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07/07/99

Secretary, Federal Trade Commission
Room H-159
600 Pennsylvania Ave., NW
Washington DC 20580

Ref: 16CFR Part453

TO THE COMMISSION:

The attached statement was approved by the Board of the Bay Area Funeral Society at its meeting of 6/24/99, authorizing the undersigned to transmit the statement as a submission to the FTC Review of the Funeral Rule.

We understand that the final date for acceptance of written comments has been pushed back to sometime in August, giving the Board an opportunity to put some additional points which it has discussed at its monthly meetings. However, we wanted to make the submission as focused and clear as possible, and of a compass that would show consciousness of how much the Commissioners will have to plow through in this review process.

We appreciate this review effort of the Commissioners and the opportunity to make a submission in timely fashion.

For the BAFS Board,
Ernest Landauer
Ernest Landauer
Executive Director

Cover for: STATEMENT TO THE FTC ON REVIEW OF THE FUNERAL RULE
~ 1999, in five copies (as requested)

Enclosed: 5 copies of cover letter

STATEMENT TO FTC ON REVIEW OF THE FUNERAL RULE - 1999

The Bay Area Funeral Society, a not-for-profit California Corporation, is dedicated to consumer interests in the provision of information to the public on death goods and services. [NOTE: Its website, <http://www.deathservicesnonprofit.org> can provide an overview on what it has to offer.]

The Society was founded in 1955, and in some 44 years has served well over 100,000 persons with consumer information and planning ahead for death arrangements. There are currently some 25,000 active subscribers.

We are concerned with a number of developments that the death goods and services industry is undergoing, pivoting on the continuing conglomerization, so that while there may be competition of corporations on the national level, there is restraint-of-trade on regional and local levels.

The present restriction of The Funeral Rule to mortuaries is not realistic; conglomerates have their hands into everything from manufacturing of funerary goods, cemetery real estate, crematoria, funeral insurance and prepayment instruments, among other diversified interests.

In our area, conglomerate ownership of crematoria amount to monopoly interest, allowing the setting of prices not in the interest of the consumer. In our area, cremation continues to be more and more the form of after-death disposition chosen by people; it is therefore strategic for conglomerates to buy up crematoria so that the market can be dominated and prices fixed.

The power of conglomerates is vested not only in the capital outlays they can afford, but the money they wield on the state level, insuring that unfavorable legislation sees the light of day. Only mismanagement, mishandling of services, and carelessness of consumer ethics has stood occasionally in the way of the juggernaut.

It is important that the FTC take steps to remedy problems with the present Funeral Rule. BAFS recommends the following:

1. The FTC should expand its regulatory attention to cemeteries, crematoria, and agencies purveying 'funeral insurance' and prepayment schemes.
2. The FTC should seek to divest corporations owning mortuaries, cemeteries, and crematoria of any interests in firms manufacturing funerary goods or firms selling 'funeral insurance'.
3. Ownership of firms and corporations should be matters of public record, and furnished anyone requesting such information.

Since many states have inadequate regulatory and investigatory provisions or agencies to implement them, BAFS recommends the following (on the analogue of 'national OSHA' and 'state OSHA'):

4. Where the consumer interest requires, and where competition among local and regional firms may be enhanced, that the FTC implement a program of investigation and regulation in any locale or region where state regulation and investigation are inadequate in meliorating services to the consumer and in relief from 'restraint-of-trade' practices.