

June 12, 2017

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

The Honorable Steve Cohen
Ranking Member
Subcommittee on the Constitution and
Civil Justice
Committee on the Judiciary
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 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 and other organizations 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 While the TCPA serves an important purpose of protecting consumers’ privacy, this 26-year-old law is outdated and being manipulated by the plaintiffs’ bar and serial plaintiffs to leverage settlements benefiting trial attorneys. 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 litigation filings year-after-year. Between 2010 and 2016, there was a 1,272% increase in case filings.

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, such as Block Calls Get Cash, to specifically file TCPA cases, and some individuals purchase over 30 cell phones ensuring the phone numbers are from economically depressed areas for the sole purpose of creating 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 on how 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 We greatly appreciate your leadership in looking at the TCPA and the abusive litigation this outdated statute is causing and look forward to working with the Committee to pursue much needed reform.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,

ACA International
AFSA Education Foundation
American Association of Healthcare Administrative Management
American Bankers Association
Arizona Chamber of Commerce
Business Council of Alabama
Colorado Civil Justice League
Consumer Bankers Association
Consumer Mortgage Coalition
Cruise Lines International Association
Education Finance Council
Electronic Transactions Association
Financial Services Roundtable
Florida Justice Reform Institute
Illinois Chamber of Commerce
Illinois Civil Justice League
Indiana Chamber of Commerce
Insights Association
Internet Association
Kentucky Chamber of Commerce
Lawsuit Reform Alliance of New York
Mortgage Bankers Association
National Association of Chain Drug Stores
National Association of Mutual Insurance Companies
National Council of Higher Education Resources
National Retail Federation
News Media Alliance
NJ Civil Justice Institute
Ohio Chamber of Commerce
Pennsylvania Chamber of Business and Industry
Professional Association for Customer Engagement
Property Casualty Insurers Association of America
Retail Industry Leaders Association
Satellite Broadcast and Communication Association
SLSA Private Loan Committee (SLSA PLC)
South Carolina Chamber of Commerce
South Carolina Civil Justice Coalition
State Chamber of Oklahoma
Student Loan Servicing Alliance (SLSA)
U.S. Chamber Institute for Legal Reform
U.S. Chamber of Commerce
Washington Liability Reform Coalition
West Virginia Chamber of Commerce

cc: Members of the Subcommittee on the Constitution and Civil Justice