



file

U.S. Office of Consumer Affairs

June 11, 1993

MEMORANDUM FOR: CAROL RASCO

FROM:

PATRICIA FALEY *PF*
ACTING DIRECTOR

Consumer Affairs

SUBJECT:

WEEKLY REPORT TO THE WHITE HOUSE

CONGRESSIONAL EXPO

On June 14, USOCA's Constituent Resource Exposition will be held in the House Cannon Caucus Room from 10:00 a.m. to 3:00 p.m. The Expo allows Congressional staffers not only to meet representatives from the various Federal agencies but to get information on how government agencies can assist Congressional offices in better serving their constituents. Ms. Herman advised USOCA that she wanted to come to the Expo, and we are pleased that she will be attending.

CONSUMER GROUPS' CONCERNS

During the past couple of weeks, we have been hearing "rumblings" from major national consumer organizations that highly placed people within these groups privately are expressing concern about the President's lack of attention to appointments at the Federal consumer protection agencies and offices. Apparently, they view this inaction as potentially leading to embarrassment for the Administration regarding consumer protection policy.

EDUCATION EFFORT ON HEALTH CARE REFORM

On June 9, we met with representatives from the National Consumers League (NCL), the nation's oldest and one of its most respected consumer organizations, and agreed to cosponsor a major consumer education effort to explain the benefits to consumers of the President's health care reform proposals. NCL feels we can also recruit a major labor union and a private sector entity as cosponsors of this effort. In preparing educational materials, we will need the White House's direction and advice on participation and content. Please let us know with whom we should coordinate this effort.

CONSUMER'S RESOURCE HANDBOOK

Enclosed is a copy of the last edition of the Consumer's Resource Handbook, published during the Bush administration. This publication has become the most widely used consumer reference in the United States and is perceived by consumer organizations and the Congress as one of our most important functions. We are in the process of our biennial update of the Handbook, but are unable to fully fund the reprint, in part because of the Department of Health and Human Services' reduction in our current-year personnel and budget, and because the gift acceptance authority Congress has granted us only allows our Director to solicit from the private sector the additional funds needed to re-publish it. The popularity of the Handbook raises the likelihood that the shortfall in copies will become a public issue. For the time being, we are revising the content and the design of the Handbook. We would welcome White House input as to the publishing shortfall.

MEETING WITH SPECIAL INTEREST GROUPS

On June 10, we attended a morning meeting with representatives of Families USA and an afternoon meeting with Phyllis Greenberger, Executive Director of the Society for the Advancement of Women's Health Research. Both meetings were initial get-to-know-you sessions and were quite helpful for us.

HEALTH CARE INFORMATION PRIVACY STUDY

On June 9, we met with HHS officials and Dr. Alan Westin of Equifax corporation concerning the survey Equifax and Louis Harris and Associates will conduct on public attitudes on health care information privacy and confidentiality issues. Dr. Westin asked USOCA to assist in the study, as well as cosponsor the national conference in the fall. If you would be interested in meeting with Equifax representatives to discuss this matter, please let us know.

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THE WHITE HOUSE

WASHINGTON

April 2, 1993

MEMORANDUM FOR CAROL RASCO AND BERNARD NUSSBAUM

FROM: HOWARD G. PASTER *HP*

SUBJECT: Consumer Product Safety Commission

Attached is information concerning the Consumer Product Safety Commission, which was sent to me by Senator Paul Wellstone, and which I send to you for your information. *file*

Attachments



ALAN H. SCHOEM
DIRECTOR
DIVISION OF ADMINISTRATIVE LITIGATION

CONSUMER PRODUCT
SAFETY COMMISSION

5401 WESTBARD AVENUE
BETHESDA, MARYLAND 20207
(301) 492-6626



Alan H. Schoem
LEGIS Fellow

Senator Paul D. Wellstone
Minnesota

702 Hart Building
Washington, D.C. 20510
(202) 224-5641

THE WHITE HOUSE
WASHINGTON

April 2, 1993

Dear Senator Wellstone:

Thank you for sharing with me the work of Alan Schoem concerning the Consumer Product Safety Commission.

I have taken the liberty of sharing his information with other members of the White House staff.

If I can be of further assistance, please do not hesitate to contact me.

With best wishes,

Sincerely,



Howard G. Paster
Assistant to the President
for Legislative Affairs

The Honorable Paul David Wellstone
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

April 2, 1993

Dear Mr. Schoem:

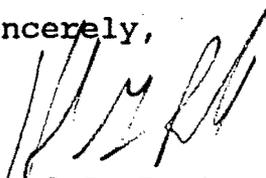
Thank you for the information you have provided us concerning the Consumer Product Safety Commission.

