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CONSUMER FEDERATION OF AMERICA

Administration Rolls out Regulatory Reform Plan

Over the course of the summer, the Administration rolled out its financial regulatory reform plan, first in the form of a white paper outlining recommendations and then in a series of draft bills to implement those recommendations.

"The President's plan offers a sound foundation on which to build strong, comprehensive legislation to restore the integrity and stability of our nation's badly damaged financial system," said CFA Investor Protection Director Barbara Roper.

"Although there are gaps that will need to be filled and provisions that will need to be strengthened, the plan correctly identifies the necessary component parts of a comprehensive reform package," she added.

The plan takes a comprehensive approach to closing gaps in the regulatory structure, most importantly by proposing broad new regulations of the over-the-counter derivatives markets that played such a prominent role in the financial collapse.

It proposes strengthened regulation in areas where weak laws contributed to the crisis, proposing for example to raise capital standards and lower leverage limits for financial institutions and also to increase transparency in the securitization market.

It recognizes the importance of consumer and investor protections to increase not only the fairness, but also the stability of the financial markets, with a bold proposal to create a new Consumer Financial Protection Agency to regulate credit products and services.

And it seeks to strengthen protections against systemic threats to the market by:

- giving a new regulatory council broad authority to monitor all areas of the financial system for emerging risks;
- creating financial incentives for financial institutions to avoid risks by imposing heightened capital, leverage, and risk management standards on those institutions whose failure could threaten the broader economy;
- subjecting such financial holding companies to consolidated oversight by the Federal Reserve; and
- creating a mechanism to allow for the orderly failure of systemically significant non-bank financial institutions.

CFPA Proposal Comes Under Fire

Among the strongest, and most hotly contested, aspects of the plan is a proposal to consolidate responsibility for consumer protection regulation of credit products and services within a new Consumer Financial Protection Agency (CFPA) dedicated to that mission.

In June testimony before the House Financial Services Committee and July testimony before the Senate Banking Committee, CFA Legislative Director Travis Plunkett laid out the case for the new agency.

He noted that the current system had served consumers poorly and had contributed not only to unsound mortgage lending that was a root cause of the current crisis but to a variety of other abusive credit practices that impose heavy costs on hard hit consumers.

With responsibility for consumer protection spread out among seven different agencies that saw safety and soundness regulation rather than consumer protection as their mission, "federal regulators did not make consumer protection their top priority and, in fact, seemed to compete to keep standards low, ignoring festering problems that grew worse over time," Plunkett said.

This problem was made much worse, he said, by the ability of regulated institutions to choose their regulator and by the regulators' dependence on the regulated institutions for their funding.

Legislation Provides Agency With Broad Authority

Both House Financial Services Chairman Barney Frank (D-MA) and Senate Banking Committee Chairman Christopher Dodd (D-CT) have said they are committed to winning passage of the proposal, and Rep. Frank had scheduled a mark-up for soon after the end of the August recess.

Plunkett praised the proposed legislation for:

- giving the agency broad authority to address unfair, deceptive and abusive practices, as well as authority to address arbitration abuses;
- giving the agency a full set of examination, supervision, and data collection tools; and
- for preserving state authority both to set higher standards and to enforce federal standards.

While strongly supporting the measure, CFA has urged the addition of a private right of action.

As introduced, the legislation does not provide for remedies under CFPA rules for consumers who are harmed by abusive practices, and it could eliminate some state law claims and permit the CFPA to preempt others.

Meanwhile, banks and the Chamber of Commerce have launched an all-out assault on the proposal.

Their goal, if they cannot kill the proposal outright, is to undermine its effectiveness by giving authority to enforce standards to prudential regulators instead of the new agency, preempting state authority to set higher standards, and removing any requirement that financial institutions include "plain vanilla" credit products among their credit offerings.

"Unfortunately, the financial services industry is not trying to improve this proposal, they are trying to kill or cripple it," Plunkett said.

