

Baldacci	Galleghy	Matsui	Skelton	Taylor (NC)	Watkins (OK)	bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.
Baldwin	Ganske	McCarthy (MO)	Smith (MI)	Terry	Watson (CA)	
Barcia	Gekas	McCarthy (NY)	Smith (NJ)	Thomas	Watt (NC)	
Barr	Gephardt	McCollum	Smith (TX)	Thornberry	Watts (OK)	
Bartlett	Gibbons	McCreery	Smith (WA)	Thune	Waxman	
Bass	Gilchrest	McGovern	Snyder	Thurman	Weiner	
Becerra	Gillmor	McHugh	Solis	Tiahrt	Weldon (FL)	
Bereuter	Gilman	McInnis	Souder	Tierney	Weldon (PA)	
Berkley	Gonzalez	McIntyre	Spratt	Toomey	Wexler	
Berman	Goode	McKeon	Stearns	Towns	Whitfield	
Berry	Goodlatte	McKinney	Stenholm	Turner	Wilson (NM)	
Biggert	Gordon	Meehan	Stump	Upton	Wilson (SC)	
Billrakis	Goss	Meek (FL)	Sununu	Velazquez	Wolf	
Bishop	Graham	Meeks (NY)	Sweeney	Vitter	Woolsey	
Blumenauer	Granger	Mica	Tanner	Walden	Wu	
Blunt	Graves	Millender-McDonald	Tauscher	Walsh	Wynn	
Boehrlert	Green (TX)	Miller, Dan	Tauzin	Wamp		
Boehner	Green (WI)	Miller, Gary				
Bonilla	Greenwood	Miller, Jeff				
Bonior	Grucci	Mink	Aderholt	Kucinich	Schaffer	
Bono	Gutierrez	Mollohan	Baird	Larsen (WA)	Schakowsky	
Boozman	Hall (OH)	Moran (VA)	Borski	Latham	Stark	
Boswell	Hall (TX)	Morella	Brady (PA)	LoBiondo	Strickland	
Boucher	Hansen	Murtha	Capuano	Matheson	Stupak	
Boyd	Harman	Myrick	Costello	McDermott	Taylor (MS)	
Brady (TX)	Hart	Nadler	Crane	McNulty	Thompson (CA)	
Brown (FL)	Hastings (FL)	Napolitano	DeFazio	Miller, George	Thompson (MS)	
Brown (OH)	Hastings (WA)	Neal	English	Moore	Tiberi	
Brown (SC)	Hayes	Nethercutt	Filner	Moran (KS)	Udall (CO)	
Bryant	Hayworth	Ney	Gutknecht	Pallone	Udall (NM)	
Burr	Herger	Northup	Hefley	Platts	Visclosky	
Callahan	Hill	Norwood	Hilliard	Peterson (MN)	Waters	
Calvert	Hilleary	Nussle	Hinchev	Ramstad	Weller	
Camp	Hobson	Obey	Hulshof	Sabo	Wicker	
Cannon	Hoeffel	Olver				
Cantor	Hoekstra	Osborne				
Capito	Holden	Ose				
Capps	Holt	Otter				
Cardin	Honda	Owens	Ballenger	Ehrlich	Oxley	
Carson (IN)	Hooley	Pascarell	Barrett	Eshoo	Quinn	
Carson (OK)	Horn	Pastor	Barton	Hinojosa	Rothman	
Castle	Hostettler	Paul	Bentsen	Hunter	Rush	
Chabot	Houghton	Payne	Blagojevich	Jackson-Lee	Shaw	
Chambliss	Hoyer	Pelosi	Burton	(TX)	Slaughter	
Clay	Hyde	Pence	Buyer	Johnson, Sam	Sullivan	
Clayton	Inslee	Peterson (PA)	Cooksey	King (NY)	Traficant	
Clement	Isakson	Petri	Coyne	LaHood	Young (AK)	
Clyburn	Israel	Phelps	Cubin	Menendez	Young (FL)	
Coble	Issa	Pickering	Davis (IL)	Oberstar		
Collins	Istook	Pitts	DeLay	Ortiz		
Combust	Jackson (IL)	Pombo				
Condit	Jefferson	Pomeroy				
Conyers	Jenkins	Portman				
Cox	John	Price (NC)				
Cramer	Johnson (CT)	Pryce (OH)				
Crenshaw	Johnson (IL)	Putnam				
Crowley	Johnson, E. B.	Radanovich				
Culberson	Jones (NC)	Rahall				
Cummings	Jones (OH)	Rangel				
Cunningham	Kanjorski	Regula				
Davis (CA)	Kaptur	Rehberg				
Davis (FL)	Keller	Reyes				
Davis, Jo Ann	Kelly	Reynolds				
Davis, Tom	Kennedy (MN)	Riley				
Deal	Kennedy (RI)	Rivers				
DeGette	Kerns	Rodriguez				
Delahunt	Kildee	Roemer				
DeLauro	Kilpatrick	Rogers (KY)				
DeMint	Kind (WI)	Rogers (MI)				
Deutsch	Kingston	Rohrabacher				
Diaz-Balart	Kirk	Ros-Lehtinen				
Dicks	Kleczka	Ross				
Dingell	Knollenberg	Roukema				
Doggett	Kolbe	Royal-Ballard				
Dooley	LaFalce	Royce				
Doolittle	Lampson	Ryan (WI)				
Doyle	Langevin	Ryun (KS)				
Dreier	Lantos	Sanchez				
Duncan	Larson (CT)	Sanders				
Dunn	LaTourette	Sandlin				
Edwards	Leach	Sawyer				
Ehlers	Lee	Saxton				
Emerson	Levin	Schiff				
Engel	Lewis (CA)	Schrock				
Etheridge	Lewis (GA)	Scott				
Evans	Lewis (KY)	Sensenbrenner				
Everett	Linder	Serrano				
Farr	Lipinski	Sessions				
Fattah	Lofgren	Shadegg				
Ferguson	Lowe	Shays				
Flake	Lucas (KY)	Sherman				
Fletcher	Lucas (OK)	Sherwood				
Foley	Luther	Shimkus				
Forbes	Lynch	Shows				
Ford	Maloney (CT)	Shuster				
Fossella	Maloney (NY)	Simmons				
Frank	Manzullo	Simpson				
Frelinghuysen	Markey	Skeen				
Frost	Mascara					

NAYS—45

ANSWERED "PRESENT"—1

NOT VOTING—33

□ 1043

So the Journal was approved.

The result of the vote was announced as above recorded.

PROVIDING FOR CONSIDERATION OF H.R. 2341, CLASS ACTION FAIRNESS ACT OF 2002

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 367 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 367

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2341) to amend the procedures that apply to consideration of interstate class actions to assure fairer outcomes for class members and defendants, to outlaw certain practices that provide inadequate settlements for class members, to assure that attorneys do not receive a disproportionate amount of settlements at the expense of class members, to provide for clearer and simpler information in class action settlement notices, to assure prompt consideration of interstate class actions, to amend title 28, United States Code, to allow the application of the principles of Federal diversity jurisdiction to interstate class actions, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the

□ 1045

The SPEAKER pro tempore (Mr. SIMPSON). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my friend, the gentleman from Texas (Mr. FROST), the ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 367 is a structured rule providing for the consideration of H.R. 2341, the Class Action Fairness Act of 2002. The rule provides 1 hour of general debate, equally divided and controlled between the chairman and ranking minority member of the Committee on the Judiciary. It provides that the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill be considered as an original bill for the purpose of amendment.

