

Consumer Federation
of America



1983

ANNUAL REPORT

Consumer Federation of America

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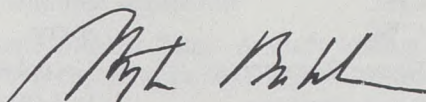
President: *Ellen Haas*
Executive Director: *Stephen Brobeck*
Legislative Director: *David Greenberg*
Administrative Director: *Karen Eppsteiner*
Legislative Representative: *Glenn Nishimura*
Product Safety Director: *Anne C. Averyt*
Public Affairs Director: *Jack Gillis*
Product Safety Coordinator: *Edith Furst*
Secretary: *Lydia Rivera Grogan*
Secretary: *Marcia Stickle*
Administrative Assistant: *Miguel Carpio*

Dear CFA Member,

I am pleased to submit the following report on CFA's activities and accomplishments in 1983.

During the year, we expanded our legislative and regulatory advocacy, conducting multi-faceted campaigns on a half-dozen top priority issues, as well as working on more than 40 others. In addition, we prepared an unprecedented number of advocacy and informational publications to advance our issues and, in the case of *The Product Safety Book*, to supplement income sources which generated record revenues. Finally, we continued to offer a variety of member services ranging from publications to an information hotline to Consumer Assembly.

All of this, however, would not have been possible without your generous support. I and the rest of the CFA staff look forward to working with you in this critical election year.



Stephen Brobeck
Executive Director
February 18, 1984

Overview

"On Capitol Hill, where producer interests once reigned, now the consumer is King. . . . Whenever a widespread consumer interest is perceived to be at stake, increasingly it seems to prevail."

Fortune, November 14, 1983

While the editors of *Fortune* may have exaggerated the legislative clout of the Consumer Movement, there is no question that, in its first session, the 98th Congress paid more regard to the consumer interest than did its recent predecessors. This Congressional concern was reflected primarily in opposition to anti-consumer special interest legislation—bills which would have preempted state usury ceilings, decontrolled natural gas prices, overridden state product liability statutes, extended drug patents, gutted the Delaney Amendment, and penalized communities with rent control, among other measures. It was also expressed in the rejection of anti-consumer Administration initiatives such as imposing access charges on residential phone users and eliminating Federal funding for legal services programs. CFA played an active role on most of these and other legislative issues.

But beyond these defensive actions, the federation helped mobilize support for new consumer protections including formaldehyde warning labels on pressed wood products, standby credit control authority, and auto theft protection. Despite the absence of any striking victories, progress was made on each of these issues as well as on other consumer initiatives.

Strategies

CFA utilized a diverse array of advocacy strategies in our defense of the consumer interest. What follows is a sampling of the activities we pursued to follow up each strategy.

1. CONGRESSIONAL AND REGULATORY LOBBYING

Five staff members, backed by researchers, interns, and support staff, lobbied Congress and consumer regulatory agencies. Most of their time was spent talking to Congressmen, to their staff, and to regulators. The following list of testimonies submitted to Congress and to Federal agencies suggests the extent of our lobbying activities.

Month	Committee/Agency	Witness	Issue
January	CPSC	Averyt	Kerosene Heaters
	CPSC	Averyt	6b Regulation
February	Senate Commerce	Greenberg	CPSC Reauthorization
March	Senate Banking	Nishimura	Interest Rates
	Senate Energy	Greenberg	Natural Gas Decontrol
	Senate Commerce	Greenberg	FTC Advertising Exemption
	CPSC	Averyt	Child-Resistant Caps
April	House Commerce	Greenberg	CPSC Reauthorization
	Senate Banking	Nishimura	Usury Preemption
	Senate Commerce	Greenberg	Product Liability
	House Commerce	Greenberg	CWIP
May	House Banking	Brobeck	Interest Rates
	CPSC	Brobeck	Tenth Anniversary
June	Senate Banking	Nishimura	Banking Deregulation
	House Banking	Brobeck	Interest Rates
	House Commerce	Peterson	Drug Patents
	CPSC	Brobeck	1985 Priorities
	FTC	Greenberg	Credit Practices
July	House Commerce	Brobeck	Capital Formation
	House Gov't. Operations	Richardson	FCC Access Charge
	ICC	Greenberg	Coal Rail Rates
August	ITC	Greenberg	International Counterfeiting
October	Joint Economic Committee	Richardson	FCC Access Charge
	CPSC	Averyt	Hazardous Exports
December	House Banking	Nishimura	Demand Deposits

2. COALITION AND GRASSROOTS NETWORK BUILDING

CFA's unique character as a federation of national, state, and local organizations provided numerous opportunities to help build and maintain Washington-based legislative coalitions and grassroots advocacy networks.

