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Testimony of Houston Putnam Lowry¹
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Senate Bill 1246
An Act Concerning Choice of Law with Respect to Commercial Transactions
Judiciary Committee
February 26, 2007

Senator McDonald, Representative Lawlor and members of the Judiciary

Committee, thank you for the opportunity to appear before the Committee to comment on Senate Bill 1246, An Act Concerning Choice of Law with Respect to Commercial Transactions. My name is Houston Putnam Lowry, and I am the Chair of the Connecticut Bar Association's International Law and Practice Section. On behalf of the section, I respectfully request that the committee **approve** and **favorably report** the bill because it will promote international trade.

This bill substantially tracks New York general obligation §5-1401.² The predictability of contractual provisions is very important in international trade. A commercial contractual provision between parties of equal bargaining position should mean what it says. Currently under Connecticut law, such a provision might not be enforced because the transaction has no reasonable relationship to Connecticut.

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² §5-1401. Choice of law. 1. The parties to any contract, agreement or undertaking, contingent or otherwise, in consideration of, or relating to any obligation arising out of a transaction covering in the aggregate not less than two hundred fifty thousand dollars, including a transaction otherwise covered by subsection one of section 1-105 of the uniform commercial code, may agree that the law of this state shall govern their rights and duties in whole or in part, whether or not such contract, agreement or undertaking bears a reasonable relation to this state. This section shall not apply to any contract, agreement or undertaking (a) for labor or personal services, (b) relating to any transaction for personal, family or household services, or (c) to the extent provided to the contrary in subsection two of section 1-105 of the uniform commercial code.

2. Nothing contained in this section shall be construed to limit or deny the enforcement of any provision respecting choice of law in any other contract, agreement or undertaking.

For the past twenty years, the Connecticut legislature has worked hard to modernize its law to face the challenges of modern international trade. Parties can recognize this and elect to choose Connecticut law to govern their relationship, even though Connecticut has no other role in the transaction. Connecticut should not thwart the power of commercial parties to choose Connecticut law to govern their transaction.

For these reasons, the Connecticut Bar Association International Law and Practice Section requests that the Judiciary Committee **favorably report** Senate Bill 1246.

Thank you for the opportunity to comment on the bill. I would be happy to answer any questions.