The rule makes in order only those amendments printed in the Committee on Rules report accompanying the resolution. Each amendment may be offered only in the order printed, may be offered only by a Member designated in the report, shall be debatable for 20 minutes equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment or demand for division of the question.

The rule waives all points of order against consideration of the bill and waives all points of order against such amendments.

Finally, the rule provides one motion to recommit with or without instructions.

I would like to take a moment to clarify for my colleagues that while this is a structured rule, our committee, the Committee on Rules, did make in order every amendment submitted to us on this legislation. The rule simply incorporates some time confines, equally applied to all the amendments, in order to provide some level of certainty and order during consideration of this legislation on the House floor.

Mr. Speaker, the history of the judicial process has established it as a system that, in most instances, employs fairness and balance in the rendering of justice. As one of the many tools of the judicial system, the class action lawsuit, in its ideal form, shares these characteristics. The class action suit is meant to give the many who may have the same claim against the same defendant an efficient way to have their grievances consolidated into a unified and magnified voice.

Mr. Speaker, as used by public interest organizations and truly interested groups of individuals, class action lawsuits can be effective in remedying wrongs, curbing dangerous misconduct, or encouraging better enforcement of laws. However, the reality of the class action lawsuit is far, far from the ideal. Today, this procedural device is often employed in frivolous suits designed to force businesses into quick and often unwarranted settlements while denying those truly wronged of any meaningful recourse. This abuse can stunt economic growth. It can stunt job creation. And, ironically, these frivolous suits can clog the very courts that they are being heard in, making it more difficult to bring the valid litigation that the class action tools are meant to facilitate.

Perhaps worst of all, the abuse of class actions often rewards attorneys and certain plaintiffs while leaving larger segments of the class with little real remedy. In one instance, a State court approved a class action settlement in a case brought by account holders against a bank in which the plaintiffs' attorneys received over \$8 million in fees while 700,000 class members, the plaintiffs, only received about \$10 each.

Even worse, those 700,000 class members each had up to \$100 deducted from their accounts to pay the legal fees owed by the bank under the settlement. As a result, most of the class members ended up with a net loss as a result of litigation designed to protect their interest.

In another class action filed against General Mills, an additive was added to Cheerios, a very popular cereal. The settlement directed \$2 million to the lawyers, while the class members each

received coupons for free boxes of cereal.

Now, while these examples may seem extreme, and they are extreme, they are sadly and rapidly becoming the normal. This is an aspect of our civil justice system that is in very sore need of reform. Class action filings in State courts have increased 1,000 percent over the past 10 years. That is an incredible jump.

As noted in an editorial in *The Washington Post*, way last August, "We must inject the world of class actions with more accountability to real clients and with some consequence to lawyers who file frivolous claims." This bill does just that by curbing the abuse of class actions while preserving the right of the truly injured to bring meritorious class action suits.

Specifically, this legislation would preserve the intent of article III of our constitution by allowing large, interstate class actions to be removed to Federal Court when appropriate, thereby creating greater uniformity in considering these cases and allowing greater consolidation of claims. Importantly, this would mean those cases that affect individuals across the Nation could be decided by courts that represent the Nation as a whole and not just one particular State picked by a trial lawyer.

At the same time, this legislation protects individuals in class actions through the Consumer Class Action Bill of Rights. This bill of rights requires that notices sent to class members be simple and intelligible. It also ensures that victorious plaintiffs do not suffer a net loss because of attorneys fees. It prevents geographic discrimination against certain class members, and it prohibits disproportionate awards from going to classes' representatives.

Mr. Speaker, our judicial system and the judges and attorneys that serve within it do noble and important work. I am a past attorney and a past judge, so I can say that with some assurance. But it is the job of this Congress to make sure that the procedural tools given to those in the judicial system are not misused to the point that they frustrate their very purpose. This bill creates important reforms that will reduce abuse and protect individuals.

I urge support for this legislation and for this fair and balanced rule.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my friends on the other side of the aisle have a very peculiar sense of timing. Here we have this problem with Enron. We have thousands of Enron employees who lost their life savings investing in 401(k)s, and we have thousands, perhaps hundreds of thousands, of Enron's shareholders who lost a lot of money in Enron stock; and yet my friends on the other side of the aisle take this very moment to make it more difficult for

those thousands of Enron employees and those thousands of Enron shareholders to bring a class action lawsuit. I have a difficult time understanding their timing.

I understand their interest in this issue. It has been brought up before. But now we have this situation where executives of Enron were telling their employees what a good deal it was to invest in their company's stock at the same time that those executives were secretly selling their stock. And so we have a class of people, a class of employees, thousands of employees who have lost their life savings; and yet my friends on the other side of the aisle would say, well, this is the very moment that we are going to make it more difficult for you to seek class relief. It is a very peculiar sense of timing.

It is an interesting bill. It is important that the American people very clearly understand what this bill, H.R. 2341, the so-called Class Action Fairness Act, would do. It is not, as some claim, a small procedural change. It will not, as some have suggested, curb lawsuit abuse. In fact, there is no statistical evidence of a class action crisis. Unfortunately, some people, for their own political purposes, have made a career out of hyping anecdotal stories of unbelievable lawsuits. The truth is these rare abuses have been appropriately handled by State legislatures and State supreme courts.

So what will this bill do? In a nutshell, it will drastically tilt the justice system in favor of big corporations and their executives and against the individuals they sometimes harm. That may not be the intent of its supporters, but that will be its effect. And, Mr. Speaker, that is just plain wrong.

Mr. Speaker, it is really unbelievable to me. I am frankly astounded, as I mentioned earlier, that Republicans have made protecting big corporate wrongdoers their priority right now. After all, at this very moment Congress is still trying to figure out how Enron executives managed to devastate the life savings of thousands of its employees and shareholders. Mr. Speaker, America has just witnessed the worst corporate robbery in history, and now Republican leaders are pushing a bill to protect big corporate wrongdoers. Do they really want to make it easier for people to do the type things that executives at Enron reportedly did?

Mr. Speaker, there are plenty of additional reasons to vote against this bill. By federalizing class actions, it tramples on the authority of State courts, which is pretty peculiar coming from a Republican Party that preaches the gospel of States' rights on almost every other issue. And it will further clog Federal courts that are already overwhelmed by the large number of criminal drug cases. So it is no surprise that both Federal and State judiciaries have consistently opposed efforts to Federalize class actions.

But the real losers under this bill are ordinary Americans for whom the justice system is the only protection against big corporate wrongdoers. It is people like the thousands of Americans who lost their life savings at Enron and the 800 people who were injured and the 271 who were killed on defective Firestone tires. This bill would actually make it harder for them to hold those corporate wrongdoers accountable. This Congress should be fighting for those Americans, not protecting the corporate wrongdoers that harmed them.

Mr. Speaker, we appreciate that this rule makes in order all of the amendments that were submitted to the Committee on Rules. That does not, in fact, change the fact, Mr. Speaker, that this is a bad bill.

