comments should be sent to the Secretary, FCC, Washington, DC 20554. Please place the docket number (GEN Docket No. 19142) on all comments. If you wish to have your comments received as a formal filing, please submit an original and five copies. You can also comment informally by submitting a single copy. Comments are due by June 2, 1980.

Consumer Rep Program Underway

A nationwide effort is underway to increase effective consumer participation in Food and Drug Administration proceedings, particularly on the FDA's advisory committees. In recent years the FDA has encouraged increased public participation through the appointment of consumer representatives to over two dozen agency advisory committees that address the safety and effectiveness of certain drugs, medical devices, and radiological procedures. To maximize the effectiveness of these consumer advisors in representing the consumer interest, a two-pronged program is being developed under an FDA grant to the Community Nutrition Institute. First, the Project will identify and select the most qualified consumer candidates; then it will train the candidates in needed advocacy skills.

The program's initial phase (the consumer representative selection process) is being undertaken by a consortium of consumer organizations from across the country. The consortium, of which CFA is a member, will match consumer applicants drawn from a national participant clearinghouse or talent pool with appropriate vacancies on the public advisory committees.

The role of the consumer representa-

tive, as defined by the consortium, involves establishing a liaison with the public—not only providing information on committee activities, but also consulting with interested consumer groups and individuals—and effectively advocating the consumer position to the advisory committees. The consortium is also establishing criteria to assure the accountability of the consumer rep.

A series of regional workshops have been held during the past few months to train persons interested in serving as consumer representatives. The workshops presented an orientation to FDA procedures and practices, and assistance in developing critically important advocacy skills, specifically geared to FDA.

One final workshop is scheduled for May 28-29, 1980 in Milwaukee, WI. Attendance is limited to 30 persons on a first come, first served basis. Expenses, including travel, food and if necessary, lodging, will be reimbursed. For more information, contact: CNI, 1146 19th St. NW, Washington, DC 20036; (202) 833-1730.

Forms for submitting an application to the consumer representative talent pool may also be obtained from Community Nutrition Institute.

Estrogen Labelling Upheld

The recent U.S. District Court victory upholding a FDA regulation requiring estrogen drugs to carry warnings was praised by Kathleen F. O'Reilly, CFA Executive Director, as "a long overdue but encouraging victory for consumers who need such information so they can make a safe and intelligent decision affecting their health."

CFA was one of several consumer and women groups joining FDA as defendants in the suit brought by pharmaceutical and physicians' associations to block patient package inserts for estrogen drugs containing information of potential hazards. Estrogen drugs are used mainly to relieve symptoms of menopause, but can be dangerous to pregnant women. Evidence shows prolonged use by older women can cause cancer.

Attorneys for the drug companies argued that the labeling requirement, in effect since October 1977, results in "direct federal interference in the practice of medicine." The court in its decision said the FDA has the authority, under the Federal Food, Drug and Cosmetic Act, to require the labelling even if it impinges on some aspect of a physician's practice. The court ruled a physician has no constitutional right to control patient access to information regarding prescription drug side effects.

Judge Walter K. Stapleton, who presided at the hearing, refused to block the FDA labelling requirement two years ago, stating there was "a substantial risk of irreparable injury" to women using estrogen if it were not properly labeled.



CONSUMER FEDERATION OF AMERICA

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