



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 12, 2002
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2341 - Class Action Fairness Act of 2002

(Rep. Goodlatte (R) Virginia and 56 cosponsors)

The Administration strongly supports the enactment of H.R. 2341 as an important step in reforming class action litigation. Among the bill's many commonsense provisions, the Administration supports the proposal to establish a consumer class action bill of rights that would: (1) require notice of a lawsuit to class members in "plain English"; (2) require judicial review of settlements that give class members only "coupons" or other non-cash benefits; and (3) prohibit a court from approving a settlement that discriminates among plaintiffs on account of their geographical location or status as class representatives.

The bill also would make long-needed changes to the requirements for federal diversity jurisdiction over class action cases. The Administration strongly supports the proposal to permit removal to federal court of a class action if the aggregate amount in controversy exceeds \$2 million and there is minimal diversity (at least one plaintiff representative and one defendant are from different States). Combined with existing federal rules for consolidation of related federal cases, this proposal would help avoid the inefficiency, waste, and unfairness that has too often resulted from multiple overlapping class action suits.

The Administration would support adding, at the appropriate point in the legislative process, a provision to Section 7 of the bill to make clear that the authority of the Supreme Court under Section 2072, 2074 or 2075 of Title 28 of the U.S. Code to issue certain rules that supersede conflicting laws cannot be used to supersede this legislation and amendments made by this legislation.

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