Mr. Speaker, I reserve the balance of my time.

□ 1100

Ms. PRYCE of Ohio. Mr. Speaker, I must say that this bill was discussed at length in the Committee on Rules yesterday, and I am not sure, maybe my friend from Texas was not present, but I believe he was, because it is incredible to me that he is making these statements. It was pointed out at great length that the Enron case is already in Federal court. This has nothing to do with Enron. Indeed, Mr. Speaker, securities litigation is carved out entirely by this legislation. It would not cover Enron.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia (Mr. GOODLATTE), the author of this legislation, to further bring some light to this subject.

Mr. GOODLATTE. Mr. Speaker, I thank the gentlewoman for yielding time. I want to compliment her and the other members of the Committee on Rules for fashioning a very fine and very fair rule to debate this important piece of litigation reform.

I was pleased to hear the gentleman from Texas acknowledge the fairness of the rule, so I encourage all of my colleagues to support the rule when it comes up for a vote. But I would like to address the other issue the gentleman raised, and, that is to somehow try to associate this with Enron.

Enron's class action lawsuit is already in Federal court. The fact of the matter is, it is in Federal court because the plaintiffs in that case chose to bring it there because it involves Federal questions and because it will be a better place to handle class action lawsuits because our Federal courts are designed to hear cases from plaintiffs and defendants from a multitude of jurisdictions.

But the Enron case could have been brought in a State court in, say, Illinois where there might be a few Enron employees. It would not be appropriate for it to be heard there, but if it were brought there under diversity of jurisdiction and there were no means to remove it to Federal court, all of the

gentleman from Texas' constituents in the State of Texas would be denied having an opportunity to have it heard in that court; whereas with this legislation, if it were brought in a State court where it was inappropriate to be brought, it could be easily removed to Federal court. This is not about Enron.

What this is really about is fairness to American consumers. Let me give you some examples.

Here is a case. This case shows what the trial lawyers received, \$2 million in attorneys' fees, and the plaintiffs that they were representing, they got a coupon. A coupon for what? A box of Cheerios.

Here is another one. In this case, the plaintiffs' attorneys received \$100,000 in attorneys' fees and the plaintiffs got three golf balls.

It gets better. In this particular case, the plaintiffs' attorneys, the trial lawyers, received \$4 million in attorneys' fees and the plaintiffs each got a check for 33 cents. In case you cannot see the amount on this check, we blew it up for you. There it is: 33 cents. That is what the plaintiffs got while their attorneys got \$4 million. There is a catch to it, though, for those desiring 33 cents because in order to get the 33 cents, they had to mail back in their acceptance of the settlement offer, which cost them 34 cents. So actually they came up a penny short in this particular class action lawsuit abuse.

It goes on. Here is a settlement of a case against an airline that gave the class members a \$25 coupon. That sounds pretty good. It is \$25. It is better than 33 cents, but it is conditioned upon their purchasing an additional airline ticket for \$250 or more. In other words, it is a coupon for a 10 percent reduction in your next airline ticket. What did the attorneys get? \$16 million.

This one is the best of all. A Bank of Boston settlement over disputed accounting practices produced \$8.5 million in attorneys' fees. Later, the plaintiffs' attorneys in the case sued their own clients, the class members, for an additional \$25 million in attorneys' fees, and the class members were required to pay \$80 each for a settlement that netted the attorneys \$8.5 million.

This is not a Republican effort for reform. There are plenty of folks on both sides of the aisle here who support this, including those who subscribe to this distinguished publication, the Washington Post, where they said that the lawyers cash in while the clients get coupons for product upgrades.

"It's a bad system, one that irrationally taxes companies in a fashion all but unrelated to the harm their products do and that provides nothing resembling justice to victims of actual corporate misconduct."

So, as a result of that which appeared on March 9, this past Saturday, the Post has endorsed this legislation. The Post went on to say, "That it is controversial at all," referring to this leg-

islation, "reflects less on the merits as a proposal than on the grip that trial lawyers have on many Democrats."

So I urge my colleagues on the other side to join the many who will join us in rejecting the idea that somehow we have to have a continuation of a simply bad Federal procedural rule that would allow these cases to be brought into Federal court when all we are trying to do is to correct a very serious problem of abuse.

How does the abuse occur? The plaintiffs' attorneys, and they are good attorneys, they choose the jurisdiction in this country that they think best suits their likelihood of success in the case. That happens in every lawsuit. But in class action lawsuits involving hundreds of thousands or millions of plaintiffs, they can choose from 4,000 different jurisdictions in the country, and a handful of jurisdictions over and over and over again get the cases brought there because those judges are known to certify these classes far more readily than anybody else. Allowing removal of the case by either the plaintiffs or the defendants to Federal court will end this abuse because you will have a more uniform, more standard application of what it takes to certify a class.

I urge my colleagues to support this rule and to support the underlying legislation.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, I would just like to ask my good friend, who is on the Committee on the Judiciary, the gentleman from Virginia (Mr. GOODLATTE), who is himself an ex-trial lawyer, what is his solution to this horrible problem of trial lawyers making too much money?

I would like to yield to the gentleman from Virginia (Mr. GOODLATTE), a former trial lawyer himself.

I will repeat the question. What is the Republican solution to this horrible practice that has allowed trial lawyers, like you used to be, from reaping these incredible profits?

I yield to the gentleman from Virginia.

Mr. GOODLATTE. For better or for worse, if the gentleman would yield, I have to say that I never enjoyed such remuneration for the work that I did.

Mr. CONYERS. You did not like practicing as a trial lawyer. It was not fun.

Mr. GOODLATTE. I did not handle class action lawsuits, but I will tell you that the measure of a good lawsuit is not how much work the attorneys put into it relative to what they receive, but whether they accomplish anything for their clients. And when they get a coupon for Cheerios, they are accomplishing nothing in exchange for the large fees they receive.

Mr. CONYERS. I thank the gentleman for explaining to me what his solution is to the problem of trial lawyers making too much money.

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

My colleagues on the other side want to say no, no, no, no, this is not about Enron. Explain that to the thousands of Enron employees who lost their life savings in their 401(k)s and who would like to bring a civil fraud action against executives at Enron in State court in Harris County, Houston, Texas. Explain that to them, please, if this is not about Enron.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK).

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, I understand what is behind this. I am not a lawyer, I will never be a judge, but this is really the Republicans' attempt to prevent themselves from being sued as a party under a class action under RICO by the 42 million beneficiaries of Medicare whose plan they are plotting to destroy.

As we sit here today, the Committee on the Budget is giving the Republican budget in the office building, and they are going to tell you how they are going to give 1 year, \$8 billion, to Medicare. They have depleted the entire Medicare trust fund, and this 1 year, \$8 billion, is contingent on privatizing Medicare, taking the President's reform, which is a voucher system, and destroying Medicare, as the Republicans are on record as wanting to do time and time again, starting with Newt Gingrich.

So they have given us \$8 billion, or \$40 billion over 5 years, if we privatize the system. That is to cover a drug benefit which ought to cost \$70 billion a year by any standards. That does not allow us to correct the inequity in physicians' payments which costs \$12 billion a year. This does not take care of hospital inflation, children's hospitals, teaching hospitals, cancer centers, preventive screening.

