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Clinton Presidential Records
Domestic Policy Council
Elizabeth Drye
OA/Box Number: 10453

FOLDER TITLE:
US OCA [Office of Consumer Affairs] [1]

2014-0046-S
rc1375

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

FAX

Health Division

Office of Management and Budget
Executive Office of the President
Washington, DC 20503

To: Elizabeth Drye

From: Tom Reilly

Number of Pages (not including cover): 26

Note: Attached are VA/HUD Letters and SAPS. The Senate SAP is draft. We expect final clearance today. The Senate letter on the House-Passed bill does mention OCA in the attachment. The Senate letter on the Senate subcommittee-passed bill does not have an attachment, and therefore does not mention OCA. We understand Senator Wyden may offer a floor amendment to restore OCA funding. Please let me know if you need additional information.

Voice Numbers:

Health Division (Front Office)	202/395-4922
Health & Human Services Unit	202/395-4925
Health Programs & Services Branch	202/395-4926
Health Financing Branch	202/395-4930

Fax Numbers:

Health Division (Front Office)	202/395-3910
Health Division (Room 7001)	202/395-7840

July __, 1996
(Senate Floor)

H.R. 3666 -- DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997
(Sponsors: Hatfield (R), Oregon; Bond (R), Missouri)

This Statement of Administration Policy provides the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the Senate Appropriations Committee. The Administration strongly opposes reductions from the President's request contained in the Committee bill for vital environmental, housing, community development, science, and space programs.

The Administration has previously communicated its strong objection to the overall, inadequate discretionary funding levels assumed in the House- and Senate-passed Budget Resolutions. The Senate Committee bill has made a number of significant improvements compared to the House-passed bill, especially in providing funds for the Corporation for National and Community Service, Mission to Planet Earth, the Council on Environmental Quality, and other important programs. However, the Committee bill would still reduce discretionary budget authority by $2.8 billion from the President's request, including reductions to programs for the environment, veterans, National Service, housing, Community Development Financial Institutions, NASA, and the National Science Foundation.

Corporation for National and Community Service

The Administration appreciates the level of funding in the Committee bill for the Corporation for National and Community Service, a highly successful Administration initiative. However, the Administration urges the Senate to provide funding at the requested level of $546 million, $144 million more than the Committee bill would provide. Without the additional funding, approximately 6,000 young people would not have the opportunity to serve their communities through AmeriCorps to address vital local needs such as health care, crime prevention, and education, while earning a monetary award to help pay for college or other post-secondary education or training. In addition, almost 135,000 school-age youth would lose the opportunity to serve their communities through the Learn and Serve program.

Environmental Protection Agency (EPA)

The Administration appreciates the Committee's efforts to keep the bill free of the contentious legislative riders that were included in last year's bill. However, the Administration strongly objects to the Committee's overall $428 million, or 6.1-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities and impair the Agency's ability to protect human health and the environment adequately.

In particular, the Administration is gravely concerned about the Committee's $400 million, or 11.8-percent, reduction in EPA's vital operating program that could undermine Agency efforts to set pollution standards and enforce environmental laws. The most troubling reductions in the operating program are to the Environmental Technology Initiative (ETI) and the Climate Change Action Plan. The 86-percent reduction in ETI would cripple EPA's efforts to spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs. The $58 million reduction to the Climate Change Action Plan would seriously hamper U.S. progress toward achieving the goal of reducing greenhouse gas emissions to 1990 levels by the year 2000. The Administration urges the Senate to restore funding for these two critical programs.

In addition, the Administration urges the Senate to restore funding to: complete the needed construction of the consolidated research lab that was begun with funding in last year's bill; implement the innovative GLOBE program; fully fund the STAR academic fellowships program; and, fully fund the U.S. contribution to the Montreal Protocol facilitation fund to help prevent depletion of the ozone layer.

Finally, the Senate is urged to restore $100 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This funding request continues to fulfill the long-term, bipartisan Federal commitment to Boston due to the city's special needs and high user charges.

Department of Veterans Affairs (VA)

The Administration is pleased with the funding levels provided in the Committee bill for most VA programs and with the adoption of the budget amendment for Compensation and Pensions and Readjustment Benefits. However, the Administration regrets the Committee's change in direction from the House-passed bill with respect to Major Construction and General Operating Expenses. In particular, the Administration is disappointed that the Committee bill would drop the House provision for a replacement hospital at Travis Air Force Base in California; would not provide funding for the Administration's request for a new hospital in Brevard County, Florida; and would fund less urgent projects instead of the Administration's hospital improvement proposals that were adopted in the House-passed bill. The Administration urges the Senate to restore the cuts in administrative and other expenses.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. The Committee would once again reduce HUD program levels, after adjusting for one-time savings.

The Administration appreciates the Committee's adoption of Administration priorities, including welfare-to-work certificates; funding for Youthbuild and HUD Salaries and Expenses; and, the Committee's inclusion of an FY 1996 supplemental that would extend the Government National Mortgage Association's (GNMA's) commitments on loan guarantees. However, the Committee would still: provide no funding for the Economic Development Initiative program, which leverages private investment to create and retain jobs in distressed communities; reduce critical funding to States and communities for Homeless Assistance by $297 million; cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $100 million; and, reduce by almost half the President's request for multi-family credit subsidy, leaving HUD unable to insure as many multi-family mortgages.

The Committee would also strike House language permitting minimum rents "up to $25" per month for public and assisted housing residents. The Senate would, instead, require a minimum of $25 to $50 rent per month, imposing significant hardships for the poorest families.

In addition, if Congress fails to provide comprehensive authority for necessary restructuring of FHA multi-family properties and to address the massive over-subsidization of section 8 contracts, the funding provided in the Committee bill for rental assistance contract renewals would be short of the request in FY 1997.

The Administration urges the Senate to include buyout authority in the bill, which is necessary for HUD to achieve its reinvention goals. The Administration would also appreciate the Senate's consideration of several HUD-related budget amendments that were sent to Congress on July 10th, particularly the amendment related to Housing Opportunities for Persons with AIDS.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Senate to fund the Community Development Financial Institutions Fund at the requested level of $125 million. In response to the initial competition, the CDFI program received applications from 270 financial institutions for nearly 10 times the amount of funds available. The Committee's decision to reduce the $125 million request by $80 million would reduce the fund's ability to leverage additional private sector investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The Administration appreciates the overall funding levels contained in the Committee bill for NASA and is pleased that the Committee did not target reductions to the Mission to Planet Earth program as was done in the House-passed bill. However, the Administration urges the Senate to provide the up-front funding requested for the New Millennium Initiative and for the Tracking and Data Relay Satellite Replenishment program.

The Administration supports the use of buyouts of up to $25,000 to increase voluntary turnover -- whether by retirement or resignation -- for NASA and other agencies.

National Science Foundation (NSF)

The Administration appreciates the Committee's increases over the House-passed bill for NSF. However, the bill would still cut the President's request for NSF by $50 million. The Administration urges the Senate to restore requested funding that supports critical basic research and education activities at our Nation's universities.

P-D...
7/11
12:16 p.m.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

The Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the Senate Subcommittee. As the Full Committee develops its version of the bill, your consideration of the Administration's views would be appreciated. Because they are based on preliminary Committee documents, these views are, necessarily, preliminary.

The Administration appreciates the Subcommittee's efforts in providing funds for the Corporation for National and Community Service, for Mission to Planet Earth, and for other important programs. However, we strongly oppose reductions from the President's request contained in the Subcommittee bill for vital environmental, housing, community development, science, and space programs.

Corporation for National and Community Service

The Administration appreciates the level of funding in the Subcommittee bill for the Corporation for National and Community Service, a highly successful Administration initiative. However, the Administration urges the Committee to provide funding at the requested level of $546 million. Without the requested funding, approximately 30,000 young people would not have the opportunity to serve their communities through AmeriCorps to address vital local needs such as health care, crime prevention, and education, while earning a monetary award to help pay for college or other post-secondary education or training. In addition, almost 850,000 school-age youth would lose the opportunity to serve their communities through the Learn and Serve program.

Environmental Protection Agency (EPA)

The Administration appreciates the Subcommittee's efforts to keep the bill free of the contentious legislative riders that were included in last year's bill. However, the Administration strongly objects to the Subcommittee's overall $429 million, or

6.1-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities and impair the Agency's ability to protect the environment adequately.

In particular, the Administration is gravely concerned about the Subcommittee's $400 million, or 11.8-percent, reduction in EPA's vital operating programs. The Administration urges the Committee to: restore the 86-percent reduction in the Environmental Technology Initiative, a program that would reduce pollution control costs and create new jobs; restore the 41-percent reduction in the Climate Change Action Plan, which is designed to help reduce global warming; restore funding to complete a needed consolidated research lab that was begun with funding in last year's bill; fully fund the innovative GLOBE program; and, restore funding to the requested level to help combat severe water quality problems in the Boston metropolitan area.

Department of Veterans Affairs (VA)

The Administration is pleased with the funding levels provided in the Subcommittee bill for most VA programs and the Subcommittee's adoption of the budget amendment for Compensation and Pensions and Readjustment Benefits. However, the Administration regrets the Subcommittee's change in direction from the House-passed bill with respect to Major Construction and General Operating Expenses. In particular, the Administration is disappointed that the Subcommittee bill would drop the House provision for a replacement hospital at Travis Air Force Base in California; would not provide funding for the Administration's request for a new hospital in Brevard County, Florida; and would fund less urgent projects instead of the Administration's hospital improvement proposals that were adopted in the House-passed bill. The Administration urges the Committee to restore the cuts in administrative and other expenses.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. The Subcommittee would once again reduce HUD program levels (after adjusting for one-time savings) with a mark of $19.7 billion. The Administration is strongly opposed to the further reductions in funding levels for the Department.

The Administration deeply appreciates the Subcommittee's adoption of Administration priorities, including welfare-to-work certificates, and funding for Youthbuild and HUD Salaries and Expenses. However, the Subcommittee would still: provide no funding for the Economic Development Initiative program, which leverages private investment to create and retain jobs in distressed communities; reduce critical funding to States and communities for Homeless Assistance by $300 million; and, cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $100 million.

In addition, if Congress fails to provide comprehensive authority for necessary restructuring of FHA multi-family properties and to address the massive over-subsidization of section 8 contracts, the funding provided in the Subcommittee bill for rental assistance contract renewals would be short of the need in FY 1997. The Administration will work with the Committee to include in the bill buyout authority, which is necessary for HUD to achieve its reinvention goals.

We would appreciate the Committee's consideration of several HUD-related budget amendments that were sent to Congress on July 10th, particularly the amendment related to Housing Opportunities for Persons with AIDS.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Committee to fund the Community Development Financial Institutions Fund at the requested level of $125 million. In response to the initial competition, the CDFI program received applications from 270 financial institutions for nearly 10 times the amount of funds available. The Subcommittee's decision to reduce the $125 million request by $80 million would reduce the fund's ability to leverage additional private sector investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The Administration appreciates the overall funding levels contained in the Subcommittee bill for NASA, and we are pleased that the Subcommittee did not target reductions to the Mission to Planet Earth program as was done in the House-passed bill. However, the Administration urges the Committee to provide the up-front funding for the New Millennium Initiative and for the Tracking and Data Relay Satellite Replenishment program.

The Administration supports the use of buyouts of up to $25,000 to increase voluntary turnover -- whether by retirement or resignation -- for NASA and other agencies.

National Science Foundation (NSF)

The Administration appreciates the Subcommittee's increases over the House-passed bill for NSF. However, the bill would cut the President's request for NSF by $55 million. The Administration urges the Committee to restore requested funding that supports critical basic research and education activities at our Nation's universities.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Acting Director

Identical Letters Sent to Honorable Mark O. Hatfield, Honorable Robert C. Byrd, Honorable Christopher S. Bond, and Honorable Barbara Mikulski

MA

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

(1) Copy: RT
BC

July 9, 1996

The Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

(2) Orig: TR
(Sen Unit)

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as passed by the House. As the Senate develops its version of the bill, your consideration of the Administration's views would be appreciated.

The President has indicated that he would veto any bill that does not provide adequate funds for the National Service program. Therefore, the President would veto H.R. 3666 if it were presented to him as it passed the House. In addition, the Administration strongly opposes reductions from the request contained in the House-passed bill for vital environmental, housing, community development, science, and space programs.

Corporation for National and Community Service

The Administration strongly opposes House action to eliminate funding for the Corporation for National and Community Service, a highly successful Administration initiative. The Administration urges the Senate to provide funding at the requested level of $546 million. Without the requested funding, approximately 30,000 young people would not have the opportunity to serve their communities through AmeriCorps to address vital local needs such as health care, crime prevention, and education, while earning a monetary award to help pay for college or other post-secondary education or training. In addition, almost 850,000 school-age youth would lose the opportunity to serve their communities through the Learn and Serve program.

Environmental Protection Agency (EPA)

The Administration would urge the Senate to keep the bill free of the numerous legislative riders that were included in last year's bill. The Administration strongly objects to the House's overall $485 million, or 6.9-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities to protect drinking water, enforce environmental laws, and promote air and water pollution control efforts.

The Administration urges the Senate to restore the $102 million, or 18.5-percent, reduction to the request for the Drinking Water State Revolving Fund contained in the House-passed bill. This cut would impair implementation of the Safe Drinking Water reauthorization bill now pending and would contradict the bipartisan consensus that drinking water protection should be strengthened.

The Senate is urged to restore $50 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This funding request continues to fulfill the Federal commitment to Boston because of the city's special needs and high user charges.

The Administration is deeply concerned about the House's $347 million, or 10-percent, reduction in EPA's vital Operating Programs. Key among these reductions are the elimination of funding that would spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs and cuts that would hinder EPA's ability to enforce environmental laws adequately, taking environmental cops off the beat.

The House's targeted reductions to international programs, the Environmental Technology Initiative (which would be eliminated), and to programs associated with NAFTA would jeopardize the Administration's environmental commitments and priorities abroad. The House-passed bill would also seriously reduce funding for climate change activities and eliminate funding for the innovative GLOBE program. The Administration urges the Senate to provide full funding for these important programs discussed more fully in the attachment.

The House has indicated that it will provide additional funding for Superfund -- but only through a future appropriation, and only in the event that Congress reauthorizes Superfund. The Senate sponsor of the authorization bill has indicated that the chances of passage are low. Thus, this purported "contingency fund" amounts to nothing more than a promise to appropriate money in the future. The Administration continues to oppose strongly the intended use of such additional funding to let polluters off the hook. Polluters should pay for cleanups, as they do under the current Superfund program. Taxpayers should not.

Department of Veterans Affairs (VA)

The Administration is pleased that the House restored funding for VA medical care, benefits processing, the Travis AFB hospital and a new national cemetery in the Dallas/Fort Worth, Texas, area, and eliminated the restrictions on travel and staffing in the Office of the Secretary. Unfortunately, the House did not provide funding for the hospital that the President requested to serve veterans in the Brevard County, Florida, area.

We urge the Committee to consider a budget amendment that we expect to send to Congress shortly which requests additional resources for the VA Compensation and Pension and Readjustment programs, based on our latest estimates.

Department of Housing and Urban Development (HUD)

Since FY 1995, low income housing appropriations have been cut significantly. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. In FY 1997, the House would once again reduce HUD program levels (after adjusting for one-time savings). The Administration is strongly opposed to the further reductions in funding levels for housing and urban development activities.

While the Administration notes the House amendments that increase certain programs, the House-passed bill would still: for the third year in a row, provide virtually no new incremental rental certificates for households in dire need; institute a three-month delay in reissuing housing certificates to families most in need; reduce critical funding to States and communities for Homeless Assistance Grants by $300 million; and, cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $102 million. The Senate is urged to respond to these concerns and to include proposed housing reforms discussed in more detail in the attachment.

We also urge the Committee to consider several HUD-related budget amendments that we expect to send to Congress shortly, particularly the amendment related to Housing Opportunities for Persons with AIDS.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Senate to fund the Community Development Financial Institutions program at the requested level. In response to the initial competition, the CDFI program received applications from 270 financial institutions for nearly 10 times the amount of funds available. The House's decision to reduce the $125 million request by $80 million would reduce the fund's ability to leverage additional investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The House-passed bill would cut the President's request for NASA by $1.2 billion. The Administration urges the Senate to restore requested funding for the Mission to Planet Earth program, the up-front funding for the New Millennium Initiative, and the Tracking and Data Relay Satellite Replenishment program.

The Administration strongly objects to House Committee Report language that would direct the elimination of funding for NASA's and EPA's contributions to the Global Learning and Observation to Benefit the Environment (GLOBE) program. GLOBE teaches young students how to make climate-related measurements and share this information with other students, teachers, and scientists over the Internet. These reductions would adversely impact thousands of teachers and students in 2,500 U.S. schools and in 35 other countries who have invested their resources, time, and energy in this valuable program. Both NASA and EPA believe that the GLOBE program provides low-cost and scientifically valuable data.

The Administration would oppose any amendment that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 thousand space station-related jobs located in Florida, Texas, California, and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe, and Japan on this important, cooperative project.

Council on Environmental Quality (CEQ)

The Administration appreciates the increase provided by the House for CEQ but urges support for the full request for this key agency with responsibilities for coordinating policy and advising the President. Even at the President's requested level, funding and personnel levels for CEQ would remain below that of the previous Administration.

National Science Foundation (NSF)

The House-passed bill would cut the President's request for NSF by $85 million. The Administration urges the Senate to restore requested funding that supports critical basic research and education activities at our nation's universities and also for the agency's administrative operations.

The Administration opposes the 0.4 percent across-the-board reduction in the House-passed bill. Additional Administration concerns with the House-passed bill are provided in the enclosure. We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Acting Director

Enclosure

Identical Letters Sent to Honorable Mark O. Hatfield,
Honorable Robert C. Byrd, Honorable Christopher S. Bond,
and Honorable Barbara Mikulski

Enclosure
(Senate Subcommittee)

ADDITIONAL CONCERNS
H.R. 3666 -- DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997
(AS PASSED BY THE HOUSE)

The Administration looks forward to working with the Congress to address the following concerns:

Department of Housing and Urban Development (HUD)

- Departmental Administration. The Administration strongly urges restoration of the seven-percent reduction from the President's request in necessary funds to administer the Department's programs. Cutting these funds would severely inhibit HUD's effort to improve internal controls and other ADP data systems, and to implement its reinvention.

- Additional Concerns. The Administration notes that the House did not include an extension of the various continuing resolution and appropriations authorizing provisions that were jointly agreed upon and passed for one year (e.g., repeal of the one-for- one replacement requirement for demolished public housing). These provisions are viewed by both the Congress and the Administration as necessary to reform the Nation's housing policies and should be extended.

  The Administration objects to the inadequate funding provided for FHA multi-family loans and the reduction in resources for the Office of Federal Housing Enterprise Oversight (OFHEO). OFHEO provides crucial taxpayer protection through its financial supervision of Fannie Mae and Freddie Mac.

Environmental Protection Agency

- Water Infrastructure. The Administration urges the Senate to restore the $102 million reduction to the request for the Drinking Water State Revolving Fund contained in the House-passed bill. This funding is needed to help establish this new program with sufficient funding to help municipalities meet Safe Drinking Water Act requirements and prevent problems such as the cryptosporidium outbreak in Milwaukee that killed 100 people.

- Global Climate and Climate Change Action Plan. The Administration is concerned that the House would continue the trend of significantly reducing the resources available for the agency's Global Climate and Climate Change Action Plan programs. The $20 million reduction to these programs would seriously jeopardize the ability of the U.S. to reduce greenhouse gas emissions to 1990 levels by the year 2000. The Administration urges the Senate to restore the $20 million for these programs.

- Environmental Commitments and Priorities Abroad. The House's targeted reductions to international programs, the Environmental Technology Initiative (ETI), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. These reductions would compromise the Nation's health, public safety, global competitiveness and national security. Through elimination of all ETI funds, EPA would no longer be able to operate U.S. Technology International Environmental Solutions (U.S. TIES), which matches priority environmental problems overseas with U.S. suppliers of proven and cost-effective environmental technologies and services. The reduced level of funding available for environmental activities associated with NAFTA and other international programs would mean the failure of the U.S. to uphold major commitments on critical international environmental problems such as lead, pesticides, and radioactive waste reduction.

Community Development Financial Institutions (CDFI)

- The House-passed bill would provide $1 million to the Community Development Credit Union (CDCU) Revolving Loan Fund, which is administered by the National Credit Union Administration (NCUA). The Administration strongly recommends that these funds be channeled to CDCUs through the Community Development Financial Institutions (CDFI) Fund, which provides financial assistance on a competitive basis to all community development financial institutions, including low-income, community development credit unions, rather than through the NCUA Revolving Loan Fund.

Health and Human Services: Office of Consumer Affairs (OCA)

- The House-passed bill would terminate the Office of Consumer Affairs. The Administration opposes the termination of OCA, which represents consumer needs and viewpoints across the Federal Government by coordinating Federal consumer policy and providing information to consumers through a help-line and a consumer's handbook.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MA

F

June 25, 1996
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

Cy: BSC
Orig: TR (Sen Unit)

H.R. 3666 – DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997

(Sponsors: Livingston (R), Louisiana; Lewis (R), California)

This Statement of Administration Policy provides the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the House Appropriations Committee. For the reasons discussed below, the Administration strongly opposes the legislation in its current form.

The Administration has previously communicated its strong objection to the overall inadequate discretionary funding level assumed in the House- and Senate-passed Budget Resolutions. While the Administration appreciates the Committee's efforts in removing the 1.322 percent across-the-board cut, the Committee bill would still reduce discretionary budget authority by $2.9 billion (four percent) from the President's request. Funding is reduced for the environment, veterans, National Service, housing, Community Development Financial Institutions, NASA, and NSF.

<u>Environmental Protection Agency (EPA)</u>

The Administration appreciates the Committee's efforts in keeping the bill free of the numerous legislative riders that were included in last year's bill but continues to have concerns about report language that would restrict EPA's ability to perform its mission. The Administration is also concerned about the Committee's overall $479 million, or 6.8-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities to protect drinking water, enforce environmental laws, and promote air and water pollution control efforts.

The Administration urges the House to restore the $100 million, or 18-percent, reduction to the request for the Drinking Water State Revolving Fund contained in the Committee bill. This cut would impair implementation of the Safe Drinking Water reauthorization bill now pending and would contradict the bipartisan consensus that drinking water protection should be strengthened.

