

ORAL STATEMENT

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to present the views of the National Funeral Directors Association (NFDA) on H.R. 3655.

I am Randall L. Earl, a licensed funeral director from Decatur, Illinois and have been practicing my profession for 40 years. I own and operate the 125 year old Brintlinger & Earl Funeral Homes in Decatur and Cerro Gordo as well as B&E Crematory also in Decatur. We have 9 full-time employees and 7 part-time employees. We perform approximately 400 funerals a year. I am appearing here today in my capacity as an elected officer of the National Funeral Directors Association (NFDA).

NFDA is the leading funeral service organization in the United

States and provides the national voice for the funeral service profession.

One of NFDA's missions is to safeguard the trust and integrity of the funeral profession. In that regard, we strongly support H.R. 3655 and the intent with which it was proposed.

However, before I discuss the specific provisions of H.R. 3655, I think it would be helpful to your deliberations to provide some background on our experience with the FTC Funeral Rule.

NFDA and its members today strongly support retention of the FTC Funeral Rule as a uniform standard for funeral homes, as well as a rule that protects consumers served by funeral homes.

Since the Rule was enacted the marketplace for funeral and burial goods or services has changed dramatically, with the introduction of many non-traditional sellers. Most recently, for

example, Wal Mart and Amazon.com began selling caskets directly to consumers. When consumers do business with these non-traditional providers, they receive none of the protections afforded by the FTC Funeral Rule when they purchase these same goods from funeral homes. It is therefore necessary, in our judgment, to establish a separate rule as outlined in H.R. 3655.

We believe the Rule, which is enforced by the FTC, has benefited consumers by providing basic protections and safeguards to consumers who do business with funeral homes.

We also believe that the Funeral Rule has benefited funeral providers. Many NFDA members have reported that the Rule has made them better businessmen and women by helping them explain to consumers the cost of all of the different components of a funeral, thereby giving families a greater understanding of the

costs involved. In addition, to maintain compliance levels, funeral homes now offer continuous staff training and education that reinforces the professionalism of the funeral home staff.

As evidenced by the scandals at Burr Oak Cemetery, Menorah Gardens Cemetery, Tri-State Crematory and many other incidents, there is no question that consumers are being injured because cemeteries and other sellers of funeral or burial goods or services are not subject to any uniform federal standards and a haphazard and inconsistent set of state laws.

As a result, NFDA strongly supports H.R. 3655, which requires the FTC to establish a federal rule that applies the same or similar disclosures and standards of practice provided under the Funeral Rule to all sellers of funeral or burial goods *or* services not now covered by the Rule.

We are particularly supportive of the inclusion of all non-profit and religious organizations, as well as state and local political subdivisions. We strongly believe that consumers should enjoy the same protections *regardless* of where or from whom they purchase funeral or burial goods or services.

In conclusion, Mr. Chairman and members of the Subcommittee, NFDA believes this bill outlines for the FTC a rule that NFDA has long argued was necessary given the dramatically changed marketplace and the rise of new and non-traditional sellers, who now offer consumers many of the same funeral or burial goods or services provided by funeral homes – but *without* the protections afforded by the funeral rule. While H.R. 3655 does impose some modest requirements on funeral homes, we believe them to be appropriate and consistent with our policy.

Finally, while we understand that this rule might not have prevented the widely reported scandals that occurred at Burr Oak Cemetery, Menorah Garden Cemetery or the Tri-State Crematory, NFDA believes H.R. 3655 will raise the bar for everyone and correct many of the existing problems that lead to those situations. As we know after 26 years under the FTC Funeral Rule, we are better funeral directors for the experience and have a much greater awareness that good consumer practices are good business practices, as well.

Thank you for the opportunity to present the views of the National Funeral Directors Association on this very important legislation. I will be happy to answer any questions you or the other Subcommittee members might have.