This is an obscene hoax on the American people. It is just one more indication of protecting the corporate interests and the corporate insurance companies, for instance, who provide Medicare benefits from any class action. They will not let us have the Patients' Bill of Rights. The only way we have now to enforce that is class actions in a few cases. If we could have a Patients' Bill of Rights with the right to sue, that might not be necessary.

But one more case, protect the rich, trample on the poor, do away with Medicare and Social Security, this is the Republicans' plan; and this is one more nail in the coffin of the Medicare beneficiaries.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Texas (Mr. SMITH), a member of the Committee on the Judiciary, who can get us back on course. This is a bill that is addressing lawsuit reform, not Medicare, not Enron. The gentleman from Texas can help point that out.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentlewoman from the Com-

mittee on Rules for yielding me this time.

Mr. Speaker, I strongly support H.R. 2341, the Class Action Fairness Act of 2002. The current class action system makes it too easy for attorneys to bring suit not for the benefit and well-being of class members, but for the attorneys' own monetary gain.

For instance, when attorneys sued Southwestern Bell, which is a constituent firm, alleging misrepresentation of service plans, they made \$4 million in fees while the class members received only a \$15 credit. A suit brought against Oracle sought no damages, but resulted in \$750,000 in attorneys' fees and nothing for the plaintiffs. Unfortunately, these examples are not uncommon.

Congress should not stand by while lawyers shop around the country for a judge who will render a favorable verdict. This bill will give Federal courts jurisdiction over cases that involve aggregate claims of at least \$2 million and a plaintiff and defendant from different States. It also creates a class action bill of rights that will require settlement notices to be written in plain English, prevent disproportionate attorneys' fees from being awarded, and protect consumers from actually losing money when there is a verdict in their favor.

Mr. Speaker, we must not let a few lawyers get rich at the expense of working families. I urge my colleagues to support this bill. I thank the gentleman from Virginia (Mr. GOODLATTE) for offering this bill.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, I thank the gentleman from Texas, the ranking member of the Committee on Rules, for yielding me this time.

This bill is opposed by every major environmental organization, every major consumer product safety organization, and I wonder why that is?

Mr. Speaker, it is no doubt trite to proclaim that the road to hell is paved with good intentions. This bill is a perfect example of that aphorism. No Member of this Chamber needs to lecture me about living in a culture of lawsuits and about how the number of lawsuits has spiraled out of control. I am all too familiar with that, being a trial lawyer and being a trial judge.

Let me tell you something, this bill will do nothing but make things worse for our courts in this land, worse for our judges, and, most important, it will make things worse for the people who need redress the most in our judicial system.

This bill does not make our litigious system better. Indeed, it makes it far worse. The bill before us would make it significantly more difficult for consumers to achieve relief from the most outrageous corporate abuses.

□ 1115

Frankly, this bill is a bailout for corporate wrongdoers, and that makes me sick.

Mr. Speaker, if passed, this bill will make it easier for a significant number of corporations, not just Enron, where no real class action has been filed yet, but Arthur Andersen, for example, might not have as much to fear. We may never have even heard about the problems with Firestone if this bill were law today. Monsanto, W.R. Grace, all these corporations had to face the public and face the music because of our Nation's easy access to the courthouse. This bill would have made it significantly easier for these corporations if this bill were law.

This bill would federalize class action lawsuits, plain and simple. You can take my word for it, or you can take Chief Justice Rehnquist's word for it, the Federal courts are already overworked and understaffed. This bill would only exacerbate this problem.

State courts are the much preferred venue for these types of actions. We have heard about problems in a couple of States. The fact is, there really is no crisis. Florida, California, Texas, and New York all are able to handle their caseload without Federal intervention. Certainly, if the four largest States in the United States are not having these problems, the other 46 can manage as well.

Let me tell you some things. I heard the gentleman from Virginia (Mr. GOODLATTE) a moment ago talk about a coupon. I cannot deny there are cases where lawyers have made fees and clients have not received all of the recompense that my brothers and sisters on the other side would have them. But what about tobacco and all of the money that all of the States have received? What about asbestos and black lung? Where would we be if this were law today? Would we have seat belts in our automobiles, air bags, infant car seats, child proof medicine bottles, disability access? All of those were class actions.

I am heartened that the Committee on Rules did make in order the Lofgren amendment and several others, including the amendment of my good friend, the gentleman from Massachusetts (Mr. FRANK).

I want to make it very clear that I recognize that we do not have all the time this morning to talk about this matter, but understand this: there was absolutely no consultation with Federal judges. And we talk all the time in this body about unfunded mandates. Well, this bill was not scored by CBO, according to my Republican colleagues; but CBO did say that there would be increased administrative costs. Let me tell you what some of those increased administrative costs will be: more court reporters, more translators, more clerks. And the impact on the Federal judiciary, it is all but outrageous for us to believe that courts will not bog down. If we impact

the civil litigation system in this country, then the linchpin of this country's economy will come undone.

It is a terrible mistake for us to proceed in this manner, and I urge my colleagues to defeat this bill.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield such time as he may consume to the distinguished gentleman from California (Mr. Cox).

Mr. COX. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I thank the preceding speaker for pointing out how urgent it is for the Democrats in control of the other body to approve the some 100 judges that President Bush has nominated that are being held hostage to politics. That is the reason that we have some backlog in some of our courts.

The fairness bill which is on the floor today is addressed to something much more discrete, and that is what is the proper role of the Federal courts and what is the proper role of the State courts.

This bill is needed to restore to the Federal courts the jurisdiction that the Framers of our Constitution gave to the Federal courts. It was the Framers that decided that when the parties to a case live in different States, multiple States, when what is at issue in the case are the laws of multiple States, that that kind of jurisdiction, diversity jurisdiction, so-called, is properly vested in the Federal courts.

What we are hearing in opposition to putting nationwide class actions in Federal Court is a sort of reverse Federalism; that somehow if multiple States are involved and parties from multiple States are involved, that a hamlet in some county in America should make law for the whole country.

The Framers gave us this jurisdiction, diversity jurisdiction, to guard against local prejudice to make sure that American citizens would not be dragged to some unfamiliar venue nowhere near where they lived and forced to appear between a rock and a hard place, as it were, unable to argue their rights that they would have back home or in a Federal jurisdiction, and knowing the outcome in advance, that they were going to be home-towned by local judges and juries. The Framers wanted to ensure that citizens would have confidence in their judicial system by eliminating this kind of local bias.

The Framers reasoned that local prejudice could result in discrimination against interstate commerce. As you recall, in article I of the Constitution interstate commerce is a Federal responsibility, not a State responsibility. Of course, prejudice against people from other States, prejudice against interstate commerce, they recognized would be highly detrimental to the country.

We are here today precisely because the Framers intended to prevent what is happening in our court system today in the form of nationwide class action

lawsuits filed in local courts. A class action is typically a big lawsuit, a large lawsuit, often with hundreds or even thousands of class members. In fact, most of the Members in this Chamber and most of the people watching what is going on on this floor are probably plaintiffs in lawsuits that they do not even know about, because it is so easy to claim, if you are a lawyer, to represent a whole class of people similarly situated to your cousin.

