

U.S. Chamber of Commerce Releases State Liability Systems Ranking Study

In-House News:

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By Anique Gonzalez

The United States Chamber of Commerce, on behalf of its affiliate, the U.S. Chamber Institute for Legal Reform, recently released the 2007 State Liability Systems Ranking Study. The study surveyed 1,599 in-house general counsel and corporate senior litigators to determine how fair business organizations feel each state's tort-liability system is. According to the results, California, and Los Angeles and San Francisco in particular, are believed to have tort systems that unfairly favor plaintiffs at the expense of corporations.

President and CEO of the United States Chamber of Commerce Thomas Donohue stated at a Washington, DC, press conference that "California is a haven, people believe, for class-action lawsuits and other litigation. Plaintiffs choose to go to California because they have a better chance of getting their point across."

The surveyed group, a countrywide sampling of attorneys who represent companies with minimum annual revenues of \$100 million, named West Virginia as the state with the most unfair litigation system for businesses, with Mississippi, Louisiana, and Alabama following close behind; California ranked 45th. The survey took into consideration amounts of punitive damages

awarded, juries fairness, and judges neutrality. States that were believed to have the fairest systems and, subsequently, were considered the most favorable for corporations included Delaware, Minnesota, and Nebraska.

In response to the study's release, the American Association for Justice, a nationwide group for trial lawyers, said in a statement, "A bogus study released today by the national Chamber of Commerce claiming to rank so-called 'anti-business' state legal systems is yet another baseless attack on the nation's civil justice system in its campaign to eliminate corporate accountability for wrongdoing and negligence."

Jon Haber, chief executive officer of the organization, further elaborated, "This latest propaganda is a made-up survey primarily of corporate lawyers earning millions of dollars defending their CEOs from being held accountable. The Chamber will stop at nothing to destroy the civil justice system in America, which protects the rights of consumers, employees, and shareholders against corporate wrongdoing and negligence."

The group also released a report entitled "The Ten Worst States to Get Sick or Injured In," which calls attention to states that have laws that limit the amount of damages that can be awarded in personal injury lawsuits. For example, according to the study, "[i]t doesn't matter how seriously an individual is injured; Alabama law limits restitution for every injury or death caused by the government to what's available under workers' comp."

The U.S. Chamber of Commerce's study paved the way for the introduction of its advertising campaign aimed at highlighting how tort reform would positively impact California's economy. In fact, the Chamber and the Civil Justice

Association of California, a tort-reform group, are collaborating to persuade the state's legislature to make changes to the legal system in order to decrease the number of class-action lawsuits.

The bill, AB 1505, is currently backed by Assemblywoman Nicole Parra, a moderate Democrat from the Central Valley. The first hearing before the Judiciary Committee is scheduled for May.

On the Net

United States Chamber of Commerce

www.uschamber.com

2007 U.S. Chamber of Commerce State Liability Systems Ranking Study

www.instituteforlegalreform.com/lawsuitclimate2007/index.cfm

American Association for Justice

www.atla.org