

MARCH 11, 2004

SCHAKOWSKY DELIVERS SPEECH TO CONSUMER FEDERATION OF AMERICA

**"A NEW DIRECTION
FOR CONSUMER PROTECTION"**

WASHINGTON, D.C. - During a speech to the Consumer Federation of America, U.S. Representative Jan Schakowsky (D-IL) today said that *"this is a frightening time for consumers."* She added: *"The White House is using the Consumer Product Safety Commission (CPSC), the Environmental Protection Agency (EPA), the US Department of Agriculture (USDA), the US Department of Treasury, and a host of other agencies to put corporate, special interests ahead of consumer interest."*

Schakowsky, the ranking Democrat on the Commerce, Trade and Consumer Protection Subcommittee, concluded, *"It's time for a new direction for consumer protection."*

Below is Schakowsky's speech:

This is a frightening time for consumers in the United States. A lack of consumer product safety standards puts our children at risk, erosions in environmental protections and health standards and weak enforcement jeopardize food safety, and absent strengthened federal protections, consumers will continue to be threatened by those who seek to sell them predatory loans. And low income communities will not receive the kind of investment they need and deserve.

Not only does the Administration fail to recognize these threats, it is instead working systematically to dismantle the framework of consumer protection that has been established in this country in past decades.

While President Bush is worried about threats from abroad and talks a lot about "homeland" security, his Administration appears not to be worried about threats to our safety and security that already exist literally within our homes.

The White House is using the Consumer Product Safety Commission (CPSC), the Environmental Protection Agency (EPA), the US Department of Agriculture (USDA), the

US Department of Treasury, and a host of other agencies to put corporate, special interests ahead of consumer interest.

It's time to reclaim our rights as consumers to be protected from hazardous and harmful products, unsafe food, and unscrupulous lenders.

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CPSC - Yo-yo balls

I can tell you that progress takes work. There's a constituent in my district, Lisa Lipin, whose son was nearly strangled by a toy called a yo-yo ball. This experience has turned her into a tireless advocate, talking to other parents and politicians at all levels, trying to get yo-yo balls banned. She brought her story to me and asked for help in recalling yo-yo balls. I soon came to learn that her son was not alone; children around the country have been visiting emergency rooms and experiencing close-calls because of yo-yo balls.

To date, the CPSC has received at least 309 incident reports of strangulation, eye injuries, and skin irritation due to yo-yo balls. CPSC Chairman Hal Stratton admitted on Good Morning America that, upon learning about the potential harm caused by yo-yo balls, he took the toy away from his own children.

Yet, CPSC has not recalled, banned or even recommended that stores voluntarily take yo-yo balls off their shelves. In fact, in many cases - like with the yo-yo ball - the CPSC seems reluctant to recall toys and other products that have a track record of threatening children's safety.

Last month, I was home in Chicago for a press conference with Kids in Danger to release their study which found that 2003 had the least children's product recalls in four years, and children's products were only 30% of all recalled products last year. While infants and children are the most vulnerable consumers in our society, the CPSC is the most hesitant when it comes to recalling children's products.

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CPSC - Arsenic in wood

Despite CPSC's stated goal of addressing hazardous scenarios involving playground equipment, the CPSC denied a petition to ban the use of arsenic- treated wood in playground equipment or to recall existing playground equipment made with this dangerous wood. Arsenic in wood leeches out, contaminating the ground around playground equipment and rubbing off onto our children's hands and clothing.

Last year, both the Environmental Protection Agency and the CPSC released studies stating that children who play on arsenic-treated wood have a higher risk of developing lung or bladder cancer during their lifetime than the agencies had previously indicated.

The CPSC justifies the denial of the petition to ban arsenic-treated wood because the

producers of arsenic-treated wood have agreed to voluntarily phase out the product. Yet, it is irresponsible to tell our parents that eventually-sooner or later-arsenic-treated wood will not be in playgrounds.

I have introduced a bill, the Arsenic Treated Wood Prohibition Act, which would take arsenic-treated wood out of our playgrounds and our backyards and require that it is disposed of safely. My bill will also give schools and local communities the resources they need to remove arsenic-treated structures.