In these large class actions involving people from all over America, there are often at issue the laws of many different States. It is because of this that a class action involving citizens of multiple States necessarily has significant interstate commerce implications, and as a result it is the quintessential Federal case.

No matter how many citizens from other States are involved, no matter how many States' laws are involved, the law as it exists today places such strict limits on the right of a party to have his or her case removed to Federal Court that it is virtually impossible for an out-of-state party to do so.

This has given rise to what is called in the lawyers parlance "forum shopping." If you were a clever lawyer, you get to pick the one place in America where you know you are going to win, whether you are right or whether you are wrong. Forum shopping has resulted in a very small handful of local courts in such places as Madison County, Illinois; Jefferson County, Texas; and Palm Beach County, Florida, making law for an entire Nation.

But this is not the only negative impact of what I have called reverse Federalism. It is now openly recognized that these local courts can and do harbor actual prejudice against out-of-state defendants. This was acknowledged by the Eleventh Circuit Court of Appeals in a recent opinion in which the court apologized to the out-of-state defendant for the current state of Federal law. They recognized that while they could not permit this action under the current circumstances, which we just described, the current Federal law which makes removal so difficult, they could not permit this action to be heard in Federal Court, it ought to be in Federal Court. So they apologized to the defendant in the case for their anomalous ruling, returning a large interstate class action lawsuit to Alabama State court.

The Eleventh Circuit recognized that it was sending these defendants back to a State court system that was going to treat them, or at least had treated people similarly situated in the past, unfairly; that has produced in their words "gigantic awards against out-of-state defendants."

The court quoted a newspaper article noting that Alabama was "a State whose courts are among the most widely feared by corporate defendants." Nonetheless, the Eleventh Circuit concluded there was nothing under current Federal law that could be done about it.

The Eleventh Circuit laid bare the harsh reality that out-of-state defendants can now face in class action lawsuits, where the thumb is put on the scale of justice in advance. You, as an individual citizen in America, as a party to one of these actions, can be dragged into a remote jurisdiction that often has little or no connection with you, or indeed with any of the parties. Appearing in local courts, facing local judges and judges unlikely to treat you fairly, you know the outcome in advance. Almost certainly you will wind up being forced to pay a large settlement just to get out of this nightmare, because you would not want to see it through trial to the unfair result.

This is precisely the kind of injustice and local prejudice the Framers intended to eliminate by explicitly granting to the Federal courts diversity jurisdiction over cases involving people, parties in multiple States, and laws of multiple States. This legislation will restore the balance between State and Federal courts and return to the Federal courts the jurisdiction over diversity indications that the Framers intended.

Now, I must say in closing that our State court system is a good system. It is a wonderful system for resolving a variety of cases. The problem is not with the entire system of State courts; but rather that some lawyers, a small number of amoral and unethical lawyers on many occasions, get to pick not just State courts in general, not just the system, but the precise place where they know they have control and where they can win.

The argument that has been made against this bill bears a heavy burden. People have stood up here and said that this would be bad for the Enron plaintiffs, even though, as we all know, the Enron plaintiffs chose a Federal forum and this bill gives anyone the right to file in a State court or remove to a Federal court.

People are saying that this tramples on the rights of State courts. I think I have dealt fairly with that argument.

I have heard it is going to protect the rich or that it is going to hurt environmental cases. The burden that you bear in making that argument is that you have to say that there is inherent prejudice against environmental issues in the Federal courts. You have to say that there is inherent prejudice according to class in the Federal courts. I do not think any of you really believes that. All that this bill does is state that if multiple States are involved, you can be in the Federal system.

This bill is an affirmation of Federalism and of the Founders' intent. It is the reason that the Washington Post so strongly supports this bill. In their editorial what they have said is that the lawyers cash in while the clients get coupons for product upgrades. That is the kind of misrepresentation that has occurred, as described by the speakers that got up before me, in this bad system that they describe, that irrationally taxes companies in a fashion

all but unrelated to the harm their products do, and that provides nothing resembling justice to victims of actual corporate misconduct.

The Federal system is a good system for resolving cases. It is the ideal system and the one that the Framers intended for resolving complex cases involving citizens and parties of multiple States and the laws of multiple States.

I strongly urge my colleagues to approve not only this rule, but the legislation when it next comes to a vote, and I predict it will pass with a big bipartisan majority.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CONYERS), the ranking member on the Committee on the Judiciary.

Mr. CONYERS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, the gentleman from California (Mr. COX) is one of the best lawyers in the House. I do not know if he was a trial lawyer or not. But I just wanted to point out to him a couple of cases.

This discussion is not new in the Federal judiciary. We have been trying to figure out when you get to State Court and when you get to Federal Court for quite a while. So I want to refer the gentleman, the gentleman has probably seen this case before, *Strawbridge v. Curtis*, that was decided way back in 1806, dealing with how one has to have complete diversity to bring a State law case into a Federal law case. Indeed, they brought it up to date in another case of which I hope the gentleman is aware, *Schneider v. Harris*, in 1969, where the court held that the court should only consider the citizenship of named plaintiffs for diversity purposes.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Mr. Speaker, I thank the gentleman for yielding me time.

Our friends on the other side know that this issue is not about attorneys. It takes away rights of consumers, it gives corporate wrongdoers additional protections that they are not currently entitled to, and it strips the States of the States' own laws and procedures.

I think it is important to note that neither the Federal judiciary nor the State judiciary has requested any of these changes.

□ 1130

No judge in America has written in and asked for these questions. No organization has asked for these changes, no organization of judges at the State or Federal level. This is not a problem. This is an effort by our friends on the other side of the aisle to create a solution to an imagined problem, and it is a poor solution at that.

Also, this legislation strips powers from our State courts.

I would like to say, what happened to States' rights? What happened to the issue of local control? What happened to what we hear time and time again about local people know best what to

do in local communities? This strips the authority of the State court to apply the State court's own procedural rules and the State court's own procedural laws.

This is a very, very serious 10th amendment question. It is unconstitutional. It is an effort by our friends on the other side of the aisle to federalize State actions, and it is just wrong.

Our Federal courts are already overloaded. Right now, there are 68 judicial vacancies in the judiciary, 416 civil cases pending, on average, as of 2001. The criminal trials, of course, get preference; and every commentator has said, this will move practically every single class action in America into the Federal court. Our friends on the other side of the aisle want to federalize every action.

Now, let me tell my colleagues something about this ridiculous argument about forum shopping and trying to get preference. Let me give an example. In my hometown of Marshall, Texas, if one wants to file a class action in State court, it is filed in the State district court. If one would like to file it in the Federal court, you move one block down the street and you file it in the Federal court in Marshall, Texas.

Trying to act like there is some big Federal procedure and big Federal law that covers everything is absolutely not true. Remember, no matter what Federal court one files this in, the Federal court is applying State law. The Federal court is applying State law. I take offense to objections to State courts and State law and State judges.

Let me read something that one of our friends in Congress said not long ago about judges. He said, "I simply say, the State judge went to the same law school, studied the same law, and passed the same bar exam that the Federal judge did. The only difference is, the Federal judge was better politically connected and became a Federal judge. But I would suggest when the judge raises his hand, State court or Federal court, they swear to defend the U.S. Constitution; and it is wrong, it is unfair to assume ipso facto that a State judge is going to be less sensitive to the law, less scholarly in his or her decision, than a Federal judge."

