

Prepared Statement of Ranking Member Charles E. Grassley of Iowa
U.S. Senate Committee on the Judiciary
Hearing on “Arbitration: Is It Fair When Forced?”
Thursday, October 13, 2011

Mr. Chairman, I appreciate you holding this hearing.

It’s important to study the role of arbitration and its impact on our society. But any study must be fair and balanced. And any study must be sensitive to the difficult economic conditions our citizens are dealing with.

Today, more than 14 million Americans are unemployed. That’s a 9.1 percent unemployment rate. We also have an additional 8.8 million Americans who are underemployed. And the real unemployment numbers appear to get worse each month.

During these trying economic times, Congress must be focused on helping private businesses to create jobs. Congress should not be passing broad sweeping legislation that increases the number of costly and burdensome lawsuits filed each year. In particular, we should not be encouraging more class action lawsuits.

The Federal Arbitration Act currently allows courts to invalidate unconscionable arbitration agreements. It also allows courts to invalidate agreements obtained by fraud or duress. Each case is unique and arbitration agreements can be written in a variety of ways. Thus, any issues might be better addressed, case-by-case, by the courts, rather than by broad sweeping legislation.

So I look forward to reviewing the testimony from the witnesses and working with members of the Judiciary Committee on finding the right approach.

Thank you.