



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 17, 2019
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1423 – Forced Arbitration Injustice Repeal (FAIR) Act
(Rep. Johnson, D-GA, and 222 cosponsors)

The Administration strongly opposes passage of H.R. 1423. This bill would prohibit private businesses from entering into predispute arbitration agreements, including those allowing for the use of collective arbitration procedures. These blanket prohibitions will increase litigation, costs, and inefficiency, including by exposing the vast majority of businesses to even more unnecessary litigation. As written, the FAIR Act disregards the benefits of resolving disputes through arbitration, including lower costs, faster resolution, and reduced burden on the judiciary. By limiting contractual options, this bill would hurt businesses and the very consumers and employees it seeks to protect.

If H.R. 1423 were presented to the President in its current form, his advisors would recommend that he veto the bill.

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