The House is urged to restore $50 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This funding request continues to fulfill a bipartisan Federal commitment to Boston because of the city's special needs and high user charges.

The Administration is deeply concerned about the $335 million, or 10-percent, reduction in EPA's vital Operating Programs. Key among these reductions are the elimination of funding that would spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs and cuts which would hinder EPA's ability to enforce environmental laws adequately, taking environmental cops off the beat.

In addition, the Committee would prevent expansion of the Toxic Release Inventory (TRI) to include data on toxic use that is needed to determine exposure risks and give the public information about which the communities have a right to know. The reduction to TRI is particularly objectionable because the Committee uses a funding reduction in an attempt to accomplish what was included in one of last year's discredited legislative riders.

The Committee's targeted reductions to international programs, the Environmental Technology Initiative (which would be eliminated), and to programs associated with NAFTA, would be harmful to the Administration's environmental commitments and priorities abroad. The bill would also seriously reduce funding for climate change activities and eliminate funding for the innovative GLOBE program.

The Administration appreciates the Committee's restoration of Justice Department authority to fund its Superfund enforcement efforts. But it remains concerned about how, and to what extent, the cleanups are funded. The Committee reduced funding for Superfund by $55 million, which will reduce the number of cleanups.

The Committee indicated that it will provide additional funding -- but only through a future appropriation, and only in the event that Congress reauthorizes Superfund. The Senate sponsor of the authorization bill has indicated that the chances of passage are low. Thus, this purported "contingency fund" amounts to nothing more than a promise to appropriate money in the future. The Administration continues to strongly oppose the intended use of such additional funding. Polluters should pay for cleanups, as they do under the current Superfund program. Taxpayers should not.

Department of Veterans Affairs (VA)

The Administration is pleased that the Committee has restored funding for VA medical care, VA home loans, and funding for a new cemetery in Dallas/Fort Worth, Texas. However, funding for the Veterans Benefits Administration and other administrative support would still be $20 million below the request. These reductions could cause delays in the processing of disability, educational, survivor's, and other veterans benefits. The Committee bill would also provide no funding for a new hospital that is needed to improve services to veterans in the Brevard County, Florida, area.

Finally, the Committee has retained objectionable language that would limit the travel and personnel expenses of the Office of the Secretary. This restriction would prevent the Centers for Women and Minority Veterans from being able to perform their functions as mandated by Congress and undermine the Secretary's ability to manage and lead the second largest department in the government.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. In FY 1997, the Committee would once again reduce HUD program levels (after adjusting for one-time savings). The Administration is strongly opposed to the further reductions in funding levels for the Department.

While the Administration appreciates the Committee amendments that increase certain programs, the Committee bill would still: provide virtually no new incremental rental certificates for households in dire need for the third year in a row; institute a three-month delay in reissuing housing certificates to families most in need; reduce critical funding to States and communities for economic development through the Community Development Block Grant program and Homeless Assistance Grants by almost $500 million; and, cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $100 million.

Corporation for National and Community Service

The Administration is strongly opposed to the 34-percent reduction to the President's request for the Corporation for National and Community Service, one of the Administration's highest priorities. At the level included in the Committee bill, approximately 6,000 young people would not have the opportunity to serve their communities through AmeriCorps and earn an education award to help pay for college or other post-secondary education. In addition, almost 50,000 school-age youth would lose the opportunity to learn about service in their communities through the Learn and Serve program.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the House to fund the Community Development Financial Institutions program at the requested level. In response to the initial competition, the CDFI program received applications nearly 10 times the amount of funds available. The

Committee's decision to reduce the request by $80 million would reduce the fund's ability to leverage additional investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The Committee bill would cut the President's request for NASA by $1.1 billion. In particular, the Administration is concerned that the bill would cut the Mission to Planet Earth program by over $200 million and would provide no up-front funding for the New Millennium Initiative and the Tracking and Data Relay Satellite Replenishment program.

The Administration strongly objects to report language that would direct the elimination of funding for NASA's and EPA's contributions to the Global Learning and Observation to Benefit the Environment (GLOBE) program. GLOBE teaches young students how to make climate-related measurements and share this information with other students, teachers, and scientists over the Internet. These reductions would seriously impact thousands of teachers and students in 2,500 U.S. schools and in 35 other countries who have invested their resources, time, and energy in this valuable program. Both NASA and EPA believe that the GLOBE program provides low cost and scientifically valuable data.

The Administration would oppose any amendment that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 thousand space station-related jobs located in Florida, Texas, California, and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe, and Japan on this important, cooperative project.

Council on Environmental Quality (CEQ)

The Administration appreciates the increase provided for CEQ but urges support for the full request for this key agency with responsibilities for coordinating policy and advising the President. Even at the President's requested level, funding and personnel levels for CEQ would remain below that of the previous Administration.

In addition to the concerns discussed above, the Administration has additional concerns with the bill that were detailed in a June 13th letter to the House Appropriations Committee.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 13, 1996

The Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the Subcommittee. For the reasons discussed below, the Administration strongly opposes the legislation in its current form. Your consideration of the Administration's views would be appreciated.

The Administration has previously communicated its strong objection to the overall inadequate discretionary funding level assumed in the House- and Senate-passed Budget Resolutions. The Subcommittee bill would reduce discretionary budget authority by $4.3 billion (6.4 percent) from the President's request.

Environmental Protection Agency (EPA)

The Administration appreciates the Subcommittee's efforts in removing the numerous legislative riders that were included in last year's bill. However, the Administration is gravely concerned about the Subcommittee's overall $565 million, or eight-percent, reduction to the President's request. This reduction would significantly reduce key activities to protect drinking water, enforce environmental laws, and promote air and water pollution control efforts.

The Administration urges the Committee to restore the $100 million, or 18 percent, reduction to the request for the Drinking Water State Revolving Fund contained in the Subcommittee bill. In addition, the Administration is deeply concerned about the $375 million reduction in EPA's vital Operating Programs. This reduction would eliminate funding that would spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs. These cuts would hinder EPA's ability to enforce environmental laws adequately, taking the environmental cop off the beat. The bill would prevent expansion of the Toxic Release Inventory (TRI) to include data on toxic use that is needed to determine exposure risks and give the public information they have a right to know. The reduction to TRI is particularly objectionable because it would attempt to accomplish what one of last year's discredited legislative riders failed to achieve. The Subcommittee's targeted reductions to international programs, the Environmental Technology Initiative (ETI), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. Finally, the bill would seriously reduce funding for climate change activities.

The Committee is urged to restore $50 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This continues to fulfill a bi-partisan Federal commitment to Boston because of the special needs and high user charges. The Administration is also concerned about the Subcommittee's proposed $55 million reduction to Superfund. In particular, the Administration strongly opposes the elimination of the $30.9 million reimbursement to the Justice Department for its Superfund enforcement efforts, which have been funded from the EPA budget since 1981. Elimination of this funding would debilitate the entire Superfund enforcement program by preventing Superfund enforcement litigation, vital to fulfilling the polluter-pays principle, and would adversely affect the deficit by blocking further cost recovery actions. This program returned $250 million to the Treasury in FY 1995.

Department of Veterans Affairs (VA)

The Subcommittee would provide only $18.6 billion for veterans' programs, a level $350 million below the President's request. Some $245 million of this cut would come from Medical Care, forcing VA to reduce services provided to veterans in its hospitals, clinics, and nursing homes. The bill would deeply cut -- by nine percent below the request -- funding for the Veterans Benefits Administration, which would severely hamper VA's ability to provide veterans disability compensation, education benefits, home loans, vocational rehabilitation and counseling, and insurance in a timely fashion.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. In FY 1997, the Subcommittee would once again reduce HUD program levels (after adjusting for one-time savings). The FY 1997 bill would: cut the President's request for incremental rental assistance to aid households in dire need by $176 million; institute a three-month delay in reissuing housing certificates to families in dire need; cut the Community Development Block Grant program by $455 million; reduce the request for homeless programs by $198 million; and, cut funding for the demolition of the worst public housing projects by $176 million.

Corporation for National and Community Service

The Administration is strongly opposed to the 34-percent reduction to the President's request for the Corporation for National and Community Service, one of the Administration's highest priorities. At the level included in the Subcommittee bill, approximately 6,000 young people would not have the opportunity to serve their communities through AmeriCorps and earn an education award to help pay for college or other post-secondary education. In addition, almost 50,000 school-age youth would lose the opportunity to learn about service in their communities through the Learn and Serve program.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Committee to fund the Community Development Financial Institutions program at the requested level. In response to the initial competition, the CDFI program received applications nearly 10 times the amount of funds available. The Subcommittee's decision to reduce the request by $81 million will reduce the fund's ability to leverage additional investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The Subcommittee bill would cut the President's request for NASA by $729 million. In particular, the Administration is concerned that the bill would cut the Mission to Planet Earth program by over $200 million and would provide no up-front funding for the New Millennium Initiative.

The Administration would oppose any amendment that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 thousand space station-related jobs located in Florida, Texas, California, and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe, and Japan on this important, cooperative project.

Additional Administration concerns with the Subcommittee bill are contained in the enclosure. We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Alice M. Rivlin

Alice M. Rivlin
Director

Enclosure

Identical Letters Sent to Honorable Bob Livingston, Honorable David R. Obey, Honorable Jerry Lewis, and Honorable Louis Stokes

Enclosure
(House Committee)

ADDITIONAL CONCERNS
DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997
(AS REPORTED BY THE HOUSE SUBCOMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns:

Department of Housing and Urban Development (HUD)

- Objectionable Provisions. The bill fails to extend various authorizing provisions that were enacted for one year in FY 1996 such as the repeal of the one-for-one replacement requirement for demolished public housing. These are necessary reforms to our Nation's housing policies.

- Additional Concerns. The Administration objects to the inadequate funding provided for FHA multi-family loans, the inclusion of a prohibition on enforcement of property insurance laws, and an unwarranted three-month delay in reissuing housing certificates to families in dire need of assistance. The Administration also objects to the reduction in resources for the Office of Federal Housing Enterprise Oversight (OFHEO). OFHEO provides crucial taxpayer protection through its financial supervision of Fannie Mae and Freddie Mac.

Department of Veterans Affairs

- VA Construction. The Subcommittee would fund VA's construction budget at $444 million, $36 million below the President's request. This level of funding would eliminate $48 million for a new hospital that is needed to improve service to veterans in the Brevard County, Florida, area, and a new cemetery in Dallas/Fort Worth, Texas. These worthy projects would be eliminated, while at the same time the Subcommittee would add $65 million for seven less urgent projects not requested by the Administration.

o <u>Objectionable Provisions</u>. The Subcommittee bill would retain bill language limiting salary and travel costs for the staff of 45 in the Office of the Secretary to the FY 1996 restricted levels of $50 thousand for travel and $3.2 million for personnel compensation. These restrictions have placed an excessive burden on the Secretary's office in FY 1996. Reducing the travel budget by two-thirds again in FY 1997 would undermine the Secretary's ability to manage and lead the second largest department in the government.

These cuts would prevent the Secretary from attending activities and events associated with medical centers, regional offices, and veterans services organizations, and would hinder his ability to serve as an advocate for veterans, employees, and their families. In addition, these travel cuts would limit the Deputy Secretary's ability to carry out his oversight responsibilities. The Centers for Women Veterans and Minority Veterans would also not be able to perform their functions as mandated by Congress. Many of the veterans who serve on these congressionally-sanctioned advisory committees do not have the income to travel without reimbursement.

<u>Environmental Protection Agency</u>

o <u>Water Infrastructure.</u> The Administration urges the Committee to restore the $100 million reduction to the request for the Drinking Water State Revolving Fund contained in the Subcommittee bill. This funding is needed to help establish this new program with sufficient funding to help municipalities meet Safe Drinking Water Act requirements and prevent problems such as the cryptosporidium outbreak in Milwaukee that killed 100 people.

o <u>Global Climate and Climate Change Action Plan</u>. The Administration is concerned that the Subcommittee would continue the trend of significantly reducing the resources available for the agency's Global Climate and Climate Change Action Plan programs. The $20 million reduction to these programs would seriously jeopardize the ability of the U.S. to reduce greenhouse gas emissions to 1990 levels by the year 2000. The Administration urges the Committee to restore the $20 million for these programs.

- Environmental Commitments and Priorities Abroad. The Subcommittee's targeted reductions to international programs, the Environmental Technology Initiative (ETI), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. These reductions would compromise the nation's health, public safety, global competitiveness and national security. Through elimination of all ETI funds, EPA would no longer be able to operate U.S. Technology International Environmental Solutions (U.S. TIES), which matches priority environmental problems overseas with U.S. suppliers of proven and cost-effective environmental technologies and services. The reduced level of funding available for environmental activities associated with NAFTA and other international programs would mean the failure of the U.S. to uphold major commitments on critical international environmental problems such as lead, pesticides, and radioactive waste reduction.

National Science Foundation (NSF)

- The Subcommittee bill would cut the President's request for NSF by $114 million. In particular, the Administration is concerned that the bill would cut requested funding for Research and Related Activities by over $50 million, and would reduce grants for graduate fellowships by $2 million and undergraduate curriculum development by $5 million.

Council on Environmental Quality (CEQ)

- While the Administration appreciates the increase provided for CEQ, the Committee is urged to provide the President's full request for this key agency with responsibilities to advise the President and coordinate environmental policy-making. The small additional amount of funding would enable CEQ to achieve substantial improvements in its operations. Funding for CEQ, adjusted for inflation, would still be below that of the previous Administration.

Community Development Financial Institutions (CDFI)

- The Subcommittee bill would provide $1 million to the Community Development Credit Union (CDCU) Revolving Loan Fund, which is administered by the National Credit Union Administration (NCUA). The Administration strongly recommends that these funds be channeled to CDCUs through the Community Development Financial Institutions (CDFI) Fund, which provides financial assistance on a competitive basis to all community development financial institutions, including low-income, community development credit unions, rather than through the NCUA Revolving Loan Fund.

Office of Consumer Affairs (OCA)

- The Subcommittee bill would terminate the Office of Consumer Affairs. The Administration opposes the termination of OCA, which represents consumer needs and viewpoints across the Federal Government by coordinating Federal consumer policy and providing information to consumers through a help-line and a consumer's handbook.

File OCA

TO: Elizabeth Drye
Domestic Policy Council

FROM: Khushali Parikh

RE: Meeting with Leslie Byrne, Director of Consumer Affairs

The meeting is scheduled for Monday, September 16, 1996 in Room 211 Old Executive Office Building. It is scheduled for 1:30 PM-2:15 PM. I have confirmed that the following people will be attending:

Debbie Fine, DPC/Public Liasion
Michael Warren, NEC
Sherry Carter, Public Liasion
Leslie Byrne, Office of Consumer Affairs

Everyone has clearance except for Ms. Byrne and I have given Dorothy her information to clear her.

301-496-
7005
Gary Ellis

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	re: SSN and DOB [partial] (1 page)	n.d.	b(6)

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Elizabeth Drye
OA/Box Number: 10453

FOLDER TITLE:

US OCA [Office of Consumer Affairs] [1]

2014-0046-S
rc1375

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

New director - Office of Consumer Affairs

~~Consumer Affairs~~
P~~lease~~ ~~Sherry Carter - Consumers week~~

- ~~Debbie~~
- ~~Kevin Varney - who~~
-

Arrange mtg - 2110 EOB

ok Michael Warren 1pm 65807 ok

- Debbie Fine - 6-5572 1:30 pm
- Kevin Varney - CNEC/WH - ask for person)
- Sherry Carter - (WH) 62930
- Leslie Byrne, Office of Consumer Affairs
  Nellie Fagans 395-7900

TOPIC
- New Director OCA
- National Consumers Week (Oct 21) and other issues

M 11, 1, 2, 3 - 45 min
1:30-2:15

Leslie Burne

(b)(6) [001]

2/19/97 Leslie Byrne - Car leasing
Fed Reserve - form making process
FTC - advertising
coordination in these and other areas -

- Consumerism in service and information economy -
- identity theft
- privacy
- credit and debt issues

- [illegible] conference under Gerald Ford, -
- Conf. on aging model - local activists
groups to hear from customer -
- deregulating - education and info. fair

BRIEFING MEMO FOR CAROL RASCO
December 16, 1996
11:15 am

FROM: Elizabeth Drye

SUBJECT: Meeting with Leslie Byrne

Purpose

Attached is Leslie Byrne's letter to Erskine asking for a meeting with him; you are meeting with her on his behalf. Leslie wants to brief you on the priorities for the coming year. She will suggest ways the office can use its bully pulpit to advance the consumer agenda, and can work to coordinate consumer issues throughout the government.

Background

As you know, Leslie is a Special Assistant to the President. A description of her office is attached. She has a small non-political staff and no regulatory authority. OCA's hotline provides information to consumers and allows OCA to give private companies early notice of consumer concerns. As I understand it, OCA has at times been a strong force for consumer protection within the government. During the last few years, however, it has had to fight to stay funded and has not had a political leader at its helm.

When Debbie Fine, Sherry Carter and I met with Leslie earlier this year, she expressed interest in taking on some major consumer issues, including privacy (given the new telecommunications environment) and consumer fraud. She noted that focus groups indicate the government is not doing enough in these two areas.

I am not convinced OCA has the ability to lead a major policy initiative on privacy, but Leslie may be able to convene an interagency group to address her issues. I doubt she could do it without White House backing, however. She may push for your support. I suggest you remain open but not be too encouraging.

Agenda

She will present her ideas to you and seek your feedback.

5-7900

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

Vida: Send to mgt

Memorandum

To:	ERSKINE BOWLES, Chief of Staff- Designate
CC:	
From:	Leslie L. Byrne, Special Assistant to the President Leslie Byrne
Date:	November 21, 1996
Subject:	U.S. OFFICE OF CONSUMER AFFAIRS

BACKGROUND: Although you and I have worked together in our previous posts at SBA and Congress are now serving in new positions for the President. Since the end of August, I have been serving in a hybrid position of Special Assistant to the President and Director of the Office of Consumer Affairs. By Executive Order, I report directly to you and the President.

The U.S. Office of Consumer Affairs has tremendous potential to help the Administration and the country. Our mission is to give the public, through education and information, the tools they need to protect themselves in the marketplace. We work closely with business, trade association and other consumer groups to make sure the public has the information they need to make wise choices. We are also fully engaged in the global market, as consumers face new standards, practices and expectations world-wide. Whether it is electronic commerce, privacy or fraud, the ability of the public to have redress and confidence in the marketplace is a large part of our economic strength.

Through Executive Order, we are also responsible for coordination of various governmental agencies' consumer efforts. With strong direction from your office, I believe we can all governmental consumer efforts more cost effective and less duplicative.

RECOMMENDATION: It would help us a great deal to hear the administration's priorities on consumer issues. I would like to meet with you at your earliest convenience to discuss these issues. Meanwhile, I have enclosed current material on USOCA for your review. I look forward to our meeting.

THE UNITED STATES OFFICE OF CONSUMER AFFAIRS AT A GLANCE

- o Policy advisor to the President on consumer issues.

- o Works with business, industry, trade associations, consumer organizations, local and neighborhood groups to facilitate dialogue on marketplace problems. Helps to avoid litigation and costly rulemaking through these efforts.

- o Sponsors National Consumers Week coordinating 50 state efforts and those of communities throughout the country. Partners with trade associations, law enforcement, education, consumer and business organizations to alert America's consumers to their rights and responsibilities.

- o Operates the National Consumer HelpLine (1-800-664-4435), the only federal clearinghouse for consumer complaint handling. Currently fielding 700-900 calls daily.

- o Publishes the annual "Consumer's Resource Handbook," called the consumer bible by many experts. Features "Buying Smart" tips on avoiding fraud and scams and a "Consumer Assistance Directory" of corporate consumer contacts, state offices on aging, banking, insurance, utilities, weights and measures, consumer hotlines, better business bureaus, etc. to assist consumers to obtain direct and quick resolution of most grievances or answers to questions at the source.

- o Five focuses: telemarketing and telecommunications; fraud; rapid response unit for consumer complaint handling; serving underserved populations (frail, elderly, isolated, handicapped citizens); privacy issues.

- o Budget. 1995 - $2.1 million/18 FTEs
  1996 - $1.8 million/13 FTEs ← NOT FINAL
  Cost per consumer: 3/4 of one cent per consumer, per year.

HELPLINE . . . AT A GLANCE
sponsored by
The United States Office of Consumer Affairs

WHAT

Opened on June 19, 1995. 1-800-664-4435 is available from every state and U.S. territory between the hours of 10:00 am - 2:00 pm ET.

GOALS

HELPLINE is the only national consumer complaint information and referral service. We assist the consumer to reach the proper office for complaint remedy on the governmental or private sector level. Only in cases of fraud do we refer to enforcement offices.

HOW

HELPLINE is answered by USOCA professional staff. Referrals are made to appropriate businesses or governmental offices for assistance.

SYNOPSIS

- **Total number of calls received from June 19, 1995 through February 29, 1996 = 80,000**

- **Every state and territory has utilized the HelpLine.**

- **Largest number of requests are in the following areas: automobile repair, returned merchandise, home repairs, warranties, telemarketing and contest fraud.**

  Second largest number of requests are in these areas: credit reports, mail orders, insurance, medicare, IRS, mobile homes, Social Security, student loans, airlines.

- **Materials are mailed via library rate by our staff saving about $100,000 over shipping and handling costs incurred by using the Consumer Information Center.**

- **Costs: Approximately $1100 per month (as of 1/96 billing).**

(3/18/96)

Elizabeth -
Thanks for the info. Ashley

April 12, 1994

MEMORANDUM TO

White House Counsel's Office

FROM: Polly Baca, Special Assistant to the President and Director, U. S. Office of Consumer Affairs

SUBJECT: Background on the United States Office of Consumer Affairs

Our office grew out of the President's Committee on Consumer Interests which was organized by President Kennedy and formalized by President Johnson. The first Special Assistant to the President for Consumer Affairs, Esther Peterson, was appointed by President Kennedy in 1963.