CFA organized a coalition of consumer groups that met periodically to coordinate lobbying in support of the reauthorization of the Consumer Product Safety Commission. We recruited several dozen state and local groups who signed a letter to the House on this issue. And we rebuilt our Consumer Product Safety Network and mailed two legislative alerts to its 1000 members.

CFA coordinated the National Council for Low Interest Rates, setting up coalition meetings, preparing informational mailings to members, and performing other essential maintenance. In addition, we played a key role in the development of coalition strategies, in the preparation of advocacy studies, and in the lobbying of Congressmen and Congressional staff. Also in the banking area, CFA mailed information on usury preemption to 450 state and local activists.

CFA's unique role on telephone issues was networking among CFA member groups in Washington and at the grassroots. We helped put together a diverse coalition of consumer advocacy groups, rural phone cooperatives, and labor unions. We also developed a state and local network of several dozen groups to whom we mailed information on a regular basis.

Besides taking the lead on these issues, we participated in several dozen other legislative coalitions on issues ranging from sugar price supports to gas decontrol to auto theft.

3. PUBLIC EDUCATION: PUBLICATIONS

CFA staff prepared or contributed to a number of studies demonstrating the need for new legislation or the preservation of existing consumer protections. Each of the following publications was covered by the news media.

CFA's 1982 Congressional Voting Record—A record of how Congress voted on consumer issues together with an analysis of patterns and trends.

On the Safe Track: Deaths and Injuries Before and After the CPSC—A report on the relation between CPSC regulations and related deaths and injuries, released to support our campaign to increase the CPSC's funding.

Consumer Costs of Automobile Theft—An analysis of direct and indirect theft-related costs to consumers, prepared to support anti-theft legislation.

International Bank Lending and Domestic Interest Rates—A study linking high interest rates in 1981 and 1982 with massive foreign lending by U.S. banks, released to support the legislative agenda of the NCLIR.

Check Holds as a Consumer Problem—An article on the issue of check holds for the *Detroit Free Press*, written to support legislation requiring disclosure of check holding policies.

Critique of Shell Oil's Analysis of Gas Decontrol Impacts—A critical review of Shell's projections of the consumer impacts of natural gas price decontrol, completed to oppose legislation for decontrolling gas prices.

Reaganomics is Hazardous to Your Health—Year Two—An evaluation of the consumer impact of the Administration's economic and regulatory policies by several consumer groups including CFA.

The Product Safety Book—A 441-page encyclopedia of consumer product safety with 700 entries which identify product hazards, recommend consumer precautions, describe government and voluntary standards, and list some 2000 potentially unsafe models.

Your Savings Options—A pamphlet describing seven bank and non-bank options for savers which recommends guidelines for evaluating these options.

Report on the Status of the Grassroots Consumer Movement—A description of state and local consumer groups in terms of their geographic distribution, issue priorities, age, and membership.

CPS Newsletter—Three issues of this product safety newsletter provided information on the activities of the CPSC, FDA, and NHTSA.

4. PUBLIC EDUCATION: PRESS

As well as reacting to the news, CFA helped make it. We generated considerable print and electronic media coverage through press briefings and the release of studies and other advocacy documents. Press related activities included:

Issuing 21 press releases.

Holding press conferences on the Congressional Voting Record, on auto theft, on the CPSC, and on phone access charges. Participating in several other press conferences.

Appearing on "The MacNeil-Lehrer Report" twice, and being interviewed by network news programs—CBS twice, ABC twice, and NBC twice.