"These institutions are hoping that members of Congress will ignore their central role in sparking the financial crisis and the fatal flaws in the regulatory structure that allowed the crisis to spread throughout the world," he added.

Plan Includes Strong Derivatives Proposal

Recognizing that unregulated over-the-counter derivatives played a central role in the near collapse of the financial system, the administration plan proposes to regulate this market by:

- requiring standardized derivatives to be cleared through a central clearinghouse and traded on a regulated exchange; and
- subjecting all derivatives dealers and major users to registration, recordkeeping and capital adequacy requirements as well as to business conduct rules.

Unfortunately, the draft legislation submitted by the administration opened significant new loopholes in a plan it said was designed to ensure the entire marketplace would be regulated.

In August, CFA joined with other advocacy groups in voicing support for Commodities Futures Trading Commission Chairman Gary Gensler, who has called on Congress to elimi-

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House Approves Food Safety Bill

Congress took a major step toward improving the safety of the American food supply in July, when the House of Representatives approved bipartisan legislation (H.R. 2749) to overhaul the food safety system.

"If approved by Congress and signed into law, this bill would go far toward reducing the toll of foodborne illness in the United States," said Christopher Waldrop, Director of CFA's Food Safety Institute.

Testifying before the House Agriculture Committee in July on behalf of a dozen food safety organizations, Carol Tucker Foreman, Distinguished Fellow of CFA's Food Policy Institute, said the bill "includes the key elements most frequently noted by experts as essential to an effective food safety system."

In an historic first, the bill specifically directs the Food and Drug Administration (FDA) to take steps to prevent foodborne illness, and it assigns resources to begin the job.

If would, for example, require all food companies to develop systems of preventive controls, require the FDA to develop minimum safety standards for production of fresh fruits and vegetables, allow the FDA access to relevant food safety records and increase the frequency of inspections at higher risk facilities, and impose civil penalties.

"The bill would make food safety a primary focus of the FDA, not an afterthought as it has been for so long," Waldrop said.

"The time has come for Congress to act responsibly, consider the interests of those who consume food as well as those who produce and process it, and pass the Food Safety and Enhancement Act promptly," Tucker Foreman added.

House passage came on a 283-142 vote. The focus now moves to the Senate, which is expected to consider food safety legislation in the fall.

Meanwhile, CFA participated in a meeting in May with chairs of the newly created White House Food Safety Working Group, which is exploring ideas on ways to attack the problem of foodborne illness.

In a letter to President Obama, CFA and other consumer and public health groups expressed appreciation that the administration is giving the issue such prominent attention. "No previous President has acted so early in his Administration or adopted such an open process to address food safety concerns, and for that we are grateful," the groups wrote.

The groups detailed actions in four areas that they urged the Administration to take:

1) working with Congress to secure passage this year of legislation that gives the FDA the authority and tools it needs to assure the safety of the foods it regulates;

2) developing legislation to reform and modernize the federal meat and poultry inspection system;

3) working with Congress to address the need for basic structural reform of the food safety regulatory agencies; and

4) adding several citizen representatives to the White House Food Safety Council.

"We are encouraged by the focus of the Administration and Congress on food safety. By the end of this year, we hope the President will have signed strong food safety legislation into law," Waldrop said.

On the **Web**
www.consumerfed.org/pdfs/CFA_Applauds_Passage_of_FSEA_6_17_09.pdf

Big Banks Continue to Raise Overdraft Loan Fees

Families struggling to make ends meet during the worst financial crisis since the Great Depression face new and increasing overdraft loan fees at the nation's largest banks, according to a CFA survey released in July.

Not only are banks hiking existing fees, they are also adding new fees and shortening time limits that trigger fees when banks pay overdrafts, the survey found.

The survey reveals how the Federal Reserve Board's failure to protect consumers from unauthorized bank overdraft loans has allowed fees for these extremely expensive loans to escalate and multiply. Regulatory inaction in just this one area is costing hard-pressed American consumers over $17.5 billion a year.