President Nixon established OCA by Executive Order #11583 (1971) as the successor to the President's Committee on Consumer Interests (PCCI) organized by President Kennedy and formalized by President Johnson (EO's #11136 and 11349). In 1973, President Nixon transferred OCA and its functions to what is now the Department of Health and Human Services (EO #11702), specifying that the USOCA Director "shall continue as the Special Assistant to the President for Consumer Affairs." Consequently, OCA has worked through HHS on all administrative and budget matters, while receiving policy direction from the White House, through either the Chief of Staff or the Assistant to the President for Economic and Domestic Policy.

Special Assistants to the President for Consumer Affairs who have directed our office in the past include Esther Peterson, Betty Furness, Virginia Knauer and Bonnie Guiton.

President Carter, in the *Consumer's Executive Order*, EO #12160, instituted the Consumer Affairs Council "to improve the management, coordination and effectiveness of agency consumer programs" and gave OCA responsibility for administrative support of the Council, which is composed of senior-level officials of 41 departments and agencies. Presidents Carter, Reagan and Bush all named their Special Assistants/OCA Directors to chair the Council.

Although none of the Executive Orders has been modified, the position of Special Assistant to the President for Consumer Affairs was vacant from 1983, when President Reagan changed the title of the incumbent to Special Adviser to the President for Consumer Affairs/Director, OCA, and moved the office out of the Executive Office Building without amendment to the Executive Orders.. President Bush's two appointees served under the title *Director, Office of Consumer Affairs*, albeit they, *and their Deputy Directors,* were selected and commissioned by the President and continued to receive policy direction from the White House.

The Office of Consumer Affairs (OCA) is unique in the Federal establishment; although housed administratively within HHS it reports directly to the Executive Office of the President.

Its mission, moreover, addresses the entire Federal government, rather than HHS alone. OCA advises and represents the President directly on matters of consumer interest, analyzes and coordinates the implementation of all Federal consumer protection activities, and recommends ways to make governmental consumer programs more effective.

To the Consumer Community, the role of a Special Assistant to the President carries considerable policy significance. Each new Assistant's credentials, title and reporting relationship to the White House is scrutinized carefully by the consumer and corporate communities, who look for indications of Administration intentions concerning consumer protection, quality and competitiveness issues.

The name of the office headed by the Special Assistant is also significant. There are other Offices of Consumer Affairs in the various departments, each responsible for only the relationship between that department's program and the individual consumer. This office is not responsible to HHS for its relationship to the consumer. There is an office within the Food and Drug Administration which performs that function. As a consequence, the role of this Office of Consumer Affairs is too often confused with one of the others. Without changing the title through regulation, OCA began adding "U.S." to Office of Consumer Affairs in the 1980s to avoid this confusion.

THE WHITE HOUSE

OFFICE OF DOMESTIC POLICY

CAROL H. RASCO

Assistant to the President for Domestic Policy

To: ______________________

____

Draft response for POTUS
and forward to CHR by: ______________________

Draft response for CHR by: ______________________

Please reply directly to the writer
(copy to CHR) by: ______________________

Please advise by: ______________________

Let's discuss: ______________________

For your information: ______________________

Reply using form code: ______________________

File: ______________________

Send copy to (original to CHR). ______________________

Schedule ?: ☐ Accept ☐ Pending ☐ Regret

Designee to attend: ______________________

Remarks: ______________________

____

____

____

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

July 18, 1996

Ms. Carol H. Rasco
Assistant to the President
for Domestic Policy
The White House
2nd Floor, West Wing
Washington, DC 20501

Re: U.S. Office of Consumer Affairs

Dear ~~Ms. Rasco~~ Carol:

The United States Office of Consumer Affairs is scheduled to be terminated by Congress at the end of FY '96 unless funds are restored to the VA-HUD-Independent Agencies Appropriation either on the Senate floor or in Conference. On strict party line votes, we have been eliminated in the House and in the Senate Appropriations Committee. The Senate Subcommittee did not allow us to testify or submit a statement for FY '97. Their minds were closed.

Most senators and Members of Congress are surprised to learn we are slated for oblivion. When contacted by their constituents, elected officials are very supportive.

Over the past twenty months, the U. S. Office of Consumer Affairs accomplished more with less funds and staff than any comparable office in the Federal government. While 22 states closed or cut back their services and Better Business Bureaus charged for services and significantly reduced their complaint handling, the U. S. Office of Consumer Affairs opened a toll-free line staffed by consumer specialists to help citizens with their consumer complaints. During its first eight months, HELPLINE logged approximately 80,000 calls. Better Business Bureaus, state and city consumer offices and consumer groups now refer constituents to our HELPLINE.

As policy advisor to the President on consumer issues, we responded to more than 40 major legislative and regulatory proposals during 1995-1996. We facilitate dialogues between industries and consumers to head off the need for new legislation or rulemaking, where that is possible.

Illustrative of the confidence business and consumers have in us is the extraordinary list of sponsors we have already attracted for National Consumers Week, October 20-30, 1996. (See attached).

We make friends for this administration. Consumers trust us. Business likes us. State and local consumer offices depend on us. We know we've made a difference. Our budget, $1.81 million, represents a cost of 3/4 of a cent per consumer.

As one citizen asked me at a recent meeting, "If they're talking about a global marketplace, how can they eliminate Consumer Affairs?"

We wanted to be sure you knew about this situation prior to conferencing.

If I can be of further assistance to your office, I can be reached at 395-7914. Our Legislative Liaison, Sandy Aguilar can be reached at 395-7913.

Thank you for all your efforts on behalf of this administration. It is an honor to be a part of it.

Sincerely yours,

Bernice

Bernice Friedlander
Acting Director

Here we go again!

Attachment

FACSIMILE TRANSMISSION

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR MANAGEMENT AND BUDGET
HUBERT H. HUMPHREY BUILDING
200 INDEPENDENCE AVENUE, S.W.
ROOM 514G
WASHINGTON, D.C. 20201
(202) 690-6396
FAX (202) 690-5405

TO: Elizabeth Drye

FROM: Betty James

FAX NUMBER 456-7028

DATE 7/31/96

TIME 3:35pm

PAGE 1 OF 11

IMMEDIATE ACTION ______

FOR YOUR INFORMATION ______

PER YOUR REQUEST X

RESPONSE NEEDED ______

MESSAGE:

Revised

CHRONOLOGICAL HISTORY OF THE OFICE OF CONSUMER AFFAIRS (OCA)

This listing was compiled from information found in historical files and Congressional documents. Additional information was supplied by Frank Marvin of OCA.

Executive Order 11136 - January 3, 1964; amended by
Executive Order 11349 - May 1, 1967
Created President's Committee on Consumer Interests (PCCI).

HEW Transmittal Notice 68.22 - December 2, 1968*
Implemented Secretary's decision to establish the Office of Consumer Service (OCS), under the direction of the Assistant Secretary for Community and Field Services.

Executive Order 11566 - October 26, 1970*
Created the Consumer Product Information Coordinating Center and authorized PCCI to provide oversight.

Executive Order 11583 - February 24, 1971*; amended by
Executive Order 11595 - May 26, 1971*
Created first OCA, in the Executive Office of the President; abolished PCCI.

Executive Order 11702 - January 25, 1973
Combined OCA and OCS; transferred reconstituted OCA to DHEW, reporting directly to the Secretary. (Announced in Federal Register on March 16, 1973* and in HEW Transmittal Notice TN-73.5 on April 4, 1973.*)

Memorandum from HEW Secretary Califano - October 13, 1978*
(including August 31, 1978 memorandum of agreement between Califano and Esther Peterson)
Defined the respective duties of OCA and HEW, following "the President's decision to retain OCA in HEW." (NOTE: One theory holds that Esther Peterson requested that OCA be broken off as a separate agency.) "HEW will only be responsible for providing administrative and management services to OCA"; in the area of Budget and Financial Management, "HEW's procedures, formats and ceilings would apply; but within those constraints, (the Director of OCA) will draft OCA's budget and allocate budgeted resources."

Federal Register - October 26, 1978*
Announced first reorganization of OCA. OCA still reporting directly to the Secretary; OCA's Office of Management and Consumer Complaints named responsible for "the activities of OCA in the areas of annual budget, procurement, personnel, and record keeping."

Executive Order 12160 - September 26, 1979*
Created Consumer Affairs Council and authorized OCA to provide administrative support to it. (Announced in Federal Register on September 28, 1979 and June 9, 1980.*)

Federal Register - July 7, 1983*
Announced second reorganization of OCA. OCA still reporting directly to the Secretary; OCA's Management Staff named responsible for "the activities of OCA in the areas of financial management, procurement, personnel and record keeping."

*OSBS has a copy of this document. (NOTE: the Assistant Secretary for Legislation's library no longer has copies of Executive Orders dated before January 1978 or from August 1978 through September 1979.)

The chronological files maintained by Mary Ferguson in Management Services show no Federal Register or DHHS Transmittal listings for OCA other than those shown above. The most recent (December 1986) organizational chart for DHHS notes that OCA is "located administratively in HHS, but reports to the President."

Per Frank Marvin, in 1973 the Congress rejected a proposal to make OCA part of DHHS' annual Departmental Management (DM) appropriation. OCA has maintained a "direct" relationship with Congress ever since, and prepares and defends its own budgets before the HUD/Independent Agencies Appropriations Subcommittees. However, OCA is included in DHHS' overall budget totals; therefore, their request is subject to review by the Office of Management and Budget's (OMB) examiners for DHHS. Consequently, OSBS staff must review and present OCA's requests to OMB, as well as serving as the conduit for all communications between OCA and OMB.

RJ/OSBS
12/23/87

accordance with the provisions of the Federal Information Resources Management Regulation, subpart 201-20. The General Services Administration will determine the appropriate action to be taken and will notify the agency.

Federal departments and agencies are encouraged to submit updates and corrections to this standard, which will be considered for the next revision of this standard. The General Services Administration has delegated the compilation of suggested changes to the National Communications System whose address is given below.

Preparing Activity

Office of the Manager, National Communications System, Office of Technology and Standards, Washington, DC 20305-2010.

[FR Doc. 91-15870 Filed 7-3-91; 8:45 am]

BILLING CODE 6820-25-M

Information Resources Management Service

Federal Telecommunications Standards

ACTION: Notice of adoption of standard.

SUMMARY: The purpose of this notice is to announce the adoption of a Federal Telecommunications Standard (FED-STD). FED-STD 1035A "Telecommunications: Coding Modulation and Transmission Requirements for Single Channel Medium and High Frequency Radiotelegraph Systems Used in Government Maritime Mobile Telecommunications" is approved by the General Services Administration and will be published.

FOR FURTHER INFORMATION CONTACT: Mr. Dennis Bodson, Office of Technology and Standards, National Communications System, telephone (703) 692-2124.

SUPPLEMENTARY INFORMATION:

1. The General Services Administration (GSA) is responsible, under the provisions of the Federal Property and Administrative Services Act of 1949, as amended, for the Federal Standardization Program. On August 14, 1972, the Administrator of GSA designated the National Communications System (NCS) as the responsible agent for the development of telecommunications standards for NCS interoperability and the non-computer communication interface.

2. On October 2, 1989, a notice was published in the Federal Register (54 FR 40546) that a proposed Federal Telecommunications Standard 1035 entitled "Telecommunications: Coding Modulation and Transmission Requirements for Single Channel Medium and High Frequency Radiotelegraph Systems Used in Government Maritime Mobile Telecommunications" was being amended for Federal use.

3. The justification package as approved by the Director, Office of Science and Technology Policy (OSTP), Executive Office of the President was presented to GSA by NCS with a recommendation for adoption of the standard. These data are a part of the public record and are available for inspection and copying at the Office of Technology and Standards, National Communications System, Washington, DC 20305-2010.

4. Interested parties may purchase the standard from GSA, acting as agent for the Superintendent of Documents. Copies are for sale at the GSA Specifications Unit (WFSIS), room 6039, 7th and D streets SW., Washington, DC 20407; telephone (202) 708-9205.

Dated: May 10, 1991.

Thomas J. Buckholtz,

Commissioner, Information Resources Management Service.

[FR Doc. 91-15871 Filed 7-3-91; 8:45 am]

BILLING CODE 6820-25-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Office of Consumer Affairs; Statement of Organization, Functions, and Delegations of Authority

Introduction. Part A, chapter AW, U.S. Office of Consumer Affairs (USOCA), of the Statement of Organization, Functions and Delegations of Authority of the Department of Health and Human Services, as last amended at 55 FR 20635, May 18, 1990, is being amended to reflect a reorganization of USOCA. The reorganization will enable realignment of functions assigned to USOCA subunits, thus enabling more efficient management of staff and financial resources in the conduct of USOCA programs. The revised chapter reads as follows:

Section AW.00 Mission. The U.S. Office of Consumer Affairs executes the functions assigned by Executive Order 11583 of February 24, 1971 (as amended by Executive Order 11595 of May 26, 1971, and Executive Order 11702 of January 25, 1973) and Executive Order 11566 of October 26, 1970, advises the President on consumer affairs, and coordinates consumer functions in the Federal government. In accordance with Executive Order 12160 of September 26, 1979, the staff also provides assistance to the Chairperson of the Consumer Affairs Council.

Section AW.10 Organization. A. The Director of the U.S. Office of Consumer Affairs reports directly to the President and directs and coordinates the activities of the U.S. Office of Consumer Affairs.

B. The U.S. Office of Consumer Affairs consists of the following components:

Office of the Director;
Division of Public and Legislative Affairs;
Division of Planning, Budget and Evaluation;
Division of Policy and Education Development;
Division of Business, Consumer and International Liaison.

Section AW.20 Functions. A. U.S. Office of Consumer Affairs. (1) Works to ensure appropriate consideration of consumer perspective in policy development at the White House and Federal agencies. The Director also coordinates Federal consumer policy through the Consumer Affairs Council, composed of all Federal agencies providing consumer programs, under authority of Executive Order 12160. (2) Publishes the Consumers' Resource Handbook and other documents distributed upon request to millions of Americans through the Consumer Information Center. These publications advise individuals how to avoid marketplace problems and how to resolve questions or complaints if they do arise. (3) Promotes cooperation between international, Federal, State, local, nonprofit, and private sector entities involved in the marketplace, emphasizing the need for ethical business practices, regulation and legislation where needed and appropriate, and voluntary efforts to promote consumer interests through education, dispute resolution and policy coordination. The Director chairs the delegation from the United States to the Committee on Consumer Policy of the Organization for Economic Cooperation and Development, at which international marketplace principles are harmonized. (4) Promotes improved consumer skills through education programs which emphasize practical application of skills learned in elementary, secondary and post-secondary schools, as well as public and private sector programs which target specific consumer issues to be addressed by media information campaigns, workshops, facts sheets and other publications. (5) Identifies, analyzes and focuses attention on needs, interests and marketplace problems of consumers by conducting surveys, conferences, and working groups, both independently and in conjunction with other government agencies, nonprofit organizations, and the private sector.

B. Office of the Director. Directs and coordinates the activities of the U.S. Office of Consumer Affairs.

C. Division of Public and Legislative Affairs. Participates in the design and enactment of the President's consumer legislative program, including preparation of congressional testimony and serving as congressional liaison; prepares and reviews materials for presentation to Federal Departments and Agencies; reviews and prepares comments on proposed Federal regulations; is responsible for USOCA relations with the press and media, the Congress and the public; prepares speeches, articles and syndicated radio programs; designs programs for disseminating important consumer information to the public; and oversees all necessary legal services for USOCA.

D. Division of Planning, Budget and Evaluation. Develops comprehensive plans for programs of USOCA and develops and implements systems to evaluate staff effectiveness. Recommends and applies administrative policy and procedures; is responsible for the activities of USOCA in the areas of financial management, procurement, personnel and record keeping, and provides advice and recommendations to the Director on alternatives to achieve USOCA program objectives.

E. Division of Policy and Education Development. Monitors and evaluates ongoing programs and emerging issues in Federal agencies affecting consumers, with a view to determining the effectiveness of current and proposed programs, particularly as they impact on the unique needs of special interest groups; develops and recommends new programs to insure that each agency of the Federal Government adequately responds to consumer needs in the development of policy; encourages private industry voluntarily to develop self-regulatory programs and to adopt competitive policies and programs; coordinates staff assistance to the Chairperson of the Consumer Affairs Council; responds to consumer complaints; conceives and facilitates implementation of programs to enhance consumer and economic education through the efforts of government, education institutions, business, voluntary groups and individual citizens; provides services to consumer educators; and promotes a broad multi-disciplinary approach that seeks to unify and focus the efforts of those engaged in consumer and economic education programs.

F. Division of Business, Consumer and International Liaison. Maintains liaison with Federal, State, county, and city government officials responsible for consumer matters; serves as focal point for liaison with individual consumers and with national, State and local voluntary organizations which represent consumers and citizens; provides adequate opportunities for consumer participation in the decision making process; maintains liaison with trade association and industry as necessary, including encouraging initiation of programs aimed at resolving complaints common to large numbers of consumers; maintains liaison with representatives of other nations, particularly within the framework of the Committee on Consumer Policy of the Organization for Economic Cooperation and Development; and serves as the principal USOCA unit responsible for development and coordination of conferences and meetings on consumer matters.

Section AW.30 Order of Succession. In the absence or incapacity of the Director, the Deputy Director shall act as Director, USOCA.

Section AW.40 Delegation of Authority. The exercise of authority and duties of the Director, USOCA are set forth in the Executive Orders cited in section AW.00 above. Authority is exercised under Executive Order 11583 through the staff of the U.S. Office of Consumer Affairs and under Executive Order 12160 through the Consumer Affairs Council comprised of representatives of Federal departments and agencies.

Dated: June 26, 1991.

Elizabeth M. James,

Acting Assistant Secretary for Management and Budget.

[FR Doc. 91-15887 Filed 7-3-91; 8:45 am]

BILLING CODE 4150-04-M

Administration on Aging

Agency Information Collection Under OMB Review

AGENCY: Administration on Aging, HHS.

ACTION: Notice.

Under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35), we have submitted to the Office of Management and Budget (OMB) for approval an existing information collection: Supplemental Form to the Financial Status Report (SF-269), title III of the Older Americans Act Grants for State and Community Programs on Aging.

ADDRESSES: Copies of the information collection request may be obtained from Larry Guerrero, Reports Clearance Officer, by calling (202) 245-6275.

Written comments and questions regarding the requested approval for information collection should be sent directly to: Angela Antonelli, OMB Desk Officer for ACF, OMB Reports Management Branch, New Executive Office Building, room 3002, 725 17th Street, NW., Washington, DC 20503 (202) 395-7316.

Information on Document

Title: Supplemental Form to the Financial Status Report (SF-269), title III of the Older Americans Act, Grants for State and Community Programs on Aging.

OMB No.: 0980-0205.

Description: Sections 304 [illegible] and 308 of the Older Americans Act of 1965, as amended, require the Administration on Aging (AoA) to monitor the use of title III program funds allocated to the State Agencies on Aging. In order for AoA to effectively monitor these program funds and determine that these funds are used for the purposes for which the allotments are made, specific financial data relating to program activities must be collected from the States. These data include the amount of program funds expended for State agency administration, area plan administration, supportive service[illegible] long term care ombudsman activities funded by the supportive services allotment, nutrition services, in-home care for the elderly, ombudsman and elder abuse activities. It is also necessary to collect data on the amount of program income expended for each program activity.

In Fiscal Year (FY) 1991, the ombudsman and elder abuse programs under title III of the Older Americans Act were funded by separate allotments. Consequently, AoA has revised the current OMB-approved AoA Supplemental Form to the Financial Status Report (SF-269), which expires on June 30, 1992, in order to include data on these programs.

Annual Number of Respondents: 57

Annual Frequency: 4

Average Burden Hours Per Response: 0.5

Total Burden Hours: 114

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

MEMORANDUM

MAY 20 1988

TO: Virginia H. Knauer, Director
U.S. Office of Consumer Affairs (OCA)

FROM: S. Anthony McCann Elizabeth M. James
Assistant Secretary for Management and Budget

SUBJECT: Reassessment of Office of the Secretary (OS) Budget Formulation Responsibilities For OCA, and Call for FY 1990 Budget Information

DUE DATE: June 8, 1988

As you know, the Department recently completed Congressional hearings on the FY 1989 President's Budget. However, it is now time to begin the FY 1990 budget planning process.

For many years, the Department's Division of OS Budget Services (OSBS) has reviewed OCA's annual budget submissions and presented them to the Office of Management and Budget (OMB). However, during the FY 1989 Budget Review Group meetings, it became apparent that OCA submissions should not, in fact, be subject to Departmental review; historical documents detailing OCA's relationship with DHHS appear to confirm that our role should correctly be one of providing strictly administrative and management services to OCA, not of making decisions concerning OCA's budgets.

Since OCA is not accountable to the Secretary, I believe it is inappropriate and unnecessary for the Department to take a position with OMB and the Congress concerning OCA's budgets. Discussions between OSBS staff and Frank Marvin of your staff have indicated that OCA would not object to the following proposals:

(1) Beginning with the FY 1990 budget submission (instructions for which follow), OSBS will act strictly as a servicing organization to OCA, and will no longer provide your office with a Departmental mark.

(2) Also beginning with the FY 1990 budget, OSBS will no longer provide a Departmental witness at OCA's Congressional hearings; instead, an OSBS representative will attend these hearings as an interested party.

Budget <u>execution</u> services which are currently provided to OCA by OSBS would continue without interruption.

As stated above, the time is now here to begin the FY 1990 budget planning process. Dates for many key events in this process have not yet been set; however, the deadline for submission of the Department's overall FY 1990 budget request to OMB is September 1, and I am committed to meeting that deadline.

Attached at Attachment A is a copy of BPM 88-9, giving specific instructions to the OPDIVs for the preparation of their FY 1990 budget requests. Please refer to it for guidance and for information on the assumptions to be used in formulating your request (e.g., FY 1990 estimates are to reflect only the annualization of the 2 percent pay raise expected in January 1989). Attachments B and C request information needed by OSBS to prepare the overall OS submission, i.e., information on OCA's FY 1990 appropriation request and your planned accomplishments. Instructions for preparing your FY 1990 Information Resource Management (IRM) request will be issued soon by OIRM.

As indicated in BPM 88-9, the FTE ceiling for OCA's appropriation is currently scheduled to decrease from 22 in FY 1989 to 14 in FY 1990. Obviously, you may not agree with this projection in light of your office's missions and special authority. Therefore, any arguments which you may wish to make in support of a higher FTE level should be included in your request.

