

Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE MAJORITY LEADER

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LEGAL REFORM

DOLE AMENDMENT EXTENDS PROTECTION FROM OUTRAGEOUS PUNITIVE DAMAGES TO ALL AMERICANS

I want to signal my strong support for S. 565, "The Product Liability Fairness Act." My distinguished colleagues, Senators Gorton, Rockefeller and Pressler, are to be commended for their leadership on this bill.

This legislation is needed for several reasons. Our present system of liability has been estimated to cost the American economy an astounding \$117 billion. In addition to this "tort tax," our system of liability stifles innovation and prevents better -- often, safer -- products from reaching the marketplace. The present system of liability also undermines American competitiveness.

Address Abuses Undermining Compensation

There has been a concerted effort to spread misinformation about these reforms -- scare tactics -- in order to hide the real issues. So, let me be clear: the reforms contained in this bill -- despite efforts to portray them otherwise -- do not prevent persons who are harmed from recovering full compensation for their injuries. In fact, this legislation addresses abuses that undermine such compensation.

Nor does this legislation alter civil rights and environmental laws in any way. In fact, the legislation explicitly excludes such federal laws.

What this legislation is about is fairness. Our legal system is one of the bedrocks of our free society. But over the last 25 years, it has succumbed to efforts to turn it away from American principles of individual responsibility and justice. In many cases, our system of liability resembles a lottery, where damage awards become windfalls, and often deserving plaintiffs do without.

Thus, I strongly support the provisions of this bill that seek to rein in abusive punitive damages. Punitive damages are not intended to compensate victims -- as the name suggests, they are intended to punish wrongdoing. But punitive damages have been wildly abused in recent years, and the problem now affects every American.

Dole Amendment

I plan to offer an amendment later today that will expand these much-needed protections to every American. The Little League -- the Girl Scouts -- small businesses -- groups like these are all at risk from abusive lawsuits and overwhelming

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punitive damages. We cannot allow the threat of liability to keep hardworking Americans from volunteering their time to help. We must not allow the threat of liability to sink small businesses who often can barely keep their doors open.

Although I support the the Rockefeller-Gorton bill, I believe we cannot simply stop with reforms that help big business alone. It is as much our responsibility to help the little guy, and that is what my amendment will achieve.

This amendment leaves the underlying provisions on the measure of punitive damages intact. Thus, punitive damages would be limited to three times economic damages, or \$250,000, whichever is greater. What my amendment would do is to take the same provisions in the underlying bill and extend these protections to Americans who are often least able to cope with outrageous punitive damages.

Thus, instead of limiting these protections to "product liability actions," my amendment would extend them to "any civil action affecting interstate commerce."

Does Not Undermine Full Compensation to Victims

I emphasize again that this amendment in no way undermines full compensation to victims; nor does it alter federal laws.

Most of the issues raised by the Rockefeller-Gorton bill are well-known. The Commerce Committee has considered similar legislation in the 97th, 99th, 100th, 101st, and 102nd Congresses, and a similar bill was considered on the floor in the 102nd and 103rd Congresses. We will have a reasonable time to debate these issues, but it is my hope that we will not engage in dilatory tactics that distract the Senate from moving forward on this important legislation.

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