

March 15, 2022

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

We, the undersigned associations, urge you to oppose H.R. 963, the “Forced Arbitration Injustice Repeal (FAIR) Act,” which would effectively ban arbitration provisions in private contracts. Federal law has protected arbitration as a means of resolving disputes between businesses, consumers, and employees since 1925. Should it become law, this bill would not benefit claimants and would instead produce more class action lawsuits to the benefit of 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 broadly eliminating cost-effective and fair arbitration as a viable way to resolve disputes are class action lawyers, who would directly benefit from increased class action litigation. 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. In addition, 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 vote NO on H.R. 963.

Sincerely,

National

ACA International

American Bankers Association

American Financial Services Association

American International Automobile Dealers
Association

American Property Casualty Insurance
Association

American Tort Reform Association

American Transaction Processors Coalition

Consumer Bankers Association

Consumer Data Industry Association

¹ See An Empirical Assessment of Consumer & Employment Cases in Arbitration & Litigation (March 2022) available at <https://institutelegalreform.com/research/update-an-empirical-assessment-of-consumer-employment-cases-in-arbitration-litigation/>.

CTIA
Electronic Transactions Association
FMI - the Food Industry Association
HR Policy Association
Independent Community Bankers of America
Innovative Payments Association
National Association of Federally-Insured Credit Unions
National Association of Home Builders
National Association of Manufacturers
National Association of Mutual Insurance Companies
National Restaurant Association
National Retail Federation
Real Estate Services Providers Council, Inc.
Retail Industry Leaders Association
Small Business & Entrepreneurship Council
U.S. Chamber Institute for Legal Reform
U.S. Chamber of Commerce
USTelecom – The Broadband Association

Alabama

Business Council of Alabama
Selma and Dallas County Chamber of Commerce and Tourism Information

Arizona

Arizona Chamber of Commerce and Industry
Buckeye Valley Chamber of Commerce

Carefree Cave Creek Chamber of Commerce
Chandler Chamber of Commerce
Gilbert Chamber of Commerce
Greater Flagstaff Chamber of Commerce
Greater Phoenix Chamber
Prescott Valley Chamber of Commerce
Sierra Vista Area Chamber of Commerce
Surprise Regional Chamber of Commerce
Tucson Metro Chamber

California

Alameda Chamber & Economic Alliance
Brea Chamber of Commerce
California Chamber of Commerce
Carlsbad Chamber of Commerce
Civil Justice Association of California
El Dorado County Chamber of Commerce
Garden Grove Chamber of Commerce
Greater Coachella Valley Chamber of Commerce
Greater Conejo Valley Chamber of Commerce
Modesto Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
North Orange County Chamber
Orange County Business Council
Rancho Cordova Area Chamber of Commerce
Redondo Beach Chamber of Commerce
Simi Valley Chamber of Commerce

South Bay Association of Chambers of Commerce

Southwest California Legislative Council

Torrance Area Chamber of Commerce

Tracy Chamber of Commerce

Valley Industry & Commerce Association

Connecticut

Connecticut Business & Industry Association

Florida

Florida Chamber of Commerce Litigation and Regulatory Reform Center

Florida Justice Reform Institute

Georgia

Barrow County Chamber of Commerce

Forsyth County Chamber of Commerce

Gwinnett Chamber of Commerce

Hawaii

Hawaii Restaurant Association

Idaho

Boise Metro Chamber

Illinois

Bolingbrook Area Chamber of Commerce

Chamber630

GLMV Chamber of Commerce

Joliet Region Chamber of Commerce & Industry

Lombard Area Chamber of Commerce

The Greater Springfield Chamber of Commerce

Western DuPage Chamber of Commerce

Indiana

Indiana Chamber of Commerce

Insurance Institute of Indiana

LaPorte County Government

Kansas

Overland Park Chamber of Commerce

Wichita Regional Chamber of Commerce

Kentucky

Kentucky Chamber

Union County Kentucky Chamber of Commerce

Massachusetts

Massachusetts Insurance Federation

South Shore Chamber of Commerce

Maryland

Maryland Chamber of Commerce

Michigan

Lake Gogebic Area Chamber of Commerce

Michigan Chamber

Missouri

Associated Industries of Missouri

Missouri Chamber of Commerce and Industry

Missouri Civil Justice Reform Coalition, Inc.

Missouri Insurance Coalition

North Dakota

The Chamber Grand Forks / East Grand Forks

New Jersey

New Jersey Civil Justice Institute

Nevada

Henderson Chamber of Commerce

Vegas Chamber

New York

Capital Region Chamber

Lawsuit Reform Alliance of New York

Oklahoma

The State Chamber of Oklahoma

Oregon

Albany Area Chamber

Oregon Business & Industry

Roseburg Area Chamber of Commerce

Pennsylvania

Erie Regional Chamber and Growth
Partnership

Greater Reading Chamber Alliance

Indian Valley Chamber of Commerce

Pennsylvania Chamber of Business and
Industry

Pennsylvania Coalition for Civil Justice
Reform

Schuylkill Chamber of Commerce

Texas

Texas Association of Business

Utah

Davis Chamber of Commerce

South Valley Chamber

Washington

Auburn Area Chamber of Commerce

Lakewood Chamber of Commerce

Shelton-Mason County Chamber of
Commerce

Tri-City Regional Chamber of Commerce

Washington Retail Association

Yakima Chamber of Commerce

Wisconsin

Beaver Dam Area Chamber of Commerce

Oshkosh Chamber of Commerce

West Virginia

West Virginia Chamber of Commerce

Wyoming

Greater Cheyenne Chamber of Commerce