I share your regard for the work that can be accomplished by a dedicated and committed Commission. I have shared your package with other members of the White House senior staff so that they too can benefit from your work.

Thanks, again, for your insightful data.

With best wishes,

Sincerely,



Howard G. Paster
Assistant to the President
for Legislative Affairs

Mr. Alan H. Schoem
Office of Senator Wellstone
United States Senate
Washington, D.C. 20510

PAUL D. WELLSTONE
MINNESOTA

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United States Senate

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COMMITTEES:
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LABOR AND HUMAN RESOURCES
SMALL BUSINESS
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*to NLE letter
Sen Acknow
NLE letter to
SLH on Committee
Send to staff
RASC, Nashburn
JH*

March 17, 1993

Mr. Howard Paster
Director of Legislative Affairs
The White House
West Wing, Second Floor
Washington, D.C. 20500

Dear Howard:

I am forwarding you a memo and a letter from Alan H. Schoem who is currently a legislative fellow in my office.

A lawyer with the U.S. Consumer Product Safety Commission, Alan has done outstanding work in my office. Let me say that he cares deeply about the agency, is dedicated to excellence and exemplifies the best qualities of a committed public servant.

I was impressed with the information that Alan provided about this important agency and wanted to share it with you.

All the best.

Sincerely,

Paul D. Wellstone
United States Senator

PDW:mg

Enclosure

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M E M O R A N D U M

TO: The White House

FROM: Alan H. Schoem, Consumer Product Safety
Commission *Alan Schoem*

SUBJECT: U.S. Consumer Product Safety Commission

DATE: March 17, 1993

The U.S. Consumer Product Safety Commission (CPSC) is an independent federal regulatory agency created by Congress in 1972 (15 U.S.C. 2051 et seq.). It has an extremely critical mission - to protect the public against unreasonable risks of injury associated with consumer products. It is responsible for the safety of more than 15,000 consumer products associated with nearly 22,000 deaths and 29 million injuries each year. It has the authority, among other things, to establish mandatory safety standards, ban products for which no reasonable standard can be developed, and seek the recall of products that present a substantial risk of injury to the public.

Although Reagan/Bush budget and staff cuts have crippled this important safety agency, it retains the potential to be an effective consumer product safety agency and an advocate for public health and safety. More than anything else, however, the CPSC needs an infusion of strong, effective leadership committed to the pursuit of product safety. At present, the Commission consists of three Bush appointees, one of whom continues to serve until a successor is confirmed.

As discussed in the attached (1) remarks before the Consumer Federation of America's Consumer Assembly by David Pittle, Technical Director and Vice President of Consumers Union, (2) article from the National Journal, and (3) January 29, 1993, letter from major consumer organizations, the Commission is in desperate need of new leadership. It needs a committed Chairman and Commissioners that understand and believe in the purposes and mission of the Commission. With effective leadership, the Commission once again can perform its vital safety mission.

January 29, 1993

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

As organizations committed to the prevention of deaths, injuries and illnesses and the protection of consumers from dangerous products, we are writing to strongly urge you to proceed expeditiously in appointing a new Chairman of the Consumer Product Safety Commission (CPSC) and in filling other vacancies on the Commission.

Although one of the smaller federal government agencies, CPSC has a vitally important public mission--protecting consumers from hazards associated with the more than 15,000 different consumer products within its jurisdiction. Each year 21,600 consumers die and 28.5 million are injured in incidents involving consumer products, costing our nation billions of dollars.

During the past two administrations, the CPSC floundered and almost died. Many of our organizations fought to keep the agency from being abolished in 1981. We have been less successful in fending off massive budget and staff cuts. The greatest problem throughout the last 12 years, however, has been the lack of leadership and commitment to product safety by the Chairman and Commissioners appointed by your predecessors.

CPSC staff morale is at an all-time low and the Commission's willingness to exercise its regulatory powers is virtually nonexistent. Consumer product safety has become a paradox -- while the CPSC has become more and more ineffectual, American consumers want, more than ever, safe products for their families. Protecting children and older persons top the list of concerns.

For these reasons, we strongly urge you to appoint a new Chairman and evaluate the possibility of making additional appointments to establish a majority of Commissioners at the agency who are committed to product safety. We also urge that your appointees to the CPSC be individuals whose records demonstrate real dedication to the goals of achieving product safety and strong qualifications to accomplish those goals. These appointments could make a significant difference very quickly. Early action on your part could begin the important work needed to reestablish CPSC as a bona fide consumer protection agency and promoter of public health and safety.

page two

Thank you for your consideration of our request concerning this vital health and safety agency. We look forward to working with you and those in your administration to help protect Americans from needless deaths and injuries.

