



America's Out-of-Control Civil Lawsuit System Hurts Businesses, Employees, and Families

- Frivolous lawsuits are crippling our legal system and sucking the vitality out of American businesses.
 - Our out-of-control lawsuit system costs more than a quarter of a trillion dollars a year, which represents about 1.8% of U.S. GDP. This is about two-and-one-half times the cost of other industrialized nations (Tillinghast-Towers Perrin).
 - The cost to the average U.S. family is more than \$3,300 per year, but the inefficient U.S. civil justice system returns to claimants less than 50 cents on the dollar (Tillinghast-Towers Perrin).
 - Small businesses take a big hit, paying \$98 billion in tort costs (NERA).

The U.S. Chamber Institute for Legal Reform (ILR) Leads the Fight Against Lawsuit Abuse—in Washington, the States, and in the Court of Public Opinion

- ILR advocates for commonsense legal reform—both proactive and defensive—at the federal, state, and international levels.
 - Federal: ILR uses www.TrialLawyerEarmarks.com to expose trial lawyer efforts to pass special interest bills to expand liability, including legislation to scale back federal pleading standards, eliminate arbitration, expand consumer-related lawsuits, increase potential exposure to the False Claims Act litigation, grant state attorneys general (AGs) authority to enforce federal laws, and chip away at federal preemption in order to bring more state law-based tort suits. As Congress attempts to overhaul the U.S. financial sector, ILR and the Chamber fight efforts to ban mandatory arbitration clauses in consumer financial services contracts, expand state AG enforcement of new consumer protection rules, and damage the federal preemption doctrine. ILR also works to stop the erosion of attorney-client privilege and reform the costly discovery process.
 - State: ILR's efforts include reining in out-of-control AGs; pushing for the adoption of ILR's *AG Code of Conduct* and supporting the National Association of Attorneys General AG Task Force, which is examining the issues raised in the *Code*; promoting AG “sunshine” legislation forcing disclosure and open contracts with contingency fee lawyers; advancing asbestos bankruptcy trust legislation; changing court rules; and protecting past legal reforms. International: ILR works to curtail the spread of an American-style, class action lawsuit system abroad and works to prevent foreign plaintiffs from taking advantage of U.S. courts.
- ILR works to change the lawsuit climate through *strategic* communications:
 - ILR's Web site, www.FacesOfLawsuitAbuse.org, highlights personal stories of small business owners and individuals.
 - ILR owns four newspapers and an online news service—www.LegalNewsline.com—covering civil justice, state attorneys general, state supreme courts, and the court system.
 - ILR activates its 3.5 million legal reform advocates through grassroots e-mails on state and federal issues, encouraging them to contact policymakers and learn more about timely local topics.
 - The *Lawsuit Climate* ranking of state legal environments has in its eight years become the preeminent standard by which companies, policymakers, and the media measure the legal environment of states.

- To promote balance in the civil justice systems in key states, ILR conducts voter education campaigns in state races

The National Chamber Litigation Center (NCLC), the U.S. Chamber's Public Policy Law Firm, Fights for Business in the Courts

- NCLC defends business in the courts on legal issues of national significance, including punitive damages, class actions, securities litigation, labor and employment, environmental law, and patchwork immigration regulations.
- Since 1977, NCLC has participated in more than 1,700 cases at every level of the judicial system.



- In 2009, NCLC won 52 cases and entered 134 cases. As of April 2010, NCLC has already achieved 17 victories and entered 27 cases.
- NCLC's nationally recognized Supreme Court litigation program achieves remarkable success in advocating business issues:
 - In January 2010, [Bloomberg](#) described the Litigation Center as “second only to the [U.S.] solicitor general's office in its influence at the Supreme Court.”
 - [Slate.com](#) described NCLC as “king of the amici” because of the Litigation Center’s unparalleled success helping companies obtain Supreme Court review.
 - NCLC has filed 16 amicus briefs on the merits during the 2009-2010 Supreme Court Term, more briefs than ever before in the Litigation Center’s history, and as of April 2010 has prevailed in 5 of the 7 cases that have been decided.
 - During the 2009-2010 Term, NCLC is helping protect businesses’ First Amendment rights, defending U.S. capital markets against frivolous litigation, reining in abusive class action and *qui tam* litigation, curbing prosecutorial excesses, defending the right to arbitrate, making it harder for environmentalists to get injunctions, and making sure the National Labor Relations Board decides cases fairly and lawfully.
- NCLC fights anti-business regulations and statutes by directly suing overzealous state, federal and private regulators:
 - NCLC is suing the EPA over its efforts to regulate greenhouse gas emissions under conventional environmental statutes such as the Clean Air Act and the Endangered Species Act, which were never designed to regulate substances as pervasive as carbon dioxide.
 - In order to ensure a level playing field in the fight over unionization, NCLC is actively challenging the legality of misguided state legislation that muzzles employers during union organizing campaigns.
 - NCLC is suing state regulators over unworkable immigration regulations that force businesses to use the costly and error-prone federal pilot program E-Verify to check if employees are authorized to work. NCLC’s own immigration case, *Chamber of Commerce v. Candelaria*, is pending Supreme Court review.