

October 20, 2025

To the Members of the United States Congress:

The undersigned organizations strongly oppose numerous bills that have been introduced or proposed in the 119th Congress which attempt to prohibit arbitration and class action waiver provisions. Arbitration has been an important alternative dispute resolution mechanism since the enactment of the Federal Arbitration Act in 1925. Unfortunately, there continues to be an organized effort to dismantle the arbitration system in favor of bringing claims in the broken class action litigation system.

Individualized contract-based arbitration is an efficient, effective, and less expensive means of resolving disputes for consumers, employees, and businesses. Multiple empirical studies have shown that those bringing claims in arbitration do just as well as or, in many circumstances, better than in court.¹ By contrast, studies have also shown that class action settlements frequently provide only a pittance – or many times, nothing at all – to class members while millions of dollars are paid to their attorneys.²

Opponents of arbitration mischaracterize how arbitration works to paint its use as unfair. The reality is that arbitration providers and courts ensure that arbitration operates fairly and that arbitration agreements are enforced only if they meet basic guarantees of fairness and due process. For example, the American Arbitration Association (AAA), the country's largest arbitration provider, developed fairness rules for employment and consumer arbitrations. It will not accept a case unless the arbitration agreement complies with those standards.

These rules require that arbitrators be neutral and disclose any conflict of interest and give both parties an equal say in selecting the arbitrator; limit the fees paid by employees and consumers to \$350 and \$225, respectively – equal to or less than the filing fee in federal court; empower the arbitrator to order any necessary discovery; and require that damages, punitive damages, and attorneys' fees be awardable to the claimant to the same extent as in court. And the AAA rules require that consumers be given the option of resolving their dispute in small claims court.

¹ See Fairer, Faster, Better III: An Empirical Assessment of Consumer and Employment Arbitration (March 2022) available at <https://institutelegalreform.com/research/update-an-empirical-assessment-of-consumer-employment-cases-in-arbitration-litigation/>.

² See Consumer Financial Protection Bureau, Arbitration Study: Report to Congress (March 2015) available at https://files.consumerfinance.gov/f/201503_cfpb_arbitration-study-report-to-congress-2015.pdf. Finding that 87% of resolved class actions resulted in no benefit to class members, and in the rare cases they did, the average settlement payment was no better than \$32.35 per class member, but attorneys' fees averaged \$1 million per case.

JAMS, another leading arbitration provider, requires similar protections—as do other arbitration providers.

The courts provide another layer of oversight. If an arbitration provision is unfair, courts can and do step in and declare those arbitration agreements unconscionable and unenforceable. Also, arbitration agreements cannot prevent consumers or employees from publicly discussing claims with government agencies nor can arbitrators' decisions be kept secret. Courts have invalidated arbitration agreements that purported to impose a "gag order." And courts consistently hold that either party may disclose the results of arbitration proceedings.

Despite a lack of evidence showing a systemic problem with arbitration, multiple bills and amendments have been introduced and proposed in the 119th Congress that attack the availability of arbitration and class action waivers in numerous contexts such as employment disputes, consumer contracts, data privacy, multiple types of discrimination claims, and antitrust disputes, among many others.³

If successful, these legislative efforts would declare unenforceable potentially millions of arbitration provisions that allow for the orderly and economical resolution of disputes. Opponents of pre-dispute arbitration fail to acknowledge that, if enacted, these provisions and bills will limit the realistic opportunity for consumers and employees to obtain a remedy if a dispute arises. The only real beneficiaries of these anti-arbitration provisions will be class action lawyers who would benefit from the possibility of bringing more class action lawsuits that enrich them while providing little benefit to class members.

These attacks on arbitration are inaccurate, unnecessary, and would undermine an important alternative to litigation that has benefited consumers, employees, and businesses for decades, and on which many of them now rely. Accordingly, we strongly urge you to oppose attempts to prohibit arbitration or class action waivers.