Sincerely,

Alliance to End Childhood Lead Poisoning

American Academy of Pediatrics

American Association of Critical Care Nurses

American Association of Retired Persons

American Lung Association

American Nurses Association

American Public Health Association

American Trauma Foundation

Americans for Democratic Action

Arizona Consumers Council

Arizona PIRG

California PIRG

Center for Science in the Public Interest

Colorado PIRG

Connecticut PIRG

Consumer Action-San Francisco

Consumer Federation of America

Consumer Federation of California

Consumers Union

Empire State Consumer Association

page three.

Environmental Defense Fund

Harborview Injury Prevention and Research Center

Illinois Citizen Action

Institute for Injury Reduction

Louisiana Consumers League

Massachusetts Consumer Association

Massachusetts PIRG

Michigan Consumer Federation

Minnesota PIRG

National Association of Children's Hospitals and Related
Institutions

National Consumers League

National SAFE KIDS Campaign

New Jersey PIRG

New Mexico PIRG

New York PIRG

Oregon PIRG

Public Citizen's Congress Watch

Safety Attorneys Federation

The Danny Foundation

U.S. Public Interest Research Group

Wisconsin Consumers League

THE GRINCH THAT STOLE THE CPSC

OK, it's the holidays again, and parents are fighting traffic snarls in mall-land to load up on toys for the little ones, who are suddenly on their best behavior.

Maybe a few purchasers will consult the Grinch-like "Trouble in Toyland," the annual report on unsafe toys put out by the U.S. Public Interest Research Group. This year's version contains the usual list of playthings that pose choking hazards or other dangers too terrible to think about.

But product safety concerns won't disappear when the December toy-fest is over. Critics say it's time to give the Consumer Product Safety Commission (CPSC) a wake-up call. Since 1981, when then-budget czar Dave Stockman made it clear he'd like to kill the agency, the CPSC's budget has been halved, and its cadre of staff attorneys has felt even deeper cuts. Amendments to the CPSC charter in 1981 required it to place greater reliance on voluntary industry standards; that, plus hostile commission appointments, virtually put the agency on ice.

"Between Reagan and Bush they have taken away the resources to do an adequate job," said R. David Pittle, who was a commissioner under four Presidents and now works for Consumers Union of United States Inc.

The commission, established during the Nixon Administration, had a pretty good track record for a while. Thanks to CPSC action, kids now have flame-retardant sleepwear, chain saws are safer and aerosol cans are less hazardous. Slats on cribs are spaced to prevent babies' strangling to death. Injuries from the blades of rotary lawnmowers, which once stood at about 80,000 a year, are down dramatically after the CPSC ordered design changes.

Commissioners used to seem committed to the CPSC's mission. Commerce Secretary Barbara Franklin was a commissioner from 1973-79 and by most accounts was a good one. But ideology became more of a membership criterion in the 1980s. Stuart Statler, a Republican appointed to the CPSC in 1979 by President Carter, was originally perceived as leaning steeply to the right. By the time he left in 1986, he was thought of as practically a raving liberal—without ever changing his views. Statler said that by the end of his tenure, the agency had virtually stopped doing its job: "protecting children, protecting the elderly, properly monitoring the marketplace, getting unsafe products off the market, effectively educating the public."

Sometimes, the CPSC acted only because Congress forced it to. In 1988, lawmakers ordered a ban on lawn darts after the CPSC had studied the dangerous game for more than a decade. In 1990, Congress told the commission to issue mandatory safety standards for automatic garage door openers.

Otherwise, critics say, the panel seldom wields its enforcement stick. Take all-terrain vehicles (ATVs). Though there have been nearly 1,000 deaths from the balloon-tired contraptions since 1982, the commission declined to order a recall and instead entered a settlement with manufacturers, who agreed to stop marketing ATVs to kids and to halt production of three-



wheeled models. But groups such as the Consumer Federation of America say the four-wheelers are unstable too, and the CPSC itself found that many dealers ignore the age restrictions.

Because the commission has failed to act, some states have taken matters into their own hands. An example: the five-gallon buckets used for packaging paint, gypsum, food products and other items. People take the buckets home when they're empty. But statistics show that one child a week falls into such a bucket and drowns, often in just a few inches of liquid.

Despite staff recommendations to the contrary, the CPSC decided to rely on industry to develop a voluntary warning label for buckets. California jumped ahead, passing a law this year requiring bucket labels in English and Spanish. A California activist who helped pass the law is now on the panel developing the national warning label. But it's already clear that manufacturers aren't willing to make the label bilingual, even though 14 per cent of the deaths have occurred in households where Spanish is the principal language.

