

Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE MAJORITY LEADER

FOR IMMEDIATE RELEASE
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LEGAL REFORM

DOLE AMENDMENT PROVIDES BROAD-BASED RELIEF FROM LAWSUIT ABUSE; EXTENDS PROTECTION TO DESERVING VOLUNTEER ORGANIZATIONS & SMALL BUSINESSES

I am introducing today an amendment to the proposed Product Liability Fairness Act, S.565. This is a bipartisan amendment -- Senator Exon is a co-sponsor, as are Senators Hatch, McConnell, Abraham, Kyl, Thomas, Hutchison and Gramm.

Protection From Lawsuit Abuse for Every American

This is an amendment that offers needed protections from lawsuit abuse to every American -- small business or large; volunteer or charitable organizations. The spectre of lawsuit abuse hangs over us all, and our amendment would expand the protections in the Gorton substitute to ensure that every American is covered.

The bill as it now stands calls for limiting punitive damages in product liability cases to three times economic damages, or \$250,000, whichever is greater.

This amendment makes two changes: it would extend the limits on punitive damages beyond product liability to all civil cases; and it would provide a rule of proportionality that limits punitive damages to two times compensatory damages -- that is, any economic and non-economic damages combined.

This amendment is needed because our nation desperately needs broadly-based relief from lawsuit abuse.

Reduce Litigation Tax

America's litigation tax -- the "tort tax" -- hurts every American -- at least every American who is not a personal injury lawyer.

Anyone who cares about middle class American families, consumers and workers would want that litigation tax reduced.

We all know the numbers: \$20 in the cost of an ordinary \$100 step ladder goes to the litigation tax, as does one-sixth of the price of an \$18,000 pacemaker and eight dollars of an \$11.50 DPT childhood vaccine.

The litigation tax is a national "value subtracted" tax -- \$1,200 on every American, rich or poor, with nothing received in return.

And where does that money go? According to a 1986 Rand Corporation study, less than half ends up with those who are suing. Most goes to trial expenses and particularly to attorneys.

In other words, the litigation tax takes income right out of the middle class family's pocket and puts it into the pockets of one of the wealthiest groups in America -- personal injury lawyers.

Even worse, just the fear of litigation has led to the canceling of life-saving research and product improvements in many fields. Companies are afraid of being sued over anything that is new and this has made America less safe.

In other words, the biggest cost of the litigation tax may be measured, not in dollars, but in lives.

The underlying bill goes a long way toward reducing the abuses we currently suffer. But, in my view, it leaves many deserving organizations and small businesses outside its protective scope.

The litigation tax is paid, not just by consumers who buy products, but by every non-profit organization, every small business, every municipality in the nation -- and those who depend on the services they provide.

(more)

Frees Non-Profits, Small Businesses, & Local Governments To Serve

This amendment will free our non-profit organizations, small businesses and local governments to serve America without first serving up a tribute to personal injury lawyers.

You don't have to look far to count the costs of the litigation tax to non-profits, small businesses and municipalities -- and to the rest of us.

For example, the head of the Girl Scout Council of the Nation's Capital Area wrote this to House leaders during the debate over there.

"Locally," she reported, "we must sell 87,000 boxes of cookies each year to pay for liability insurance. We have no diving boards at our camps. We will never own horses. And, many local schools will no longer provide meeting space for our volunteers."

The Chief Executive Officer of Little League Baseball, Dr. Creighton Hale, has issued a similar plea.

Writing in the Wall Street Journal recently, Dr. Hale reported that, as he put it: "In recent years, litigation has been the end result of two boys colliding in the outfield (the two picked themselves up and sued the coach) ... in still another case," he continued, "a man and woman won a cash settlement when the woman was hit by a ball a player failed to catch. The player was her daughter."

Dr. Hale says that, "The costs of this litigation lunacy score out...in bewildered dads calling our offices asking about personal liability, and volunteer coaches waking up to the fact that they're taking major league risks."

And he added, "it's a problem common to all nonprofit organizations and the volunteers they depend on."

This is not even close to being in the ballpark of what most of us think of when we think of justice in America.

Legal speculators have declared war on American volunteerism, entrepreneurship and local government -- the institutions that make for strong communities and a better America.

Expand Limits on Punitive Damages To All Civil Suits

Expanding the limits on punitive damages to all civil suits will help end the legal speculators' war on these institutions. It will help return justice to the law. It will reach into every home and school and town board and small business and community group in the nation.

It will tell them that they need not fear for their financial security when they venture outside their home to help a neighbor or open a small business.

It will tell them the siege is over.

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*Remarks delivered on U.S. Senate floor at approximately 2:30 PM.