Sincerely,

³ See, e.g., H.R. 5350, S. 2799, H.R. 4966, H.R. 4587, S. 2640, S. 2703, H.R. 5115, S. 2367, S. 2031, S. 2026, H.R. 3036, H.R. 2889, S. 1060, S. 130, S. Amendment 3451, S. Amendment 2789. These are just some among the litany of proposed bills and amendments that contain various forms of anti-arbitration and/or pro-class action provisions.

National

ACA International

American Financial Services Association

American International Automobile Dealers Association

American Property Casualty Insurance Association

American Tort Reform Association

HR Policy Association

Littler Workplace Policy Institute

National Association of Home Builders

National Association of Manufacturers

National Association of Mutual Insurance Companies

National Retail Federation

Online Lenders Alliance

Real Estate Services Providers Council

Reinsurance Association of America

Retail Industry Leaders Association

Small Business & Entrepreneurship Council

U.S. Chamber of Commerce

Alabama

Elba Chamber of Commerce

Opelika Chamber of Commerce

Prattville Area Chamber of Commerce

Shoals Chamber of Commerce

Arizona

Apache Junction Area Chamber of Commerce

Arizona Chamber of Commerce & Industry

Buckeye Valley Chamber of Commerce

Chandler Chamber of Commerce

Greater Flagstaff Chamber of Commerce

Greater Phoenix Chamber

Green Valley Sahuarita Chamber of Commerce & Visitor Center

Mesa Chamber of Commerce

Nogales Santa Cruz County Chamber of Commerce & Visitor Center

Northwest Valley Chamber of Commerce

Peoria Chamber of Commerce

Scottsdale Area Chamber of Commerce

Sky Islands Regional Partnership

The Chamber of Southern Arizona

Arkansas

Arkansas State Chamber of Commerce

California

Brea Chamber of Commerce

California Chamber of Commerce

Carlsbad Chamber of Commerce

Chino Valley Chamber of Commerce

Civil Justice Association of California

Colusa County Chamber of Commerce
Dana Point Chamber of Commerce
El Dorado County Chamber of Commerce
Fountain Valley Chamber of Commerce
Fresno Chamber of Commerce
Gateway Chambers Alliance
Gilroy Chamber of Commerce
Greater Grass Valley Chamber of Commerce
Greater Irvine Chamber of Commerce
La Canada Flintridge Chamber of Commerce
Lake Forest Chamber of Commerce
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Newport Beach Chamber of Commerce
Northwest Valley Chamber
Norwalk Chamber of Commerce
Oceanside Chamber of Commerce
Orange County Business Council
Palm Desert Area Chamber of Commerce
Regional Hispanic Chamber of Commerce
San Juan Capistrano Chamber of Commerce
Santa Fed Springs Chamber of Commerce
Torrance Area Chamber of Commerce
West Ventura County Business Alliance
Yorba Linda Chamber of Commerce

Colorado

Vail Valley Partnership

Connecticut

CBIA

Florida

Daytona Regional Chamber of Commerce

Florida Chamber of Commerce

Georgia

Barrow County Chamber of Commerce

Georgia Chamber of Commerce

Gwinnett Chamber of Commerce

Metro Atlanta Chamber

Murray County Chamber of Commerce

Idaho

Pocatello-Chubbuck Chamber of Commerce

Illinois

Cahokia Heights Chamber of Commerce

Dixon Chamber of Commerce & Main Street, Inc.