Christmas toys are still an issue, too. Since 1980 the CPSC has required toys for kids under age 3 to have parts large enough that they don't pose a choking hazard. Knowing that kids often play with toys intended for older children, some manufacturers voluntarily label their toys "ages 3 and up." But many parents don't understand that the label is a safety warning; some activists have been trying for years to make the dangers clearer. The CPSC staff has told the commission that there is a strong case for tougher warnings. But in March the commission voted to terminate all its efforts on the issue.

In the absence of federal action, Connecticut's legislature passed a toy labeling law this year. Now, industry is suing—saying, ironically, that the matter should be addressed by the federal government.

Bill Clinton will get to fill one of the three slots on the commission: The term of commissioner Carol G. Dawson recently expired. But the term of CPSC chairwoman Jacqueline Jones-Smith will not expire until 1996. Democrats want her to give up the chairmanship and become a regular commissioner, but she seems unlikely to do so voluntarily. (The law that established the CPSC doesn't make clear whether Clinton can force her to make the change.) Jones-Smith is the wife of a prominent fund raiser for George Bush and a former Federal Election Commission staff attorney but had no special qualifications for the CPSC job.

This year, a House-passed reauthorization of the CPSC would have required the agency to act on toy labeling, bucket labeling and bicycle helmet safety standards. The bill died in the Senate, but the stage is set for another effort next year.

Maybe it won't be necessary; under Clinton, the CPSC may need fewer pushes from Congress. Advocates say that the agency doesn't need to break out of the gate with a bundle of new regulations—but it does need to let industry know that it's willing to use its power if necessary. Above all, that's what's been missing in recent years. ■

THE CONSUMER ASSEMBLY 1993

PRODUCT SAFETY: A CONSUMER AGENDA

Presented By
R. David Pittle, Ph.D.
Technical Director
Consumers Union of United States

*Consumers Union is a nonprofit membership organization chartered in 1936 under the laws of the State of New York to provide consumers with information, education and counsel about goods, services, health, and personal finance; and to initiate and cooperate with individual and group efforts to maintain and enhance the quality of life for consumers. Consumers Union's income is derived from the sale of Consumer Reports, its other publications and from nonrestrictive, noncommercial contributions, grants and fees. In addition to reports on Consumers Union's own product testing, Consumer Reports with approximately 5 million paid circulation, regularly carries articles on health, product safety, marketplace economics and legislative, judicial and regulatory actions which affect consumer welfare. Consumers Union's publications carry no advertising and receive no commercial support.

CONSUMER ASSEMBLY --
March 11, 1993

It seems like only yesterday that I stood here at the podium at Consumer Assembly, trying to sort through the rubble after two years of the Reagan Administration's assault on government. From my recollection, "shell shock" describes the scene quite well.

Although we survived the last 10 years, things were awfully tough for consumer protection programs. The administrations of Reagan and Bush were either destructive or indifferent. Budgets were slashed, RIFs were used to shrink agency clout, and proposals for health and safety regulations languished in OMB undergoing endless review (read straitjacket), frustrating the agencies while disregarding the urgent needs of consumers.

I will spend a few moments reminding you of what happened at CPSC since then because it is important to keep the memory green. Then I will describe what, in my opinion, needs to be considered by the Clinton administration to revive the CPSC, as it seeks to bring public service back to government amidst a vast complex of competing priorities.

The history is important because much of what needs to be done now is a direct result of the unrestrained, mean-spirited attacks levied against CPSC and other consumer protection agencies by

David Stockman, Murray Weidenbaum, and C. Boyden Gray, with Robert Kasten cheerleading in the Senate. For example, to set the tone for the then new administration, OMB Director Stockman insisted that the FTC and the CPSC were not consumer protection agencies but merely agencies built by "professional consumer activists," more interested in their theories of how to run the economy than protecting the consumer. In an early interview, he said:

They've created this whole facade of consumer protection in order to seize power in our society. I think part of the mission of this administration is to unmask and discredit that false ideology.

At the time, I wondered whether I would be hauled before an OMB Loyalty Board to be grilled about whether I was then or ever had been a member of a consumer group. Maybe they could even force me to name names.

Well, that was then and this is now. But the present state of CPSC is very much a result of the actions taken then. One of Stockman's first acts as OMB Director was to try to abolish CPSC, and failing that (thanks in large part to Henry Waxman), he slashed its budget and personnel levels far and away more than any other agency, and he hated them all. At that time, CPSC had a budget of \$42 million and a staff of nearly 900. Today, after

12 years of Reagan and Bush, its FY'93 staff numbers only 515, supported with a budget of \$42 million—but not the same \$42 million as 12 years ago. Today, CPSC is a shell of its former self. Yet the quality of life for consumers is vitally affected by CPSC's success or failure.

