



Consumer Federation of America

1981 ANNUAL REPORT

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Executive Director

1981 was a rough year for consumers and for the consumer movement but also a productive one for CFA. The offensive launched by the Administration and its Congressional allies against the consumer interest forced CFA and other consumer groups into a defensive posture. Yet, we fought successfully to preserve many of the consumer programs and protections under attack. Most significantly, CFA and our grassroots networks played a key role in defending the autonomy of the Consumer Product Safety Commission, blocking Federal interest rate preemption in the House, and saving one year's funding for the U.S. Office of Consumer Education.

Advocacy: An Overview

In our advocacy, CFA developed a coordinated strategy emphasizing traditional lobbying, grassroots organizing, and public information. At the beginning of the year, the Government Affairs Committee met with legislative staff members to identify priority issues. Four were selected -- interest rate ceilings, natural gas decontrol, product safety, and consumer education. As an example of the implementation of a coordinated strategy, to defend state usury rate ceilings CFA staff undertook the following activities:

Generated substantial press coverage including editorials in the "Washington Post" and "St. Louis Post-Dispatch" and a Betty Furness special aired on the "Today Show."

Spent more than 100 hours talking to Congressmen and their staff members.

Delivered testimony before the Senate Banking Committee and a House Banking subcommittee.

Conducted a briefing for 30 Senate staff members.

Assisted a Congressional subcommittee plan hearings including the recruitment of witnesses.

Researched the impact of preemption in all the states and the relation of state ceilings to bankruptcy rates.

Worked on the issue in individual states including lobbying the Delaware state legislature in person and doing television interviews in Michigan.

Sent mailings to more than 1000 individuals and organizations to recruit members of an interest rate coalition.

Sent information to more than 100 Attorney-General's offices, credit commissioners, and other state officials.

Reported frequently on the issue to CFA members in the "CFA News" and "Consumer Lobby Report."

Submitted a 40-page comment to the Federal Trade Commission on its proposed credit practices rule.

As well as the four priority areas, our staff worked on 29 other legislative issues:

Banking: deregulation, money market funds, bankruptcy "reform," All Saver's certificates, truncation, credit card rates, cash discounts;

Energy: emergency oil preparedness, Alaskan pipeline, Mobil-Marathon merger, coal slurry pipeline;

Housing: adjustable rate mortgages, assumable mortgages, mobile homes;

Food: Food Stamps, sugar price supports, item pricing;

Regulatory: autonomy of Consumer Product Safety Commission, Federal Trade Commission's proposed used car rule, products liability "reform";

Economic: budget, tax package, "safe harbor leases";

Consumer Education: funding for the U.S. Office of Consumer Education;

Telecommunications: deregulation, local measured service, long distance rates;

Other: Consumer Coop Bank, industrial homework.

What follows in the next three sections suggests the range and character of our activity on these issues.

Lobbying

Seven staff members each lobbied the Hill on at least one issue. Their activities included:

Delivering 23 separate testimonies.

Submitting comments on natural gas decontrol and products liability to Congressional committees.

Sending our own letter to Congressmen on seven issues and a co-signed letter on more than 20 others.

Communicating individually hundreds of times with Congressmen and their staff members. On the sugar issue alone, 60 aides were called.

Taking leadership in organizing coalitions on seven issues -- the CPSC, interest rate preemption, natural gas decontrol, emergency oil preparedness, cash discounts, consumer education, and variable rate mortgages.

Developing analyses of several legislative and regulatory issues -- natural gas decontrol strategies, impact of variable rate mortgages, impact of Federal interest rate preemption, the Reaganization of regulatory agencies -- as well as those analyses published in "CFA News."

Grassroots Organizing

CFA staff continued to work with our membership network of state and local groups. In addition, we organized and maintained two extensive grassroots issue networks.

The Coalition for Consumer Education includes more than 1000 individuals who have been organized into statewide networks. In May, when the survival of the U.S. Office of Consumer Education was at stake, network members sent approximately 1000 letters and mail-grams to Congressmen as well as initiating as many as 60 phone calls to one Representative. During the summer, coordinators were recruited for 46 states, and in early November, these coordinators met in Washington for training in organizing, lobbying, and press relations. More recently, CFA secured funding allowing the Coalition to hire its own executive director.