Being interviewed several dozen times by national radio networks and on local television news programs.

Contributing to and being quoted in articles in *National Journal*, *Congressional Quarterly*, *Changing Times*, *Washington Monthly*, *Business Week*, *New York Times*, *Wall Street Journal*, *Washington Post*, and more than 100 other newspapers.

Issues

In 1983, the CFA staff worked on more than 50 issues, but gave special attention to six. The following chronological outline of our activities on each of these half-dozen illustrates how we combined different strategies in developing major legislative or regulatory campaigns. While the chronologies note only major activities, omitting numerous meetings, phone calls, and correspondence, they reveal the scope and character of our advocacy on CFA's highest priority issues.

REAUTHORIZATION OF THE CONSUMER PRODUCT SAFETY COMMISSION

Background: CFA supported House legislation providing a longer authorization, additional power, and increased funding, and opposed the attachment of a Levitas amendment which would have required Congress to approve, by an affirmative vote, all new rules and regulations. At the end of the year, Congress passed an appropriation bill providing one year's funding that did not contain the Levitas amendment.

<i>January</i>	Discussion with friends on Hill and in CPSC about strategies. CFA memo on strategy prepared.
<i>February</i>	Consumer coalition organized (met throughout the year). Testimony before Senate Commerce Committee. Meetings with Senate Commerce Committee staffers. Meeting with House Energy and Commerce subcommittee staffers.
<i>March</i>	Editorial campaign targeting 30 Congressional Districts initiated. Senate Commerce Committee staffers lobbied. Strategy meetings with Rep. Waxman's subcommittee staff.
<i>April</i>	Testimony before House Energy and Commerce subcommittee. House subcommittee members lobbied. House Energy and Commerce Committee members lobbied. Press informed about special interest effort to add key restriction on CPSC legislation.
<i>May</i>	House Commerce Committee members lobbied. Senate Commerce Committee members lobbied.
<i>June</i>	Letter from CFA member groups sent to House. Calls to 120 Congressional offices orchestrated. Press briefed on Levitas amendment.
<i>July</i>	Strategies for defeating Levitas developed.
<i>August</i>	Op ed essay on the CPSC and Levitas submitted to <i>Washington Post</i> and <i>New York Times</i> . Legislative alert sent to 1000 members of Consumer Product Safety Network.
<i>September</i>	Report on CPSC benefits released at a press conference. Report and covering letter mailed to 250 editorial writers.

LOW INTEREST RATES

- Background:* CFA worked with the National Council for Low Interest Rates (NCLIR) in support of credit control legislation designed to lower interest rates. We also continued to oppose efforts by banks to persuade Congress to preempt state usury limits.
- January* Meetings with NCLIR to plan 83 strategies.
Meetings with House Banking Committee staffers.
Reports prepared on merger, foreclosure, and bank bail-out legislation.
Strategy paper prepared.
- February* Debate with bankers on "The MacNeil-Lehrer Report."
Meetings with House Banking Committee staffers.
NCLIR memos prepared.
Meeting with consumer groups.
- March* NCLIR meeting organized.
NCLIR memos prepared.
NCLIR meeting with Rep. La Falce.
Mailing to state and local activists to develop grassroots network.
Testimony before a Senate Banking subcommittee.
- April* NCLIR mailing prepared.
Statement on NCLIR legislative priorities prepared.
Meeting with Sen. Humphrey's staff.
Testimony before Senate Banking Committee.
Mailing to 450 state and local activists.
Press release prepared.
- May* Meeting with House Speaker O'Neill.
Meeting with Rep. La Falce staffers.
Senate Banking Committee staffers lobbied.
Phone calls to state and local activists to generate opposition to preemption.
Testimony before a House Banking subcommittee.
- June* Study on foreign lending and domestic credit markets released.
Testimony before a House Banking subcommittee.
House Banking subcommittee members lobbied.
Testimony before Senate Banking Committee.
- July* Testimony before a House Energy and Commerce subcommittee.
House Banking subcommittee staffers lobbied.
NCLIR meeting organized.
- August* NCLIR strategy meeting organized.
NCLIR analysis of current conditions edited and produced, then released to press.
- September* NCLIR steering committee meeting organized.
Meeting with Rep. Vento staffers.
- October* Testimony before a House Banking subcommittee.
- November* NCLIR steering committee meeting organized.
Meetings with NCLIR members on 1984 strategies.

