

May 18, 2021

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

We urge you to oppose H.R. 963, and S. 505, the “Forced Arbitration Injustice Repeal (FAIR) Act,” which would effectively outlaw arbitration provisions in private contracts. Federal law has protected arbitration as a means of resolving disputes between businesses, consumers and employees since 1925. Should they become law, these bills will not benefit claimants and will instead produce more class action lawsuits that will benefit the lawyers who bring them.

The use of pre-dispute arbitration clauses in contracts benefits consumers, small businesses and employees. For example, recent studies have found that employees and consumers prevailed more often, recovered more money, and resolved their claims more quickly in arbitration than in litigation.¹ In addition, courts work to ensure that arbitration agreements of all types are fair and do not provide an advantage to any party.

The only clear beneficiaries of eliminating arbitration clauses are class action lawyers who would directly benefit from increased class action litigation replacing cost-effective and fair arbitration as a viable way to resolve disputes. Studies have shown that class action settlements frequently provide, at best, a very low return to class members while class action attorneys take in millions of dollars. Their gain would come at the expense of consumers, small businesses and employees, many of whom are not even eligible to participate in class action litigation. And because their claims are too small to attract individual legal representation, they would be left without a remedy altogether if arbitration were eliminated.

Accordingly, we urge you to oppose H.R. 963 and S. 505.

Sincerely,

National

American International Automobile Dealers Association

American Bankers Association

American Financial Services Association

American Tort Reform Association

American Transaction Processors Coalition

Consumer Bankers Association

Consumer Data Industry Association

CTIA

FMI- The Food Industry Association

HR Policy Association

Innovative Payments Association (IPA)

National Association of Federally-Insured Credit Unions

National Association of Home Builders

¹ See Fairer, Faster, Better: An Empirical Assessment of Employment Arbitration (May 2019) available at <https://instituteforlegalreform.com/research/fairer-faster-better-an-empirical-assessment-of-employment-arbitration/>; and Fairer, Faster, Better II: An Empirical Assessment of Consumer Arbitration (November 2020) available at <https://instituteforlegalreform.com/research/fairer-faster-better-ii-an-empirical-assessment-of-consumer-arbitration/>.

National Association of Manufacturers
National Association of Mutual Insurance
Companies (NAMIC)
National Restaurant Association
Real Estate Services Providers Council, Inc.
(RESPRO)
Small Business & Entrepreneurship Council
U.S. Chamber of Commerce
U.S. Chamber Institute for Legal Reform
(ILR)
USTelecom – The Broadband Association

Alabama

Opelika Chamber of Commerce

Arkansas

Arkansas State Chamber/Associated
Industries of Arkansas
El Dorado - Union County Chamber of
Commerce

Arizona

Arizona Chamber of Commerce and Industry
Chandler Chamber of Commerce
Greater Flagstaff Chamber of Commerce
Greater Phoenix Chamber

California

Alameda Chamber of Commerce
California Chamber of Commerce
Civil Justice Association of California
Fresno Chamber of Commerce
Gateway Chambers Alliance
Greater Conejo Valley Chamber of
Commerce
Hawthorne Chamber of Commerce

Modesto Chamber of Commerce
North Orange County Chamber
Norwalk Chamber of Commerce
Port Hueneme Chamber of Commerce
Rancho Cordova Area Chamber of
Commerce
San Gabriel Valley Economic Partnership
Yorba Linda Chamber of Commerce

Colorado

Colorado Civil Justice League

Florida

Florida Chamber of Commerce
Florida Justice Reform Institute

Georgia

Barrow County Chamber of Commerce

Idaho

Boise Metro Chamber

Illinois

Bolingbrook Area Chamber of Commerce
Illinois Black Chamber of Commerce
Joliet Region Chamber of Commerce &
Industry

Indiana

Decatur Chamber of Commerce
Indiana Chamber of Commerce

Kansas

Overland Park Chamber of Commerce
Wichita Regional Chamber of Commerce

Kentucky

Kentucky Chamber of Commerce

Louisiana

Louisiana Lawsuit Abuse Watch

Maryland

Maryland Chamber of Commerce

Olney Chamber of Commerce

The Frederick County Chamber of
Commerce

Missouri

Missouri Chamber of Commerce and
Industry

Mississippi

Mississippi Economic Council - the State
Chamber

Montana

Bozeman Area Chamber of Commerce

Montana Chamber of Commerce

North Carolina

Franklin Area Chamber of Commerce

North Dakota

Greater North Dakota Chamber

The Chamber Grand Forks / East Grand
Forks

New Jersey

New Jersey Civil Justice Institute

New Jersey State Chamber of Commerce

Nevada

White Pine Chamber of Commerce

New York

The Business Council of NYS, Inc.

Ohio

Greater Springfield Partnership

Oklahoma

The State Chamber of Oklahoma

Oregon

Albany Area Chamber

Forest Grove/Cornelius Chamber of
Commerce

Roseburg Area Chamber of Commerce

Seaside Chamber of Commerce

Pennsylvania

Chester County Chamber of Business &
Industry

Greater Reading Chamber Alliance

Pennsylvania Chamber of Business and
Industry

Schuylkill Chamber of Commerce

Puerto Rico

Puerto Rico Chamber of Commerce

Texas

Richardson Chamber of Commerce

San Benito Chamber of Commerce

Utah

Cedar City Area Chamber of Commerce

ChamberWest Chamber of Commerce

Draper Area Chamber of Commerce

Salt Lake Chamber of Commerce

Washington

Greater Lake Stevens Chamber of Commerce

Greater Yakima Chamber of Commerce

Lewis Clark Valley Chamber of Commerce

Puyallup Sumner Chamber of Commerce

West Virginia

Huntington Regional Chamber of Commerce

West Virginia Chamber of Commerce

Wyoming

Greater Cheyenne Chamber of Commerce