The Consumer Product Safety Network includes more than 700 members. Organized initially to preserve the independence of the CPSC, the CPSN generated the first extensive grassroots support this

agency received in its nine-year history. More recently, network members have communicated with Senators on the food safety issue.

Public Education

CFA communications staff has gone beyond reacting to events to become newsmakers. Public education efforts included:

Extensive news coverage in the print media (see press clips).

Op ed pieces in the "New York Times" (oil decontrol), "Washington Post" (asbestos), and "Washington Star" (CPSC).

Editorials in the "Washington Post" and "St. Louis Post-Dispatch."

Coverage in "Time," "MacLeans," "Changing Times," "Good Housekeeping," "17 Magazine," and other periodicals.

Interviews on NBC, ABC, and CBS network news programs.

Interviews on the "Today Show" (interest rate preemption), "Inside Business" (sugar supports), and "CBS Morning" (assumable mortgages).

Three appearances on the "McNeil/Lehrer Report" ("Safe Harbor Leases," adjustable rate mortgages, All Saver's certificates) and one appearance on "It's Your Business" (bankruptcy "reform").

A public service announcement on conservation estimated to have reached more than 200 million television viewers.

The distribution of 23 national news releases as well as individualized releases to Congressional Districts.

Participation in Washington press conferences on the budget, adjustable rate mortgages, the Farm Bill, item pricing, the Mobile-Marathon merger, and the used car rule, and in press conferences in Virginia, Michigan, and Delaware.

Membership Services

This past year we expanded our services to member organizations. These included:

Consumer Assembly 81 including state and local how-to workshops and a state and local caucus meeting.

Nine issues of "CFA News" with its emphasis on analysis of issues.

15 issues of "Consumer Lobby Report," a new CFA publication with updates on legislative issues.

A NOW account pamphlet and manual prepared for the NRTA-American Association of Retired Persons, a member organization, and available to CFA member groups.

A manual on consumer issues for the Community Services Department of the AFL-CIO and two regional institutes training union leaders as consumer counsellors.

The State and Local Resource Center provided a wide range of services to state and local advocacy groups:

Responded to more than 400 requests for information.

Consulted on 45 occasions with state and local leaders.

Sent bi-weekly mailings with information on issues, jobs, publications, funding opportunities.

Spoke at meetings held by state and local groups in Michigan, Virginia, Pennsylvania, and North Carolina.

Prepared special publications on Federal funding sources and essential sources of information for grassroots groups, both published by the Consumer Education Resource Network (CERN).

Brokered grants and contracts worth \$70,000 to state and local groups.

Administration

CFA has made progress improving its staff, financial base, and administrative efficiency.

Staff members work in one of three areas -- legislative, information, or administration. Legislative Director David Greenberg and Legislative Representative Ed Greelegs do most of our lobbying. The remainder is conducted by me, Energy Specialist Ann Lower, researcher Edith Furst, Legislative Aide Agnes Tabah, and legislative interns. In her role as Information Director, Ann also directs our press work, services state and local groups, and publishes the "Consumer Lobby Report." Anne Averyt edits the "CFA News" and manages the Information Service. Admin. Director Karen Eppsteiner coordinates our resource development and special events. Administrative Assistant Debbie Poor handles the bookkeeping and does secretarial work on legislative issues. Secretary Lydia Grogan answers the phone and does secretarial work on administrative matters.

CFA's gross income of approximately \$370,000 was the highest in its history and \$50,000 more than what was projected at the beginning of the year, while expenses totalled only \$320,000. This allowed

the creation of a reserve fund that was invested in an institutional money market fund. It also permitted the addition of new staff members though salaries remain at a fairly low level. (The top salary paid was \$22,300, and two staff members drew only two-thirds of their salaries.)

In April CFA moved its offices to a building on 14th Street just above Thomas Circle. Located in a changing neighborhood, the new office can accommodate up to 18 persons and will save CFA an estimated \$100,000 in rent over the next five years. Shortly before this, CFA cut xerox costs by two-thirds by purchasing its own machine. In the fall, we began to computerize all our lists, thus gaining the capability of speedily mailing individualized or personalized letters to more than 6000 individuals.