After draining the agency of its resources, the next step was to appoint commissioners who were openly hostile or just plain indifferent to CPSC's mission. Furthermore, none had any training or experience in the area of product safety, and they exhibited little interest in learning. In short, it was used as a dumping ground for political allies.

The lack of commitment and leadership by the commissioners has been by far the most successful tactic for crippling the agency. Fortunately, the staff who remain are dedicated and resourceful, and have been vigorously enforcing existing safety standards and recall programs to the extent their limited numbers permit, usually without the support of the commissioners.

The end result has been a decade of inattention to protecting consumers from dangerous products. There is no good reason why hundreds of deaths and tens of thousands of injuries have occurred to kids from the use of all-terrain vehicles—and it's still going on. There is no good reason why hundreds of infants have drowned while playing in and around 5 gallon buckets—and

it's still going on. And there is no good reason why the public is denied access to safety information in the commission's files without agency staff spending months slogging through the swamp known as section 6(b)—and it's still going on.

The voices from the marketplace say that consumers need better treatment where their health and safety are concerned. The voices from the emergency rooms, the surgeons, the coroners, the pediatricians, all ask why can't predictable hazards be reduced or eliminated. Less repair, less pain, less blame, more prevention--that's what we need. CPSC has the authority to make these changes, and when it does not fulfill its mandate, it is criticized—but consumers are injured or killed.

To become once again a pro-active consumer protection agency—as the public needs and deserves—CPSC needs support in four areas:

- strong public support from the President that product safety is important,
- a budget increase of at least \$13 million (\$42.1 million to \$55 million),
- reauthorization legislation that corrects wrong-headed amendments imposed in the early 80's,
- competent, dedicated leadership.

Twelve years of neglect and abuse have left CPSC in a weakened state. Inside, however, there is a core of dedicated and competent staff, albeit diminished from the constant battering,

trying to do a lot for consumers with very little by way of resources or support from its appointed leaders.

Unfortunately, I must tell you that CPSC's budget picture for next year does not look encouraging. Last week, the commissioners were advised that OMB rejected their request for an increase in \$3 million, and went further by reducing their staff FTE's from 515 to 502. Losing 13 staff positions may not sound like much, but when you are a mere spec of an agency, the loss of 13 positions is a big deal.

But wait, that's not all. As I understand it, the current Reagan-Bush appointees recently agreed to move to new headquarters, with an increased rent of \$540,000, and that increase somehow got lost in the budget shuffle. Hence, the increase in rent will have to come out of their already meager program budget earmarked for hazard reduction. The net effect is that while the rest of government is being asked to take a 3% cut in non-salary, non-space expenses, CPSC is, in real terms, winding up with a much larger percent program cut. This looks like a technical glitch that I hope can be corrected to keep within the President's guidelines.

But even with a 3% cut, it is very tempting for me to say "Not again! CPSC won the Budget-Cut-Follies 12 years ago. It's a special case and deserves a break this one time." I actually

feel that way.

But at this point, I will not say it. My guess is that everyone in government facing cuts will want to plead "special case" status. But if the administration is to get the economy moving, we are all going to have to swallow hard and accept these cuts. It goes down easier, however, if the President is consistent and evenhanded—no special cases.

Given that CPSC is not likely to get an improvement in its resources, there are steps the President can take that do not cost the taxpayer anything and are vitally important. First, foremost, and soon, appoint competent, leadership to the agency. Industry will be more cooperative if the commissioners earn their respect, both as to purpose and knowledge of what they are doing.

Next, the public would benefit from hearing the President publicly support the work of the health and safety agencies—it certainly would be novel. More importantly, it would send a message to industry that at the highest level of government, there is an insistence that the safety of each consumer is precious and should not be treated shabbily through unsafe design, poor manufacture, or simple disregard.

I would like to talk about some current product safety issues that demand immediate and vigorous attention from CPSC. But I am

resigned to the fact that until some drastic improvements are made, little if any progress on these hazards is likely to occur.

5 Gallon Buckets

An average of 50 infants a year drown when they topple into plastic 5 gallon buckets containing water or cleaning solution. These innocuous looking buckets are commonly used around the house to wash cars and mop floors. Few parents are aware that toddlers, 8 to 13 months old, can fall into buckets and drown within a few minutes.

CPSC and the plastics industry that manufactures 5 gallon buckets have been aware of this hazard since 1989, but neither has taken aggressive action to curtail the needless deaths befalling young children. The industry has embarked on a modest, voluntary labeling program. Mandatory labels are needed, but even this is not enough to deal with this serious household hazard. CPSC has done little more than acquiesce to the industry's half-hearted efforts.

