January 6, 2016

U.S. House of Representatives
Washington, DC 20515

Re: Opposition to H.R. 1927

Dear Representative,

On behalf of Public Citizen’s more than 400,000 members and supporters, we strongly urge you to oppose H.R. 1927, the “Fairness in Class Action Litigation and Furthering Asbestos Claim Transparency Act.” Keeping the courthouse doors open for victims of corporate wrongdoing has been central to Public Citizen’s mission since our founding 45 years ago. H.R. 1927 threatens Americans’ access to justice by crippling class action lawsuits and by delaying the work of asbestos compensation trusts.

Section 2 of H.R. 1927 would change the process for certifying class action lawsuits so that only individuals who have suffered the “same type and scope of injury” would be able to join together as a class to bring a case. It creates an additional step in the certification process that would make certification an exceedingly difficult burden to meet. It is meant to wipe out class actions, which often are the only way for consumers and employees to seek remedies for corporate harm.

Certifying class actions is already an extremely challenging process for plaintiffs – a process that has been made even more difficult by recent, pro-corporate decisions issued by the conservative majority of the Supreme Court, which have further narrowed the kinds of cases that may be certified. In this way, this bill is part of an ongoing campaign by big business to eliminate the availability of class actions altogether.

This anti-consumer, anti-employee bill would let corporations off the hook for systemic, widespread discrimination, unfair and deceptive practices, consumer fraud, and other wrongdoing, and devastates an important tool for deterring and remedying wrongful conduct that harms large numbers of people. It is simply not economically feasible for consumers who have been ripped off for $5, $25, $100, etc. by the same corporation to bring their claims separately. Corporate malfeasance will multiply, and important consumer, employment, and anti-discrimination laws would be ignored.

Previous landmark class actions that stopped discriminatory employment practices, compensated investors for widespread fraud and violations of securities laws, removed defective products from the market that seriously injured consumers, and ensured that companies gave workers their fair pay may not have been able to go forward under this legislation.

Additionally, a growing number of companies use the fine print of forced arbitration clauses in consumer and employee contracts to eliminate individuals’ right their day in court. H.R. 1927 would take that trend even further, rewarding big business by helping to immunize companies from accountability.
Ensuring that class action lawsuits are available for groups of harmed individuals to band together is essential for efficiency in the court system. Moreover, any changes to class action certification determinations should be made through the Judicial Conference, the agreed upon process for amending the Federal Rules of Civil Procedure.

Section 3 of H.R. 1927 also aims to protect big business at the expense of victims. Section 3 was formerly H.R. 526, the “Furthering Asbestos Claim Transparency (FACT) Act.” The FACT Act invades the privacy of asbestos disease victims and will have the effect of delaying compensation for those suffering with lethal diseases like mesothelioma. Congress should act to protect these victims instead of opening the door for the asbestos industry to further escape accountability for poisoning the public and exposing trust claimants to scams, identity theft, and other privacy violations.

Instead of helping asbestos victims, Section 3 of H.R. 1927 would put unworkable burdens on claims trusts. For example, the bill would impose a requirement for trusts to respond to any and all corporate defendants’ information requests. Such a requirement would have the effect of slowing or virtually stopping the ability of trusts to provide compensation for victims. Since patients diagnosed with fatal asbestos-caused diseases like mesothelioma have very short expected lifespans, a delay in justice could leave victims’ next of kin struggling to pay medical and funeral bills.

The FACT Act does nothing to improve the lives of those facing an asbestos death sentence through no fault of their own. The bill instead adds insult to injury and inexcusably invades the privacy of victims by requiring public disclosure of personal claim information, including portions of their social security numbers, opening the door to identity theft and possible discrimination.

Instead of making it more difficult for class actions to move forward and harder for asbestos victims to be compensated, the House of Representatives should be focused on ending practices like forced arbitration, that has privatized the court system and locks unknowing consumers into an expensive, biased practice that has no required founding in law. Moreover, instead of further victimizing asbestos claimants, Congress should pass real transparency legislation requiring companies to publicly disclose activities related to the manufacture, processing, distribution, sales, importation, transport or storage of asbestos or asbestos-containing products.

Please help protect the American justice system-- oppose H.R. 1927.

Sincerely,

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