In a typical overdraft loan program, banks pay or authorize checks, debit card purchases, ATM withdrawals and preauthorized electronic payments when there is insufficient money in the account to cover the transaction, charging a flat fee per overdraft and taking funds directly from the next deposit into a consumer's bank account to repay the overdraft and cover the fee.

Key Survey Findings

In updating its findings from a survey of the nation's 16 largest banks, CFA found that:

- all of the largest banks unilaterally authorize payment of overdrafts at the bank's discretion and charge per-overdraft fees without either advance consent or on-the-spot warning to customers;
- all of the largest banks process withdrawals largest first, or retain the right to do so, a practice that optimizes the number of transactions that will trigger an overdraft fee when consumers live paycheck to paycheck, maximizing the cost to consumers and the income to banks;
- nine of the 16 banks tiered overdraft fees, with costs per overdraft escalating as the number of overdrafts increases;
- more than 60 percent of the banks charge "sustained overdraft" fees when consumers are unable to repay the overdraft and fee within a few days; and
- ten of the largest banks set no limits on the number of overdraft fees charged per day, and those that do set very high limits.

The median overdraft fee among the large banks is $35, with 14 of 16 banks charging $35 or more per overdraft either initially or after a few overdrafts in a year. Fees have risen at almost half the surveyed banks in the last year.

The cost to borrow $100 via overdraft for seven days, if computed as a closed-end one-week payday loan, ranges from 1,768 percent APR at CitiBank and WaMu to 3,640 percent APR at Bank of America and 3,848 percent APR at Citizens Bank.

Fed Inaction Allows Abuses To Mount

"For years, consumer advocates have complained about these anti-consumer practices and urged the Federal Reserve to force banks to comply with the Truth in Lending Act and get their customers' consent to use this extremely expensive form of credit, but the agency has turned a deaf ear to those requests," said CFA Director of Financial Services Jean Ann Fox.

"Instead, the agency has continued to allow banks to collect billions of dollars in overdraft loan fees for credit extended without the customer's consent and without providing either information on the cost to borrow or affordable repayment schedules," she added.

Several bills have been introduced to address the problem of high-cost credit.

CFA has, for example, endorsed legislation by Rep. Carolyn Maloney (H.R. 1456) to give consumers control over overdraft loans as well as bills by Sen. Dick Durbin (D-IL) and Rep. Jackie Speier (S. 500, H.R. 1608) to extend to all Americans the 36 percent annual rate cap on credit set by Congress to protect members of the Military Service.

Unfortunately, no action has been taken on these measures, and the proposed CFPA legislation specifically precludes that agency from imposing a usury cap.

On the **Web**
http://www.consumerfed.org/pdfs/overdraft_fee_report_09.pdf
http://www.consumerfed.org/pdfs/High_Cost_Loan_Position_Paper_August_11_2009.pdf

Supreme Court Affirms State Authority Over National Banks

In a significant victory for consumers, the Supreme Court ruled in June that states can apply some state fair lending laws to national banks operating within their borders.

"The Supreme Court has said that federal regulators overreached in trying to fend off some state oversight of national banks," said CFA Legislative Director Travis Plunkett.

In a 5-4 decision, the court held that the Office of the Comptroller of the Currency acted unreasonably in preventing the New York Attorney General from prosecuting national banks for violations of non-preempted state fair lending laws.

But the ruling also includes limits on state authority. Specifically, it does not allow state attorneys general to issue executive subpoenas to national banks. Instead, courts can issue search warrants enabling state attorneys general to search national bank records.

In addition, some state predatory lending and other consumer protection laws that have been preempted are unaffected by the ruling.

The case had its origins in an investigation by then New York Attorney General Eliot Spitzer into whether certain national banks were charging minorities higher interest rates on home mortgage loans.

