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

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

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