

CONNECTICUT
TRIAL LAWYERS
ASSOCIATION



CTLA . 100 Wells Street. Suite 2H. Hartford, CT 06103
Phone: (860) 522-4345 . Fax: (860) 522-1027

www.ct-tla.org

Raised Bill 6628
Public Hearing: 3-20-09

TO: MEMBERS OF THE JUDICIARY COMMITTEE
FROM: CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)
DATE: MARCH 20, 2009

RE: OPPOSITION OF RAISED BILL 6628 – AN ACT ADOPTING THE REVISED
UNIFORM ARBITRATION ACT

The CTLA **opposes bill 6628**, and respectfully contends that the bill should be defeated.

The Connecticut Trial Lawyers is an organization that represents individual consumers, employees and injured persons. We oppose adoption of the Uniform Arbitration Fairness Act to the extent that it, like other existing legislation relating to arbitration agreements, such as the Federal Arbitration Act, 9 U.S.C. §1 et. seq., and Conn. Gen. Stat. §52-408, enforce pre-dispute mandatory arbitration agreements involving consumers and employees.

Although arbitration can be an effective and cost-saving tool for dispute resolution, an agreement to arbitrate must be voluntary. The rights being waived, such as the constitutional right to a jury trial, judicial determination of choice of law and venue, judicial due process, court-enforced discovery, and appellate review should only be done knowingly and with a full understanding of the ramifications.

Pre-dispute arbitration agreements, such as those used with respect to consumers purchasing insurance, credit cards and in other industries, and those often imposed by large employers on their non-union employees are contracts of adhesion. There is no level playing

field between the parties entering into these contracts. There is no negotiation of the terms involved or discussion of the rights being waived. A consumer who wishes to purchase an insurance policy or obtain a credit card must accept the pre-dispute mandatory arbitration agreement. A non-union employee who refuses to accept a mandatory arbitration provision risks losing his job. These individuals have no bargaining power with respect to these agreements.

At the federal level, Congress is currently considering the Arbitration Fairness Act of 2009, H.R. 1020, an Amendment to the Federal Arbitration Act which would prohibit pre-dispute mandatory arbitration agreements for franchise, consumer, or employment disputes, or any dispute arising under the civil rights statutes. It would not eliminate arbitration as an option for those types of disputes, but it would insure that the agreement to arbitrate is knowingly and voluntarily made.

The CTLA opposes the Uniform Arbitration Fairness Act to the extent that it ratifies the imposition of pre-dispute mandatory arbitration clauses upon consumers and non-union employees.

WE RESPECTFULLY URGE YOU TO OPPOSE RAISED BILL 6628. Thank you.