With the backing of the OCC, national banks challenged the investigation, arguing that because they were regulated by federal authorities, states were broadly preempted from taking enforcement actions against them.

Lower courts sided with the banks and the OCC.

State preemption remains a hot-button issue in the debate over financial regulatory reform.

The administration plan would create a new Consumer Financial Protection Agency to set consumer protection standards for credit products, but those standards would act as a floor, not a ceiling. States would retain broad authority to set higher standards and to enforce federal standards.

This has been a major point of opposition for banks fighting the administration plan.

"Banks prefer the status quo, in which the OCC has moved aggressively to block states from enforcing their laws against national institutions without filling this gap with meaningful federal rules that prohibit abusive lending," Plunkett said.

Regulatory Reform Plan

Continued from Page 1

nate the draft legislation's foreign exchange swaps exclusion and its exceptions from mandatory clearing and exchange trading for banks and non-banks.

"For this plan to be effective in closing regulatory gaps, it is absolutely essential that Congress plugs these holes in the administration's regulatory plan," Roper said.

In addition, CFA has advocated the addition of a provision to restrict the use of customized derivatives by requiring that, in any such contract, one party to the contract certify and be prepared to demonstrate that the customized derivative is necessary to hedge a legitimate business risk.

"Such a requirement should go a long way toward ensuring that excessive speculation is limited and that customization is not used to game the system," Roper said.

Strengthened Investor Protections Included in Plan

Also included in the administration plan is a strong package of pro-investor reforms that would:

- require brokers who give investment advice to act in their customers' best interest, as other investment advisers are required to do;
- require the Securities and Exchange Commission to study securities industry compensation practices and reform practices that encourage investment professionals to act in ways that are not in their clients' best interests; and
- authorize the SEC to ban or limit the use of pre-dispute binding arbitration clauses in broker and adviser contracts.

"The administration has sent Congress an impressive legislative package that would dramatically improve the protections average investors receive when dealing with the investment professionals they rely on to help them achieve retirement security and save for important financial goals," Roper said.

"For investors to enjoy the full benefit of this proposal, however, the SEC will have to get right the very issues it has mishandled for years," she said. "In fact, the consumer confusion this legislation is intended to address is the direct result of policy decisions at the agency over several decades that have placed a higher premium on protecting the broker-dealer business model than on protecting investors.

"It is time for Congress and the agency to put investors first and provide a real fiduciary duty to act in clients' best interests for all those who provide investment advice," she said.

On the **Web**
www.consumerfed.org/pdfs/Travis_Plunkett_FSC_Testimony_July_16_2009.pdf
www.consumerfed.org/pdfs/Travis_Plunkett_Testimony_CFPA_Senate_Banking_07-14-09.pdf
www.consumerfed.org/pdfs/Q_and_A_on_CFPA_FINAL.pdf
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www.consumerfed.org/pdfs/Fiduciary_Duty_Position_Paper.pdf

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Fuel Economy Standards Offer Consumer Savings

Roughly a year after the Bush Administration proposed fuel economy standards that failed to meet the 2007 energy bill mandate, the Obama Administration proposed new standards in May that would provide significant consumer savings, according to a CFA analysis.

At an estimated $3 per gallon for gasoline in 2016, the average new car buyer would save nearly $500 per year in gas costs by increasing the standard from the current 27.5 mpg to 39 mpg," said CFA Public Affairs Director Jack Gills, author of The Car Book.

"If gas goes up to $4 per gallon, those savings will increase to nearly $650 per year," he added.

The administration proposal would set the fuel economy standard at 30 mpg for light trucks and 39 mpg for cars in 2016, creating an average of 35.5 miles per gallon.

In so doing, it would save Americans 76 billion gallons of gasoline and $19 billion, "while putting the United States on a rapid path to yet higher standards in the future," said CFA Research Director Mark Cooper.

