

## EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 6, 2016 (House Rules)

## STATEMENT OF ADMINISTRATION POLICY

## <u>H.R. 1927 – Fairness in Class Action Litigation and Furthering Asbestos Claim</u> <u>Transparency Act of 2015</u>

(Rep. Goodlatte, R-VA, and Rep. Franks, R-AZ)

The Administration strongly opposes House passage of H.R. 1927 because it would impair the enforcement of important Federal laws, constrain access to the courts, and needlessly threaten the privacy of asbestos victims.

Class action lawsuits allow groups of individuals with similar injuries to vindicate their rights efficiently and effectively. Courts already have ample authority under the existing rules governing class actions to screen out frivolous and baseless lawsuits. H.R. 1927 would expand upon the existing rules by requiring the plaintiffs in a class action to demonstrate that each member of the proposed class suffered the same type and scope of injury. This new requirement would narrow the availability of class actions, potentially dissuading plaintiffs from pursuing meritorious claims, including under important civil rights, privacy and consumer protection laws, and denying them access to justice. Moreover, there is already an established process for amending the Federal Rules of Civil Procedure, which is the more appropriate vehicle for ventilating and potentially adopting the proposed revision of Rule 23 standards regarding class actions.

In addition, based on the false assertion that there is endemic fraud in the asbestos trust system, H.R. 1927 would impose mandatory reporting and disclosure requirements that would release into the public domain asbestos victims' names, exposure histories, and other sensitive information. This disclosure would threaten their privacy, make them more vulnerable to identity thieves and other predators, and potentially disadvantage them in many ways unrelated to asbestos exposure, including in their efforts to obtain employment, credit, and insurance.

If the President were presented with H.R. 1927, his senior advisors would recommend that he veto the bill.

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