

**Congressman Joe Neguse**  
**Statement for the Record**  
**ACAL Subcommittee Hearing**  
**“Justice Restored: Ending Forced Arbitration and Protecting**  
**Fundamental Rights”**  
**February 11, 2020**

Thank you, Chairman Nadler and Chairman Cicilline, for holding the subcommittee’s first hearing on such a critical topic. A large focus of our work last Congress was consumer protection, and I am grateful to see that continue into the 117th Congress.

It can sometimes be lost on the American public as we address topics like forced arbitration, how it connects back to the everyday lives of Americans. But we know that ending forced arbitration clauses is fundamentally about protecting consumer rights.

Before I came to Congress, I spent several years in the cabinet of then-Governor, now Senator Hickenlooper, where I led our state’s consumer protection agency, the Department of Regulatory Agencies, DORA. It is an agency filled with over 600 civil servants, dedicated to protecting Coloradans each and every day, similar to the Consumer Financial Protection Bureau and Federal Trade Commission’s work on the federal level.

During my time at DORA, and in the years since, forced arbitration clauses have spread fast across the consumer and workplace landscape, making their way into virtually every consumer contract, and by some estimates, found in roughly half of all private-sector non-union employee contracts and used by 81 of Americans top 100 largest companies. The prevalence of forced arbitration used in workplace and consumer claims is the result of U.S. Supreme Court judicial developments that over the last three decades have greatly expanded the reach of the Federal Arbitration Act.

Whether Americans realize it or not, the chances are they have agreed to dozens of arbitrations – which are usually tucked sneakily into cell phone or credit card contracts, hidden in student loan agreements, and buried in employee contracts. These arbitration clauses, more often than not, strip individuals of their right to pursue redress in court. And instead, sends them to a closed-door, practically unappealable proceeding, where, research shows, they are far less likely to prevail.

By being pushed into arbitration, consumers and workers are often forced to give up their right to have full and fair discovery, an impartial judge and jury, an ability to rely on legal precedent, and a full right to appeal the decision.

This must end. That's why I'm incredibly proud of the work we accomplished last Congress in passing the Forced Arbitration Injustice Repeal (FAIR), led by Congressman Johnson (D-GA), a far-reaching bill which would prohibit forced arbitration clauses in consumer, antitrust, employment, and civil rights disputes unless they were agreed to voluntarily after a dispute arises. I look forward to continuing that work this Congress to help push the bill across the finish line so that we can restore fundamental rights to millions of American workers and consumers and create a more even playing field.

Thank you.