

# A Six-Point Consumer Agenda To Close Growing Gaps In Marketplace Protections

Consumer Federation of America ~~and~~ Consumers Union ~~and~~ National Association of Consumer Advocates  
National Consumer Law Center ~~and~~ Public Citizen ~~and~~ U.S. Public Interest Research Group

**1. Prohibit Oil and Gasoline Price Gouging and Increase Automobile Fuel Economy:** Stop industry mergers that increase oil and gas prices by diminishing competition, and further save consumers money and reduce pollution by raising fuel economy standards on cars, sport utility vehicles (SUVs) and other light trucks.

**2. Preserve Consumers' Legal Remedies:** Oppose efforts undermining consumers' access to justice. Remove limits on HMO accountability to patients and do not impose restrictions on victims of medical malpractice. Ban the use of mandatory arbitration clauses in consumer contracts and oppose limits on consumers' ability to bring class action lawsuits.

**3. Protect Consumers from Abusive and Predatory Lending:** Limit unfair mortgage, credit card and personal loan practices that put vulnerable consumers at risk of default and bankruptcy.

**4. Make Health Care More Affordable:** Immediately expand health coverage to all children and lower-income adults. Fix the new Medicare law to allow the government to negotiate lower drug prices, and the private sector to import lower-cost drugs from abroad.

**5. Protect the Privacy of Sensitive Personal Information:** Require both financial companies and Internet sites to protect our confidential information, while preserving the right of states to enact stronger laws.

**6. Ensure Our Food is Safe to Eat.** Require USDA to set and enforce limits on food-borne pathogens. Give USDA authority to mandate recall of tainted meat. Assure controls to protect both human and animal health from "Mad Cow" disease.

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## Introduction

It has been over 40 years since President John F. Kennedy first articulated a “Consumer Bill of Rights.” He said that consumers deserve the right to safety, the right to be informed, the right to choose and the right to be heard. Other rights have since been added, most importantly the right to redress.

The consumer protection and public health and safety regulations derived from that bill of rights enable Americans today to enjoy relatively safer automobiles and consumer products, purer food and drinking water, more reliable drugs and medical devices, a cleaner environment and safer workplaces than in the past. Nevertheless, the work is far from finished. Even worse, special interests have launched an unprecedented assault on existing protections, have prevented enactment of crucial missing safeguards and have aggressively sought to limit state authority to enact stronger laws, even where no federal law protects consumers.

For example, special interest lobbyists have gutted the Truth in Lending Act, leaving consumers at the mercy of predatory lenders. The agri-business lobby has blocked tougher food safety laws; now Mad Cow and other diseases threaten the nation’s health. The world’s richest nation does not guarantee health care—this gross disparity causes 18,000 unnecessary deaths every year as fully 45 million Americans completely lack health insurance.

Concentration in industry after industry – from prescription drugs to oil-and-gas – has granted firms unprecedented power to raise prices and left many Americans living without necessary goods and services, from medicines to heat. Rising gasoline prices and the failure of Congress to raise fuel economy standards or ensure electric reliability threaten not only our economy but also our national security. Special interests have successfully imposed restrictions on consumer rights to sue or obtain damages yet seek further rollbacks of legal rights.

Recognizing the need for both greater consumer protection and a stronger defense against proposed rollbacks, six leading national consumer organizations propose the following six-point agenda of essential reforms to protect consumer health, safety and pocketbooks. The groups urge consumers and journalists to ask policymakers their views about how they intend to protect the public interest.

The agenda represents only minimum essential reforms that should be achievable in the short term. Our organizations each have a wider set of critical policy goals, which the groups will continue to promote.

**About the agenda:** This agenda of essential consumer reforms is intended as a guide for federal policymakers and others concerned about consumer issues. The heads of six leading national consumer organizations produced the agenda to underscore its importance. Because the organizations involved and the issues addressed are quite diverse, not every organization addresses or works on each item listed, and our groups can, and sometimes do, differ in some details in our approaches on particular issues. **We are unanimous in our support for pro-consumer action on these issues.**

**Below please find short explanations of the need for these six top consumer agenda issues.  
Please see our organizational websites for more details.**

**Background on Each of the Six Points of the Agenda**

**1. Prohibit Oil and Gasoline Price Gouging and Increase Automobile Fuel Economy:** Stop industry mergers that increase oil and gas prices by diminishing competition, and further save consumers money and reduce pollution by raising fuel economy standards on cars, sport utility vehicles (SUVs) and other light trucks.

For two decades, federal policy encouraged massive oil and gas industry consolidation. According to the Government Accountability Office ((GAO), this merger wave resulted in higher gasoline prices. Since 2000, natural gas, heating oil and propane prices have soared, as have industry profits. Meanwhile, automobile fuel efficiency is at a 23-year low. The automobile industry has blocked federal efforts to meaningfully increase fuel economy standards. Our dependence on oil threatens the economy, national security and the planet's health.

Instead of addressing these problems, Congress has tried to enact an energy bill that makes matters worse: rewarding the fossil-fuels industry with billions in new subsidies that will perpetuate global warming problems; subsidizing other dirty and dangerous non-renewable sources; and deregulating the electricity industry.

*Congress should require automobile manufacturers to use existing technologies to make vehicles go farther on a gallon of gasoline. Congress must raise fuel economy standards to reduce America's oil consumption by one-third by 2020 (the equivalent of an average standard for passenger vehicles of 40 mpg by 2015). The government must also require greater competition among oil and gas companies. This would lead to lower prices and encourage smarter development of natural resources, including cleaner, alternative sources of energy, making the U.S. more energy independent.*

**(continued)**

**2. Preserve Consumers' Legal Remedies:** Oppose efforts undermining consumers' access to justice. Remove limits on HMO accountability to patients and do not impose restrictions on victims of medical malpractice. Ban the use of mandatory arbitration clauses in consumer contracts and oppose limits on consumers' ability to bring class action lawsuits.