To ensure that OSBS has sufficient time to compile the overall OS submission, I ask that you submit the completed attachments -- plus any other information which you believe is pertinent to your request -- to OSBS by no later than June 8. I do not anticipate a need for any meetings between our staffs, or between you and me, to discuss your request; however, if you believe that such meetings would be beneficial, OSBS will be happy to set them up.

If you have any questions or comments, please contact Shirley Carozza, Director of OSBS, on 245-6345, or her Budget Formulation staff on 245-7077.

Attachments

DEPARTMENT OF HEALTH EDUCATION AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

AUG 31 1976

TO: Joseph A. Califano, Jr.
Esther Peterson

FROM: Peter Bell

RE: Office of Consumer Affairs

Esther Peterson and I met August 11 to discuss implementation of the President's decisions to retain the Office of Consumer Affairs in HEW and to designate Esther as the director of OCA. This memorandum summarizes the points we covered: in summary, we agreed on every issue. If both of you concur with this understanding, please sign the approval lines on page 2 of this memorandum. We will distribute this memorandum to HEW managers with the attached note from the Secretary.

Program Planning and Implementation: Solely Esther's responsibility.

Budget and Financial Management: HEW's procedures, formats, and ceilings would apply; but within those constraints, Esther will draft OCA's budget and allocate budgeted resources. Esther will work with the Assistant Secretary for Management and Budget to establish the ceiling, and she will testify on the OCA budget.

Personnel: Esther will select staff and decide on rewards, promotions, and disciplinary actions. HEW policies will apply, and HEW will process actions and maintain records.

Organization: Within the Department's guidelines, OCA may propose and implement the organization which best fits its mission. To assure a unit responsive to the President's directions, HEW's assistance will be needed in expediting a reorganization of OCA. HEW will review any proposed reorganization (for budgetary, labor relations, and legal problems only) prior to approval by the Secretary or Assistant Secretary for Management and Budget. In addition, OCA may call upon the Assistant Secretary for Management and Budget and the Assistant Secretary for Personnel Administration for advice on administrative/organization matters.

Procurement, Travel: OCA will serve as project officer for procurements and will authorize travel, subject to HEW procedures.

Payroll, Administrative Services, Labor Relations: HEW will continue providing these services to OCA.

Audit: HEW's Office of the Inspector General will be responsible for the audit of OCA's financial practices.

Legal Services: OCA will continue to have its own legal counsel, but HEW will be responsible for any legal matters that arise out of the Department's administrative support functions.

Liaison with the Immediate Office of the Secretary, HEW: Peter Bell will continue to be accessible to OCA in the event of problems needing attention in the Immediate Office of the Secretary.

Public Affairs, Congressional Relations: On all matters outside HEW's purview, OCA will develop its own press materials, other public releases, congressional testimony, and other congressional communications. On matters affecting HEW, OCA will consult with Peter Bell, Eileen Shanahan, Dick Warden, and appropriate agency or principal operating component heads before releasing information to the public or communicating with the Congress. Whenever possible, that consultation should occur at least 48 hours prior to the announcement or release of information. HEW will also give the same courtesy to OCA on issues in which OCA has significant interest.

If both of you agree to this statement, we will announce this understanding to HEW managers with the attached memorandum

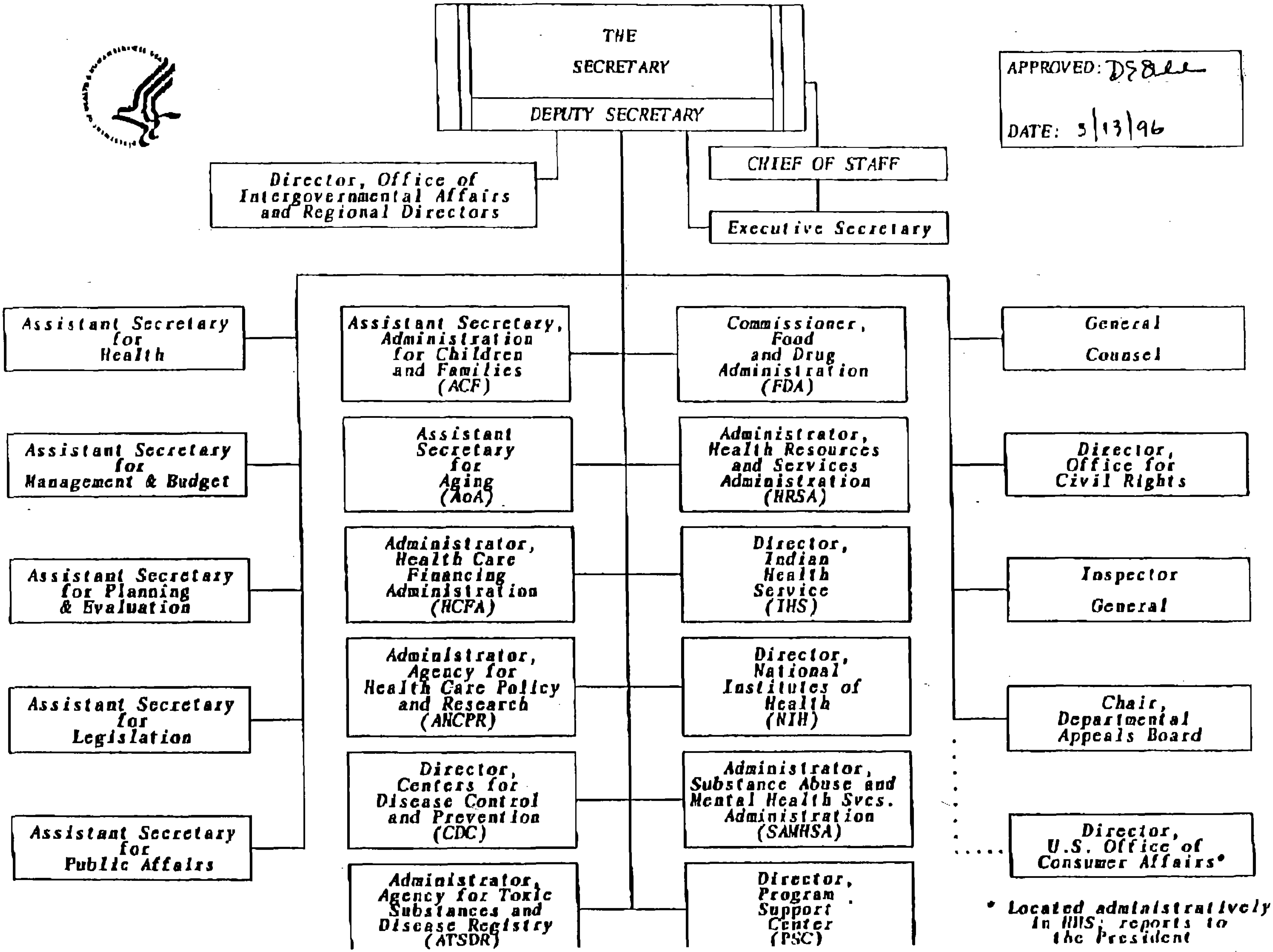
Approved:

Joseph A. Califano, Jr.

Esther Peterson

Attachment

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES



07/31/96 15:58 ☎202 690 5405 DHHS/ASMB 010

JUN 24 1996

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

June 21, 1996

MEMORANDUM

TO: Carol H. Rasco
Assistant to the President
for Domestic Policy

FROM: Bernice Friedlander BF
Acting Director, USOCA

RE: Follow-up to our 6/17 meeting

Thank you for taking time from your very busy schedule to meet with me on Monday. I really enjoyed the lunch and I now have two boxes of White House M&Ms displayed prominently in my office. I'm opening them on Election Night!

Here's an update:

Summit

1. The SOCAP meeting on Tuesday evening (6/18) was not terribly eventful. Those interested in the idea of a consumer summit still talk about it only in the corridors and via long distance. I still believe this will come about but I have no more substance to share with you at this time.

Fraud numbers

2. Regarding the fraud numbers you requested: According to the Federal Trade Commission and the National Consumers League, the $100 billion figure used by our office three years ago is the one they still cite. Ten per cent or $40 billion is the figure used for telemarketing fraud. Fraud, in general, and telemarketing fraud, in particular, are both growth industries.

National Consumers Week '96

3. On 6/20, OCA hosted our "Committee of 100" planning meeting for National Consumers Week 1996. I delivered appropriate greetings from the President. We had many new partners this year including the United Steelworkers of America and the National Council of Senior Citizens. (I have been trying for nearly two years to interest labor and we will build on this.)

4. We already have commitments from another 40 companies, consumer organizations and educational institutions plus many states and large cities.

This eagerness to be a part of National Consumers Week and work on programs or projects that reflect well on their customer services, dedication to the community and partnership with the Consumer Affairs Office that reports to the President tells you something about the currency of consumer issues.

I strongly believe -- based on our focus groups and the exchanges I've had with business and consumers -- that this could be an important issue in 1996. It could be helpful to Democrats running in marginal districts. Consumer protection, consumer education are winners.

5. I'm attaching a listing of some National Consumers Week projects underway. If you notice a propensity toward large states and areas where there are important Senate races, it is not coincidental.

When we have firmed up plans for the kick-off and the Detroit and Chicago events, we want to invite the President and/or Vice President to participate in one or more of these happenings.

Attachments A & B

Attachment A

Attendees at NCW '96 Committee of 100 Planning Meeting
(Corporate)

Pacific Bell, San Francisco, CA
TRW, Allen, TX
Faneuil Research, Chicago, IL
Mattel, El Segundo, CA
AT&T Call Center, Atlanta, GA
Chrysler Corporation, Auburn Hills, MI
Matrixx Marketing Research, Cincinnati, OH
MCI Telecommunications, Arlington, VA
Interactive Services Association, Silver Sp., MD
Washington Gas, Washington, DC
Rite Aid Corporation, Camp Hill, PA
Direct Marketing Association, Washington, DC
Bell Atlantic, Arlington, VA
Source One Communications, Inc., Carlstadt, NJ
Center for the Study of Services, Wash., DC
William R. Lau & Associates, Inc., Reynoldsburg, OH
NYNEX, White Plains, NY
Omaha Steaks, Omaha, NE
Sitel Corporation, Omaha, NE
Telerix, Spring House, PA
Issue Dynamics, Inc., Wash., DC
Coca-Cola USA Fountain, Atlanta, GA
The Center for Client Retention, Short Hills, NJ
EDS, Herndon, VA
Inter-Media Marketing, West Chester, PA
Barnett Banks, Inc., Jacksonville, FL
General Motors Corporation, Detroit, MI
American Express, Washington, DC
TARP, Arlington, VA
PEPCO, Washington, DC

Non-corporate entities (all Washington, D.C. unless noted):
National Association of Attorneys General
AARP
National Council of Senior Citizens
Grey Panthers
National Consumers League
National Association of Consumer Agency Administrators
Puerto Rico Department of Consumer Affairs, San Juan, PR
U.S. Army Community Service, Ft. Myer, VA
District of Columbia Public Service Commission
The Consumer Affairs Letter
The Good Earth Holistic Center
National Urban League
Securities and Exchange Commission
FCC
FTC
United States Postal Service
U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Transportation/NHTSA

Attachment B

Major National Consumers Week projects underway:

A. Detroit: Conference on health issues in the automotive industry and medical scams facing consumers.

Sponsors: General Motors, Ford and Chrysler, Michigan Blue Cross/Blue Shield, local HMO's, Office of the Mayor of Detroit, Detroit's Office of Consumer Affairs, and others.

Early plans indicate Renaissance Center. They will send a committee here to meet with me in two weeks to finalize.

B. Washington, D.C.: Access to Technology for the Disabled

Sponsors: NYNEX, AT&T, Issue Dynamics, Inc.
Proposed co-sponsors: President's Committee on Employment of the Handicapped, senior citizen groups, disability organizations.

Exhibits and discussions by providers and innovators of new technology to assist the disabled in the work place, at home, in securing a better quality life.

I'm meeting with IDI liaison on 6/24.

C. Chicago: Midwest Reception for National Consumers Week

Sponsor: Ameritech
Proposed co-sponsors: Mayor's Office of Consumer Affairs, Omaha Steaks, Lau Inc., Coca-Cola

Celebration time! Still in early planning stages.

I'm meeting with Ameritech liaison on 6/24.

D. Youth Events (various and around the country)

Interested Sponsors: Mattel, Inc., Credit Union National Association, Girl Scouts of America

Still in planning stages: Workshops on handling credit, writing checks, learning about the Consumer Bill of Rights, product testing, tie-in with Girl Scouts consumer education badges, product/toy safety, etc.

E. Kick-off

Proposed site: Cleveland
Sponsors: Ameritech, others

Tie-in with Net Day. Ribbon cutting, appropriate short speeches in conjunction with Congressman Louis Stokes to highlight President's initiative to bring on-line hospitals, libraries and schools in economically disadvantaged areas.

F. Investors' Town Meeting
Sponsor: Securities and Exchange Commission, local entities

Continuation of the Chairman's successful and popular series. We're looking at possible satellite linkage to reach several sites.

G. Third Annual NCW Contest
Sponsor: USOCA, National Consumers League, NHTSA
Proposed co-sponsor: GTE

Awardees for best projects or programs in five major categories and honorable mentions are selected. Awards are presented at the annual National Consumers League conference in the spring. NCL in cooperation with USOCA and corporate partners makes it possible for all winners to be present for the award ceremonies.

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

20-Jun-1996 06:51pm

TO: Elizabeth E. Drye

FROM: Carol H. Rasco
Domestic Policy Council

SUBJECT: RE: US Office of Consumer Affairs

It is a strange animal that even on the latest HHS chart shows it reports over here....Alexis and I were asked with the previous fulltime director to meet with her periodically but then when she left we were not asked to do anything.

Please call Kevin tomorrow and talk with him....my sense is you should get Lee Satterfield briefed tomorrow also and maybe between you and Kevin and Lee you can come up with suggested action plan to get this shut down or something.

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: ______________________

Draft response for POTUS and forward to CHR by: ______________________

Draft response for CHR by: ______________________

Please reply directly to the writer (copy to CHR) by: ______________________

Please advise by: ______________________

Let's discuss: ______________________

For your information: ______________________

Reply using form code: ______________________

File: ______________________

Send copy to (original to CHR): ______________________

Schedule ? : ☐ Accept ☐ Pending ☐ Regret

Designee to attend: ______________________

Remarks: ______________________

United States
Office of Consumer Affairs
Washington, D.C. 20201

Official Business
Penalty for Private Use $300

'93 JUL 15 P2:42

Carol H. Rasco
Assistant to the President
for Domestic Policy
2nd Floor
West Wing

456-2216
Carol Rasco

JUL 15 1996

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

July 12, 1996

MEMORANDUM

TO: Carol H. Rasco
Assistant to the President
for Domestic Policy

FROM: Bernice Friedlander B Friedlander
Acting Director, USOCA

RE: Progress Report, 6/21-7/12/96

NATIONAL CONSUMERS WEEK 1996
Major Sponsors

As of today, USOCA has firm commitments from GTE, Ford, Chrysler, General Motors, Michigan Blue Cross/Blue Shield, Ameritech, Bell Atlantic and NYNEX to sponsor and fund a number of events to be held in Washington, D. C., Cleveland, Chicago, Detroit and California during National Consumers Week, October 20-30. Ameritech has a solid commitment to pay for our national poster in English and Spanish. Additional commitments are expected in the next several weeks. I have brought a national coordinator on board for four months to keep things moving.

More Programs
Health Fraud Against the Elderly
USOCA staff is working with a team from the National Association of Attorneys General, National Association of Consumer Agency Administrators, National Council of Senior Citizens, AARP, National Consumers League to pull together a seminar on health fraud against the elderly. This is a main focus for both NAAG and NCL in 1997.

Consumer Education and Youth
We're working with the Credit Union National Association and the Girl Scouts to sponsor a number of consumer education events spotlighting youth during the week. We're seeking to involve the Girl Scouts in a nationwide consumer education badge earning effort during NCW.

1997 Consumer's Resource Handbook
USOCA will release the 1997 Consumer's Resource Handbook and put it on-line at the kick-off for NCW '96. The 1997 Handbook is dedicated to the late Secretary of Commerce, Ronald H. Brown. Secretary Kantor has written the dedication letter. By August 1, we will send a draft letter for the President to sign for this year's edition.

Publications
USOCA will release, "Too Good To Be True 2000," an update of the popular pamphlet put out several years ago pertaining to fraud. A new section on telemarketing fraud is being added.

We will also release a new study prepared in conjunction with TARP on the benefits of good service to business' bottom line.

STATUS OF FUNDING

On 6/26, FY '97 funding was eliminated by the House Appropriations Committee. Democrats, led by Congressman Sam Gejdenson, unsuccessfully attempted to obtain a rule that would allow an up or down vote in the House.

On 7/11, FY '97 funding was eliminated by the Senate Appropriations Committee. There is some consideration to amending it on the Senate floor but senior Senate staff recommend restoring in conference.

Committee Democrats say this is another attempt to get at the President. If he wants this office, he can fight for this one too.

Because of the summer and the very quick turnaround (our '96 funding was approved on April 25), consumer press has just begun to pick up the story. Consumer organizations are writing letters and making phone calls. I'm advised that a "corporate" letter is being sent to the President, the Speaker and Senate Majority Leader Lott requesting restoration of funds.

Secretary Shalala's Office sent a notice that for RIF purposes, staff at OCA would not have any rights within the Office of the Secretary. This effectively cuts everyone loose if funding for '97 is denied.

Attachments (2)
Major Projects
Committee of 100

Major National Consumers Week projects underway:
(dates are not yet confirmed)

A. Detroit: Conference on health issues in the automotive industry and medical scams facing consumers. (October 22)

Sponsors: General Motors, Ford and Chrysler, Michigan Blue Cross/Blue Shield, local HMO's, Office of the Mayor of Detroit, Detroit's Office of Consumer Affairs, and others.

Early plans indicate Renaissance Center. They will send a committee here to meet with me in two weeks to finalize.

B. Washington, D.C.: Access to Technology for the Disabled (October 24)

Sponsors: NYNEX, Issue Dynamics, Inc.
Proposed co-sponsors: President's Committee on Employment of the Handicapped, senior citizen groups, disability organizations. Seeking corporate cosponsors.

Exhibits and discussions by providers and innovators of new technology to assist the disabled in the work place, at home, in securing a better quality life.

C. Chicago: Midwest Reception for National Consumers Week (October 23)

Sponsor: Ameritech
Proposed co-sponsors: Mayor's Office of Consumer Affairs, Omaha Steaks, Lau Inc., Coca-Cola. Seeking additional corporate sponsors.

Tentative schedule: A Town Meeting on Consumer issues, perhaps SEC Chairman doing another in his series of "Investor Town Meetings." Followed in evening by reception for corporate and consumer leaders. Still in early planning stages.

D. National: Youth Events (various)

Interested Sponsors: Mattel, Inc., Credit Union National Association, Girl Scouts of America

Still in planning stages: Workshops on handling credit, writing checks, learning about the Consumer Bill of Rights, product testing, tie-in with Girl Scouts consumer education badges, product/toy safety, etc.

E. National Kick-off **(October 21)**
Proposed site: Cleveland
Sponsors: Ameritech, others

Tie-in with Net Day, if possible. Ribbon cutting, appropriate short speeches to highlight President's initiative to bring on-line hospitals, libraries and schools in economically disadvantaged areas. Talk about the importance of technoloy to education, health, safety, better quality life for all, emphasizing the President's initiatives in these areas. Ameritech will sponsor luncheon for students (and their parents) who show high interest in computer technology. Students to be selected from area schools by their principals.

F. Midwest: Investors' Town Meeting **(October 22)**
Sponsor: Securities and Exchange Commission, local entities

Continuation of the Chairman's successful and popular series. We're looking at possible satellite linkage to reach several sites. Possible tie-in with other Chicago area events.

G. National: Third Annual NCW Contest
Sponsors: USOCA, National Consumers League, NHTSA
Seeking corporate sponsor(s).

Awardees for best projects or programs in five major categories and honorable mentions are selected. Awards are presented at the annual National Consumers League conference in the spring. NCL in cooperation with USOCA and corporate partners makes it possible for all winners to be present for the award ceremonies.

H. Washington, DC: Fraud and the Elderly (Seminar) **(October 25)**
Possible additional site: Southern California

Sponsors: (list still in formation) USOCA, National Asso. of Attorneys General, National Consumers League, AARP, Grey Panthers, National Council of Senior Citizens

Discussion panels and town meeting style seminar on fraudulent practices targeting the elderly. Will touch on various aspects of this growth industry and include representatives from law enforcement and corporate offices to describe current problems and steps communities and individuals can take to curb this menace to consumers.

I. California: Consumer Education in Underserved Communities

Sponsors: Los Angeles County Consumer Affairs Office, California Consumer Affairs Office, GTE
Sponsors are working on format and activity.