The gentleman from Illinois (Mr. HYDE) made those statements.

It is important that we make sure that consumers have access to the courts. It is important that they choose, and it is important that we stick up for the United States Constitution for once, and we do not move everything into the Federal system.

Let me mention one other thing. Oftentimes suits effect changes that are good. There has been a lot of talk about coupons here. Sometimes those coupons are good. Sometimes they change products. There are products on the market today that have increased warnings as a result of suits that have been brought by consumers all across America, where they have been harmed by corporate America, but they cannot afford to have their own suits.

Do the words in litigation, Ford Pinto, fire-safe pajamas, asbestos, do those raise an issue? Those are not class actions, but those are lawsuits that have caused change, and class actions do the same.

I urge my colleagues to vote against this legislation.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in opposition to this bill because of its substance, which I oppose, but also because of the very fact that it is being brought up at a time when we should be bringing up a bill that the Democrats are asking to be discharged to provide unemployment benefits and health benefits to those people affected by the September 11 attacks.

We lost no time in bailing out the airline industries after the tragedy of September 11, and that was something we probably should have done. At the same time, in tandem with that, we should have had legislation on this floor in order to help those workers who were left unemployed after that tragedy, but we did not. Here we are 6 months later.

Last week we passed legislation, which was the very least we could do, to extend unemployment benefits for workers. But many, many people cannot avail themselves of that benefit, and the bill did nothing last week to address the issue of loss of health benefits by America's workers.

So, instead, I am asking our colleagues today to defeat the previous question; and then that will allow Democrats to bring a comprehensive unemployment insurance bill to the floor, including health care for unemployed workers. Instead of passing anticonsumer class action legislation, we should be bringing legislation to the floor to help unemployed workers.

It is not a question of Democrats and Republicans deciding on how to help unemployed workers; it is a question of whether we are going to fully help unemployed workers. The Democrats say yes, the Republicans say no. The Republicans say we want to use our time on the floor to pass legislation, and in this time of Enron, I mean it is so brazen.

I am surprised that I am surprised, quite frankly, because usually I am not surprised at anything in politics. But it is surprising that with all of the headlines on Enron and Arthur Andersen and the rest, that instead of helping workers put out of work, we are making it harder for consumers to file class action suits.

Mr. Speaker, I urge my colleagues to vote to defeat the previous question.

Ms. PRYCE of Ohio. Mr. Speaker, I would just like to remind the gentlewoman from California that this House has passed health benefits twice. We have passed unemployment benefits,

and it was signed into law actually last weekend; I was at the signing ceremony. This has been done.

I do not know where she is coming from. This House has acted responsibly and we will continue to do that.

Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Indiana (Mr. PENCE), a member of the Committee on the Judiciary.

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, I thank the gentlewoman for yielding me this time and for her masterful handling of this rule and the underlying debate.

I do rise as a member of the Committee on the Judiciary in strong support of the rule and of the underlying legislation, the Class Action Fairness Act of 2002.

I believe as a new Member of this institution that whatever laws that we pass, they ought to ever and always be judged by how they impact not the most prosperous or the most affluent in our country, but by how they impact the least of these; how the laws in this place impact the average, working, struggling American family. And in that, I agree with the sentiment expressed by the gentlewoman from California that this institution should be focused on the least of these and on struggling Americans.

I just simply would offer that, today, the least of these ought not to include doctors, lawyers, and corporate executives, but rather it ought to include aggrieved families and hurting Americans like the employees of Enron or other litigants and plaintiffs in class action lawsuits who have been made the subject of a system that the Washington Post called bad and called corrupt in a recent March 9 editorial.

Mr. Speaker, the father of the gentleman from Oklahoma (Mr. WATTS) says the definition of a contingency fee is, if you lose, your lawyer does not get paid, but if you win, you do not get paid. And regrettably, as we learned in recent examples debated on this House Floor, \$2.5 million in a class action lawsuit goes to the attorneys and the litigants get a coupon for a box of Cheerios. Another example: \$4 million in legal fees and 33-cent checks distributed to hurting families, not even covering the postage for turning in their application to be members of the class.

The benefits of the legislation on the floor today are truly targeted to benefiting working and aggrieved Americans. Requiring that all class notices and settlement notices be in plain English is one of the requirements of this bill, and ensuring that attorneys' fees in class actions are based on a reasonable percentage and provide protection against loss by class members.

I rise today as a strong conservative Member of this institution, and I must say to my colleagues that it is a rare day that I ever thought that I would be quoting the Washington Post on the

floor of this chamber, but I will do so today. The Washington Post wrote in supporting the work of the Committee on the Judiciary, that is on the floor today, that under the current system, "At settlement time, the lawyers cash in while the clients get coupons for product upgrades. It is a bad system."

They went on to write, "This corrupt system is made possible to some degree because of how difficult it is to yank cases from State court and move them into the Federal system where judges tend to examine them more skeptically." They point out the positives in the provisions of this bill.

Mr. Speaker, I urge all of my colleagues to support the rule, to support the Class Action Fairness Act, and say "yes" to hurting American families and litigants taking their stand in our best courts against the most powerful.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise to respond to the question: "I do not know where she is coming from; we have passed health benefits for these workers over and over again."

Where I am coming from is a meeting with James Dodrill, an unemployed worker whose health benefits expired last week at a time when his wife has been diagnosed with serious illness, James and his family, he and his wife and their three children.

James's benefits ran out last week. Under the current law, James would have to spend over \$7,000 a year to pay for his COBRA benefits. The legislation in our discharge petition would help pay for 75 percent of that and fund the States to pick up the other 25 percent, so that unemployed workers can continue their health benefits with real health care benefits and would expand the number of people who fall into that category and include some workers who were never eligible for COBRA to be included in Medicaid.

It is a good discharge. I urge my colleagues to sign it. That is where I was coming from.

Ms. PRYCE of Ohio. Mr. Speaker, would the gentlewoman yield to answer the question of whether she voted for extending those health benefits?

Mr. FROST. Mr. Speaker, I believe the gentlewoman's time has expired.

Ms. PRYCE of Ohio. Mr. Speaker, I was just curious as to whether the gentlewoman was in favor of her constituents and voted as such when she had the opportunity.

Ms. PELOSI. Mr. Speaker, I would be pleased to answer on the gentlewoman's time.

Mr. FROST. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I thank the gentleman for yielding me this time.

I am really becoming more confused as I listen to this debate. When I first

arrived in Congress some 5 years ago, I recollect very passionate rhetoric coming from the other side about States' rights and a new era in federalism. So it is really ironic that this particular week we are considering two bills that would send us off in an entirely different direction.

This bill, the so-called, and let me suggest it is truly mislabeled, Class Action Fairness Act, would remove thousands of class action suits from State courts to Federal courts; and a consequence of that would be that ordinary citizens and hurting American families and consumers would be severely disadvantaged against large corporations. And that is why every consumer group in America is opposed to this bill. Every legitimate major consumer group is opposed to the bill.

