



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

Immediate Release:
July 26, 2012

Contact: Rachel Weintraub, 202 387 6121

Consumer Federation of America Expresses Profound Disappointment with House of Representatives' Passage of H.R. 4078

Legislation is Unprecedented Attack on Regulatory Process that will Stymie Consumer Protections

Washington, DC—On Thursday, July 25, 2012, the House of Representatives passed H.R. 4078, the so called "Red Tape Reduction and Small Business Job Creation Act" by a partisan vote of 245 to 172. The legislation included seven bills that collectively make it impossible for consumer protections to be developed and implemented. One of the most egregious provisions of H.R. 4078 halts all protections until the unemployment rate exceeds 6%- which the Congressional Budget Office estimates may occur at the earliest in 2016.

"We are profoundly disappointed that the House of Representatives voted today to pass a bill that would entirely thwart the ability of federal agencies to protect consumers from unsafe food, predatory financial products, systemically risky financial practices, and dangerous consumer products," stated Rachel Weintraub, Director of Product Safety and Senior Counsel at Consumer Federation of America. "This bill has extreme and negative consequences that will result in harm to American consumers and harm to the U.S. economy. At a time when consumers need more protections, not less, the House of Representatives has tied the hands of government."

"HR 4078 will halt important food safety regulations that are essential to protect consumers from contaminated food," said Chris Waldrop, Director of the Food Policy Institute at CFA. "The reality is that both consumer groups and the food industry have been urging the Obama Administration to issue new food safety regulations to better assure the safety of fresh produce and imported foods."

"The SEC and CFTC, two agencies with central responsibility for reforming the financial system, already face tremendous burdens when it comes to enacting the tough, effective regulations needed to achieve that goal. H.R. 4078 would make their jobs all but impossible, and

leave the financial system vulnerable to Wall Street's risky, unethical and rapacious practices," said CFA Director of Investor Protection Barbara Roper. "This is particularly ironic, since it was weak regulation of the financial system that led to the financial crisis that caused our current economic woes."

###

CFA is an association of nearly 300 non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. Member organizations include local, state, and national consumer advocacy groups, senior citizen associations, consumer cooperatives, labor unions, and food safety organizations. www.consumerfed.org

Consumer Federation is a member of the Coalition for Sensible Safeguards. For a list of some specific rules affected by H.R. 4078, visit <http://sensiblesafeguards.org/assets/documents/css-telepresser-freeze-media-fact-sheet-draft9.pdf>. For more information about the importance of safeguards, visit www.SensibleSafeguards.org.