Committee of 100
National Consumers Week '96
(in formation)

(Corporate)
Pacific Bell, San Francisco, CA
TRW, Allen, TX
Faneuil Research, Chicago, IL
Mattel, El Segundo, CA
AT&T Call Center, Atlanta, GA
Chrysler Corporation, Auburn Hills, MI
Matrixx Marketing Research, Cincinnati, OH
MCI Telecommunications, Arlington, VA
Interactive Services Association, Silver Sp., MD
Washington Gas, Washington, DC
Rite Aid Corporation, Camp Hill, PA
Direct Marketing Association, Washington, DC
Bell Atlantic, Arlington, VA
Source One Communications, Inc., Carlstadt, NJ
Center for the Study of Services, Wash., DC
William R. Lau & Associates, Inc., Reynoldsburg, OH
NYNEX, White Plains, NY
Omaha Steaks, Omaha, NE
Sitel Corporation, Omaha, NE
Telerix, Spring House, PA
Issue Dynamics, Inc., Wash., DC
Coca-Cola USA Fountain, Atlanta, GA
The Center for Client Retention, Short Hills, NJ
EDS, Herndon, VA
Inter-Media Marketing, West Chester, PA
Barnett Banks, Inc., Jacksonville, FL
General Motors Corporation, Detroit, MI
American Express, Washington, DC
TARP, Arlington, VA
PEPCO, Washington, DC
AT&T Wireless Services, Paramas, NJ
American Stores, Dublin, GA
Potomac Alliance, Inc., Washington, DC
FEDEX, Memphis, TN
Fingerhut Corporation, St. Cloud, MN
United Dairy Farmers, Inc., Cincinnati, OH
Harris Teeter, Inc., Charlotte, NC
KidsNet, Washington, DC
NJ Natural Gas Company, Wall, NJ
King Grocery Stores, Paterson, NJ

William R. Lau & Associates, Inc., Reynoldsburg, OH
Polaroid Corporation, Bedford, MA
Warner Lambert, Morris Plains, NJ
Procter & Gamble, Cincinnati, OH
Food Marketing Institute, Washington, D. C.
Interactive Marketing Institute, Washington, D. C.
New Jersey Transit Corporation, Newark, NJ

Non-corporate entities (all Washington, D.C. unless noted):

National Association of Attorneys General
AARP
National Council of Senior Citizens
Gray Panthers
National Consumers League
National Association of Consumer Agency Administrators
Puerto Rico Department of Consumer Affairs, San Juan, PR
U.S. Army Community Service, Ft. Myer, VA
District of Columbia Public Service Commission
The Consumer Affairs Letter
The Good Earth Holistic Center
National Urban League
Securities and Exchange Commission
FCC
FTC
United States Postal Service
U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Transportation/NHTSA
Arlington Consumer Affairs Office, Arlington, VA
Call for Action, Inc., Bethesda, MD
Center for Public Interest Research, Lansing, MI
Consumer Action, San Francisco, CA
Kansas Attorney General's Office, Topeka, KS
University of Maryland Cooperative Extension Service, Ellicott City, MD
National Coalition for Consumer Education, Madison, NJ
National Foundation for Consumer Credit, Silver Sp., MD
South Carolina Department of Consumer Affairs, Columbia, SC
City of Norfolk Office of Consumer Affairs, Norfolk, VA

THE WHITE HOUSE

WASHINGTON

Sandy Aguilar
political appointee
Independent Agy

5-7-13

JUN 24 1996

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

June 21, 1996

MEMORANDUM

TO: Carol H. Rasco
Assistant to the President
for Domestic Policy

FROM: Bernice Friedlander BF
Acting Director, USOCA

RE: Follow-up to our 6/17 meeting

Thank you for taking time from your very busy schedule to meet with me on Monday. I really enjoyed the lunch and I now have two boxes of White House M&Ms displayed prominently in my office. I'm opening them on Election Night!

Here's an update:

Summit

1. The SOCAP meeting on Tuesday evening (6/18) was not terribly eventful. Those interested in the idea of a consumer summit still talk about it only in the corridors and via long distance. I still believe this will come about but I have no more substance to share with you at this time.

Fraud numbers

2. Regarding the fraud numbers you requested: According to the Federal Trade Commission and the National Consumers League, the $100 billion figure used by our office three years ago is the one they still cite. Ten per cent or $40 billion is the figure used for telemarketing fraud. Fraud, in general, and telemarketing fraud, in particular, are both growth industries.

National Consumers Week '96

3. On 6/20, OCA hosted our "Committee of 100" planning meeting for National Consumers Week 1996. I delivered appropriate greetings from the President. We had many new partners this year including the United Steelworkers of America and the National Council of Senior Citizens. (I have been trying for nearly two years to interest labor and we will build on this.)

4. We already have commitments from another 40 companies, consumer organizations and educational institutions plus many states and large cities.

This eagerness to be a part of National Consumers Week and work on programs or projects that reflect well on their customer services, dedication to the community and partnership with the Consumer Affairs Office that reports to the President tells you something about the currency of consumer issues.

I strongly believe -- based on our focus groups and the exchanges I've had with business and consumers -- that this could be an important issue in 1996. It could be helpful to Democrats running in marginal districts. Consumer protection, consumer education are winners.

5. I'm attaching a listing of some National Consumers Week projects underway. If you notice a propensity toward large states and areas where there are important Senate races, it is not coincidental.

When we have firmed up plans for the kick-off and the Detroit and Chicago events, we want to invite the President and/or Vice President to participate in one or more of these happenings.

Attachments A & B

Attachment A

Attendees at NCW '96 Committee of 100 Planning Meeting
(Corporate)

Pacific Bell, San Francisco, CA
TRW, Allen, TX
Faneuil Research, Chicago, IL
Mattel, El Segundo, CA
AT&T Call Center, Atlanta, GA
Chrysler Corporation, Auburn Hills, MI
Matrixx Marketing Research, Cincinnati, OH
MCI Telecommunications, Arlington, VA
Interactive Services Association, Silver Sp., MD
Washington Gas, Washington, DC
Rite Aid Corporation, Camp Hill, PA
Direct Marketing Association, Washington, DC
Bell Atlantic, Arlington, VA
Source One Communications, Inc., Carlstadt, NJ
Center for the Study of Services, Wash., DC
William R. Lau & Associates, Inc., Reynoldsburg, OH
NYNEX, White Plains, NY
Omaha Steaks, Omaha, NE
Sitel Corporation, Omaha, NE
Telerix, Spring House, PA
Issue Dynamics, Inc., Wash., DC
Coca-Cola USA Fountain, Atlanta, GA
The Center for Client Retention, Short Hills, NJ
EDS, Herndon, VA
Inter-Media Marketing, West Chester, PA
Barnett Banks, Inc., Jacksonville, FL
General Motors Corporation, Detroit, MI
American Express, Washington, DC
TARP, Arlington, VA
PEPCO, Washington, DC

Non-corporate entities (all Washington, D.C. unless noted):
National Association of Attorneys General
AARP
National Council of Senior Citizens
Grey Panthers
National Consumers League
National Association of Consumer Agency Administrators
Puerto Rico Department of Consumer Affairs, San Juan, PR
U.S. Army Community Service, Ft. Myer, VA
District of Columbia Public Service Commission
The Consumer Affairs Letter
The Good Earth Holistic Center
National Urban League
Securities and Exchange Commission
FCC
FTC
United States Postal Service
U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Transportation/NHTSA

Attachment B

Major National Consumers Week projects underway:

A. Detroit: Conference on health issues in the automotive industry and medical scams facing consumers.

Sponsors: General Motors, Ford and Chrysler, Michigan Blue Cross/Blue Shield, local HMO's, Office of the Mayor of Detroit, Detroit's Office of Consumer Affairs, and others.

Early plans indicate Renaissance Center. They will send a committee here to meet with me in two weeks to finalize.

B. Washington, D.C.: Access to Technology for the Disabled

Sponsors: NYNEX, AT&T, Issue Dynamics, Inc.
Proposed co-sponsors: President's Committee on Employment of the Handicapped, senior citizen groups, disability organizations.

Exhibits and discussions by providers and innovators of new technology to assist the disabled in the work place, at home, in securing a better quality life.

I'm meeting with IDI liaison on 6/24.

C. Chicago: Midwest Reception for National Consumers Week

Sponsor: Ameritech
Proposed co-sponsors: Mayor's Office of Consumer Affairs, Omaha Steaks, Lau Inc., Coca-Cola

Celebration time! Still in early planning stages.

I'm meeting with Ameritech liaison on 6/24.

D. Youth Events (various and around the country)

Interested Sponsors: Mattel, Inc., Credit Union National Association, Girl Scouts of America

Still in planning stages: Workshops on handling credit, writing checks, learning about the Consumer Bill of Rights, product testing, tie-in with Girl Scouts consumer education badges, product/toy safety, etc.

E. Kick-off

Proposed site: Cleveland
Sponsors: Ameritech, others

Tie-in with Net Day. Ribbon cutting, appropriate short speeches in conjunction with Congressman Louis Stokes to highlight President's initiative to bring on-line hospitals, libraries and schools in economically disadvantaged areas.

F. Investors' Town Meeting
Sponsor: Securities and Exchange Commission, local entities

Continuation of the Chairman's successful and popular series. We're looking at possible satellite linkage to reach several sites.

G. Third Annual NCW Contest
Sponsor: USOCA, National Consumers League, NHTSA
Proposed co-sponsor: GTE

Awardees for best projects or programs in five major categories and honorable mentions are selected. Awards are presented at the annual National Consumers League conference in the spring. NCL in cooperation with USOCA and corporate partners makes it possible for all winners to be present for the award ceremonies.

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

May 31, 1996

MEMORANDUM

TO: CAROL H. RASCO
Assistant to the President
for Domestic Policy

FROM: BERNICE FRIEDLANDER
Acting Director, USOCA

RE: CONSUMERS ARE GETTING RESTLESS

During the past several years, there has been an incredible cutback of consumer services on the local, state and federal levels including protective measures and consumer education. Contrasting this is the burgeoning of fraud in the marketplace, on the Internet, via the telephone, etc. And a growing segment -- some estimate it at 35% -- targeted directly at the elderly. This is an emerging national scandal.

Consumer organizations, neighborhood groups, America's leading businesses and the media are increasingly alarmed by the decay in the consumer services safety net.

In March, 1996, **MONEY Magazine** published a four month investigative report by Ruth Simon entitled, "You're Losing Your Consumer Rights." (I've attached a copy, fyi.)

Highlighting her informative and stark report is the fact that in every major area of consumer protection and education there has been a major gutting.

Examples:
- o Congress made it easier for white collar criminals to get away with lying to investors.
- o Congress made it tougher for homeowners to back out of mortgage contracts when they discover they've been cheated.
- o Pending legislation would wipe out a section in the 1991 Truth in Savings Act that helps savers compare the interest rates offered by competing banks.
- o Thirty state and local agencies have shut their doors altogether. Others have cut telephone hotline hours or curtailed services due to slashed budgets.
- o At least 25 of the state and local consumer agencies **MONEY** reviewed are investigating a <u>smaller</u> portion of complaints than they did in the late 1980's. Yet the demand for services is higher.

During a breakfast meeting sponsored by the Society of Consumer Affairs Professionals in Business (SOCAP) in March, I suggested a summit of consumer activists. This message trickled up and down the consumer food chain. Now the D.C. chapter of SOCAP has invited Ruth Simon to speak to their members and guests about MONEY Magazine's findings. I will participate in a panel that will follow on how the consumer and business communities can bring public attention to this situation and reverse the decline in consumer services. (See attached flyer).

This two hour session precedes the annual dinner of the Consumer Federation of America. Consumer leaders from throughout the country will be attending the dinner and we expect many will also attend this "mini-summit" session.

Additionally, at the recent national meeting of the National Association of Consumer Agency Administrators, county and state officials -- members of both parties -- talked about the need for a consumer summit.

This is going to happen. There will be some kind of consumer summit before the political conventions which means there is not a lot of time. We intend to be on top of it. No surprises. Such an event could be helpful to the President by giving more attention to his consumer message and accomplishments on behalf of consumers.

I would like to discuss this with an appropriate policy/political person. I can be available on short notice. However, I will be out of the country attending the OECD Consumer Policy Committee meetings in Paris from Saturday, June 8 through Saturday, June 15. I'd prefer to speak with someone before I leave on the trip.

Thank you for your support over these past months. Our office looks forward to providing useful assistance in the days ahead.

Ruth Simon

- Medicaid/ Nursing homes
- Food safety
- Prod liability ←
- Securities litigation ←
- Banking. – ←
- managed care

- Oct. Nat. Consumers Week
- Possible concerns in downsizing
- Restoring services to the public (MI, WI...)
- Consumer education

- 80,000 calls June '95 - March '96

- Congressional

- Fraud cases

FTC - telephone marketing rule
FCC - monitor town meetings —

Consumer ~~Affairs~~ Councils — meet quarterly —

NPR — worked on a benchmarking study w/one person that its —
get Elaine up to speed. —

- Polly Bacha —

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Jill - please call and let her know Carol

Draft response for POTUS and forward to CHR by: is out tomorrow

Draft response for CHR by: and Friday and

Please reply directly to the writer (copy to CHR) by: that we will

Please advise by: talk to her about

Let's discuss: request for mtg.

For your information: on Monday

Reply using form code: Thanks.

File: -E112

Send copy to (original to CHR):

Schedule ?: ☐ Accept ☐ Pending ☐ Regret

Designee to attend:

Remarks:

Alexis - AG. Atm
At the tables - Alexis Berry
Nancy Ann Min

FY 97 budget -
Domestic Policy - Carol
15 min per speaker
- 5-8 min talking -
Q and A
Nancy Ann -

Gloria Long
456-7300
Women's Office -

gmp received ~~6/7~~ & didn't see until 7:30 pm.

D.C. SOCAP
PROGRAM NOTICE

Announcing the fourth of six 1996 D.C. SOCAP meetings...

THE PLIGHT OF CONSUMER PROTECTION OFFICES

Government-based consumer affairs offices everywhere are under overwhelming budget pressure from legislators. These legislators are often unaware that legitimate businesses support the consumer protection function of these offices. Your D.C. SOCAP (Society of Consumer Affairs Professionals in Business) chapter is actively supporting ongoing funding for national and local consumer protection offices, and has been a part of some important victories already.

Come join us in a reception to celebrate the victories, and consider the future of consumer affairs offices. We'll hear from our featured speaker and our panel of Consumer Affairs office directors, and discuss what SOCAP can do to support these vital offices,.

FEATURED SPEAKER
Ruth Simon, Money Magazine, Author of the March 1996 article "You're Losing Your Consumer Rights".

PANEL
Bernice Friedlander, Director (Acting), United States Office of Consumer Affairs.
Ron Mallard, Director, Fairfax County, VA, Office of Consumer Affairs
Barbara Gregg, Executive Director , Montgomery County, MD Office of Consumer Affairs

The Washington D.C. Chapter of SOCAP will sponsor this reception at no charge. Light refreshments will be provided.

Where: Capitol Hilton, Pan American room (second floor)
16th and K Streets, N.W.

When: Tuesday, June 18, 1996
4:00 to 5:30 p.m. (Immediately before Consumer Federation of America awards dinner)

RSVP: Please call Steve Salter, D.C. SOCAP Program Committee, at 703 247-9370
by 12:00 noon on Monday, June 17, 1996 to register.
(Its free but we do need a head count!)

YOU'RE LOSING YOUR CONSUMER RIGHTS

Protections that Americans take for granted—from safe food to honest bank disclosures—have come under attack in Congress. The picture is even bleaker in many states.

by RUTH SIMON

BETTER MEAT INSPECTION MIGHT HAVE SAVED HER SON
In July 1993, hours after Nancy Donley fed her son Alex, 6, a home-cooked frozen hamburger, he developed severe stomach pains. She rushed him to the hospital, where he died three days later. Alex was the victim of an infection caused by *E. coli O157:H7*, a highly toxic bacteria that this country's antiquated meat-inspection system isn't set up to detect.

LIKE NANCY DONLEY, 41, YOU MAY THINK THAT TOUGH CONSUMER-protection laws and vigilant regulatory agencies are watching out for you. "I thought that we were the No. 1 country in the world and everything was safe," the Chicago real estate broker recalls.

In 1993 Donley tragically discovered just how misplaced her trust was. Her six-year-old son Alex died after eating a home-cooked frozen hamburger patty contaminated with *E. coli O157:H7*, a highly toxic strain of bacteria that the U.S. Department of Agriculture's outmoded food-inspection practices don't test for.

"As a parent I always erred on the side of being protective," Donley says. "My son wore a bicycle helmet. The first thing he did when he got into a car was put on the seat belt. Imagine realizing I put his life in danger by feeding him something that's USDA-approved."

Gaps in the consumer-protection safety net like the one young Alex Donley fell through are widening every day, a three-month MONEY investigation has concluded. Our reporting included interviews with more than 120 government and industry officials, consumer advocates and academics, as well as an examination of more than 100 state and local consumer-protection agencies in all 50 states and the District of Columbia. We learned that key consumer laws are being undermined in the U.S. Congress and many state legislatures. Protections

"I always erred on the side of being protective. My son wore a bicycle helmet. The first thing he did when he got into a car was put on the seat belt."
—*Nancy Donley*

that Americans have long taken for granted—from food inspection to automobile lemon laws to standardized bank disclosures—are under attack and in some cases disappearing. "There is a slash-and-burn attitude," says Bernice Friedlander, acting director of the U.S. Office of Consumer Affairs. "The philosophy of Congress seems to be let the buyer beware. Then if you break your neck or get into trouble, they'll change the liability laws so you can't help yourself."

The war on consumer protection has roots that are both ideological and economic. As part of their fervor to reduce burdensome government regulation of private enterprise, the conservative Republicans who control Congress are ready to roll back many consumer laws and sharply reduce funding to enforce the ones that remain. At the same time, state and local consumer-protection offices, which handle most individual complaints, are curtailing or closing their operations, largely because of budget cuts. Among our key findings:

› **Some important consumer protections have already been gutted.** Last year, for example, Congress made it easier for white-collar criminals to get away with lying to investors, as MONEY reported in our February issue ("How to Protect Yourself Against Getting Hurt by Congress' Securities Reform"). Congress also made it tougher for homeowners to back out of mortgage contracts if they discover they've been cheated.

› **Other crucial safeguards are under attack.** For example, pending legislation before the 104th Congress would wipe out the section of the 1991 Truth in Savings Act that helps savers compare the interest rates offered by competing banks.

Photographs by Antonin Kratochvil

› Spending cuts are eroding existing protections. At least 25 of the state and local consumer agencies MONEY examined are investigating a smaller portion of complaints than they did in the late 1980s, cutting telephone hotline hours or otherwise curtailing services because their budgets have been slashed. Thirty agencies or their branch offices have shut their doors altogether (for the national rundown, see the 50-state table on pages 104-105).

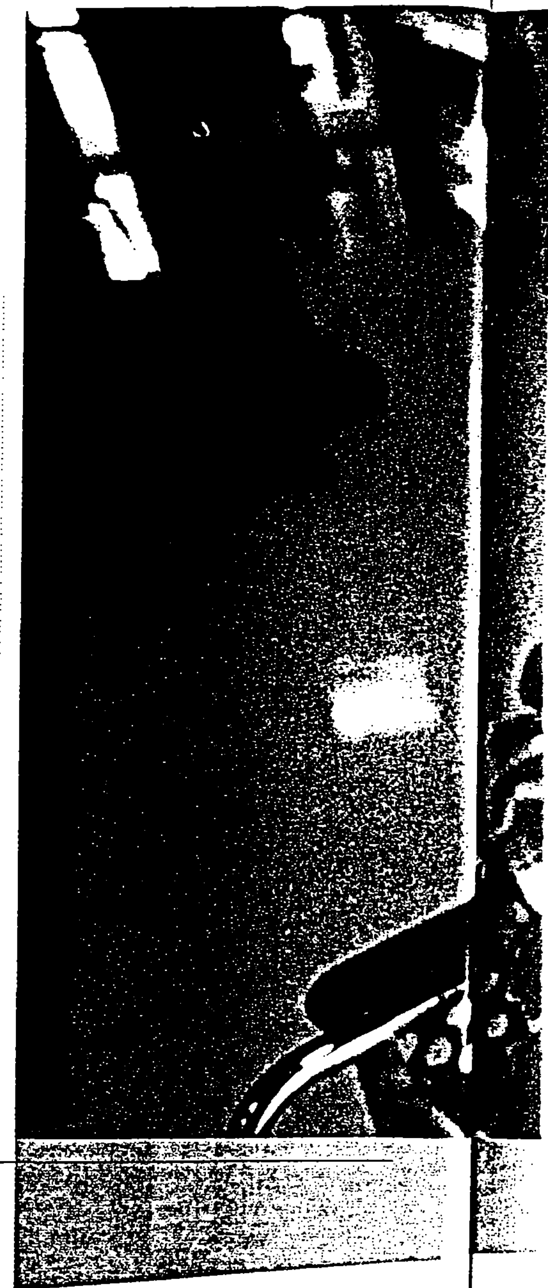
› Consumer protections have failed to keep up with new dangers. Take managed-care medical programs such as HMOs. While the number of people participating in HMOs has more than quadrupled since the 1980s, at least 11 states still lack adequate safeguards for people enrolled in them.

Furthermore, in the few areas where consumer protection has improved, the gains have been meager at best. New leadership at the Consumer Product Safety Commission and the Federal Trade Commission has made those agencies more willing to attack such problems as unsafe toys and telemarketing fraud. But both agencies have been hampered by ever-tightening budgets. The CPSC, for instance, lacks the investigators and modern testing equipment needed to stay on top of hazardous products. "Consumer protection is a shadow of its former self," says Richard Hesse, a professor of law at Franklin Pierce Law Center in Concord, N.H. and a longtime consumer lawyer.

Consumerism dates back to the turn of the century. In 1906, when Upton Sinclair published *The Jungle*, his famous indictment of unsanitary conditions in the meat-packing industry, the resulting outcry led to the passage of pure-food laws. In the 1920s and '30s, says University of Utah professor Robert Mayer, a leading historian of the movement, a series of pharmaceutical-related deaths prompted passage of laws requiring that drugs be proved safe (though not necessarily effective). The third and strongest wave of consumerism came in 1962 when President Kennedy proclaimed four basic consumer rights: safety, information, choice and a voice in the development of consumer policies. The movement picked up speed with the emergence of Ralph Nader, who made his name with a 1965 exposé of unsafe automobiles. Over the next 15 years, Congress set tough safety standards for cars, banned dangerous toys, required that drugs be proved effective as well as safe and gave consumers more information about food content, borrowing costs and sales practices.

THEY FEAR THE END OF NURSING-HOME PROTECTIONS

Days after Helen Daspit, 81, put her husband Laurence, 82, into a nursing home last year, she discovered he was being drugged, tied to his bed and physically abused. Mrs. Daspit moved him to a different home, but problems continued. At the new facility, she says, he was drugged, left to sit in his own waste, and allowed to wander off the premises. In response, Mrs. Daspit has fought to improve her husband's care, and the appointment of a new administrator at the home has helped. But she worries that the proposed rollback of federal nursing-home standards will make it easier for homes to get away with mistreatment.



But in 1978, Congress defeated a plan to create a Cabinet-level federal consumer-protection agency. Three years later, President Reagan began slashing funds for consumer protection. The Consumer Product Safety Commission lost 40% of its staff between 1980 and 1985, while the FTC saw its staff reduced by 50% between 1980 and 1989. "We had a situation starting in the early 1980s where the federal government was missing in action," says Minnesota attorney general Hubert Humphrey III, whose father, the late Senator and Vice President Hubert Humphrey, fought for many consumer protections.

