

# Too Much Protection?

By Reg P. Wydeven  
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When I was younger, I loved boxing. My buddies and I would rent every pay-per-view to watch all of the title bouts. Of course, my favorite boxer was “Iron” Mike Tyson. He was a compelling story: he came from a checkered background with a criminal record and fought his way out of plight and ended up marrying a beautiful TV star. Plus he talked like a cartoon character.

Tyson was my favorite because he was literally a wrecking machine. He would annihilate his opponents, oftentimes knocking them out in the first round. We were all watching when he defeated Tony Tucker on August 1, 1987, to earn the International Boxing Federation belt. Adding this to his World Boxing Federation and World Boxing Association titles, along with being named champion by ‘The Ring’ Magazine, he became the undisputed heavyweight champion of the world. He remained undisputed until he lost to James “Buster” Douglas February 11, 1990.

The last undisputed heavyweight champion we’ve had was Lennox Lewis in 2000. Today, the dominant Wladimir Klitschko holds the IBF and ‘The Ring’ titles, along with the newer International Boxing Organization and World Boxing Organization titles. His brother, Vitali Klitschko, holds the WBC belt, while Nikolai Valuev holds the WBA title. Needless to say, with six separate entities regulating boxing each having a belt, it is extremely difficult to have an undisputed champion, especially when none of the title holders fight each other.

Many legislators and public watchdog groups feel the same way about consumer protection. Like boxing, there are currently six federal agencies tasked with protecting consumers: the Federal Reserve, Comptroller of the Currency, Office of Thrift Supervision, National Credit Union Administration, Federal Trade Commission and the Federal Deposit Insurance Corporation (FDIC). Accordingly, that’s why these folks, along with the Obama Administration, are hoping to create one undisputed agency to champion the cause of consumer protection.

Similar bills have been introduced in both houses of Congress containing proposals for the creation of the Financial Product Safety Commission, which is the brainchild of Harvard bankruptcy expert Elizabeth Warren and is loosely based on the Consumer Product Safety Commission. The Commission would consist of five appointees tasked with evaluating financial products and putting the interests of consumers first. The bills propose a “transfer of functions” from the current regulatory agencies to the FPSC.

The legislation, which comes in response to our current financial crisis, contains the most sweeping change to American consumer protection laws since the creation of the FTC in 1930, which came about because of the financial crisis of 1929. The FPSC would have the authority to subpoena and fine corporations up to \$1 million per day for violations, enforce requirements for clear contracts, provide a single place for consumers to register complaints, and collect and share information on non-compliant companies.

Obviously, the strongest opposition to the FPSC comes from the agencies whose power it’s usurping and the financial institutions it will be regulating. In fact, the U.S. Chamber of Commerce is spearheading the resistance by paying for a series of TV ads and creating a Web site called “StoptheFPSC.com.”

Obviously President Obama is hoping the new FPSC will be a knockout in Congress. Something tells me that the Republicans who fear more government are going to wait to see the scorecards.