Now, the other bill that is scheduled for tomorrow, the so-called "Two Strikes and You're Out Child Protection Act," continues that relentless federalization of crime that has been roundly criticized by such conservative icons as former Attorney General Ed Meese and the Chief Justice of the United States Supreme Court, Mr. Rehnquist.

I remember the Contract for America and, boy, suddenly it seems, oh, so long ago, the Contract For America. Well, according to the Judicial Conference, the class action bill would overwhelm Federal courts that are already staggering under their current caseload. Of course, for the innocent victims of corporate misconduct, this would mean years of delay before they would get their day in court.

How many times have we heard on the floor of this House, "Justice delayed is justice denied"?

□ 1145

Well, one might suppose that this proposal was written by people who favor a larger role for the Federal Government, but that is not the case. The authors are the same individuals, and let me quote the Washington Post, that referred to the proponents as "self-proclaimed champions of State power."

One could also speculate that this proposal was generated by people who advocate a larger role for the Federal judiciary; but again, that is not the case. Some of the sponsors of this bill regularly come to the well and rail against judicial activism by "unelected Federal judges."

Now, a while back, these same Members were on the floor attempting to pass a bill, and I am sure some of the Members here remember it, called the Judicial Reform Act, which would have prohibited Federal judges from ordering a State or local government to obey Federal environmental protection, civil rights, or other laws if doing so would cost the States any money. Oh, if hypocrisy were a virtue.

What that bill attempted to do was to strip the Federal courts of jurisdiction over violations of Federal law that were indisputably within their power

and their sphere of authority. What this bill ironically attempts to do is to transfer to those same Federal courts jurisdiction over violations of State and local laws that have never been within the scope of the Federal courts and their jurisdiction.

This is truly Alice in Wonderland: Up is down, and down is up. So much for federalism. So much for local control.

Maybe it is too cynical to suggest that the reason for this about-face has more to do with the financial interests of powerful American corporations than concern for the appropriate division of authority between Federal and State courts. Maybe that is too cynical. Because it certainly has nothing to do with hurting American families, nothing whatsoever.

In any event, Mr. Speaker, we come here today not to praise federalism but to bury it. So its demise has been slow and agonizing, and I guess this bill gives it the proper burial it does not deserve.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 30 seconds to my good friend, the gentleman from Virginia (Mr. GOODLATTE), the author of this legislation.

Mr. GOODLATTE. Mr. Speaker, the gentleman from Massachusetts has turned federalism and States' rights on their heads. This bill is about protecting the rights of States. It is absolutely wrong in a nationwide class action lawsuit for one party to be able to pick one State court judge in one State and have them come in and have them decide the law of the other 49 States; plus, this bill gives complete discretion to the trial judge to remand to the State courts those cases that the judge feels are truly State court matters, and State court matters that are exclusively in one jurisdiction cannot be removed. This is not about States' rights unless Members look at it from our standpoint.

Mr. FROST. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Now I am really confused, Mr. Speaker, maybe the gentleman from Texas can explain to me why the National Council of State Legislatures have registered their opposition to this bill. Maybe they have given up on the 10th amendment, also.

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, again, as I mentioned earlier, I find this all somewhat puzzling. My friends on the other side rail against these State judges. They think these State judges are out of control.

In my State of Texas, we elect our State judges. In our largest county, Harris County, they are all Republicans. In our second largest county, Dallas County, they are all Republicans. In Tarrant County, where Fort Worth is located, they are all Republicans. Every member of our State supreme court, who is also elected, is a Republican.

I do not understand what the Members on the other side have to fear from

State judges, these out-of-control State judges. I guess they are distrustful of some members of their own party.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, we have heard a lot about the Cheerios cases. Let us look at the facts. Basically, the consumers had to throw away a box of Cheerios. They got back their Cheerios and were made whole.

That is not what that litigation was about; it was about tainted food. The pesticide applicator is now serving a 5-year prison sentence for, among other felonies, intentionally altering food under the Federal Food, Drug, and Cosmetic Act; knowing misuse of pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act, and other matters.

The litigation is really between insurance companies and big fees by insurance company lawyers. The policyholders of the insurance company, its general liability insurance company, denied a claim. They both asserted that the loss was not covered; but if it was covered, it was covered by the other insurance company.

As a result, the pleadings have been placed in the court's vault. The name of the parties, the insurance companies and the parties, have been removed from the pleadings, and even from the docket.

More amazing, both parties in that litigation were given pseudo names. The name of that suit has been renamed ABC v. DEF. That is not litigation among class members; that is not fees by class attorneys. That is litigation between insurance companies and big fees by insurance defense attorneys.

If Members want to have true limits, limit that. Limit the fees charged by the insurance defense attorneys. Limit litigation among corporations. Do not take away rights from consumers in America. Do not give additional protections to corporate wrongdoers.

The problem is right there in the Cheerios case, but they did not identify the right problem.

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, if the previous question is defeated, I will offer an amendment to the rule. My amendment will provide that immediately after the House passes the class action bill, it will take up the Putting Americans First Act, which will provide meaningful health care relief for unemployed workers.

My amendment provides that the bill will be considered under an open amendment process so that all Members will be able to fully debate and offer amendments to this critical bill.

Mr. Speaker, this week marked the 6th-month anniversary of the tragic events of September 11. Our economy was already in decline before the event, and became even more troubled fol-

lowing that date. Millions of Americans have lost their jobs, and many more are expected to join the ranks of the unemployed in the future.

Job loss is not only the loss of a paycheck. It usually means the loss of health insurance, as well. These people need relief immediately, and they will get it from this bill. It is time for the House to do its work and pass legislation to help these people.

Let me make clear that a "no" vote on the previous question will not stop consideration of the class action bill. A "no" vote will allow the House to get on with this much-needed legislation to provide health care assistance for those Americans who have lost their jobs and their health insurance.

However, a "yes" vote on the previous question will prevent the House from taking up this worker-relief bill.

Mr. Speaker, I urge a "no" vote on the previous question, and I ask unanimous consent that the text of the amendment be printed in the RECORD immediately before the vote on the previous question.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendment referred to is as follows:

At the end of the resolution add the following new sections:

SEC. . Notwithstanding any other provision in this resolution, immediately after disposition of the bill H.R. 2341, the Speaker shall declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3341) to provide a short-term enhanced safety net for Americans losing their jobs and to provide our Nation's economy with a necessary boost. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. . If the Committee of the Whole rises and reports that it has come to no resolution on the bill H.R. 2341 or H.R. 3341, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee of the Whole for further consideration of that bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself the balance of my time.

I have to say that I agree with some of the points made today.

I agree with my friend, the gentleman from Texas (Mr. FROST), that we should be providing health care for unemployed workers. That is why most people on this side of the aisle voted to do that at least twice over the last few weeks.

I also agree that there is a huge vacancy rate on our Federal bench. I urge my friends to urge their friends in the other body to get their work done and act on these nominees.

I agree that there was greed at Enron. This makes our point, Mr. Speaker. Together, three top company executives are accused of bilking shareholders of \$198 million.

Yet, for all the alleged greed, the wrongdoing of these three executives is far outweighed by what the lawyers stand to reap. According to news reports, Arthur Andersen made a preemptive settlement offer to Enron shareholders in the amount of \$750 million. At the standard 32 percent contingency fee, this would work out to a \$225 million share of that sum going to the lawyers. That truly is bilking the shareholders.

