

ARBITRATION

Over the years, Alabama citizens have constantly been involved in fights trying to save and protect what few consumer rights they have had. The real battle now, however, involves arbitration. We have seen arbitration become a serious threat to Alabama consumers. Mandatory, binding arbitration has become the most devastating thing to happen to Alabama consumers over the last 25 years.

Up until recently, few people in Alabama understood what arbitration is all about. Many people confused arbitration with voluntary mediation that can be an effective way to settle disputes. On the other hand, arbitration is for disputes where big folks are fighting big folks.

Arbitration just does not work in consumer transactions. The average citizen does not have a chance when a consumer dispute is settled in a mandatory arbitration hearing. There is no review and no appeal from the arbitrator's decision. There is no right to go to court in an effort to settle your disputes when arbitration is involved.

Unfortunately, under the current climate, the consumer has no choice. The arbitration is mandatory. If the corporation to a consumer contract asks for arbitration, the corporation will get arbitration. The consumer can't object and avoid arbitration.

Arbitration is also very costly. The filing fee can range from \$500 to several thousand dollars. The total cost of arbitration can be very high and is taxed against the losing party.

We are now seeing arbitration in all types of consumer transactions.

- Car purchases
- Consumer loans
- Appliance purchases
- Rentals
- Repairs

We are even seeing arbitration put in applications for a student to take the ACT test.

It will likely be used in worker's compensation claims.

We are now, for the first time, seeing arbitration is made a condition of keeping a job. This is just plain wrong. No person should have to give up a Constitutional right in order to keep his or her job.

I never thought we would see arbitration in Alabama insurance policies. But we are because of something done under the James Administration. This is not only wrong – arbitration is not legally enforceable in Alabama insurance policies.

Consumers throughout the state of Alabama must band together and join forces against the common enemy.

The powerful groups, who are pushing arbitration as an effective tort reform tool, have forgotten that:

Consumers are customers, and that
Business depends on customers

Employers must have employees. That's the American way.

The groups could care less about consumer rights.

There must be a mutual trust between those in business and the consumers they in years past served.

It is not the small business owner who has pushed arbitration on Alabama consumers. The powerful tort reform groups are the guilty parties.

Both the Federal and State Constitutions guarantee the right to a jury trial. This is a basic and fundamental right that Alabama citizens have enjoyed for over 175 years and one that many of us take for granted.

When disputes are serious, this right becomes even more important – no person should have to give up their Constitutional right to a jury trial in a consumer transaction.

The jury system is the only protection that Alabama consumers have.

We all know that Alabama has very weak consumer protection laws.

We all know that Alabama has the weakest Insurance Department in the country.

We all know that Alabama has an Attorney General who does very little to protect Alabama consumers.

Fortunately, we now have a Governor who in the past has been a real friend to Alabama consumers.

Unless a citizen waives this Constitutional right, arbitration cannot be forced on that person.

Citizens believe in protecting Constitutional rights – this is a basic truth.

What can you do?

Working men and women must get actively involved in this fight.

You can contact your Senators and House members – let them know how you feel.

You can also contact Governor Don Siegelman, who had the support of working men and women throughout the state in record numbers, and let him know that you are counting on him.

We must let the Governor know that he cannot let arbitration be forced on Alabama citizens.

Governor Siegelman can simply tell his Insurance Commissioner to revoke the arbitration guidelines that were given to insurance companies by Fob James' Insurance Commissioner. Doing this will cure the insurance part of the arbitration battle.

We should be able to count on the Courts in Alabama to take care of this problem. However, we all now recognize that the Alabama Supreme Court has become very much anti-consumer. Recent rulings of the Court have taken arbitration to new heights in Alabama.

The Court does not have to be anti-business in order to be fair to consumers and give them their rightful protection against wrongful acts. You can be pro-consumer and pro-business at the same time.

Get involved – it is most important!

You can't afford to let other folks fight this battle for you!

If the arbitration fight is lost, all Alabamians lose.

This fight is one that you must win.