The assault on consumer agencies stepped up last year, with the arrival of the 104th Congress. Funding for the already skeletal CPSC is likely to be reduced by another 6% or so, and the current Congress has other targets in mind as well. For example, it proposes to cut spending for the enforcement of environmental laws by 25%, to save $1.8 billion, and of worker health and safety laws by 33%, for $50 million.

Legislation pending before Congress would make it tougher for consumers to sue if they are injured by dangerous or defective products. It would also force federal agencies to quantify the dollar value of any new pro-consumer rules and guarantee that the benefits will exceed the costs. "There's definitely a new lack of sympathy for consumers and their problems," says Willard Ogburn, director of the National Consumer Law Center in Boston, a public interest law firm.

Republicans contend that their actions will benefit consumers. In the case of product liability, for example, House Commerce Committee chairman Thomas Bliley Jr. (R-Va.) says, "The goal of this legislation is to reduce abusive lawsuits that increase prices paid by all consumers and damage American productivity."

On the state and local level, budget cuts have poked still more holes in the consumer-protection safety net. "At the same time that we are seeing Washington starting to divert responsibilities back to the states, which I happen to agree with, the states are having very difficult budget times of their own," says New York attorney general Dennis Vacco, a Republican.

"Nursing homes are bad enough now. If they were to weaken the rules, it would be a disaster."

—*Helen Daspit*

Knowing an opportunity when they see one, special-interest groups are working to weaken or repeal pro-consumer laws in many states. New Jersey, for instance, enacted a law limiting punitive damages in product-liability and personal-injury cases last year after heavy lobbying by chemical makers, tobacco companies and other industry groups. In Wisconsin, a state long known for pro-consumer activism, real estate agents are pushing to be exempted from laws that bar false or deceptive statements.

Pro-business legislators aren't the only ones giving consumer issues short shrift. Consumer advocates complain that the news media now pay far less attention to these concerns than they did back in the 1970s. "The media have backed away because they don't want to lose advertising," says Ralph Nader.

Perhaps because of less media attention, the American public has shown little objection to the funding cuts and rollbacks of consumer-protection laws. "Consumers are the least organized group, and therefore their protections get cut early," says Stewart Lee, retired chairman of the economics department at Geneva College in Beaver Falls, Pa. and a veteran consumer advocate.

Here, in greater detail, are four examples of the kinds of problems that American consumers are, or may soon be, facing.

ERODING BANK LAWS

When you borrow money from a bank or deposit your money in a bank account, federal laws say you have a right to clear information on all terms and conditions. And if you are cheated, you have the right to seek damages. Both of those rights, however, could soon disappear.

Congress started to pare banking safeguards last year when it amended the Truth in Lending Act. For one thing, it weakened the rules that allow consumers to back out of a loan if they are overcharged, such as through excessive mortgage-closing costs. The new standards, which were enacted on Sept. 30 of last year, retroactive to June 1, limit that right to cases where the lender's errors or overcharges exceed 1% of the loan's value. Though that may not seem like a huge amount of money, "it's a green light to put as much as 1% of the loan amount into phony charges,"

THE CRUEL JOKE OF RELYING ON THE STATES

DON'T EXPECT YOUR STATE OR LOCAL GOVERNMENT TO PICK UP THE SLACK AS the feds pare back on consumer safeguards. Fully 17 states—including many of the biggest—and the District of Columbia are losing ground when it comes to protecting consumers, a MONEY investigation has found. Only nine states are gaining ground, with 24 reporting mixed results or remaining more or less unchanged. See the table below for a state-by-state breakdown.

MONEY examined the consumer-protection records of 45 state attorneys general, as well as 51 other state, county and city offices. We asked each one for current and historical data on its budget and the size of its staff. We reviewed the number of complaints it receives, the number it investigates and the amount of money it returns to consumers as a result. And we asked about any new state laws involving the rights of consumers. Only the attorney general's office in **Kentucky** refused to provide information to our reporters.

As the first line of defense for consumers, state and local offices field anywhere from 400 to 250,000 complaints every year. In many cases, they also enforce state laws and local ordinances. A well-run agency can give citizens a solid return on their tax dollars. In **Minnesota**, for instance, the attorney general's consumer unit recovered an average of $1.7 million annually for state residents between 1992 and 1994—more than three times the office's $520,000-a-year budget.

But in times of fiscal austerity, consumer protection is one of the first items to be lopped off state budgets. Forty-four of the consumer offices MONEY looked at have seen their funding or staffing slashed or eliminated altogether during the past decade. Typical example: **Florida**'s Division of Consumer Services, which could lose one-fourth of its $3.2 million budget this year.

Cash-strapped **Washington, D.C.** stopped enforcing its laws against unfair and deceptive business practices last year. **Alaska**'s attorney general's office has been referring callers to the Better Business Bureau or private attorneys since the state legislature nearly eliminated its consumer protection unit in 1990. MONEY reporters who telephoned consumer offices repeatedly got busy signals in many states, including **Nevada** and **New Hampshire**. In **Florida**, our reporters were disconnected by an overtaxed phone-mail system.

Even if you do get through, you may wonder why you bothered. State and local officials told us they routinely reject worthy cases simply because they no longer have the people or the money to investigate them. —*R.S.*

ALABAMA ▼ Attorney general's consumer affairs staff down nearly 70% from its level in the early 1980s.

ALASKA ▼ Funding for attorney general's consumer unit, which had handled 10,000 consumer calls a year, was nearly eliminated in 1990. Staff now investigates only most egregious complaints. Callers referred to Better Business Bureau.

ARIZONA ⁘ Staffing for state consumer office steady. Last year state passed new law on rent-to-own transactions, which had hurt low-income consumers.

ARKANSAS ▲ State consumer office had no attorneys or investigators in 1991. Now has nine, plus six other staffers. Budget more than doubled since 1990. Recently enacted pro-consumer laws on telemarketing and defective autos.

CALIFORNIA ▼ Funding for state consumer-protection office and attorney general's consumer office unchanged. But increased criminal caseload leaves district attorneys less time to prosecute consumer fraud. With funding down 50%, Los Angeles County consumer office cut hours at its seven branches. Alameda County office now staffed only by volunteers.

COLORADO ▲ Staffing and budget for state consumer office holding steady. Colorado Springs district attorney's consumer-fraud prosecutions have tripled since 1986. Recently enacted pro-consumer telemarketing, credit reporting and auto-repair laws.

CONNECTICUT ▼ Budget for state office fell 8% between 1989 and 1994. Attorney general using senior citizen volunteers to investigate complaints.

DELAWARE ▲ After consumer unit became part of attorney general's office in 1994, it added two attorneys and four investigators, permitting it to conduct undercover stings and boost enforcement.

DISTRICT OF COLUMBIA ▼ Enforcement of D.C.'s automobile lemon law, unfair trade practices law and deceptive acts and practices law all suspended until October 1998 because of budget cuts.

FLORIDA ▼ Proposed 25% budget cut for state division of consumer services. Hillsborough County consumer office, which handled 25,800 calls last year, has limited phone counseling to six hours a week because of 40% staff cut.

GEORGIA ⁘ Staffing unchanged but 41-person office overwhelmed by lemon-law complaints and problems arising from 1994 flood.

HAWAII ▼ With funding down, office has lost seven staffers. Plans to focus more on lawsuits against major offenders and less on handling individual complaints.

IDAHO ▲ Staffing up fourfold since 1987. Cash returned to consumers has climbed from $2,400 in 1987 to $1.8 million in 1994.

ILLINOIS ⁘ Governor's consumer office closed. Funding for attorney general's consumer office down 22% from 1985. Attorney general closed 11 of 18 satellite consumer-protection offices this year, replacing them with toll-free 800 numbers. Used money saved to hire 30 new attorneys and support staff.

INDIANA ⁘ Staffing for state consumer unit holding steady. Last year, enacted new law giving defrauded seniors more rights. Gary consumer office investigating nearly 600 fewer complaints than in 1984 because it lost five of eight investigators.

IOWA ▼ Lost two of seven attorneys and one investigator since 1988. Wants to add a toll-free 800 number and Internet home page but can't afford them. Tough telemarketing law enacted in 1994.

KANSAS ⁘ State consumer unit staff holding fairly steady. Volunteer law students mediate complaints. Sedgwick County district attorney's office more choosy about consumer cases it will investigate.

KENTUCKY ⁘ State attorney general's office refused to participate in our survey, saying new attorney general is reviewing operations of $1.1 million consumer-protection unit. Its Louisville office said funding up slightly but not enough to offset a huge jump in consumer complaints.

LOUISIANA ⁘ Funding for state consumer office up 6% since 1994. Complaints resolved by the office increased 35% between 1992 and 1994, though complaints it received grew even faster. New consumer laws enacted in 1995 to deal with telemarketing sales and car dealers who roll back odometers.

▼ = Losing ▲ = Gaining ⁘ = Mixed or about the same

says David Allman, an Atlanta real estate litigation lawyer. So on a $100,000 home mortgage, a lender could theoretically overcharge the borrower as much as $1,000 with impunity.

The assault on "truth" doesn't stop there. Pending bank deregulation bills would also weaken the Truth in Savings Act, enacted in 1991 after decades of lobbying by consumer advocates. The House proposal would kill the critical requirement that banks report their interest rates in a standardized fashion known as the annual percentage yield, or APY. That rule makes it easier for customers to comparison shop and prevents banks from using accounting tricks—such as paying interest only on the lowest amount on deposit during a month. Bankers complain that the current rule is both costly and unnecessary. But a 1995 study by Consumers Union claimed that savers could lose more than $300 million a year if the law is repealed. The American Bankers Association disputes that estimate.

Also under the House bill, banks would no longer be required to tell people with automatically renewing certificates of deposit when their CDs have matured or even how much interest their new CDs will pay. That change would all but encourage some banks to switch unwary customers into certificates with uncompetitively low yields.

MAINE Small office uses volunteers to mediate consumer complaints. Accepts phone calls only three hours daily.

MARYLAND ▼ Staffing for attorney general's consumer unit down 28% since 1990. Money recovered for consumers down 45%. Toll-free 800 number eliminated. Budgets cut in Montgomery and Howard County offices. Prince Georges County office no longer handling consumer complaints.

MASSACHUSETTS ▼ Executive office of consumer affairs, which oversees lemon law, home improvement guarantee fund and consumer mediation program, slated for elimination this year. Funds returned to consumers by attorney general's consumer unit have increased, but complaint handling is hampered by tight budget. State enacted tough credit reporting law in 1995.

MICHIGAN Funding for attorney general's consumer unit has remained constant. Washtenaw County consumer office, which had counseled some 6,000 consumers a year and enforced weights and measures laws, closed in 1995.

MINNESOTA Money returned to consumers by state attorney general's office up 41% since 1992. But Minneapolis office of licenses and consumer affairs no longer checks retail stores for compliance with weights and measures laws.

MISSISSIPPI ▲ In 1994, the state toughened its two-decade-old consumer-protection act. Attorney general has doubled its consumer-protection staff.

MISSOURI Staff up by four, to 29 attorneys and investigators, since 1986. Number of complaints investigated has held steady.

MONTANA Funding fairly constant but number of complaints handled slowly rising. Any reduction in staff would be hard to miss, since state office has just two full-time employees and one part-timer.

NEBRASKA With a three-person staff and $112,000 budget, office emphasizes education and mediation over litigation. Last year recovered $50,000 through mediation.

NEVADA Weak consumer-protection statute strengthened in 1995, giving state's 19-person consumer office ability to issue cease-and-desist orders and release limited information on complaints regarding specific businesses. But Washoe County district attorney's office in Reno closed its consumer fraud division last year.

NEW HAMPSHIRE ▼ Staffing down nearly 50%, to eight people, from 1989 peak. Volunteers respond to consumer questions and mediate complaints.

NEW JERSEY Funding for state division of consumer affairs up 43% since 1990. But department of the public advocate, which represented consumers in insurance cases and investigated some general consumer complaints, eliminated in 1994. Sussex and Morris County consumer offices have also closed.

NEW MEXICO Added one attorney and boosted spending on consumer education by about $100,000 since 1991. But percentage of complaints resolved dropped from 75% in 1991 to 60% last year.

NEW YORK ▼ State consumer-protection board cut staff by 29% since 1991 and closed New York City office in 1995; money recovered for consumers down 36% last year. Staffing and complaints resolved by New York City office of consumer affairs down more than 25%. Attorney general less likely to bring big consumer-protection cases.

NORTH CAROLINA ▲ New state laws on health spas, "credit repair" offers and charitable solicitations enacted during past four years. State added two investigators to its staff of 26 last year.

NORTH DAKOTA ▼ Overall funding down 20% since 1993. Funding in jeopardy for attorney general's program to fight fraud against the elderly.

OHIO Funding for attorney general's consumer unit up 16% since 1991. Office added toll-free 800 number. Recovered $3.7 million for consumers last year.

OKLAHOMA Funding stable for attorney general's small consumer unit, which has one attorney, one investigator and three other staffers.

OREGON Recovered $4.6 million for consumers in 1995. Recruiting college interns because it lacks the money to hire full-time enforcement staff.

PENNSYLVANIA Only six of 67 counties now have consumer-protection offices. But staffing for attorney general's consumer office is up 27% since 1991, allowing it to pursue more large, multistate cases.

RHODE ISLAND Funding for attorney general's consumer unit has held steady. Rhode Island consumers council, which handled complaints and represented consumers before the state legislature, closed in 1993.

SOUTH CAROLINA ▼ Attorney general closed its consumer-protection unit last year. Staffing for state department of consumer affairs down 11% since 1992. The office has cut back on information mailed to consumers.

SOUTH DAKOTA ▲ Dollars recovered for consumers by seven-person office more than tripled between 1991 and 1995. Added toll-free 800 number last year.

TENNESSEE ▼ Funding down 24% since 1989. State office closed Knoxville and Memphis branches and cut back on consumer education.

TEXAS ▼ While state office has nearly doubled staff, to 129, since 1991, it's down 22 from 1995 peak. Now more selective about individual complaints it investigates and less likely to bring cases against big business. Tort reform law passed in 1995 makes it tougher for consumers to sue and also limits awards.

UTAH Since 1991, state division of consumer protection has limited investigations to cases with multiple victims or large dollar losses. Six of 12 consumer-protection statutes strengthened in past four years, adding stiffer penalties.

VERMONT Funding for attorney general's consumer unit flat. Uses University of Vermont students to resolve consumer complaints. Cuts at agriculture department's consumer assurance section, which polices weights and measures laws, mean fewer checks on supermarkets and other retail outlets.

VIRGINIA ▼ Money recovered for consumers by state division of consumer affairs has plummeted 64% since 1990. Office did away with toll-free number, consumer education program and Falls Church branch in 1991. Prince William County consumer office closed; Fairfax has lost some funding.

WASHINGTON ▲ Money returned to consumers is up more than fourfold since 1985. Attorney general opened Vancouver consumer office last year.

WEST VIRGINIA ▲ Attorney general's consumer unit added three attorneys, for a total of six, in 1993 and 1994. Now targeting crooked telemarketers.

WISCONSIN ▼ Attorney general's historically strong consumer unit being merged with state's agriculture department consumer office. Will mean loss of 13 of 35 staffers and make it more difficult to prosecute interstate fraud because agriculture department can't send staff out of state on investigations.

WYOMING Three-person consumer-protection staff with $80,000 budget often turns to neighboring states for help. May add a toll-free 800 number this year.

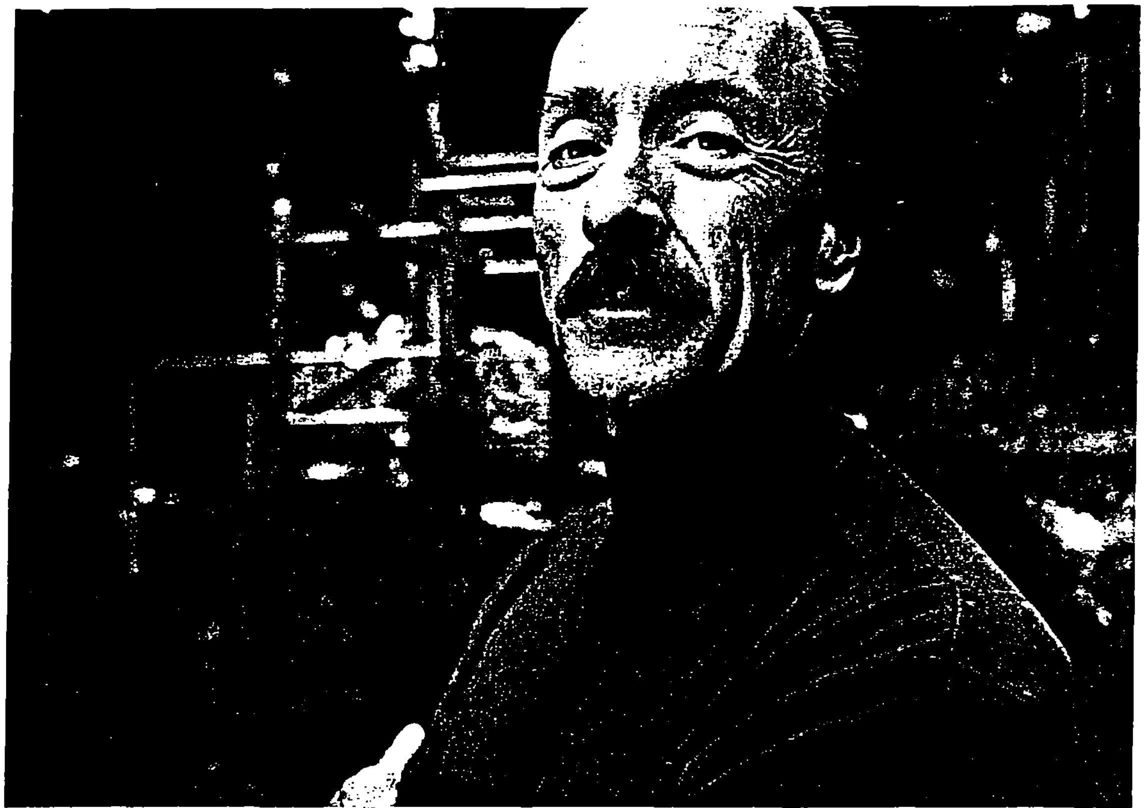
Both the House bill and a companion Senate measure would bar savers from suing banks that make errors that cheat consumers, even if the consumer can prove that the error was intentional. Bankers say the changes would eliminate "wasteful" class-action suits. Consumers would still be protected, the bankers insist, because regulators could slap errant banks with fines. But bank regulators have done a poor job of protecting consumers in the past, says Richard Morse, a professor emeritus at the University of Kansas who helped draft the original Truth in Savings Law. "The change gives banks a license for skimming, to steal a little every day out of depositors' accounts," Morse says.

These proposals are currently stuck in Congress—but not out of concern that savers will be hurt. Rather, legislators in the House are waiting for the banking and insurance industries to settle a turf battle over whether banks should be allowed to sell insurance, an issue also addressed by the bill.

State legislatures, meanwhile, are busily rewriting pro-consumer credit-card laws to make them more pro-bank. The race to relax the rules began in the early 1980s, when legislators in Delaware and South Dakota swept away restrictions on interest rates, late fees and over-the-limit charges. The goal: to

HIS HMO WOULDN'T PAY FOR HIS DAUGHTER'S SURGERY

In 1993, Harry Christie faced what looked like a life-or-death decision. His nine-year-old daughter needed surgery to remove a kidney invaded by a rare form of childhood cancer, but his HMO insisted she use the HMO's own urologist, though the surgeon had never performed the operation. Instead, Christie hired a pediatric cancer specialist. The operation was successful, but Christie had to spend nearly a year to get the HMO to pay the girl's medical bills, which by then totaled more than $50,000.



"There was **no one** to step in when my daughter was denied the care she needed."

—Harry Christie

get credit-card operators to set up shop in their states. Banks and card issuers in other states then threatened to export jobs too unless their states' rules were weakened.

Some states, as we're seeing, have been only too happy to comply. Last year, Colorado, Georgia and Oregon all boosted the dollar amount of late fees that banks and other card issuers can levy. Arizona and Hawaii, which had prohibited such often outrageous fees, changed their laws to allow them. Other states that have weakened the consumer protections in their credit-card rules include Illinois, Massachusetts, New York and Virginia.

THE RETURN OF NURSING-HOME HORRORS

Stories about elderly patients who were needlessly strapped to their beds, drugged into a perpetual stupor, left to lie in their urine and feces and otherwise abused led Congress to pass tough nursing-home rules in 1987. Although nightmarish nursing homes haven't vanished, experts say the law's high standards and stiff penalties have dramatically improved the quality of life for many residents. A 1995 report by the Research Triangle Institute, a nonprofit think tank affiliated with three North Carolina universities, found that since the 1987 law went into effect, the physical and mental decline of many residents had slowed, their hospital stays had been cut by 25%, and the use of physical restraints and unnecessary tranquilizers had been reduced by more than 25%. "It's astounding," says Research Triangle senior policy analyst Catherine Hawes. "This is one of the great success stories of the 1990s."

Despite that success, the federal rules would have been drastically weakened by Medicaid reform legislation passed in 1995 had not President Clinton vetoed it. Among other things, the law would have scrapped training requirements for nurse's aides (who provide 90% of hands-on care), reduced inspections and dropped maximum penalties for facilities that fail to meet federal standards by 50%, to $5,000 a day from the current $10,000. Rules that protect patients and their families from financial ruin would also have been eliminated.

The effort to roll back the protections is expected to continue. Nursing-home operators say relaxing the federal standards makes sense in light of the government's plan to cut spending on Medicaid, which covers roughly two-thirds of nursing-home residents. However, nursing-home researchers fear that scandals would once again become commonplace.

Protections for nursing-home residents are also under attack in separate federal legislation that could eliminate as much as 80% of funding for the ombudsman programs in many states. That program coordinates a nationwide network of about 7,600 people, largely volunteers, who act as consumer advocates for nursing-home residents. "A lot of people in nursing homes don't have anybody to look after them," says Charlene Harrington, head of the Department of Social and Behavioral Science at the University of San Francisco's School of Nursing and a member of the National Academy of Science nursing-home panel.