Any increased vehicle costs resulting from the new standards "will be wiped out by savings at the pump," he added. "While the proposed changes may add $22 to the monthly cost of buying a car, the monthly fuel savings of nearly $42 will actually put money back in consumer pocketbooks."

A 2008 CFA analysis concluded that the auto industry would have no difficulty hitting these targets. "The fact that the administration, the auto industry, environmentalists, and consumers agree on this standard shows that real world data can overcome ideology," Cooper said.

"This effort is the first true step to ensuring that the vehicle fleet makes its maximum contribution to securing America's energy future," Gillis added. "Charting this new course for energy policy will protect consumer's hard earned dollars, reduce our dependence on foreign oil, improve the environment, and revitalize the U.S. auto industry."

Meanwhile, consumer groups filed comments with the Federal Trade Commission in June calling for changes to the agency's fuel economy advertising guide to provide consumers with better information on fuel economy.

"Published, consistent and fully disclosed fuel economy ratings are a significant factor in the ability of consumers to make informed vehicle purchase decisions," Gillis said. "Not only do consumers need a reliable and clear mechanism to assess fuel efficiency when shopping for a vehicle, but the presence of mileage ratings in the market provides a strong competitive incentive for fuel economy improvements overall."

Toward that end, the consumer groups' comment letter recommended a number of changes to update the guide, including:

- requiring EPA fuel economy ratings in vehicle advertisements;
- allowing only the EPA combined fuel economy rating in advertising instead of the variety of different rating combinations currently allowed;
- prohibiting advertisers from using non-EPA fuel economy estimates in ads; and
- requiring posting of comparable fuel economy estimates for alternative fuel vehicles in ads.

By promoting consistency of disclosures, these changes would make it easier for consumers to compare the fuel economy of different vehicles.

On the **Web**
www.consumerfed.org/pdfs/fuel_economy_disclosure_comments.pdf

Repeal of Railroad Antitrust Exemption Advances

Legislation to restore antitrust scrutiny to the railroads (H.R. 233) received voice vote approval in a House Judiciary subcommittee in July, with full committee consideration expected after the August recess.

Meanwhile, an effort in May to bring companion legislation (S. 146) to the floor of the Senate for a vote was stymied by a cloture motion, despite the bill's 14-0 approval in the Senate Judiciary Committee in March. Senate sponsor Sen. Herb Kohl (D-WI) has said he will try to add the measure to legislation to reauthorize the Surface Transportation Board.

In May testimony before the House Judiciary Committee, CFA Research Director Mark Cooper called on Congress to pass the legislation.

With two-thirds of the coal shipped by rail captive to a single railroad, "excessive coal rates end up in the electricity bills consumers pay every month," Cooper said. Meanwhile, excessive rail rates paid by captive shippers in other sectors, such as agriculture and chemicals, distort the economy, lowering output and employment, he added.

A report by Cooper, also released in May, demonstrates the pervasive abuse of market power that afflicts the rail sector today.

"Today, the vast majority of rail markets are highly concentrated," Cooper said. "Abusing their market power, the railroads have accumulated billions of dollars of excess profits and cross subsidies on massive quantities of traffic that they carry at non-compensatory rates.

"Today, the rail industry is a textbook case of market power run amok," he said. "We must reaffirm our commitment to competition and the prevention of the abuse of market power if we are to rebuild our economy."

Restoring antitrust scrutiny will quickly eliminate some of the most blatant abuses and will put pressure on railroads to behave more reasonably in other areas, he predicted.

Although it is a critical first step, "antitrust alone will not solve the problem of market power in the rail sector because the fabric of competition has been so severely damaged by more than a quarter of a century of neglect," he said.

Once competition is driven "as deeply as possible" into the rail sector, Congress must stand ready to adopt appropriate regulation "where market power cannot be addressed or where market failure is likely," he concluded.