PREEMPTION OF STATE PRODUCT LIABILITY STATUTES

- Background:* CFA opposed the preemption of state product liability statutes by Congress unless strong national standards were adopted.
- January* Opposition representatives debated on BIZ-NET.
Meetings with Congressional staffers.
- February* Labor representatives lobbied.
Women's group representatives briefed.
Meeting with Congressional staffers.
Meeting with allied groups.

<i>March</i>	Meetings with allied groups.
<i>April</i>	Testimony before the Senate Commerce Committee. Sen. Kasten debated on "Good Morning America." Labor representatives briefed. Meetings with allied groups.
<i>May</i>	Sen. Kasten debated on "The MacNeil-Lehrer Report." Congressional staffers lobbied. Asbestos Litigation Group briefed. Strategies developed with allied groups.
<i>June</i>	Letter sent to Senate Commerce Committee. Kasten bill critiqued. House legislation analyzed. California trial lawyers briefed.
<i>August</i>	Meeting with Sen. Gorton's staff. Coalition meeting attended. Meeting with opposition representatives.
<i>September</i>	Senate staffers advised on Gorton amendment to Kasten bill. Senate Commerce Committee staff lobbied.
<i>October</i>	House Energy and Commerce subcommittee staffers assisted in drafting legislation on product liability for toxic chemicals. Letters sent to Senate Commerce Committee members.
<i>November</i>	Revised version of Kasten bill critiqued. Meetings with Senate Commerce Committee staffers.
<i>December</i>	January product liability conference planned.

TELEPHONE DIVESTITURE

<i>Background:</i>	<i>CFA supported Congressional legislation rescinding access charges imposed on consumers by the Federal Communications Commission as well as serving as a clearing-house of information on state and local responses to divestiture.</i>
<i>January</i>	Several CFA staff and other consumer leaders meet with AT&T about their plans for divestiture.
<i>June</i>	State and local Board members urge staff to make phones a priority issue.
<i>July</i>	Testimony before a House Government Operations subcommittee on access charges. Strategy discussions begun. Information mailed to state and local activists.
<i>August</i>	Consumer coalition meetings attended. Coalition of consumer groups and phone cooperatives organized. Information mailed to state and local activists.
<i>September</i>	Statement given at National Governors Association. Statement made at a press conference. Meetings held with Rep. Waxman and Sen. Packwood. Coalition meeting attended. Legislative update sent to state and local activists.
<i>October</i>	Statement made at press conference. Coalition meetings attended. House and Senate staffers lobbied. Letter sent to House members. Testimony delivered before Joint Economic Committee. Informational mailings sent to state and local activists. State and local activists called for assistance on lobbying.

- November* Letter sent to members of Senate.
Congressmen and staffers lobbied.
Meetings held with Senate Commerce Committee staff.
Meetings of coalitions attended.
- December* Press conference featuring state and local activists organized.
Teleconference on phone issues organized.
Coalition meetings attended.
Informational mailings sent to state and local activists.

FORMALDEHYDE TOXICITY

- Background:* *Throughout the year, CFA pressed the CPSC and other regulatory agencies to continue investigating formaldehyde-related hazards, to require warning labels, and to consider establishing limits on "off-gassing" levels. Our advocacy was complicated by a Circuit Court decision overturning the CPSC's ban on urea formaldehyde foam insulation.*
- January* Petition submitted to the FTC and released to the press.
FOIA request submitted to the FTC.
CPSC meeting on formaldehyde in pressed wood products attended.
- February* Formaldehyde complaints forwarded to the CPSC.
Information packets sent to formaldehyde victims.
- March* Meeting with FTC staff on our petition.
- April* Press release on formaldehyde in cosmetics issued.
- May* Formaldehyde conference organized and held.
- June* Meeting with FTC's Director of Consumer Protection on our petition.
- July* Press release on formaldehyde in nail hardeners issued.
- September* Letter sent to CPSC commissioners on redress for victims.
Questionnaire developed and sent to 80 victims.
Meeting with mobile home manufacturers on warning notices.
Entered lawsuit as lead counsel.
- October* Consensus conference attended.
Letter sent to CPSC urging them to support HUD's proposed mobile home rule.
Meeting with CPSC commissioners or their staff on the rule.
- November* Speech to members of Formaldehyde Institute.
Meeting with mobile home manufacturers on warning notices.
Work begun on formaldehyde pamphlet.
- December* Meeting with mobile home manufacturers on warning notices.