CU and CFA believe that the only permanent workable solution to this hazard is a performance standard requiring buckets to be designed in such a way that children cannot drown in them in the first place. There may be simple mechanical fixes that could be

adopted to alleviate the problem. A briefing package on buckets has languished in the office of CPSC's executive director for over a year, during which time 50 toddlers drowned.

Unfortunately, the commissioners' approach to this problem is illustrative of what they intend for CPSC—an agency that relies entirely on whatever measures industry is willing, of its own volition, to undertake. No matter how extreme the hazard, their response is the same: accept the industry's offer, and above all, don't use the powers Congress gave the agency to reduce or eliminate unreasonable risk.

Baby walkers

Consumers Union joined a petition initiated by CFA in August of 1992 to ban the manufacture and sale of baby walkers. Every year 29,000 infants require emergency room treatment because of walker-related injuries. Common walker-related injuries include scalds and injuries sustained when walker-propelled infants tumble down stairs. Reportedly, a briefing package has been prepared and the Commission will consider the petition sometime this year.

Bicycle helmets

In 1991, CPSC denied a petition filed by CFA and supported by CU to review the current voluntary standards for bicycle helmets. In testing helmets for *Consumer Reports*, we found several that

could be knocked out of place on cyclists' heads during a crash. We call this problem "roll-off." Obviously, a bicycle helmet is of little value if it is not in place when a cyclist's head hits pavement. However, neither of the existing voluntary standards address this component of helmet safety. We also found helmets that were labeled as complying with a safety standard but in fact did not comply.

Despite the obvious need to update and harmonize the voluntary standards, CPSC denied the petition. However, there is legislation pending in both the House and the Senate that would require CPSC to review helmet standards and issue a mandatory standard that addresses issues not covered by the current standards including roll-off and child size helmets. The House bill has already been passed by the Energy and Commerce Committee and should be considered soon by the full House.

Toys:

Included with the bicycle helmet provision in the House legislation is a provision that would require that toys with small parts be labeled for the choking hazards they present to children aged three to six. 186 children have choked to death on small parts since 1980. Another 2,700 are rushed to emergency rooms every year because of choking.

Current labeling advises parents that some toys are intended for

children "ages three and up." Yet few parents perceive this as a safety warning. More often, the current labels are understood to relate to intellectual maturity. Well-meaning parents may purchase toys intended for older children confident that their child is smarter and more advanced than the average two year old. The pending legislation would make the choking hazard associated with small parts clear. It would also require that balls intended for children under three be too large to choke a child.

Carpets

There is mounting evidence that chemicals emitted from carpeting cause adverse health effects ranging from eye and throat irritation to chronic fatigue to memory loss. CPSC has received well over 500 complaints from consumers who have experienced health problems they believe to be related to installation of new carpeting.

In 1991, several state attorneys general, led by New York AG Robert Abrams, petitioned CPSC to require that warning labels be placed on new carpet to alert consumers to the potential hazards. CPSC refused to docket the petition alleging that the carefully prepared document did not meet the criteria to be considered as a petition.

Since CPSC rejected the attorneys general petition, a hearing was held by Senator Joseph Lieberman (D-CT) and Congressman Bernie

Sanders (I-VT) to try to determine the extent of the problem. At the hearing, Dr. Rosalind Anderson, a scientist in Massachusetts, presented the results of tests she has conducted in which mice were exposed to air that had been blown over carpet samples. The results were startling. A high percentage of the mice suffered severe reactions, such as paralysis. Many died.

The Environmental Protection Agency is in the process of replicating of Dr. Anderson's tests, although EPA, like CPSC, has dragged its feet on this issue to date. There is a strong possibility that another petition will be filed with CPSC. Carpet emissions appears likely to be a prominent consumer issue in 1993.

Reauthorization legislation

Later this year, Congress will consider legislation to reauthorize CPSC. Comprehensive legislation is necessary to improve the efficiency and effectiveness of the agency, and to send a forceful message to CPSC--that Congress intended the agency to be a bona fide consumer protection agency, not a rubber stamp for industry.

Whatever shape the legislation takes, it must include a provision to repeal section 6(b)--the statutory "gag rule" that prohibits CPSC from releasing information to the public that names a specific manufacturer without first obtaining the manufacturer's

consent. CPSC is prohibited from releasing any information from which a manufacturer's identity might be gleaned until: the agency has sent a copy of the documents it proposes to release to the named manufacturer; the manufacturer has been given the opportunity to comment on the accuracy of the information; CPSC has reviewed any of the manufacturers comments; and the agency has taken steps to ensure that the information is accurate and that release is fair.

