



June 4, 2025

The Honorable Mike Collins
U.S. House of Representatives
Washington, DC 20515

Dear Representative Collins:

The U.S. Chamber of Commerce and the U.S. Chamber Institute for Legal Reform (ILR) are proud to support your “Lawsuit Abuse Reduction Act”.

Every year, potentially billions of dollars are wasted on frivolous lawsuits, hurting job growth and slowing the economy. Under America’s current legal system, obtaining dismissal of a lawsuit that has no valid legal or factual basis can easily cost hundreds of thousands of dollars in legal fees and discovery costs—not to mention lost time and productivity. As a result, businesses often settle even baseless claims because fighting them in court would cost more than agreeing to a settlement demand. The expenses accompanying such settlements result in lost jobs and can drive businesses, especially small businesses, into bankruptcy.

Rule 11 of the Federal Rules of Civil Procedure provides an important foundation for the legal system—claims filed in federal court must be based on both law and fact. However, as Rule 11 currently stands, the filing of a frivolous claim does not necessarily automatically result in sanctions. In the words of one Supreme Court Justice, the rule is completely “toothless,” allowing parties “to file thoughtless, reckless, and harassing pleadings, secure in the knowledge that they have nothing to lose.” This lack of accountability rewards the gamesmanship of unscrupulous attorneys who can file baseless claims without significant fear of recourse.

The “Lawsuit Abuse Reduction Act” aims to realign these incentives by strengthening Rule 11’s enforcement provisions. Specifically, this bill would make sanctions for violations of Rule 11 mandatory rather than discretionary. This bill would also eliminate the 21-day “safe harbor” that allows lawyers to file frivolous claims without threat of sanction because they can withdraw them without penalty within 21 days of a sanctions motion being filed against the offending party. Additionally, this bill would replace language that discourages judges from making victims of lawsuit abuse whole with language that fully authorizes judges to order parties who pursue frivolous claims to pay the other sides’ legal fees and costs.

Without true consequences being imposed on parties who make meritless legal claims, innocent businesses will continue to be threatened with the reality that paying off baseless claims is often cheaper than litigation. The “Lawsuit Abuse Reduction Act” would help fix this perverse dynamic by deterring abusive litigation practices and, as a result, encourage economic growth and job creation.

Thank you again for introducing this important piece of legislation and we look forward to working with you as the bill makes its way through the legislative process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Webb', is positioned above the typed name.

Matthew D. Webb
Senior Vice President, Legal Reform Policy
U.S. Chamber of Commerce
Institute for Legal Reform (ILR)