NATURAL GAS PRICE DECONTROL

- Background:* *CFA opposed efforts by large gas producers and the Administration to decontrol all gas prices, especially controls on old gas. Our opposition was directed at following up our 1982 study of decontrol impacts and participating in a consumer-labor coalition.*
- January* Response to FERC on potential overcharges prepared.
- February* Meeting with House Energy and Commerce subcommittee staff on potential overcharges.
Coalition meeting attended.
- March* Testimony delivered before Senate Energy Committee.
Coalition meetings attended.
Press statement issued.

<i>April</i>	Letter sent to Senate Energy Committee members. Committee staff lobbied. Coalition meeting attended. Grassroots support organized from two states.
<i>May</i>	Critique of industry study prepared and released to press. Senate Energy Committee lobbied.
<i>June</i>	Meeting with House Energy and Commerce subcommittee staff on CFA critique. Meeting with industry opponents of decontrol. Grassroots support in Congressional Districts developed.
<i>July</i>	Meeting with Rep. Dingell staffer.
<i>September</i>	Meetings with Rep. Leland and House Energy and Commerce Committee staff. Coalition meeting attended.
<i>October</i>	Meetings with AGA and with APPA on contract carriage provisions. Coalition meeting attended.
<i>November</i>	Two key Congressmen lobbied.

MEMBER SERVICES

Conferences/Meetings

The 1983 Annual Meeting, where CFA member representatives had opportunities to elect the Board of Directors and vote on CFA policies.

Consumer Assembly '83, featuring keynote speeches by Senators Bob Packwood and Ernest Hollings, by several House leaders, by pollster Lou Harris, by several federal regulators, and by many national and grassroots consumer leaders.

A formaldehyde conference, in which consumer leaders, regulators, scientists, and business representatives discussed the risks of formaldehyde in consumer products and strategies for reducing these risks.

An electric utility conference, co-sponsored with the Edison Electric Institute, which focused on such issues of mutual concern as low-income energy needs, citizen participation, and cost control options.

A regional electric utility conference, which led to the organization of a Houston-area coalition of cities, community groups, and business to promote the weatherization of low-income housing units.

The 1983 Awards Dinner honoring Senator Claiborne Pell, Representative Henry Waxman, Representative Ben Rosenthal (post-humously), Operating Engineers President J. C. Turner, and *Washington Post* reporter Molly Sinclair.

Publications

CFAnews (7 issues)

Consumer Lobby Report (6 issues)

CFA's 1983 Policy Resolutions

CFA's 1982 Congressional Voting Record

State and Local Resource Center

Responses to several hundred informational requests.

Monthly mailings with information on issues, jobs, funding opportunities, and group news.

State and local workshops at Consumer Assembly.

State and Local Consumer Directory, a listing of some 400 grassroots consumer groups.

Grants and contracts worth \$25,000 to state and local groups.

A teleconference on phone issues in which 20 state and local phone advocates participated.

FINANCES

1983 was a good year financially. Income exceeded expenses by \$56,317, so by year's end current assets had risen to \$153,680. Major new income sources were the \$25,000 advance for *The Product Safety Book* and conference revenues.

	1982	1983
Revenues	\$290,284	\$342,693
Expenses	283,463	286,376
Surplus	6,821	56,317
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Total Current Assets (end of year)	<u>\$ 98,030</u>	<u>\$153,680</u>

MEMORANDUM

TO : [Illegible]

FROM : [Illegible]

SUBJECT : [Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

[Illegible]

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