Meanwhile, nursing-home operators are lobbying to relax rules in states such as New York and Ohio, where the standards for care exceed federal requirements. Other states, consumer groups say, have failed even to enforce the federal standards because of pressure from the industry.

Says Helen Daspit of Harahan, La., who had to battle to get better nursing-home care for her husband (see pages 102-103): "Nursing homes are bad enough now. If they were to weaken the rules it would be a disaster."

DANGEROUSLY LAX FOOD STANDARDS

You may think that Alex Donley's tragic death, described at the beginning of this article, was a freak event. But food poisoning is far more common and far more dangerous than most people know. Food-related illnesses kill at least 10,000 Americans each year and sicken another 80 million, according to the federal Centers for Disease Control. You may well have been one of the victims, since most cases of food poisoning go undiagnosed and end up being attributed to other causes.

Although it's impossible to guarantee the absolute safety of the food supply, our current inspection system fails to provide even the basic safeguards many consumers assume are in place, says Caroline Smith DeWaal, director of food safety for the Center for Science in the Public Interest. Introduced way back in 1906, the system relies on inspectors who use sight, touch and smell to detect trichinosis, anthrax and other diseases that infect animals and in some cases spread to humans. But while those diseases have largely been eradicated, the current system is ill equipped to detect invisible bacterial threats like *E. coli O157:H7*—currently responsible for some 250 deaths and 20,000 illnesses a year—and salmonella.

Changes in food production and distribution have made bacterial contamination a more serious threat. Faster chicken-processing speeds, for instance, make it tougher for inspectors to spot fecal contamination, which can carry bacteria. "A second and a half to two seconds is not a lot of time to see whether a bird flying by on a line is good, bad or indifferent, especially when your eyes are stinging from the chlorine used to disinfect the birds," says Robert Robinson, director of food and agriculture issues for the General Accounting Office.

The growth of global food markets has further complicated matters. The ground beef in the Jack-in-the-Box hamburgers contaminated with *E. coli 0157:H7* that killed four people and sickened more than 500 others in 1993 came from the U.S. and two other countries. "If somebody makes a mistake in just one place, it may end up traveling long distances and being spread among a large number of people," says former assistant secretary of agriculture Carol Tucker Foreman.

Although change has been slow in coming, food safety is one area where consumers could soon gain ground. Microbiological spot testing, which can catch *E. coli*, has been voluntarily employed for the past two years by some large food producers, including Foodmaker, parent of the Jack-in-the-Box restaurant. Other producers will soon be following that example. The Department of Agriculture is expected to issue new rules this month that will require the meat and poultry industries to test for bacterial contamination and alter their production processes to improve food safety. Meat and poultry groups say they support modernizing the food safety system but are waiting to see the USDA's final rule before commenting further.

"We are on the brink of change, but it's long overdue," says Michael Taylor, acting undersecretary of agriculture for food safety. Taylor notes that the National Academy of Sciences first recommended modernizing the food safety system a decade ago.

Since her son's death, Nancy Donley has begun lobbying for stronger safety rules as part of a group called Safe Tables Our Priority. Although encouraged by the new rules, she's concerned about provisions that would give small slaughterhouses more time than large ones to comply with rules requiring daily microbiological testing. "The system," she says, "is only as strong as its weakest link."

Furthermore, the proposed rules will take at least three years to fully implement, which means more deaths and illnesses are all but inevitable. Worse, consumer advocates say, the new standards could still be derailed by Congress. That nearly happened last year when the House Appropriations Committee approved an amendment that would have delayed the standards by at least two years. (The amendment was later withdrawn in the face of negative publicity.)

In the meantime, budget cuts have left the USDA with only 1,845 inspectors covering processing plants, 13% fewer than the agency says it needs to inspect the plants as required by law. As a result, some processors are no longer inspected as often as federal standards call for and inspectors are having to ignore other all-too-common practices, such as food mislabeling or the injection of water into ham and chicken simply to boost their weight and their price at the supermarket.

Food safety is another area where consumers shouldn't expect their states to pick up where the federal government has left off. Some states are already having trouble inspecting the numerous restaurants, retail outlets and grocery stores that are exempt from federal food-safety laws.

VIRTUALLY NO REGULATION OF MANAGED CARE

Whether by choice or simply because their companies give them no other option, more than 70% of the people covered by employer-sponsored health plans now participate in managed-care arrangements such as HMOs. But as consumers have rushed into managed care, lawmakers have been in no rush to create consumer safeguards. "Consumerism in this area is in its infancy," says Mark Smith, executive vice president of the Kaiser Family Foundation, which studies health-care issues.

Managed-care consumers face an unusually bewildering marketplace. "It's very hard to get good information on services, the qualifications of doctors and the financial incentives those doctors have to skimp on services," says Columbia University professor Stephen Isaacs, author of *The Consumers' Legal Guide to Today's Health Care* (Houghton Mifflin, 1992).

Once consumers have chosen a managed-care plan, they may find that they have little recourse if they are denied treatment or reimbursement for care. For instance, when a patient appeals an HMO's decision, the challenge is usually heard by employees of the HMO. Many plans also require members to agree to binding arbitration, blocking them from taking their HMO to court if they're harmed physically or financially. "There was no one, no medical consumer advocate, to step in when my daughter was denied the care she needed," says Harry Christie, who battled for nearly a year before an arbitrator ruled that his California HMO, FHP/Take Care, must pay for his daughter's cancer surgery. The California Department of Corporations fined the HMO $500,000 last year. The HMO, which is challenging the fine, maintains that its doctor was qualified to perform the operation (see page 106).

Although a number of states, including California, New Jersey and Texas, have adopted tougher rules in recent years, a 1995 study by the Los Angeles-based Center for Health Care Rights found that no state provided all the protections consumers need. Some states, including New Hampshire, New York, Ohio and Tennessee, fail to offer even the most basic safeguards. Worse, there are few or no protections in most states for consumers who participate in physician-sponsored health-care networks, where a doctor's financial interests clearly can conflict with patient needs, or in other new types of managed care.

The HMO industry argues that state managed-care rules are only a small part of a network of protections, including federal rules and state corporation and insurance laws, that it must abide by. But the federal protections, which cover only HMOs that participate in Medicare and Medicaid, are far from effective, according to a 1995 GAO study. It found that the government has been slow to use sanctions and other enforcement tools and that patients who appealed an HMO's decision to deny treatment were often forced to wait six months or more for a decision on their appeal.

What you can do: Harry Christie's story offers a vital lesson for all consumers: Stand up for your rights and, if you care about these issues, speak out for consumer protections in general. Consumer advocate Nader says people should press their legislators on all levels to support consumer protection. For example, it's not too late to urge your representatives in Congress to oppose the weakening of Truth in Savings. (The Senate bill is S. 650, the House bill H.R. 2520.) Failing that, Nader wearily adds, about the best consumers can do in the current environment is "redouble their efforts to shop more wisely."

Reporter associates: Leslie M. Marable and Jeff Wuorio

Lake Research

M E M O R A N D U M

TO:	Bernice Friedlander U.S. Office of Consumer Affairs
FROM:	Celinda Lake, Alysia Snell, and Kim Callinan Lake Research, Inc.
RE:	Findings from Focus Groups
DATE:	September 14, 1995

Both professionals and consumers alike see a need for the continued presence of the U.S. Office of Consumer Affairs. While some are not familiar with the exact service provided by this office, they surmise that it is an office that "protects the consumer," and "represents the consumer on important issues," both critical services that need to be provided. Respondents want a voice for consumers in the government, and they think this office serves that purpose. They worry that some local and state offices "don't hear you when you call," and they want an office that is responsive to their needs and concerns. They want to know there is a place to go to voice their complaints if they have a problem. In addition, professionals and consumers believe the federal Office of Consumer Affairs can gather information and see trends in consumer fraud which can lead to consumer education about this issue. Thus, both professionals and consumers worry what will happen if this office does not exist and wonder where the people will go with their concerns.

When respondents think of the USOCA they think of advocacy, education, and service for consumers. They also see these concepts as what is good about the office. They cite consumer protection and their education efforts for both the consumer and businesses as important roles for the office to be playing. They also think they have good goals in mind to assist consumers and companies with their problems.

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Additionally, professionals and consumers see publications and services the office supplies as important and necessary. Most are enthusiastic about the Consumer Resource Handbook and want to know how they can get their hands on a copy. They feel this provides consumers with an invaluable resource. They also like the concept of National Consumers' Week and see it as providing a focus for consumers. However, most think a week once a year is too short to focus on consumers' needs.

Initial Impressions of the U.S. Office of Consumer Affairs

A government agency that is dedicated to providing help and assistance in consumer related issues. (Philadelphia man)

Representation of the people on consumer concerns. (Philadelphia woman)

A place to help consumers with problems. (Baltimore woman)

A place that I can turn to, who will handle my concerns and my problems and turn me to the direction that can best solve it for me. (Baltimore man)

Offers information regarding service to consumers. (Chicago woman)

Informs customers of their rights and supplies them with information should they have a problem. (Chicago woman)

Professionals, especially, see a gap in the coordination of the consumer entities in the federal government and want the USOCA to have more of a role in this coordination process. They comment that "There's not a road map to the federal government interests as there used to be. There used to be more communication and coordination among the various consumer entities with the federal government." They feel the burden is now on them to navigate the system themselves. As one elite commented, "Now you have to form those roads and patterns individually yourself as opposed to having some cohesive unit there." They would like to see the USOCA have a more active role filling this void and coordinating the consumer protection and education efforts of the federal agencies.

Given the current environment, participants feel this office is needed, especially at this time. Consumers and professionals alike believe there is a prevailing sentiment that consumers are being ripped off. They view the public as less trusting of companies and businesses and contend that consumers think they're "going to be taken." They also assert there is a growing number of scams against consumers. They are particularly concerned about the telecommunications industry which produces complex and confusing products and has an abundance of scams. They particularly want the elderly and economically disadvantaged protected from the consequences of fraud and scams because they feel these are the people who are particularly affected by the scams and are unable to help themselves. They want the USOCA to address these issues and be the filter for scams and rip offs, as well as the alert mechanism for frauds that are taking place. One participant noted, "The government needs to have a voice and if there is fraud, no matter what level it is at, there should be a public stance taken." The USOCA provides this voice for consumers. They see a great need to protect consumers from fraud, and they see this office especially situated to provide this service to consumers.

Privacy is a big concern for professionals and consumers alike. They see this as an emerging consumer issue which will only become more important in the future. One woman relayed her fear, "We're going to be exposed. We as consumers are not going to be protected in any way." Voters worry about their privacy being encroached upon through the ever widening use of computers and the Internet. As one man noted, "On the Internet, you're open to the world." Because of this they want even more of a protector and a voice in the government, and they would like to see the USOCA taking on this role and working to protect consumers' privacy from unwanted intrusions.

There is some concern among consumer affair professionals that the office is not as visible as it has been in the past. They would like to see the office restored to what it was in the past, and they realize part of this lack of visibility is to blame on budgetary constraints. They feel this office could be used to "facilitate public trust toward industry via education and advocacy" and this is something they would like to see happen. They want to see the visibility of the office increased; they do not want the office done away with.

Methodology:

These findings are based on three focus groups conducted in July, 1995. The focus groups consisted of one group of professionals associated with consumer affairs in Philadelphia, Pennsylvania, one group of professionals associated with consumer affairs in Chicago, Illinois, and one group of consumers in Baltimore, Maryland.

Lake Research

M E M O R A N D U M

TO: Interested Parties

FROM: Celinda Lake, Alysia Snell, and Kim Callinan
Lake Research, Inc.

RE: Findings from Focus Groups Conducted for the U.S. Office of Consumer Affairs

DATE: September 19, 1995

Overview:

Consumers' growing concerns about fraud and privacy provide this administration with a good opportunity, not only to take a stand on an issue of importance to the electorate, but to show voters that he is on their side. Voters do not want the president to become overly involved with the details of these issues, but they do want him to "focus attention," as one participant put it "on scams."

Voters voice the same sense of alienation from manufacturers and retailers that they have expressed when they talk about politicians. Many participants alluded to a suspicion that they are being ripped off with increasing frequency; most agreed, moreover, that brand loyalty has declined. Consumers and professionals alike think consumer issues, particularly those having to do with fraud and privacy, are areas of growing importance that need to be addressed.

Finally, consumers are particularly concerned about protecting their privacy on the information superhighway--a challenge, they believe, of unprecedented proportions. This issue presents the administration with an excellent opportunity to play a high profile role on an issue of genuine concern to consumers, and for administration officials to bolster their image as innovators who are on the cutting edge of technological innovation.

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Context:

Professionals and consumers alike believe consumers are demonstrating greater savvy in their purchasing habits, particularly in their tendency to research products before they buy. Although they want to be treated fairly, to have access to the "best product for their money," and to get "their money's worth," professionals and consumers suggest that consumers are more likely to be taken advantage of today. They feel helpless, moreover, to do anything about it. "I think it's one thing to get ripped off," one participant commented, "but seeing it and not being able to do anything about it, that's the worst feeling." As a result, participants agreed, the public is less trusting of companies and businesses and more likely to assume they're "going to be taken."

There are a growing number of scams, professionals and consumers agree, aimed at consumers. The telecommunications, they suggest, is particularly vulnerable to fraud. Consumers are yearning for an effective advocate within the government. "If there is fraud," one participant insisted, "no matter what level it is at, there should be a public stance taken." Just as voters who are alienated from the political establishment look for a representative who will stand up for their concerns, consumers who are alienated from manufacturers and retailers are looking for an advocate within the government to protect them from the fraud they believe these institutions are perpetrating.

Voters believe the president should draw attention to the fraud that is plaguing consumers by educating the public through speeches or, as one participant suggested, "informing Congress." "He should be aware of what scams are out there," one man suggested. "He can probably address this in a speech . . . he has to make us more aware that these things are out there." Voters want the president to know, as another participant explained, "that these things are going on and [that] he wants the businesses to know that this would not be tolerated in America."

While they don't want him overly involved in the minutia of these issues, they do believe he and other officials in his administration can play an important role by drawing attention to trends in fraud and educating the public. As one man pointed out, "The president wants to know there are some special consumer issues that he needs to [address] and [that] he can do something about them whether in his Saturday speech or some educational thing or some legislative agenda." Some professionals, however, questioned what role the President wants to play because they don't think consumers "are a priority as far as the President is concerned."

Consumers and professionals alike are particularly concerned about potential problems with high-tech fraud. The best way to nip this problem in the bud, they suggest, is to inform the public with a nationwide campaign. Voters focus their concerns about scams on the telecommunications industry, which they believe is particularly vulnerable to fraud because of the complexity and confusing nature of its products.

Consumers want to be informed about scams as they occur. Otherwise, as one participant explained, people "don't know what to look for and are walking around in the dark." "The government needs to have a voice," another participant suggested, "and if there is fraud, no matter what level it is at, there should be a public stance taken." Voters are particularly insistent that the elderly and economically disadvantaged be protected from the consequences of fraud.

Participants also expressed considerable concern about the protection of their privacy, particularly on the information superhighway. "We're going to be exposed," one woman argued. "We as consumers are not going to be protected in any way." In this day of telecommuting, rapidly changing technology, and the ever widening scope of the Internet, voters fear that they will find it increasingly difficult to protect their own privacy. They see the information superhighway as "the next big consumer issue," and one which encompasses everything from privacy to access. "On the Internet," one participant explained, "you're open to the world."

This issue will become increasingly important to voters. It provides the administration, moreover, with an important opportunity to stand up for the middle class. Taking a stand on this issue would also compliment the administration commitment to focusing on the future. Surprisingly, this position appeals to cynical voters and unites both Democrats and Republicans.

Finally, consumers and professionals believe that privacy issues will affect everyone, and they will continue to be a problem for decades to come. "I think this is a very large concern for the entire population of America," one man observed. "I think it's going to increase. I think the vast majority of people don't realize how significant it is. How truly public our lives have now become." "For a lot of reasons," another participant continued,

> we've probably had more privacy than the history of the world has ever been able to produce before. And now we see ourselves in a situation where everyone will know what we purchase and what our checking account balances are, where we're choosing to invest our money and what we buy, and all of these things will be much more well known than they are now....what's this going to mean in terms of how our society regulates itself? And what kinds of new norms for behavior will come out? It's going

to be very different. And the issue of privacy is multifold. It's not just what comes into our home and who knows what we're buying and knows all these intimate details of our life. There are a lot of other things that are going to come up that we don't have a clue.

Privacy, in sum, is an issue of deeply felt concern among a broad base of voters. Voters view privacy concerns, moreover, as a consumer issue. Consequently, they look to government to address the concerns it raises. They want to know someone is working to protect consumers from unwanted intrusions upon their privacy.

Methodology:
These findings are based on three focus groups conducted in July, 1995. The focus groups consisted of one group of professionals associated with consumer affairs in Philadelphia, Pennsylvania, one group of professionals associated with consumer affairs in Chicago, Illinois, and one group of consumers in Baltimore, Maryland.

draft

THE WHITE HOUSE

EXECUTIVE ORDER

NO. ______

PROVIDING FOR THE IMPROVEMENT OF CONSUMER ADVOCACY AND CONSUMER INFORMATION WITHIN THE FEDERAL GOVERNMENT

The Federal government plays a primary role in assuring the safety, effectiveness, labeling and wholesomeness of thousands of products, the reliability of many services, the truthfulness of advertising and promotions, and the protection of the environment from damage by consumer products and services. In fact, virtually every decision or action of the Federal establishment profoundly affects the daily lives of American consumers. Since 1962, when President Lyndon Johnson established its predecessor, the President's Committee on Consumer Interests, the United States Office of Consumer Affairs has served ably as the champion of the consumer at the highest levels of the Federal government, assuring that consumer needs and interests are considered in Federal policy formulation and decision-making, and working with state and local government and the private sector to address consumer needs. Similarly, the Consumer Information Center, instituted by President Richard Nixon in 1970, has become an essential resource for hundreds of thousands of consumers seeking information vital to their health, safety and happiness.

For most of three decades these two offices have had a complementary, indeed, a symbiotic relationship. Because they exist in two different agencies and have no direct organizational relationship, however, their collaborative efficiency is at times hampered by administrative obstructions. As a consequence, neither office is able to achieve separately the level of productivity they could achieve as a single administrative entity. In an era when globalization and the surge of technological innovation are constantly altering the marketplace, it is essential these two agencies operate at maximum efficiency. Therefore, I am amending two existing Executive Orders to unite them and all their functions as a single agency within the Executive Office of the President.

AMENDING EXECUTIVE ORDERS NO.11702, RELATIVE TO THE EXECUTIVE OFFICE OF THE PRESIDENT, AND NO. 11566, CONSUMER PRODUCT INFORMATION

Under and by virtue of the authority vested in me as President of the United States, Executive Order No. 11702, of January 25,1973, is amended by substituting for section 1 thereof the following:

"**Section 1. Transfer of the United States Office of Consumer Affairs.** The United States Office of Consumer Affairs, established by Executive Order No. 11583 of February 24, 1971, as amended by Executive Order No. 11595 of May 26, 1971, together with its functions

States Office of Consumer Affairs, established by Executive Order No. 11583 of February 24, 1971, as amended by Executive Order No. 11595 of May 26, 1971, together with its functions is hereby transferred from the Department of Health and Human Services to the Executive Office of the President. The Director of the United States Office of Consumer Affairs shall continue as the Special Assistant to the President for Consumer Affairs."

Executive Order No. 11566, of October 28, 1970, is amended by substituting for section 1 thereof the following:

"**Section 1. The Consumer Information Center.** The Consumer Information Center, originally established as the "Consumer Product Information Coordinating Center," (hereinafter referred to as the Center) shall be transferred from the General services Administration to the Executive Office of the President and become a division of the United States Office of Consumer Affairs which shall exercise policy and administrative supervision of the Center.
The Center shall:

(1) Promote the development, production and public dissemination of accurate information of use to consumers by government agencies, consumer organizations, voluntary groups, and the private sector, while assuring that the release of such information is accomplished in a manner that is fair to producers and vendors of products and services.

(2) Review regularly the documents, reports, publications and other information of all Federal agencies which may contain information of use to consumers.

(3) Make information of use to consumers publicly available, through its own and all other Federal agency distribution systems, as well as regional, state and local government agencies, as appropriate.

(4) Coordinate Federal efforts to eliminate duplicative consumer information from Federal information sources, assure the accuracy of Federal information for consumers, and maximize the efficiency with which such information is disseminated to the public."

FOR RELEASE AT 12 NOON, EST February 24, 1971

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER
#11583

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OFFICE OF CONSUMER AFFAIRS

Consumer protection fosters a market place in which our competitive economic system flourishes best. It is good for businessmen because it gives the consumer greater confidence in the goods and services provided by business. It is good for consumers because it reinforces the concept of buyers' rights:

-- the right to make an intelligent choice among products and services;

-- the right to accurate information on which to make a free choice;

-- the right to expect that the health and safety of the buyer is taken into account by those who seek his patronage;

-- the right to register dissatisfaction, and have a complaint heard and weighed, when a buyer's interests are badly served.

The Special Assistant to the President for Consumer Affairs is performing an important role in representing consumer interests in the Federal Government. It is important that the role of the office of the Special Assistant be reinforced by increasing its responsibilities and reemphasizing its importance.

There is need for a consumer office within the Executive Office of the President, which not only advises and represents the President on matters of consumer interest, but also analyzes and coordinates the implementation of all Federal activities in the field of consumer protection, helping to establish priorities and resolve conflicts, and recommending ways in which governmental consumer programs can be made more effective.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. Office of Consumer Affairs. The Office of Consumer Affairs (hereinafter referred to as the "Office") is hereby established in the Executive Office of the President. The Office shall be headed by a Director who shall be appointed by the President, and there shall be in the Office a Deputy Director who shall also be appointed by the President. The Deputy Director shall perform such duties as the Director may designate, and in case of a vacancy in the office of Director or during the absence or incapacity of the Director, the Deputy Director shall act as Director. The Director and Deputy Director shall receive compensation at such rates as the President, consonant with law, may hereafter determine.

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Sec. 2. Powers and duties of the Director. (a) The Director shall be responsible for the exercise of the powers and the discharge of the duties of the Office, and shall have the authority to direct and supervise all personnel and activities thereof. The Director shall take all actions as may be necessary to organize the Office so as to carry out the functions and to achieve the purposes set forth in this order.