On the **Web**
www.consumerfed.org/pdfs/rail_testimony_2009.pdf
www.consumerfed.org/pdfs/rail_report_2009.pdf

Campaign Launched to Combat Fake Check Scams

Each year, millions of consumers are lured into accepting genuine looking checks and money orders and wiring money to crooks in return. In May, CFA launched a national campaign to combat such scams.

According to the results of a CFA survey released in conjunction with the campaign launch, nearly one-third of adults in the United States have been approached with fake check scams, and at least 1.3 million have become actual victims. With an average loss of $3,000 to $4,000 per consumer, billions of dollars have been pocketed by fake check scammers.

"In today's economy, as consumers struggle to make ends meet, phony claims of sudden riches or ways to make money have never been more attractive," said CFA Director of Consumer Protection Susan Grant. "The use of realistic checks and money orders helps these pitches seem legitimate."

Compounding the problem is consumer misunderstanding. Fifty-nine percent of respondents in the survey incorrectly believed that, when they deposit a check or money order, their bank confirms that it is good before allowing them to withdraw the money. And more than 40 percent did not know that they are liable if the checks or money orders they deposit or cash are counterfeit.

To fight these scams, CFA created a Fake Check Task Force including members from nonprofit consumer organizations, law enforcement, and consumer protection agencies, financial service companies, trade associations, and other concerned businesses.

A new section of CFA's Web site features ready-to-use news articles, fact sheets, and e-cards in both English and Spanish. These and other materials on the site, such as banner ads, are available to use for free for public education. In addition, new FAQs about popular variations of the scam involving bogus offers of grants and jobs as mystery shoppers are available on the National Consumers League's www.fakechecks.org Web site.

The Task Force has also developed training materials about fake check scams for use by financial service and law enforcement personnel. They can be obtained by contacting CFA Consumer Protection Director Susan Grant at 202-387-6121.

On the **Web**
www.consumerfed.org/fakecheckscams
www.fakechecks.org

Complaints Rise While Resources Drop

Consumer complaints rose last year, but the resources to help consumers dropped, according CFA's latest survey of state and local consumer agencies.

Conducted in partnership with the National Association of Consumer Agency Administrators and the North American Consumer Protection Investigators, the survey of 34 state, county and city agencies from 19 states across America provides a national snapshot of the challenges faced by consumers and the government agencies that seek to protect them.

Sixty-two percent of the agencies reported that they received more complaints in 2008 than in the previous year, with top complaint categories including: auto, home improvement/construction, credit/debt collection, utilities, and retail sales.

At the same time, nearly half (47 percent) of the agencies said they had suffered budget cuts just prior to or during the survey. One of the agencies, the Nevada Division of Consumer Affairs, was shut down for lack of funding after the survey was completed.

"The lay-offs, loss of training opportunities, elimination of programs, and other results of these cuts will ultimately be felt by consumers," said CFA Director of Consumer Protection Susan Grant. "It's ironic that at the same time more people are asking state and local consumer agencies for help, their ability to provide that help is being undermined by budget cuts."

The survey revealed other impacts of the recession as well. For example, debt collection was the fastest growing complaint, and mortgage-related complaints, especially foreclosure rescue scams, were most frequently cited by agencies as the worst complaints.

On the **Web**
www.consumerfed.org/pdfs/Consumer_Complaint_Survey_Report_PR_7-30-09.pdf
www.consumerfed.org/pdfs/letter_to_Senate_Commerce_7_30_09.pdf

House Passes Energy Bill

The House narrowly passed sweeping energy legislation in June including provisions on energy efficiency and renewable energy standards that could provide potential savings to consumers.

The legislation (H.R. 2454), which passed the House on a 219-212 vote, requires a phased in reduction in greenhouse gas emissions by major polluters, with a reduction of 17 percent below 2005 levels required by 2020 and an 83 percent reduction by 2050.

Under the legislation's cap-and-trade approach, major polluters that are not able to meet the reduction targets can purchase pollution permits from those that reduce emissions below the cap or invest in off-set projects, such as tree planting.

