

March 7, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Re: Groups Urge You to Vote NO on H.R. 720, the Lawsuit Abuse Reduction Act (LARA), and H.R. 725, the Innocent Party Protection Act.

Dear Speaker Ryan and Leader Pelosi:

This week, the House is scheduled to vote on two bills, each of which would make it more difficult for Americans to enforce their legal rights, and would place unreasonable burdens on the federal judiciary. The undersigned organizations strongly oppose these bills as harmful and unnecessary.

H.R. 720: The Lawsuit Abuse Reduction Act (LARA).

LARA would make major, substantive changes to Rule 11 of the Federal Rules of Civil Procedure, bypassing both the Judicial Conference of the United States and the U.S. Supreme Court in the process. Rule 11 provides judges with authority to sanction attorneys for filing frivolous claims and defenses. It provides judges with discretion to decide, on a case-by-case basis, if sanctions are appropriate. LARA would remove this judicial discretion, mandating sanctions. LARA would reinstate a rule put into effect in 1983 that was so unworkable it was rescinded in 1993 after many problems and nearly universal criticism. Among those problems were: the rule had a chilling effect on the filing of meritorious civil rights, employment, environmental, and consumer cases; the rule was overused in civil rights cases as sanctions were sought and imposed against civil rights plaintiffs more than against any other litigants in civil court; and the rule burdened the already strained federal court system with satellite litigation over compliance with the rule. These burdens adversely affected cases of all types, including business-to-business civil litigation. Congress should be looking for ways to decrease, not increase, wasteful burdens on the courts, and should avoid rule changes that have a discriminatory impact on civil rights, employment, environmental, and consumer cases.

H.R. 725: The Innocent Party Protection Act.

This bill would upend long established law in the area of federal court jurisdiction, specifically addressing the supposed overuse of “fraudulent joinder” to defeat complete diversity jurisdiction in a case. It was previously known as the “Fraudulent Joinder Prevention Act.” However, this bill is not about fraud. It is a corporate forum-shopping bill that would allow corporations to

move cases properly brought in state courts into federal courts. Corporate defendants support this bill because they prefer to litigate in federal court, which usually results in less diverse jurors, more expensive proceedings, longer wait times for trials, and stricter limits on discovery. For plaintiffs, who are supposed to be able to choose their forums, this legislation would result in additional time, expense, and inconvenience for the plaintiff and witnesses. Moreover, there is no evidence that federal courts are not already properly handling allegations of so-called “fraudulent joinder” after removal under current laws. The bill would result in needless micromanagement of federal courts and a waste of judicial resources. While it purports to fix a non-existent problem, it creates problems itself.

We urge you to oppose these bills. For more information, please contact Joanne Doroshow at the Center for Justice & Democracy, joanned@centerjd.org or Susan Harley at Public Citizen’s Congress Watch, sharley@citizen.org.

Very sincerely,

Alliance for Justice
 American Association for Justice
 Americans for Financial Reform
 Asbestos Disease Awareness Organization
 Brazilian Worker Center
 California Kids IAQ
 Center for Biological Diversity
 Center for Justice & Democracy
 Center for Science in the Public Interest
 Central Florida Jobs with Justice
 Coal River Mountain Watch
 Comite Civico
 Committee to Support the Antitrust Laws
 Consumer Action
 Consumer Federation of America
 Consumer Watchdog
 Consumers for Auto Reliability and Safety
 Consumers Union
 Daily Kos
 DMV EJ Coalition
 Earthjustice
 East Yard Communities for Environmental Justice
 Environmental Working Group
 Essential Information
 Farmworker Association of Florida
 Homeowners Against Deficient Dwellings
 IDARE LLC
 Impact Fund
 Liveable Arlington
 Louisiana Bucket Brigade

M&M Occupational Health and Safety Services
Martinez Environmental Group
National Association of Consumer Advocates
National Center for Law and Economic Justice
National Consumer Law Center (on behalf of its low income clients)
National Consumer Voice for Quality Long-Term Care
National Consumers League
National Employment Lawyers Association
National Latino Farmers & Ranchers Trade Association
Natural Resources Defense Council
New Haven Legal Assistance Association
Ohio Citizen Action
Ohio Valley Environmental Coalition
Oregon Environmental Council
Pesticide Action Network North America
Progressive Congress Action Fund
Protect All Children's Environment
Public Citizen
Public Justice Center
Public Law Center
RootsAction.org
Sierra Club
Southern Appalachia Mountain Stewards
Texas Watch
U.S. PIRG
Western New Council on Occupational Safety and Health
WisCOSH, Inc.
Workers' Rights Center
Workplace Fairness
Worksafe