This means that consumers are denied timely access to vital product safety information that can provide guidance on purchasing decisions or alert them to serious product hazards. CPSC's information release procedures eat up hundreds of staff hours, are expensive, and cause interminable delays with no countervailing benefits. Even worse, current law requires CPSC to act as a censor of health and safety information. This is simply bad public policy that should be changed.

CU supports many other changes in CPSC's statutes such as requiring that all products be labeled with the name and address of the manufacturer. This simple step would aid CPSC in conducting product recalls and would allow consumers to accurately identify products that have injured them.

We are hopeful that Congress will use reauthorization to take a good hard look at CPSC and pass these much needed improvements to

the agency's statutes.

Conclusion

The election of President Clinton has created a unique opportunity to revitalize CPSC, with the ultimate goal of ensuring that the products American consumers purchase are reasonably safe. A clear message must be sent by Congress and by the Administration. CPSC was created to be an effective and aggressive protector of consumer safety. It is time that the agency got back on track.

SEP. 20 REC'D

NEWS *file*



U.S. Office of Consumer Affairs

September 17, 1993

MEMORANDUM FOR: ALEXIS HERMAN ✓
CAROL RASCO ✓

FROM: PATRICIA FALEY *PF*
ACTING DIRECTOR

WEEKLY REPORT TO THE WHITE HOUSE

CONSUMER EDUCATION POLICY SUMMIT

USOCA Acting Deputy Director Howard Seltzer served as a facilitator and resource at the conference which was convened in Minneapolis by Minnesota Attorney General Hubert H. Humphrey III. The Summit, part of a campaign by General Humphrey to foster Minnesota-like consumer education partnerships between state attorneys general and education departments, included AG's or deputies from 16 states and a large and representative array of education leaders, senior corporate executives, and Federal, state and local consumer protection officials.

NATIONAL CONSUMER WEEK UPDATE

The *Focus on Fraud* fact sheet for the media and the copy for *Too Good to be True*, the consumer guide to fraud to be released during NCW (October 24-30, 1993), have been completed. The fact sheet will be part of mailing to the media beginning next week. A press release on the size of the consumer fraud problem in the US will be distributed Monday, September 20, the second in a series to center media attention on fraud prior to NCW.

CONFERENCE ON INTERNATIONAL FRAUD

USOCA -- together with the U.S. Postal Inspection Service, the Department of Justice and the National Consumers League -- will hold a three-day conference (October 18-20) on the internationalization of fraud directed at U.S. consumers and its implications for law enforcement and consumer education. We received an inquiry from the office of Senator Joseph I. Lieberman (D, CT) who is considering holding hearings on international fraud and who wants us to brief him on the issue.

There is a possibility that Senator Lieberman may address our conference, in addition to Attorney General Reno and FBI Director Freeh who have been invited.

OECD MEETING IN PARIS

On September 14-15, Patricia Faley headed the U.S. delegation to the 46th Meeting of the Committee on Consumer Policy for the Organization for Economic Cooperation and Development (OECD). Responsible for overseeing the U.S. delegation's contribution to the meeting, she also gave presentations at two sessions on the agenda: (1) A global Market Place for Consumer Goods and (2) Consumer Policy Developments in the United States.

INTERNATIONAL MARKETING SUPERVISION NETWORK CONFERENCE IN PARIS

On September 16-17, Patricia Faley represented the U.S. at the International Marketing Supervision Network Conference of the OECD which looked at collaboration among law enforcement agencies of the OECD countries and addressed cross-border law enforcement problems. This meeting provided critical information and contacts in preparation for USOCA's first international conference on Transborder Fraud to be held in October 1993 in the United States.

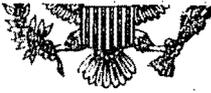
HEALTH CARE PRIVACY CONFERENCE

On October 29, USOCA is cooperating with Lou Harris and Equifax in sponsoring a conference on the release of a new survey on the privacy of health care records. The agenda is taking shape; we would appreciate your suggestions on a Clinton Administration speaker for this conference.

Handled per request

orig. file *cc: Rubin C. Heenan*

NEWS



U.S. Office of Consumer Affairs

AUGUST 26, 1993

MEMORANDUM FOR: ALEXIS HERMAN
CAROL RASCO ✓

FROM: PATRICIA FALEY pf
ACTING DIRECTOR

file

WEEKLY REPORT TO THE WHITE HOUSE

COORDINATION AMONG NORTH AMERICAN CONSUMER OFFICES

*Bob Rubin
You may want
to make
sure this
doesn't
conflict
w/ NAFTA plans.*

On August 17, I attended a meeting hosted by the Direct Selling Education Foundation. Also present were representatives from the National Consumers League, National Association of Attorneys General and other corporate and consumer activists. The group decided that it wanted to hold a conference in 1994 highlighting coordination among consumer offices in North America. There is a concern that as North America eliminates the barriers to free trade, consumer complaints and concerns may not be handled efficiently across country borders. I will let you know more about this as plans progress.