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Infant and Toddler Durable Product Safety Act

Unfortunately, even recalls often are not enough to get dangerous products out of parents' hands. The Kids in Danger report shows that, last year, yet another child was killed by a crib that had been recalled in 1997.

We must work to keep dangerous products from ever making it to store shelves or into nurseries, child care centers, or anyone's home in the first place. Last year, I introduced the Infant and Toddler Durable Product Safety Act, H.R. 2911, which would require that infant and toddler products, such as high chairs, baby carriers, cradles, and play pens, receive a federal seal of approval before they are sold. This seal would demonstrate that those products have been independently tested and have met required national safety standards. Under current law, the CPSC only issues voluntary safety standards and then relies on the industry to police itself. That is unacceptable.

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National Highway Traffic Safety Administration

I am also very concerned with safety on our highways and roads, particularly in ensuring that the vehicles we drive meet expected safety standards. We are looking to reauthorize the National Highway Traffic Safety Administration, or NHTSA, very soon. There is going to be a hearing on this issue in my Energy and Commerce Subcommittee next week. It presents a great opportunity to strengthen consumer protections in vehicles, including protections against rollovers.

In 2002, 25% of all motor vehicle deaths were caused by rollover crashes. That's a record 10,666 people who died when their vehicle rolled over. I was pleased to see that S. 1072, which includes NHTSA reauthorization and passed in the Senate a few weeks ago, includes provisions that require NHTSA to issue a rollover crashworthiness standard and a rollover resistance standard. Still, the Administration has said it "strongly opposes the numerous mandated rulemakings for NHTSA," including this provision. Furthermore, the President's budget proposes no increases in NHTSA funding, despite the fact that 94% of all transportation fatalities occur on highways and less than 1% of the Transportation Department's budget goes to NHTSA.

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Kids and Car Safety Act

Another concern is children's safety in or around vehicles while they are not being

driven. For example, many children are injured or killed because they are left alone in cars or hurt from power windows.

Rep. Peter King and I introduced, H.R. 3683, the Kids and Car Safety Act. This bill would require NHTSA to establish a data base to keep track of non traffic, crash related injuries and deaths and to conduct a study which would look at "back over prevention technologies." Many vehicles have large blind spots which prevent drivers from seeing children in back of the cars, causing many accidents. Finally, the bill would also require car manufacturers to install power windows that have auto reverse mechanisms that would be child proof. Many of the provisions from this bill were also included in the Senate-passed bill, S. 1072, which the Administration has threatened to veto.

EPA - Mercury standards

We are also seeing a drastic reduction in standards and a lack of protection from agencies such as the Environmental Protect Agency (EPA) and the U.S. Department of Agriculture which affects our health and the safety of our food. For example, fish consumption advisories due to high levels of mercury have gone up across the U.S. Of course, we know that exposing unborn babies to mercury can cause neurological impairment.

In January 2003, the CDC found that 1 in 12 women of childbearing age has mercury levels above EPA's safe health threshold. Yet, despite this, the Administration has proposed new regulations to allow power plants to emit more mercury into our air, violating the Clean Air Act and threatening the health of newborn babies.

Beef safety

While the Administration has reacted to the threat of tainted beef by increasing to \$50 million the amount of funding dedicated to combating the introduction of mad cow disease into our food supply, it was unfortunate that adequate standards were not already in place to prevent such a scare.

Despite this scare, the Administration has done nothing prevent more common problems that could arise with our beef supply. For example, the Department of Agriculture has not acted to require more testing for E. coli, salmonella, or listeria. These pathogens are primarily responsible for the 50,000 deaths annually from food-borne illness.

One of my friends, Nancy Donley, felt helpless as her son curled up in the fetal position trying to find some sort of relief from continuous, racking abdominal cramping and asked her for help. Nancy's son, Alex, had eaten a hamburger tainted with E. coli. Alex died. Since losing her son, Nancy has made it her goal to prevent unnecessary illness and death from food-borne illness. As the President of Safe Tables Our Priority (STOP), Nancy is acting to protect the public where our government is not. STOP has worked at the grassroots level to make sure that the voice of consumers is brought to the bargaining table in debates on food safety policy and regulatory reform at the local and

national levels.

