

June 12, 2017

The Honorable Steve King
Chairman
House Judiciary Subcommittee on the
Constitution and Civil Justice
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve Cohen
Ranking Member
House Judiciary Subcommittee on the
Constitution and Civil Justice
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman King and Ranking Member Cohen:

The undersigned trade associations and business groups, representing hundreds of thousands of U.S. companies and organizations from across the U.S. economy, commend the House Judiciary Subcommittee on the Constitution and Civil Justice for holding the “Lawsuit Abuse and the Telephone Consumer Protection Act” hearing.

The Telephone Consumer Protection Act, TCPA, plagues businesses in every sector of the economy that need to contact their customers or employees. While the TCPA serves an important purpose of protecting consumers’ privacy, this 26-year-old law is outdated and being manipulated by the plaintiffs’ bar and serial plaintiffs to leverage large-dollar settlements. In fact, as of 2014, the average TCPA plaintiff was awarded \$4.12, while the average attorney payout was \$2.4 million.

These large paydays have only escalated the litigation year-after-year. Between 2010 and 2016, there was a 1,272% increase in case filings. TCPA lawsuits have become the largest category of class actions filed in federal court.

At the time the TCPA was created, its sponsor, Senator Ernest “Fritz” Hollings (D-SC), explained the law was intended to facilitate actions in state small claims courts, which involve smaller sums and often do not require (or even allow) the participation of attorneys. Today, law firms create apps to specifically file TCPA cases and individuals purchase over 30 cell phones ensuring the phone numbers are from deprived areas for the sole purpose of an at-home TCPA “business.” It is evident a well-intentioned law is being stretched beyond its means for unscrupulous gain.

Businesses need clarification and reasonable standards to reach their consumers, not the threat of a million or billion dollar class action lawsuit each time they pick up the phone or send a text message. We greatly appreciate your leadership in looking at the TCPA and the abusive litigation this outdated statute is causing and look forward to working with the committee to pursue much needed reform.

Sincerely,

U.S. Chamber of Commerce
U.S. Chamber Institute for Legal Reform

cc: House Judiciary Subcommittee on the Constitution and Civil Justice Members