NATIONAL INSTITUTE FOR CONSUMER EDUCATION SPEECH

On August 20, I spoke at an advisory committee meeting at the Institute. My remarks were aimed at highlighting the value of the President's Information Infrastructure Initiative to consumer educators.

AMERICAN TELEMARKETING ASSOCIATION MEETING

On August 23, I met with the President of the American Telemarketing Association to explain our plans for National Consumers Week and its "Focus on Fraud." The Association pledged their support for the Week's theme and activities.

RELEASE OF LOU HARRIS/EQUIFAX POLL ON HEALTH CARE RECORDS

On August 24, Paul Steven Miller and I met with a representative of the Equifax Corporation to discuss plans for the release of the Lou Harris/Equifax poll on the privacy of health care records. The release of this nationwide study is scheduled for October 29.

*See how
you may
want to
have
more
info on this.*

CONFERENCE ON INTERNATIONAL FRAUD

On August 25, during a conference call with the FBI, the Department of Justice Telemarketing Task Force, National Consumers League and AT&T Transtech, we firmed up plans for an October 18-20, 1993, conference on international fraud to be held in Jacksonville, Florida. We are hoping that Attorney General Reno and FBI Director Freeh will be able to participate. Participants will be largely U.S. and international law enforcement officials.

BIG CONFERENCE IN LOS ANGELES

On August 18-19, We participated in the Blacks In Government Training Conference in Los Angeles. Our Consumer's Resource Handbook was distributed and was the resource for our workshop on "Financial Responsibility and Credit." More than 200 attended our workshop which also addressed credit card fraud and credit "repair" scams. Credit is one of the seven common areas of fraud that we will be addressing during National Consumers Week.

UNITED STATES
OFFICE OF CONSUMER AFFAIRS
Washington, D.C. 20201

file

June 29, 1994

MEMORANDUM FOR CAROL RASCO

JUN 30 REC'D

FROM: POLLY BACA *Polly Baca*
SUBJECT: Weekly Report

REORGANIZATION OF USOCA

On May 26, we submitted to HHS a proposal to reorganize USOCA and realign staff responsibilities in an effort to achieve greater program effectiveness after the twenty percent reduction of our 1992 full time employee staff level. Our new staff divisions will be: Public Liaison, Policy Analysis and Intergovernmental Relations, Communications, and Legislative Affairs and Administration.

NATIONAL CONSUMERS' WEEK (NCW)

In preparation for National Consumers' Week the following individuals have agreed to serve as co-chairs of NCW working groups: Theme and Outcome -- Loretta Dietrich, from AT&T, and Eugenia Hunter, from the Department of Commerce; Poster and Brochure -- Laura Oatney, from the National Futures Association, and Marsha Goldberger, from the Direct Marketing Association; Program and Development -- Robin Pence, from Sprint, and Gale Lucas, from the Office of Citizens and Consumer Affairs, Arlington County; Outreach and Constituencies -- Susan Grant, from the National Association of Consumer Agencies Administrators, and Stephanie Brown, from the Electronic Industries Association.

LEAGUE OF UNITED LATIN AMERICAN CITIZENS (LULAC)

On Friday, July 1, I will be the keynote speaker at the Annual "LULAC Womens' Hall of Fame" luncheon during the LULAC National Convention. My speech will focus on the Administration's commitment to secure universal health care coverage for all Americans; specifically how Hispanic women and families will benefit from the passage of President Clinton's health care reform package. The LULAC event will be in lieu of the requested July 6 event during which representatives of the Administration are to demonstrate the Administration's commitment to universal health care.



DEPARTMENT OF TRANSPORTATION

On Thursday, June 23, Paul Steven Miller, Deputy Director of USOCA, attended a DOT press conference where Secretary Pena proposed new information regulations on automakers. Pena, flanked by representatives from the AARP and AAA, proposed that automakers attach a safety sticker on all new cars and trucks to provide consumers with point of sale information about a vehicle's resistance to rollovers. Nine thousand people are killed in rollover crashes each year.

McCALL'S MAGAZINE

On June 27, I was interviewed by McCall's Magazine for an article on solving consumer complaints. We also discussed the aspects of National Consumers' Week which will inform consumers of their Consumer Bill of Rights.