Edwardsville/Glen Carbon Chamber of Commerce

Foodservice Equipment Distributors Association
GLMV Chamber of Commerce
Greater Oak Brook Chamber of Commerce
Greater Springfield Chamber of Commerce
Illinois Chamber of Commerce
Joliet Region Chamber of Commerce & Industry
McLean County Chamber of Commerce
Naperville Area Chamber of Commerce
RiverBend Growth Association
Winnetka-Northfield-Glencoe Chamber of Commerce

Indiana

Indiana Chamber of Commerce
South Bend Regional Chamber

Iowa

Iowa Association of Business and Industry

Kentucky

Commerce Lexington
Greater Louisville Inc.
Kentucky Chamber of Commerce
Northern Kentucky Chamber of Commerce

Louisiana

Louisiana Association of Business & Industry

Maryland

Salisbury Area Chamber of Commerce

Massachusetts

Metro South Chamber of Commerce

Michigan

Au Gres Area Chamber of Commerce

Barry County Chamber and Economic Development Alliance

Detroit Regional Chamber

Michigan Chamber of Commerce

Southeast Michigan Chamber of Commerce

Minnesota

Brainerd Lakes Chamber of Commerce

Hermantown Area Chamber of Commerce

Willmar Lakes Area Chamber

The Chamber Grand Forks / East Grand Forks

Mississippi

Mississippi Economic Council

Montana

Billings Chamber of Commerce

Kalispell Chamber of Commerce

Montana Chamber of Commerce

Nebraska

Greater Omaha Chamber

Holdrege Area Chamber of Commerce

Nevada

Henderson Chamber of Commerce

Reno + Sparks Chamber of Commerce

New Jersey

Hudson County Chamber of Commerce

New Jersey State Chamber of Commerce

New York

Capital Region Chamber

Lawsuit Reform Alliance of New York

North Carolina

Greenville-Pitt County Chamber of Commerce

NC Chamber

North Carolina Chamber

Perquimans County Chamber of Commerce
The Chamber, Leading Business in Cabarrus

North Dakota

Fargo Moorhead West Fargo Chamber of Commerce
Greater North Dakota Chamber
Jamestown Area Chamber of Commerce
The Chamber Grand Forks / East Grand Forks

Ohio

Chillicothe Ross Chamber of Commerce
Hilliard Area Chamber of Commerce
Huber Heights Chamber of Commerce
Licking County Chamber of Commerce
Ohio Chamber of Commerce
Stow-Munroe Falls Chamber of Commerce
Streetsboro Area Chamber of Commerce

Oklahoma

State Chamber of Oklahoma
Tulsa Regional Chamber

Oregon

Canby Area Chamber of Commerce
Lake County Chamber of Commerce

Oregon Business & Industry

Portland Metro Chamber

Salem Area Chamber of Commerce

Pennsylvania

Columbia Montour Chamber of Commerce

Erie Regional Chamber and Growth Partnership

Greater Susquehanna Valley Chamber of Commerce

Huntingdon County Chamber of Commerce

Northside / North Shore Chamber of Commerce

Pennsylvania Chamber of Business and Industry

Pennsylvania Coalition for Civil Justice Reform

Pittsburgh Airport Area Chamber of Commerce

Schuylkill Chamber of Commerce

Somerset County Chamber

Westmoreland County Chamber of Commerce

South Carolina

Greater Columbia Chamber of Commerce

Greenville Chamber

Myrtle Beach Area Chamber of Commerce

South Carolina Chamber of Commerce

South Dakota

Greater Sioux Falls Chamber of Commerce

Tennessee

Tennessee Chamber of Commerce & Industry

Texas

Longview Chamber of Commerce

Mansfield Area Chamber of Commerce

North Texas Commission

San Marcos Area Chamber of Commerce

Texans for Lawsuit Reform

Utah

Davis Chamber of Commerce

Salt Lake Chamber

South Valley Chamber

Virginia

Hampton Roads Chamber

Virginia Chamber of Commerce

Washington

Burlington Chamber of Commerce

Covington Chamber of Commerce

Gig Harbor Chamber of Commerce

Greater Oak Harbor Chamber of Commerce

Greater Vancouver Chamber

Moses Lake Chamber of Commerce

Sammamish Chamber

Wisconsin

Mosinee Area Chamber of Commerce

Wisconsin Manufacturers & Commerce

Wyoming

Jackson Hole Chamber of Commerce

Riverton Chamber and Visitors Center

Rock Springs Chamber of Commerce

Wyoming State Chamber of Commerce