

September 9, 2019

The Honorable Jerrold Nadler
Chairman
U.S. House Committee on the Judiciary
Washington, DC 20515

The Honorable Doug Collins
Ranking Member
U.S. House Committee on the Judiciary
Washington, DC 20515

Dear Chairman Nadler and Ranking Member Collins:

The undersigned national and state organizations, representing millions of people from around the country, urge you to take up and pass the “Forced Arbitration Injustice Repeal Act” or “FAIR Act,” H.R. 1423.

The FAIR Act would prevent companies from forcing aggrieved workers, consumers, servicemembers, nursing home residents, and small businesses into secretive, company-controlled, rigged, private arbitration systems. It would also stop corporations from banning consumer and worker class actions. And in line with the views of the vast majority of the American public, Republicans and Democrats alike,¹ the FAIR Act would not ban arbitration but rather stop corporations from forcing it on consumers, workers, patients, and small business who do not want it.

The urgent need for this legislation becomes clearer by the day. Employment discrimination, worker harassment, wage theft, cheating by banks and lenders, price-fixing cartels and other types of systemic corporate misconduct are widespread and growing problems. Forced arbitration clauses and class action bans make it nearly impossible for harmed workers, consumers, patients, servicemembers, and small businesses to seek accountability utilizing the federal and state laws that were enacted to empower and protect them. A hallmark of forced arbitration is that it is private and confidential, ensuring that misconduct stays secret, allowing companies to cover-up and continue discrimination, harassment, fraud and other types of illegal acts.

Corporate use of forced arbitration has grown exponentially. Over 90 percent of banks use forced arbitration against consumers,² 56.2 percent of nonunion private-sector workers are subject to forced arbitration³ and by 2024, it is estimated that more than 80 percent of the private-sector

¹ “National Survey on Required Arbitration,” Hart Research Associates, Feb. 28, 2019, available at <https://www.justice.org/sites/default/files/2.28.19%20Hart%20poll%20memo.pdf>

² Consumers Want the Right to Resolve Bank Disputes in Court, Pew, Aug. 17, 2016, available at <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/08/consumers-want-the-right-to-resolve-bank-disputes-in-court>

³ Alexander Colvin, The Growing Use of Mandatory Arbitration, Economic Policy Institute, April 6, 2018, available at <https://www.epi.org/publication/the-growing-use-of-mandatory-arbitration-access-to-the-courts-is-now-barred-for-more-than-60-million-american-workers/>

nonunion workforce will be bound by forced arbitration.⁴ The use of forced arbitration has become the focus of wide-ranging national outrage, and has generated new legions of grassroots support for this bill. Within the last nine months, 20,000 Google workers walked out to protest forced arbitration, as did workers at game developer company Riot Games. Google workers have now launched a much larger movement to end forced arbitration. Law students have formed the People's Parity Project, also fighting and organizing to end forced arbitration and class action bans.

We join all of these grassroots efforts in supporting passage of the FAIR Act. This vital legislation would restore the rights of workers, consumers, servicemembers, patients, and small businesses to seek justice, and we strongly urge you to consider and pass this legislation. For any questions or follow-up, please contact Joanne Doroshow, Center for Justice & Democracy, joanned@centerjd.org or Remington Gregg, Public Citizen, rgregg@citizen.org. Thank you.

Very sincerely,

Alliance for Justice
 American Association for Justice
 American Association of University Women
 (AAUW)
 American Civil Liberties Union
 American Museum of Tort Law
 Americans for Financial Reform
 California Employment Lawyers
 Association
 Campaign for Accountability
 Catholic Labor Network
 Center for Auto Safety
 Center for Biological Diversity
 Center for Economic Integrity
 Center for Economic Justice
 Center for Justice & Democracy
 Center for Progressive Reform
 Church State Council
 Committee to Support the Antitrust Laws
 Consumer Action
 Consumer Assistance Council, Inc.
 Consumer Attorneys of California
 Consumer Federation of America
 Consumer Watchdog
 Consumers for Auto Reliability and Safety
 Demand Progress

Disability Rights Education & Defense Fund
 (DREDF)
 Earthjustice
 EarthRights International
 Economic Policy Institute
 Empire State Consumer Project
 Employee Rights Advocacy Institute For
 Law & Policy
 Equal Rights Advocates
 Essential Information
 Farmworker Association of Florida
 Food & Water Watch
 Fuse Washington
 Googlers for Ending Forced Arbitration
 Government Information Watch
 Impact Fund
 Justice in Aging
 KidsAndCars.org
 Leadership Conference on Civil and Human
 Rights
 Maryland Consumer Rights Coalition
 NAACP
 National Asian Pacific American Women's
 Forum
 National Association of Consumer
 Advocates

⁴ Kate Hamaji, Rachel Deutsch, Elizabeth Nicolas, Celine McNicholas, Heidi Shierholz, Margaret Poydock, Unchecked corporate power; Forced arbitration, the enforcement crisis, and how workers are fighting back, Economic Policy Institute, May 20, 2019, available at <https://www.epi.org/publication/unchecked-corporate-power/>

National Center for Transgender Equality
National Consumer Law Center (on behalf
of its low income clients)
National Consumer Voice for Quality Long-
Term Care
National Consumers League
National Disability Rights Network
National Employment Law Project
National Employment Lawyers Association
National Equality Action Team (NEAT)
National LGBTQ Task Force Action Fund
National Organization for Women
National Women's Health Network
National Women's Law Center
NETWORK Lobby for Catholic Social
Justice
New America's Open Technology Institute
OVEC-Ohio Valley Environmental
Coalition
People's Parity Project
Protect All Children's Environment
Public Citizen
Public Justice
Public Knowledge
Public Law Center
Sciencecorps
Secure our Savings
Texas Watch
THE ONE LESS FOUNDATION
Woodstock Institute

cc:

Speaker Nancy Pelosi
Minority Leader Kevin McCarthy