Mr. Speaker, I just want to thank my colleague, the gentleman from Virginia (Mr. GOODLATTE), for all his hard work and dedication to reforming our civil justice system to work for the parties and not for the lawyers.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 221, nays 198, not voting 15, as follows:

[Roll No. 55]

YEAS—221

Aderholt	Cannon	English
Akin	Cantor	Everett
Army	Capito	Ferguson
Bachus	Castle	Flake
Baker	Chabot	Fletcher
Ballenger	Chambliss	Foley
Barr	Coble	Forbes
Bartlett	Collins	Fossella
Bass	Combest	Frelinghuysen
Bereuter	Cooksey	Galleghy
Biggert	Cox	Ganske
Bilirakis	Crane	Gekas
Blunt	Crenshaw	Gibbons
Boehler	Culberson	Gilchrest
Boehner	Cunningham	Gillmor
Bonilla	Davis, Jo Ann	Gilman
Bono	Davis, Tom	Goode
Boozman	Deal	Goodlatte
Boucher	DeLay	Goss
Boyd	DeMint	Granger
Brady (TX)	Diaz-Balart	Graves
Brown (SC)	Doolittle	Green (WI)
Bryant	Dreier	Greenwood
Burr	Duncan	Grucci
Buyer	Dunn	Gutknecht
Callahan	Ehlers	Hall (OH)
Calvert	Ehrlich	Hall (TX)
Camp	Emerson	Hansen

Hart	Mica	Shadegg
Hastings (WA)	Miller, Dan	Shaw
Hayes	Miller, Gary	Shays
Hayworth	Miller, Jeff	Sherwood
Hefley	Moran (KS)	Shimkus
Hergert	Moran (VA)	Shuster
Hilleary	Morella	Simmons
Hobson	Myrick	Simpson
Hoekstra	Nethercutt	Skeen
Horn	Ney	Smith (MI)
Hostettler	Northup	Smith (NJ)
Houghton	Nussle	Smith (TX)
Hulshof	Osborne	Souder
Hunter	Ose	Stearns
Hyde	Otter	Stenholm
Isakson	Oxley	Stump
Issa	Paul	Sullivan
Istook	Pence	Sununu
Jenkins	Peterson (PA)	Sweeney
Johnson (CT)	Petri	Tancredo
Johnson (IL)	Pickering	Tauzin
Johnson, Sam	Pitts	Taylor (NC)
Jones (NC)	Platts	Terry
Keller	Pombo	Thomas
Kelly	Portman	Thornberry
Kennedy (MN)	Pryce (OH)	Thune
Kerns	Putnam	Tiahrt
King (NY)	Quinn	Tiberti
Kingston	Ramstad	Toomey
Kirk	Regula	Upton
Knollenberg	Rehberg	Vitter
Kolbe	Reynolds	Walden
LaHood	Riley	Walsh
Latham	Rogers (KY)	Wamp
LaTourette	Rogers (MI)	Watkins (OK)
Leach	Rohrabacher	Watts (OK)
Lewis (CA)	Ros-Lehtinen	Weldon (FL)
Lewis (KY)	Roukema	Weldon (PA)
Linder	Royce	Weller
LoBiondo	Ryan (WI)	Whitfield
Lucas (OK)	Ryun (KS)	Wicker
Manzullo	Saxton	Wilson (NM)
McCrery	Schaffer	Wilson (SC)
McHugh	Schrock	Wolf
McInnis	Sensenbrenner	Young (AK)
McKeon	Sessions	

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Abercrombie	Etheridge	Lofgren
Ackerman	Evans	Lowey
Allen	Farr	Lucas (KY)
Andrews	Fattah	Luther
Baca	Filner	Lynch
Baird	Ford	Maloney (CT)
Baldacci	Frank	Maloney (NY)
Baldwin	Frost	Markey
Barcia	Gephardt	Mascara
Becerra	Gonzalez	Matheson
Berkley	Gordon	Matsui
Berman	Green (TX)	McCarthy (MO)
Berry	Gutierrez	McCarthy (NY)
Bishop	Harman	McCollum
Blumenauer	Hastings (FL)	McDermott
Bonior	Hill	McGovern
Borski	Hilliard	McIntyre
Boswell	Hinches	McKinney
Brady (PA)	Hoeffel	McNulty
Brown (FL)	Holden	Meehan
Brown (OH)	Holt	Meek (FL)
Capps	Honda	Meeks (NY)
Capuano	Hooley	Menendez
Cardin	Hoyer	Millender
Carson (IN)	Inslee	McDonald
Carson (OK)	Israel	Miller, George
Clay	Jackson (IL)	Mink
Clayton	Jackson-Lee	Mollohan
Clement	(TX)	Moore
Clyburn	Jefferson	Murtha
Condit	John	Nadler
Conyers	Johnson, E.B.	Napolitano
Costello	Jones (OH)	Neal
Coyne	Kanjorski	Oberstar
Cramer	Kaptur	Obey
Crowley	Kennedy (RI)	Olver
Cummings	Kildee	Owens
Davis (CA)	Kilpatrick	Pallone
Davis (FL)	Kind (WI)	Pascarell
DeFazio	Kleczka	Pastor
DeGette	Kucinich	Payne
DeLahunt	LaFalce	Pelosi
DeLauro	Lampson	Peterson (MN)
Deutsch	Langevin	Phelps
Dicks	Lantos	Pomeroy
Dingell	Larsen (WA)	Price (NC)
Doggett	Larsen (CT)	Rahall
Dooley	Lee	Rangel
Doyle	Levin	Reyes
Edwards	Lewis (GA)	Rivers
Engel	Lipinski	Rodriguez

Roemer	Skelton	Towns
Ross	Slaughter	Turner
Rothman	Smith (WA)	Udall (CO)
Roybal-Allard	Snyder	Udall (NM)
Rush	Solis	Velazquez
Sabo	Spratt	Visclosky
Sanchez	Stark	Waters
Sanders	Strickland	Watson (CA)
Sandlin	Stupak	Watt (NC)
Sawyer	Tanner	Waxman
Schakowsky	Tauscher	Weiner
Schiff	Taylor (MS)	Wexler
Scott	Thompson (CA)	Woolsey
Serrano	Thompson (MS)	Wu
Sherman	Thurman	Wynn
Shows	Tierney	

NOT VOTING—15

Barrett	Cubin	Norwood
Barton	Davis (IL)	Ortiz
Bentsen	Eshoo	Radanovich
Blagojevich	Graham	Trafficant
Burton	Hinojosa	Young (FL)

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Ms. SLAUGHTER, and Messrs. FORD, PASCRELL, NEAL of Massachusetts, RUSH, and Mr. DAVIS of Florida changed their vote from "yea" to "nay."

So the previous question was ordered. The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Wanda Evans, one of his secretaries.

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-197)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iran emergency is to continue in effect beyond March 15, 2002, to the *Federal Register* for publication. The most recent notice continuing this emergency was published in the *Federal Register* on March 14, 2001 (66 Fed. Reg. 15013).

The crisis between the United States and Iran constituted by the actions and policies of the Government of Iran, including its support for international