Among its measures to reduce emissions, the bill as adopted by the House requires electric utilities to produce at least 12 percent of their power from renewable sources and to adopt energy efficiency savings of eight percent for a total of a 20 percent reduction by 2020.

As drafted, the legislation would have required a far more ambitious 25 percent renewable energy standard by 2025 and a 15 percent electricity and 10 percent natural gas energy efficiency resource standard by 2020.

That original goal was both "technologically feasible and economically practicable," according to an analysis by CFA Research Director Mark Cooper released in May.

"Efficiency and renewables are the lowest-cost, cleanest options we have for meeting future energy needs while also saving consumers billions on their monthly bills," Cooper said.

"They should be the cornerstone of our national energy policy whether or not we adopt policies to reduce greenhouse gas emissions," but they are even more vital to keep consumer costs down under a cap-and-trade system, he said.

Revised Bill Leaves Billions in Consumer Savings on the Table

The report found that the bill's original renewable energy and energy efficiency standards would lead to substantial consumer savings – savings that will not be realized under the legislation as adopted in the House.

"The stakes for consumers are huge," Cooper added. Choosing these low-cost options would produce consumer savings of 6 cents per kilowatt hour by 2030, for a total annual savings of more than $200 billion per year, he said.

The less aggressive mandates in the House-passed version, while still beneficial, "leave about half of the potential consumer savings on the table," he said.

The following are among the report's key findings:

- efficiency could lower demand by as much as 30 percent in states from all regions of the nation at costs that are well below the current cost of electricity;
- efficiency is the lowest cost option available, but there are a number of renewable energy sources that are available at costs well below both current average costs and the cost of low-carbon central station generation technologies;
- the supply of low-cost efficiency and renewables is readily available to meet the targets set out in the original draft bill; and
- use of efficiency measures and renewable sources could also meet the broader goals of the act for three decades or more, with cost of renewables expected to decline dramatically during that period.

Utilities Favor More Costly Approaches

Despite these obvious benefits, investor owned utilities prefer central station facilities because they retain ownership and control, increasing the rate base and therefore the profits the utilities earn, Cooper explained.

But these are also two to four times more expensive than other supply-side options, he said, and the disparity between central station facilities and efficiency is even great.

"Left to pursue their own economic interests, the utilities will have little incentive to increase their use of consumer-friendly efficiency and renewable energy sources and will continue to build capital-intensive central station facilities that maximize their profits but clobber the consumer pocketbook," he predicted.

"In a carbon constrained world, it is more important than ever to ensure that efficiency and renewables can play their full role in meeting our energy needs," Cooper concluded. "Strong energy efficiency and renewable energy standards force utilities to think about, analyze, and invest in alternatives that are not their private preference, but are vastly more consumer-friendly and socially preferable to the status quo."

Having passed the House, the energy bill now moves to the Senate, which is expected to roll out its legislation after Congress reconvenes in September. The narrow victory in the House presages an even tougher fight in the Senate.

For the first time this year, CFA has been approved as a national organization to receive contributions through the Combined Federal Campaign. The campaign, which recently kicked off in many communities across the country, is the workplace charitable giving drive for all civilian and military employees of the federal government. Because CFA has been approved as a national organization, federal employees located anywhere can choose to support the organization. Employees should use #52521 to designate their contribution to CFA.

On the **Web**
www.consumerfed.org/pdfs/EERES_analysis.pdf

Sheila Bair

Jim Guest

Jean Chatzky

39th Annual Awards Dinner

The Consumer Federation of America honored distinguished consumer service at its 39th annual Awards Dinner in June.

FDIC Chairman Sheila Bair received the Philip Hart Public Service Award.

The Esther Peterson Consumer Service Award was presented to Consumers Union President and CEO Jim Guest.

Personal finance author and journalist Jean Chatzky received the Betty Furness Consumer Media Service Award.

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