(b) In addition to any other authority conferred upon him by this order, the Director is authorized, in carrying out his functions hereunder, to --

(1) appoint one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions. Members of such committees (including the Consumer Advisory Council established in section 5 of this order) other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as authorized by law for persons serving intermittently;

(2) promulgate such rules, regulations, and procedures as may be necessary to carry out the functions vested in him or in the Office, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(3) utilize, with their consent, the services, personnel, and facilities of other Federal, State, local and private agencies and instrumentalities with or without reimbursement thereof except as reimbursement may be required by law; and

(c) The Director shall report periodically to the President on significant developments affecting the interests of consumers together with such recommendations including legislative recommendations as he deems appropriate.

Sec. 3. Functions. (a) The Office shall advise the President as to all matters affecting the interest of consumers.

(b) The Office shall --

(1) with respect to consumer interests in Federal policies and programs, encourage and assist in development and implementation of consumer programs; coordinate and review policies and programs; seek resolution of conflicts; advise and make recommendations to Federal agencies with respect to policy matters, the effectiveness of their programs and operations, and the elimination of duplications;

(2) assure that the interests of consumers are presented and considered in a timely manner by the appropriate levels of the Federal Government in the formulation of policies and in the operation of programs that affect the consumer interest;

(3) conduct investigations, conferences, and surveys concerning the needs, interests and problems of consumers, except that it shall, where feasible, avoid duplicating activities conducted by other Federal agencies;

(4) submit recommendations to the President on how Federal programs and activities affecting consumers can be improved;

(5) take action with respect to consumer complaints to the extent authorized by section 4 of this order;

(6) perform the functions assigned to the President's Committee on Consumer Interests in Executive Order No. 11566 of October 26, 1970;

(7) encourage and coordinate the development of information of interest to consumers by Federal agencies and the publication and distribution of materials which will inform consumers of matters of interest to them in language which is readily understandable by the layman;

(8) encourage and coordinate research conducted by Federal agencies leading to improved consumer products, services, and consumer information;

(9) encourage, initiate, coordinate, evaluate, and participate in consumer education programs and consumer counseling programs;

(10) encourage, cooperate with, and assist State and local governments in the promotion and protection of consumer interests; and

(11) cooperate with and encourage private enterprise in the promotion and protection of consumer interests.

Sec. 4. Consumer complaints. (a) Whenever the Office receives from any source complaints or other information disclosing a possible violation of (1) any law of the United States or (2) any rule or order of any Federal agency concerning consumer interests, the Office shall promptly transmit such complaint or other information to the Federal agency charged with the duty of enforcing such law, rule, or order, for appropriate action.

(b) Whenever the Office receives complaints or other information disclosing any commercial or trade practice which it deems detrimental to the general interests of consumers within the United States, and which is not included within the category specified in subsection (a) of this section, the Office may transmit such complaint or other information promptly to the Federal, State, or local agency whose regulatory or other authority provides the most effective means to act upon them; the Office may in its discretion also refer such complaint or other information to the private persons or industry against whom the complaint is made.

Sec. 5. Consumer Advisory Council. (a) There is hereby established in the Office a Consumer Advisory Council to be composed of not more than 12 members appointed by the President. Members shall be appointed on the basis of their knowledge and experience in areas of interest to consumers and their demonstrated ability to exercise independent, informed, and critical judgment.

(b) (1) Members shall be appointed for two-year terms. Members of the Consumer Advisory Council, established pursuant to Executive Order No. 11136 of January 3, 1964, as amended, shall continue in office in accordance with the terms of their original appointments.

(2) Any member chosen to fill a vacancy shall be appointed for the unexpired term of the member he succeeds.

(3) A vacancy in the Council shall not affect its authority to act, and a majority of the members thereof shall constitute a quorum.

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(c) The President shall designate the Chairman from among the members composing the Council. The Council shall meet at the call of the Director. The Director shall be an ex-officio member of the Council and its Executive Secretary.

(d) The Council shall advise the Director with respect to --

(1) policy matters relating to consumer interests; and

(2) the effectiveness of Federal programs and operations, which affect the interests of consumers; and

(3) problems of primary importance to consumers, and ways in which unmet consumer needs can appropriately be met through Federal Government action.

Sec. 6. Consideration of the consumer interest in Federal agency determinations. Every Federal agency in taking any action of a nature which can reasonably be construed as substantially affecting the interests of consumers of products and services, including, but not limited to, (1) the promulgation of rules, regulations, or guidelines, (2) the formulation of written policy decisions, or (3) the issuance of orders, decrees, or standards, shall, in taking such action, give due consideration to the valid interests of consumers.

Sec. 7 Abolition of Committee and Council. Except as otherwise provided herein, the President's Committee on Consumer Interests and the Consumer Advisory Council established under Executive Order No. 11136 of January 3, 1964, as amended by Executive Order No. 11349 of May 1, 1967, are abolished.

Sec. 8. Construction. Nothing in this order shall be construed as subjecting any function vested by law in, or assigned pursuant to law to, any Federal agency or the head thereof to the authority of any other agency or officer or as abrogating or restricting any such function in any manner.

Sec. 9. Orders superseded. Executive Order No. 11136 of January 3, 1964, and Executive Order No. 11349 of May 1, 1967, are hereby superseded.

RICHARD NIXON

THE WHITE HOUSE,

February 24, 1971.

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UNITED STATES OFFICE OF CONSUMER AFFAIRS

Proposed FY 1995 Staffing

Office of the Director

	FY 1995
SES Director	1
SES Deputy Director	1
GS-12 and below	1
Total Positions	3

Policy and Intergovernmental Relations

	FY 1995
GM-15 Director	1
GS-13 and below	3
Total Positions	4

Communications

	FY 1995
GM-15 Director	1
GS-13 and below	3
Total Positions	4

Legislative Affairs and Administration

	FY 1995
GM-15 Director	1
GS-14 and below	3
Total Positions	4

Public Liaison

	FY 1995
GM-15 Director	1
GS-13 and below	2
Total Positions	3

NOTE: This chart does not reflect FY 1996 staffing plan. To accomplish a reduction from 18 FTE in FY 1995 to 13 FTE in FY 1996 will require a reorganization proposal. There has not been an internal review of the organizational structure in light of planned FTE reductions. When a formal reorganization proposal is made it will be submitted to the committee for concurrance.

Executive Order 12288 of January 15, 1981

Providing for Enhancement and Coordination of Federal Consumer Programs

46 F.R. 4665

By the authority vested in me as President by the Constitution of the United States of America, and in order to enlarge the membership of the Consumer Affairs Council from twelve to twenty-four, Section 1-102 of Executive Order No. 12160[71] of September 26, 1979, is hereby amended to read as follows.

"1-102. The Council shall consist of representatives of the following agencies and such other officers or employees of the United States as the President may designate as members:

(a) Department of Agriculture.

(b) Department of Commerce.

(c) Department of Defense.

(d) Department of Energy.

(e) Department of Health and Human Services.

(f) Department of Housing and Urban Development.

(g) Department of the Interior.

(h) Department of Justice.

(i) Department of Labor.

(j) Department of State.

(k) Department of Transportation.

(l) Department of the Treasury.

(m) ACTION Agency.

(n) Administrative Conference of the United States.

(o) Community Services Administration.

(p) Department of Education.

(q) Environmental Protection Agency.

(r) Equal Employment Opportunity Commission.

(s) Federal Emergency Management Agency.

(t) General Services Administration.

(u) Small Business Administration.

(v) Tennessee Valley Authority.

(w) Veterans Administration.

(x) Commission on Civil Rights is invited to participate.

Each agency on the Council shall be represented by the head of the agency or by a senior-level official designated by the head of the agency.".

Jimmy Carter

THE WHITE HOUSE,
January 15, 1981.

71. 15 U.S.C.A. § 2111 nt.

1. The Consumer's Executive Order

By virtue of the authority vested in me as President by the Constitution of the United States of America, and in order to improve the management, coordination, and effectiveness of agency consumer programs, it is ordered as follows

1-1 *Establishment of the Consumer Affairs Council*

1-101. There is hereby established the Consumer Affairs Council (hereinafter referred to as the "Council").

1-102. The Council shall consist of representatives of the following agencies, and such other officers or employees of the United States as the President may designate as members:

(a) Department of Agriculture.

(b) Department of Commerce.

(c) Department of Defense.

(d) Department of Energy.

(e) Department of Health, Education, and Welfare.

(f) Department of Housing and Urban Development.

(g) Department of the Interior.

(h) Department of Justice.

(i) Department of Labor.

(j) Department of State.

(k) Department of Transportation.

(l) Department of the Treasury.

Each agency on the Council shall be represented by the head of the agency or by a senior-level official designated by the head of the agency.

1-2. *Functions of the Council.*

1-201 The Council shall provide leadership and coordination to ensure that agency consumer programs are implemented effectively, and shall strive to maximize effort, promote efficiency and interagency cooperation, and to eliminate duplication and inconsistency among agency consumer programs.

1-3 *Designation and Functions of the Chairperson.*

1-301. The President shall designate the chairperson of the Council (hereinafter referred to as the "Chairperson").

1-302. The Chairperson shall be the presiding officer of the Council and shall determine the times when the Council shall convene.

1-303. The Chairperson shall establish such policies, definitions, procedures, and standards to govern the implementation, interpretation, and application of this Order, and generally perform such functions and take such steps, as are necessary or appropriate to carry out the provisions of this Order.

1-504 The Chairperson with the assistance and advice of the Council shall monitor the implementation by agencies of their consumer programs

1-505 The Chairperson shall promptly after the close of the fiscal year, submit to the President a full report on government-wide progress under this Order during the previous fiscal year. In addition, the Chairperson shall evaluate, from time to time, the consumer programs of particular agencies and shall report to the President as appropriate. Such evaluations shall be informed by appropriate consultations with interested parties

1-6 *Budget Review*

1-601 Each agency shall include a separate consumer program exhibit in its yearly budget submission to the Office of Management and Budget. By October 1 of each year the Director of the Office of Management and Budget shall provide the Chairperson with a copy of each of these exhibits. The Chairperson shall thereafter provide OMB with an analysis of the adequacy of the management of, and the funding and staff levels for, particular agency consumer programs

1-7. *Civil Service Initiatives*

1-701. In order to strengthen the professional standing of consumer affairs personnel, and to improve the recruitment and training of such personnel, the Office of Personnel Management shall consult with the Council regarding:

(a) the need for new or revised classification and qualification standard(s), consistent with the requirements of Title 5, United States Code, to be used by agencies in their classification of positions which include significant consumer affairs duties;

4 (b) the recruitment and selection of employees for the performance of consumer affairs duties; and

(c) the training and development of employees for the performance of such duties.

1-8. *Administrative Provisions.*

1-801 Executive agencies shall cooperate with and assist the Council and the Chairperson in the performance of their functions under this Order and shall on a timely basis furnish them with such reports as they may request.

1-802. The Chairperson shall utilize the assistance of the United States Office of Consumer Affairs in fulfilling the responsibilities assigned to the Chairperson under this Order.

1-803 The Chairperson shall be responsible for providing the Council with such administrative services and support as may be necessary or appropriate; agencies shall assign, to the extent not inconsistent with applicable statutes, such personnel and resources to the activities of the Council and the Chairperson as will enable the Council and the Chairperson to fulfill their responsibilities under this Order.

1-804 The Chairperson may invite representatives of non-member agencies, including independent regulatory agencies, to participate from time to time in the functions of the Council.

1-9 *Definitions.*

1-901. "Consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes

1-902 "Agency" or "agencies" means any department or agency in the executive branch of the Federal government, except that the term shall not include:

(a) independent regulatory agencies, except as noted in subsection 1-804.

(b) agencies to the extent that their activities fall within the categories excepted in Sections 6(b)(2), (3), (4), and (6) of Executive Order No. 12044.

(c) agencies to the extent that they demonstrate within 30 days of the date of issuance of this Order, to the satisfaction of the Chairperson with the advice of the Council, that their activities have no substantial impact upon consumers.

Jimmy Carter

THE WHITE HOUSE,
September 26, 1979.

NOTE.—Executive Order 12160 was originally published in the Federal Register on September 28, 1979 (44 FR 44787).

August 22, 1989

INDEPENDENT AGENCIES WHICH ARE VOLUNTARY MEMBERS OF THE CONSUMER AFFAIRS COUNCIL

Commodity Futures Trading Commission

Consumer Product Safety Commission

Export-Import Bank of the United States

Federal Communications Commission

Federal Deposit Insurance Corporation

Federal Energy Regulatory Commission

Federal Maritime Commission

Federal Reserve Board

Federal Trade Commission

International Trade Commission

Interstate Commerce Commission

Merit Systems Protection Board

National Credit Union Administration

Nuclear Regulatory Commission

Postal Rate Commission

Securities and Exchange Commission

United States Postal Service

U.S. Office of Consumer Affairs

CONTACT
Estelle L. Rondello
phone: (202) 395-7904 (work)
(703) 330-8730 (home)

FOR IMMEDIATE RELEASE
Tuesday, May 21, 1996 and thereafter

"SERVICE SIGNALS $UCCESS" IS 1996 NATIONAL CONSUMERS WEEK THEME

WASHINGTON -- "**Service Signals $uccess**" is the 1996 theme for National Consumers Week sponsored by the U.S. Office of Consumer Affairs (USOCA). Seeking to build on the themes of honesty, courtesy and fairness in the marketplace, National Consumers Week 1996 will be celebrated across the country on October 20-30, 1996.

"**Service**" was selected as the central message because of President Bill Clinton's addition of "The Right to Service" to the Consumer Bill of Rights, originally put forth by President John F. Kennedy. Consumer advocates and business groups have praised this addition as a reaffirmation of the principle of good service as the cornerstone of American business.

"Service directly impacts every American. Good service benefits consumers by delivering quality products and services. It benefits business by increasing the corporate bottom line. Everyone wins," stated Bernice Friedlander, USOCA acting director.

"During National Consumers Week, consumers, business, educators, and government will develop programs illustrating the importance of good service to our nation's economy," Friedlander said.

(more)

"There will be youth activities, contests, workshops, seminars, and information fairs held throughout the United States. State, county, city and school districts will be involved in these interesting and educational events," Friedlander said.

National Consumers Week will be directed by a nationwide Committee of 100 to guide activities during the commemorative week. Those wishing additional information about National Consumers Week 1996 or the organizing committee should contact the U.S. Office of Consumer Affairs, 750 17th Street, NW, Washington, D.C. 20006. Phone: (202) 395-7900; fax (202) 395-7901.

USOCA acts as the Federal advocate for consumers, advising the President on consumer issues, working with businesses, educators, and consumer groups and coordinating consumer-related activities of Federal agencies. USOCA has organized National Consumers Week since 1982.

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File Office of Consumer Affairs

U.S. Office of Consumer Affairs

750 17th St., NW Suite 650
Washington, DC 20006
Tel. 202 395-7900 (voice)
202 395-7901 (fax)

FROM: Leslie L. Byrne

TO: Elizabeth Drye

FAX# 456-5581 **VOICE#** 456-5573

NOTE:

Per your request.

Total # of pages: 5

Thursday, February 20, 1997

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

February 12, 1997

Memorandum for: Albert Gore, Jr., Vice President of the United States

From: Leslie L. Byrne, Director and Special Assistant to the President

Subject: A World Standard for Personal Information Protection

Summary: The International Organization for Standardization (ISO) is setting up an *ad hoc* advisory group to determine the desirability and practicality of an ISO standard for the protection of personal information. This is especially significant because of the requirement of P.L. 104-113, and the implementing revision of OMB Circular A-119, that agencies use existing voluntary consensus standards in their regulatory activities. By taking a leadership role in helping ISO decide to develop a standard and in development of the standard, the U.S. can address growing consumer concern about privacy, accelerate both the commercial development of the Global Information Infrastructure (GII) and the redesign of U.S. health information and insurance systems, and forestall a potential confrontation with the European Union over its Privacy Directive.

Background: Privacy – the control and security of personal information – has, since the arrival of the computer age, become an issue of growing concern to consumers, law enforcement and consumer protection agencies, and many businesses especially in the financial services and direct marketing areas. The lack of widely accepted privacy standards impedes the development of the Net as a commercial medium and slows the modernization of health information and insurance systems. These problems are aggravated by a provision of the European Union's Privacy Directive (effective October 1998) which requires an EU determination of "adequate privacy protection" before personal data to be used for legitimate commercial purposes can be transferred to non-EU countries.

Since OECD's 1984 *Guidelines Governing the Privacy and Transborder Flows of Personal Data*, there have been, besides the EU Directive, two major initiatives to establish privacy standards: the Canadian Standards Association's 1996 *Model Code for the Protection of Personal Information*, and the *Principles for Providing and Using Personal Information* released by the U.S. Information Infrastructure Task Force in October, 1995. Both of the latter are rooted firmly in the OECD *Guidelines* and are quite similar in effect.

P.L. 104-113, *the National Technology Transfer Act of 1995*, directs Federal agencies to rely on voluntary standards rather than rule-making where feasible. A pending implementing revision of OMB Circular A-119, *Federal Use of Standards*, specifies that agencies shall use existing voluntary consensus standards, both domestic and international, in their regulatory and procurement activities unless use of such standards would be inconsistent with applicable law or otherwise impractical.

Development of an ISO standard for the protection of personal information, if it is substantially equivalent to the U.S. *Principles for Providing and Using Personal Information*, could be a major benefit for U.S. consumers and U.S. businesses, especially those competing internationally. For consumers, adoption by U.S. regulators of an ISO standard would provide dependable privacy protection across the various sectors of the marketplace, whether dealing with domestic or foreign companies. For businesses, it would provide a clear, consistent set of rules for domestic and international trade, permit modernization and growth in industries obstructed by privacy concerns, and avoid possible conflicts with the EU concerning its Privacy Directive.

Recommendation: The American National Standards Institute (ANSI), which represents the U.S. within ISO and is a member of the ISO Technical Management Board, will have two representatives on the ISO *ad hoc* advisory group. Although ANSI has a considerable Federal presence within its membership, it is not clear that the Institute appreciates the potential regulatory and trade significance of an ISO privacy standard. Encouragement from the highest levels of the Administration that ANSI take full advantage of this strategic opportunity would be a very helpful first step in achieving adequate, fair and consistent privacy standards and a step toward realizing the potential of the GII.

Memorandum

To: First Lady Hillary Rodham Clinton
From: Leslie Byrne, Special Assistant to the President
Director of U.S. Office of Consumer Affairs
Re: White House Conference on Consumer Protection, 1998
Date: January 21,1997

Summary: Following the administration's themes of education and information, the USOCA is proposing a historic White House Conference on Consumer Protection. It would bring together citizens, public groups, all levels of government and businesses, in a national dialogue on the best way to insure a fair and responsive marketplace. Giving the public the tools to protect themselves through education and information would be the focus. This is crucial in this era of deregulation. The best mechanisms to achieve these goals in specific issue areas would be topics of discussion. Some proposed issue areas are: Health Care (including Medicare and Medicaid fraud), privacy and the protection of individual information in a technological age, travel fraud, food safety, security of electronic commerce and strengthening state and local government consumer protection. The globalization of the marketplace and its impact on the public, particularly concerning disclosure and redress is also a growing concern. These are but a few of the topics that will be addressed.

Background: The history of the consumer movement is deeply rooted in democracy, which means that power flows from the bottom up. The formalization of this power coincides with the start of the industrial age. From the 1890's until the present, the main focus of consumerism has been on quality, price and safety of tangible goods. The American economy has changed from an industrial, to a service and information based economy, but the government's response to consumer concerns has been slow to change. While we continue our efforts to assure public confidence in the marketplace of goods we have yet to give those same assurances concerning services and information. Moving into the twenty-first century, the White House, through this conference, has the opportunity to assure the nation of the administration's interest and commitment to traditional consumer protection issues. We can establish the foundation for consumers and how they are treated in this new expanding marketplace. This conference is the exploration of rights and responsibilities of buyers, sellers, and government as the economy moves beyond its traditional bounds.

Recommendation: I respectfully request that you take an active role in the planning and implementation of the White House Conference on Consumer Protection. As First Lady you could make this Conference yours; not as an "Honorary Chair," but as part of the President's and your vision of where we are going as a nation. Putting your stamp on how our nation addresses economic issues in a democracy, looking at social issues through the prism of consumerism (i.e., value for money spent on child care, health care, and education) and the changing nature of the marketplace is a win-win scenario. This conference will provide a natural bully pulpit for the administration and the First Lady, with an opportunity to focus on education and information that will mean a real difference in people's lives.

I look forward to answering any questions you may have about this proposal.

To: Interested Parties
From: Ned McCulloch, Office of Senator Lieberman
Subject: Quality Hearing
Date: November 13, 1996

MEMORANDUM

Senator Lieberman and Senator Frist are going to hold an forum on the afternoon of December 2nd to explore quality-based competition in the healthcare market.

A number of large purchasers, ranging from HCFA to Fortune 500 companies are moving aggressively to evaluate the quality of the healthcare services they are purchasing. As a result, there is an emerging market for healthcare services based on the quality of those services (in addition to cost).

Recently, the National Committee for Quality Assurance, which accredits and evaluates managed care plans, released the Health Plan Employer Data Information Set 3.0 (HEDIS 3.0). The data set measures effectiveness and access to care, consumer satisfaction, and other plan performance measures. HCFA has announced that they will begin collecting HEDIS data, as appropriate, for Medicare managed care plans. GTE and other large employers are releasing scorecards on quality to their employees.

Reviewing quality issues is particularly timely now in light of concerns raised at the end of the 104th Congress that resulted in the consideration of legislation on drive-through deliveries and gag rules. Similar issues are likely to be raised in the 105th Congress. This hearing is an attempt to examine market-based efforts, rather than regulatory approaches, to improve the quality of healthcare services.

The hearing will not be conducted under an particular committee. Various witnesses are under consideration at this time. Health Care Financing Administration Administrator Bruce Vladeck will testify, and we anticipate participation by representatives from the employer community, a managed care plan, a senior organization, and possibly others.

Please contact Ned McCulloch at 224-4042 or Sue Ramthun 224-0651 in Senator Frist's office for further information.