

**PRODUCT LIABILITY AND LEGAL REFORM:
HEARING BEFORE THE COMMITTEE ON THE
JUDICIARY, HOUSE OF REPRESENTATIVES,
ONE HUNDRED FOURTH CONGRESS, FIRST
SESSION, ON H.R. 10, TO REFORM THE
FEDERAL CIVIL JUSTICE SYSTEM; TO REFORM
PRODUCT LIABILITY LAW, FEBRUARY 13**

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Product liability and legal reform: hearing before the Committee on the Judiciary, House of Representatives, One Hundred Fourth Congress, first session, on H.R. 10, to reform the federal civil justice system; to reform product liability law, February 13 by Various

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PRODUCT LIABILITY AND LEGAL REFORM

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Product Liability and Legal Reform...

HEARING

BEFORE THE

**COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES**

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON

H.R. 10

TO REFORM THE FEDERAL CIVIL JUSTICE SYSTEM; TO REFORM
PRODUCT LIABILITY LAW

FEBRUARY 13, 1995

Serial No. 4

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PRODUCT LIABILITY AND LEGAL REFORM

MONDAY, FEBRUARY 13, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room 2141, Rayburn House Office Building, Hon. Henry J. Hyde (chairman of the committee) presiding.

Present: Representatives Henry J. Hyde, Carlos J. Moorhead, F. James Sensenbrenner, Jr., George W. Gekas, Steven Schiff, Charles T. Canady, Stephen E. Buyer, Martin R. Hoke, Fred Heineman, Ed Bryant, Steve Chabot, Michael Patrick Flanagan, Bob Barr, John Conyers, Jr., Patricia Schroeder, Barney Frank, John Bryant, Robert C. Scott, Melvin L. Watt, and Sheila Jackson Lee.

Staff present: Alan F. Coffey, Jr., general counsel/staff director; Kenny Prater, clerk; and Perry Apelbaum, minority counsel.

OPENING STATEMENT OF CHAIRMAN HYDE

Mr. HYDE. The committee will come to order.

Our hearing this morning is the first time the House Judiciary Committee has ever held a hearing on the issue of product liability litigation or omnibus tort reform. Prior to this year, the Judiciary Committee was a "Bermuda Triangle" for these important issues.

I should note that, last year, when the committee was confronted with the successful discharge petition drive, it did agree to process a narrow bill providing a statute of repose for the general aviation industry. But other than that, nothing. And I can only point out that these are quite different times.

Legal reform, of course, is an important part of the Contract With America; and section 103 of the Common Sense Legal Reforms Act, which is H.R. 10, focuses on product liability. Specifically, the provisions deal with the liability of product sellers, punitive damage awards and joint and several liability.

Product liability actions are now governed by State law. Even if these suits end up in a Federal court, the Federal judge applies State law. Many believe this patchwork of over 50 separate State product liability laws is simply costing America too much. It discourages capital investment, dampens job creation and denies consumers new, safer and less expensive products.

Frequently, a product is manufactured in one State, sold in another State, while the alleged injury occurs in yet a third State. On average, over 70 percent of the goods manufactured in one State are shipped out of that State and sold elsewhere. So the fundamen-

tal interstate character of this area of the law would seem to justify a uniform, national solution.

I strongly believe that individuals who are harmed by defective products should have appropriate legal remedies and recourse. But even real victims don't always get the relief they deserve under the current system. Legal fees and transactional costs make up an estimated 50 to 70 percent of every dollar spent on liability litigation. Verdicts and monetary awards can differ drastically depending upon the jurisdiction in which the accident occurred.

This legislation deals with legal standards and procedures governing product liability litigation. That is, this bill and similar bills deal with court jurisdiction, the burden of proof, the admissibility of evidence, legal defenses, the assessment of damages, and so forth. In short, this issue is about legal rights and remedies. For that reason, I believe it is important that this committee, the House Judiciary Committee, consider this important matter.

[The bill, H.R. 10, follows:]

104TH CONGRESS
1ST SESSION

H. R. 10

To reform the Federal civil justice system; to reform product liability law.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. HYDE, Mr. RAMSTAD, Mrs. CHENOWETH, and Mr. CONDIT (for themselves, Mr. ARMEY, Mr. ALLARD, Mr. BACHUS, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BILIRAKIS, Mr. BLILEY, Mr. BLUTE, Mr. BONO, Mr. BUNNING OF KENTUCKY, Mr. BURR, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CANADY, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. CLINGER, Mr. COBURN, Mr. COOLEY, Mr. COX, Mr. CRANE, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DAVIS, Mr. DOOLITTLE, Mr. DORNAN, Ms. DUNN, Mr. EMERSON, Mr. ENSIGN, Mr. EVERETT, Mr. EWING, Mr. FOLEY, Mr. FORBES, Mrs. FOWLER, Mr. FOX, Mr. FRISA, Mr. GANSKE, Mr. GILCREST, Mr. GILMAN, Mr. GOODLATTE, Mr. GOODLING, Mr. GUNDERSON, Mr. HANCOCK, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEINEMAN, Mr. HERGER, Mr. HILLEARY, Mr. HOBSON, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. INGLIS of South Carolina, Mrs. JOHNSON of Connecticut, Mr. JONES, Mr. KIM, Mr. KNOLLENBERG, Mr. LAHOOD, Mr. LARGENT, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. LIGHTFOOT, Mr. LINDER, Mr. MCCOLLUM, Mr. MCHUGH, Mr. MCINTOSH, Mr. MICA, Mr. MILLER of Florida, Ms. MOLLINARI, Mrs. MYRICK, Mr. NUSSLE, Mr. PACKARD, Mr. PORTER, Mr. PORTMAN, Mr. RADANOVICH, Mr. RIGGS, Mr. ROHRABACHER, Mr. ROTH, Mr. ROYCE, Mr. SANFORD, Mr. SCHAEFER, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS of Connecticut, Mr. SMITH of Texas, Mr. SMITH of New Jersey, Mr. SMITH of Michigan, Mr. SOLOMON, Mr. STEARNS, Mr. STOCKMAN, Mr. STUMP, Mr. TALENT, Mr. TATE, Mr. TAYLOR of North Carolina, Mr. TEJEDA, Mr. THORNBERRY, Mr. TLAIRT, Mr. UPTON, Mrs. WALDHOLTZ, Mr. WAMP, Mr. WELDON of Florida, Mr. ZIMMER, Mr. CRAPO, Mr. KOLBE, Mr. PAXON, Mr. YOUNG of Florida, Mr. COMBEST, Mr. EHRlich, and Mrs. MEYERS of Kansas) introduced the following bill; which was referred as follows:

Title I, referred to the Committee on the Judiciary, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned