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Congress of the United States
House of Representatives
Washington, D.C. 20515
January 22, 1971

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Dear Democratic Colleague:

The 91st Congress failed to enact most of the important consumer legislation it considered. The most outstanding example of that failure was the tie vote in the Rules Committee which blocked floor action on HR 18214, a bill to establish a White House consumer office and an independent Consumer Protection Agency.

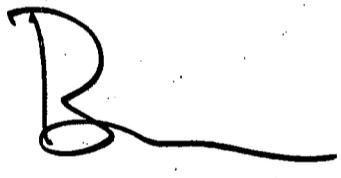
The failure of the Rules Committee to act favorably was a tragic blow to America's 200 million consumers. Now we can right that wrong. I am convinced that our consumer bill, which now contains some modifying amendments agreed to by the principal sponsors, can be enacted into law early in this new session.

I anticipate early action by our Government Operations Committee on this legislation which represents a carefully developed consensus obtained over many months of negotiations and after many hours of testimony. Our bill has solid bi-partisan support and the backing of every major consumer spokesman and organization.

I hope you will agree to cosponsor this vital consumer legislation with me, Mrs. Dwyer, senior Republican on Government Operations, and Mr. Holifield, Chairman of the Committee, when it is reintroduced next week. Please have someone call Cliff Hackett (x 52601) by noon Thursday, January 28, if we can add your name to our list of cosponsors.

A summary of the bill's major provisions is attached.

Sincerely,



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SUMMARY OF
THE CONSUMER PROTECTION ORGANIZATION ACT OF 1971
(H. R. 18214 in the 91st Congress)

To establish an Office of Consumer Affairs in the Executive Office of the President and a Consumer Protection Agency, in order to secure within the federal government effective protection and representation of the interests of consumers.

[H.R. 18214 was a clean bill ordered reported by the House Committee on Government Operations in the second session of the 91st Congress. It was introduced by Representatives Benjamin S. Rosenthal and Florence P. Dwyer and co-sponsored by 31 members of the Committee. Hearings were held by the Subcommittee on Executive and Legislative Reorganization in September and November 1969 and in April 1970 and published under the title "Organizing Federal Consumer Activities" (Parts I and II).]

Statement of Findings

The Congress finds that the interests of the American consumer are inadequately represented and protected within the federal government; and that vigorous representation and protection of consumer interests are essential to the fair and efficient functioning of a free market economy.

Title I -- Office of Consumer Affairs

An Office of Consumer Affairs, headed by a Director appointed by the President and confirmed by the Senate, is established in the Executive Office of the President.

Functions:

- . Coordinate the consumer programs and activities of all federal agencies in order to achieve effectiveness and avoid duplication;
- . Advise the President and assist in the development of consumer programs;
- . Assure that the interests of consumers are taken into consideration by federal agencies in the formulation of policies and in the operation of programs;
- . Submit recommendations to the Congress and the President on improvement of consumer programs and activities;
- . Conduct conferences and studies concerning the needs of consumers;
- . Encourage and coordinate consumer education programs;
- . Publish information of value to consumers;
- . Publish a Consumer Federal Register in advance of federal agency actions of importance to the consuming public.

Title II -- Consumer Protection Agency

An independent Consumer Protection Agency, headed by an Administrator appointed by the President and confirmed by the Senate, is established in the Executive Branch.

Functions:

- . Formally represent the interest of consumers in proceedings before federal agencies and courts;
- . Encourage and support research, studies and testing leading to a better public understanding of consumer products and consumer information;
- . Submit recommendations to the Congress and the President on improving the operation of federal consumer programs;
- . Conduct surveys and investigations concerning the needs and problems of consumers which do not duplicate activities of other federal agencies;
- . Continue the work of the National Commission on Product Safety.

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Representation of Consumers: Before federal agencies, the Consumer Protection Agency is authorized to represent consumers as a party on matters which do not involve an adjudication solely for the purpose of imposing a fine, penalty or forfeiture for an alleged violation of any statute of the United States. On matters which do involve an adjudication for such a sole purpose, the Agency may certify evidence and information, but not as a party to the proceedings.

Before federal courts, the Agency may only certify evidence and information, but not intervene as a party. But the Agency may initiate a judicial review of an agency proceeding to which it was a party, when a right of review is otherwise accorded by statute.

The Agency is authorized to request a federal agency to initiate an investigation, hearing or other proceeding as may be authorized by law with respect to such agency.

Consumer Complaints: When consumer complaints are received or developed by the Office or Agency, such action may be taken as is within the authority of each. If the complaint is referred to another federal agency, the nature of the action taken thereon shall be ascertained. Duplication by the Agency and the Office in the handling of complaints is specifically prohibited.

A public document room will be maintained by the Agency alone for public inspection of complaints. The Agency shall promptly notify producers and vendors of all complaints concerning them received or developed. A complaint can only be made available for public inspection with the permission of the complainant and after the party complained against has had a reasonable time, but not less than 60 days, to comment.

Consumer Information and Testing: The Agency and the Office shall develop on their own initiative, gather from other sources and disseminate to the public, information of general value to consumers.

The Agency shall have primary responsibility for disseminating to the public, consumer information in the possession of other federal agencies, including the results of relevant tests performed by those agencies on consumer products.

The Agency alone can request other federal agencies with testing capabilities to test consumer products for performance, but only when the results of those tests relate (1) to matters of product safety and (2) to data needed by the Agency for purposes of representing the interests of consumers before other federal agencies.

The Agency may not declare one product to be better, or a better buy than any other product. In the dissemination of any test results which disclose product names, it shall be made clear, if such is the case, that not all products of a competitive nature have been tested and that there is no intent or purpose to rate products tested over those not tested or to imply that those tested are superior or preferable in quality over those not tested.

Consumer Safety: The Agency alone is directed to carry out on a continuing basis the functions and duties exercised by the now-defunct National Commission on Product Safety.

Consumer Advisory Council: A 15-member Council composed of private citizens, knowledgeable and experienced in the area of consumer affairs, is established. Members appointed shall be paid on a per diem basis only for those days on which they actively serve.

The Council will assure citizen participation in the federal consumer protection apparatus and will advise the Agency and Office on consumer matters.