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Community Reinvestment Act

This Administration is also working to dismantle regulations placed on the financial industry that help ensure protection of consumers' finances and assets. The Community Reinvestment Act, or CRA, has worked for nearly three decades now to stop banks from redlining, or discriminating against low-income and minority communities.

Under CRA, banks with assets of more than \$250 million have to pass a test that looks at how many loans, investments, and services they offer to low- and moderate-income people and neighborhoods. If they don't pass the test, they are penalized. CRA has been extremely successful in expanding homeownership, boosting economic development, and expanding small businesses in historically underserved communities. Yet, now the Federal Reserve, FDIC, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision - the federal agencies that oversee banking - are proposing to change the CRA to make it easier for banks to ignore low- to moderate-income neighborhoods.

The Administration wants to exempt 1,100 banks from the rigorous CRA accountability standard by changing the definition of banks that must comply with the law, allowing many large banks to be exempt. CRA was put in place because we know that, without it, many banks will not serve low-income communities. As John Taylor, the president and CEO of the National Community Reinvestment Coalition says, the proposed change gives "a wink and a nod to more lenders. It's just taking more of the lenders out of the system." And it's moving the American Dream of homeownership further away from many families.

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Predatory lending

In January, the Office of the Comptroller of the Currency, the OCC, published rules that exempt national banks from state banking laws, including consumer protection laws against predatory lending.

Predatory lenders are predominantly refinance specialists. They are thieves, preying on consumers who are house rich, but cash poor. They don't wear ski masks or hold a gun to your head. They come knocking on your door with neckties and loan papers, charge you credit card high interest rates, and steal the equity that you've built in your home. Predatory lenders are out to make a fast buck on the backs of the elderly, homeowners in financial distress, low-income families and people of color. And now they can come knocking with a federal seal of approval.

According to the National Community Reinvestment Coalition, 23 states will have their anti-predatory lending laws preempted by OCC's order. The Administration went ahead with this ruling despite the fact that all 50 state attorneys general opposed this action. New York Attorney General Eliot Spitzer describes the regulations as "designed to

protect national banks at the expense of consumers." Not only is there no federal prohibition on predatory lending - now states are prohibited from protecting consumers.

I have proposed a bill, the Save Our Homes Act, to protect homebuyers from unscrupulous lenders and brokers by creating strong new protections for homeowners throughout the country. It would provide a floor, not a ceiling, for consumer protections. Strong state and local anti-predatory lending laws would not be preempted by this legislation. My legislation would close the loopholes in current laws and ensure that all homeowners, in every state, are protected from predatory lenders and brokers.

Medical Privacy

Finally, I want to touch on one other issue that I think is so critical for consumers - medical privacy.

In the last couple months, the Justice Department has been trying to obtain detailed medical records of dozens of women who had abortions at various hospitals around the country, including at Northwestern Memorial Hospital in Chicago, in order to defend a new anti-choice law. Without even addressing the issue of the law in question, the fact is that this is an Administration fishing expedition - combing through medical records and second-guessing doctors' advice to their patients.

This is a gross violation of doctor-patient privilege and an obvious attempt to scare doctors and patients into avoiding what may be medically necessary procedures. And to take it further, the Administration has actually argued that they do not need to respect the confidentiality of the doctor-patient privilege. Attorneys for the Department of Justice argued in its brief, "In light of modern medical practice, individuals no longer possess a reasonable expectation that their histories will remain completely confidential." This assault on privacy is an unwarranted abuse of federal power and threatens every American seeking medical care for any reason.

This is a dismal list, I admit, but I'm not here to depress you. I'm here to encourage you to act. But I'm not here today just to bring you down. I am here today to say that the power is in your hands. Change is possible.

You have the power to make change. I encourage you to use that power to stand up for the rights of consumers - demand our children's safety, demand safe food and safe water, and demand protections that allow all families to engage in our financial system without fear that they'll be ripped off or exploited.

We need a strong, smart and persistent consumer movement more today than perhaps ever before in our history. We cannot afford to lose the gains that have already been achieved. We need to defend against erosion of existing standards but we also need to move forward so that we are not just striving to sustain the status quo but working to achieve new consumer protections wherever and whenever needed.