For the marketplace to work equitably, consumers must be able to hold wrongdoers accountable. In recent years, corporations and professionals seeking to limit their responsibility have mounted an all-out attack against the rights of consumers to seek justice. This assault has ranged from measures to limit the ability of consumers to bring class actions against companies that have defrauded or discriminated against them to the imposition of mandatory arbitration clauses in contracts that prohibit consumers (but not corporations) from going to court. Patients face restrictions on their ability to challenge HMO's for denying needed medical treatment while victims of injuries caused by unsafe products or medical malpractice face damage caps that unfairly limit the liability of the doctor, hospital, drug company or manufacturer whose negligence caused the harm.

*Congress should oppose legislation that limits the legal rights of consumers and patients. Congress should provide consumers with the right to hold HMOs accountable. Congress should reject legislation to federalize class action lawsuits. Congress should enact legislation banning the use of mandatory arbitration clauses in consumer contracts.*

**3. Protect Consumers from Abusive and Predatory Lending:** Limit unfair mortgage, credit card and personal loan practices that put vulnerable consumers at risk of default and bankruptcy.

Home foreclosures, credit card delinquencies and personal bankruptcies are at or near all-time highs. A major factor driving this credit crisis has been a sharp rise in "predatory" lending, including high-cost credit cards, "payday loans", and equity stripping mortgage loans targeted at low and middle-income families. The explosive growth of predatory lending has occurred because consumer protections have been reduced in the last 20 years. Where states have attempted to prohibit abusive personal and mortgage loans, federal policy makers have sought to override state protections. Meanwhile Congress has done nothing to curb these harmful loans. Instead, it has repeatedly attempted to enact one-sided bankruptcy legislation that would encourage more reckless lending by making it harder for consumers to wipe away abusive loans in bankruptcy.

*Congress should enact legislation that 1) effectively prohibits abusive terms in mortgage and personal loans, and 2) provides broad protections for credit card customers, including prohibiting unwarranted fees and interest rate increases. These efforts should not limit the ability of the states to better protect consumers. Congress should not enact pending bankruptcy legislation, which will likely increase predatory lending.*

**(continued)**

**4. Make Health Care More Affordable:** Immediately expand health coverage to all children and lower-income adults. Fix the new Medicare law to allow the government to negotiate lower drug prices, and the private sector to import lower-cost drugs from abroad.

The number of uninsured and underinsured Americans is growing rapidly, as health care costs, premiums and drug prices increase dramatically, and employers reduce coverage. Inadequate coverage creates a financial barrier to getting needed health care, is a leading cause of personal bankruptcy, and causes about 18,000 unnecessary deaths each year.

*Congress' longer-range goal should be to ensure that all Americans have affordable, quality health care coverage similar to what all other developed nations provide. Meanwhile, Congress should immediately expand coverage to all children and all lower-income adults. The federal government must avoid proposals that segment the healthy from the sick, such as Health Savings Accounts, which will increase premiums and out-of-pocket costs for those most needing care. Congress should fix the flawed Medicare law to allow the federal government to negotiate with manufacturers for lower drug prices, and use the savings to close the significant gaps in coverage for most seniors. Congress should allow reimportation of safe drugs from Canada and Europe, while it considers long-term solutions that will provide sustainable policies to make sure that all consumers and taxpayers get good value for their prescription drug dollars.*

**5. Protect the Privacy of Sensitive Personal Information:** Require both financial companies and Internet sites to protect our confidential information, while preserving the right of states to enact stronger laws.

Federal privacy law has been enacted on a piecemeal, sector-by-sector basis. While medical privacy is more strongly protected under new regulations and even records of the videos you rent cannot be released without your affirmative (opt-in) consent, the weak federal financial privacy law (Gramm-Leach-Bliley) allows banks and financial companies to share confidential customer account information with hundreds or thousands of affiliated firms and even most third party companies even if you say no. Yet a new threat to privacy is the off-shoring of confidential medical and financial information to foreign sub-contractors.

While it may be a violation of unfair practices laws for a website to violate its posted privacy policy, no federal law requires such a policy or provides for any consent-based privacy protection in Internet surfing or commerce.

*Congress should enact strong financial privacy protections. Congress should make it clear that federal law grants the states the right to enact stronger financial privacy laws applicable to the sharing of information with both affiliated companies and third parties. Congress should also give consumers the right to limit commercial collection and secondary use of personal information by any entity, including Internet websites.*

**(continued)**

**6. Ensure Our Food is Safe to Eat:** Give USDA authority to mandate recall of tainted meat. Assure controls to protect both human and animal health from “Mad Cow” disease.

The Centers for Disease Control reports that food poisoning attacks 76 million Americans annually; 5,000 die. The United States’ archaic meat safety laws can’t curb threats from an international, industrial food system. Today one hamburger may contain meat from 100 different animals; one mistake can spread deadly E.coli bacteria across the country. Courts have ruled that current laws do not authorize USDA to limit pathogens in raw meat and poultry products, or track animals to their origin. In 2003, the National Academy of Sciences urged Congress to empower USDA to set and enforce pathogen limits.

*Congress should pass legislation requiring the Secretary of Agriculture to: set and enforce limits on pathogens in raw meat and poultry products, establish an identification program to trace diseased animals and those grossly tainted with human pathogens to their originating farm, and authorize USDA to mandate recalls and publicize where recalled meat has been sold.*

*The President must assure that Mad Cow controls protect human health by drawing on the expertise of public health scientists, banning Advanced Meat Recovery products from human food, strengthening the substance and enforcement of animal feed rules, and improving animal surveillance.*

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