terrorism, efforts to undermine Middle East peace, and acquisition of weapons of mass destruction and the means to deliver them, that led to the declaration of a national emergency on March 15, 1995, has not been resolved. These actions and policies are contrary to the interests of the United States in the region and pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to Iran and maintain in force comprehensive sanctions against Iran to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 13, 2002*.

PERIODIC REPORT ON NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107–188)

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:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c), I transmit herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to Iran that was declared in Executive Order 12957 of March 15, 1995.

GEORGE W. BUSH.
THE WHITE HOUSE, *March 13, 2002*.

CLASS ACTION FAIRNESS ACT OF 2002

The SPEAKER pro tempore. Pursuant to House Resolution 367 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2341.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the 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, with Mr. LINDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 2341, the Class Action Fairness Act of 2002. Last August, The Washington Post Editorial Board wrote that ''no portion of the American civil justice system is more of a mess than the world of class actions. None is in more desperate need of policymakers' attention.''

Mr. Chairman, the Post almost got it right, except that the world of class action litigation is not a mess, it is a joke. The examples speak for themselves:

An airline price-fixing settlement produced $16 million in attorneys' fees that only provided a $25 credit for class members, if they purchased an additional airline ticket for more than $250.

The Bank of Boston accounting settlement, which resulted in $8.5 million in attorneys' fees but actually cost class members around $80 apiece. And if that was not bad enough, the plaintiffs' attorneys in this settlement actually sued the class members for an additional $25 million.

In Mississippi, an asbestos settlement rewarded class members from Mississippi as much as 18 times more than class members from other States. In another case, a class action settlement against Cheerios over food additives produced $2 million in attorneys' fees and class members only received coupons for more Cheerios.

While these settlements are a disgrace to the American legal system, H.R. 2341 takes important steps to restore its dignity. First, it would implement necessary safeguards against these and other unwieldy settlements that give lawyers millions of dollars in fees and individual class members a small fraction of any settlement or award. Secondly, it would expand Federal diversity jurisdiction over interstate class actions to help curb the serious abuses that continue to take an enormous toll on our society.

A quick examination of the class action world reveals that the scales of justice are unable to balance the interests of class action lawyers and their clients. Currently, attorneys lump thousands and sometimes millions of speculative claims into one class action and then race to any available State courthouse in the hopes of a rubber stamp settlement. Too often these settlements result in millions of dollars of attorneys' fees and a mere pittance or coupons for class members in exchange for an agreement not to sue in the future.

While these class actions serve no public policy or benefit to class members, they are an enormous windfall for their attorneys. In addition, because most State and Federal procedural rules require the class members affirmatively opt out of the lawsuit, there are many instances where people are dragged into class actions and do not know how to get out. The only available advice is supposedly contained in extremely complicated class action notices. Mr. Chairman, this system does not protect the interests of class members.

While case after case demonstrates how greedy attorneys use abusive class action settlements to game the system at the expense of their clients, this bill provides long-needed protections to prevent this from happening in the future. A consumer class action bill of rights would prohibit the payment of bounties to class representatives, bar the approval of unreasonable net-loss settlements, and establish a plain-English requirement for settlement notices which clarify class members' rights. Additionally, H.R. 2341 would require greater scrutiny of coupon settlements and settlements involving out-of-state class members.

With the filing of State court class actions having increased a thousand percent over the last 10 years, the current system has transformed certain State courts into the epicenter for class action abuse. It is widely known that there are a handful of State courts notorious for processing even the most speculative of class actions. These courts end up rendering judgments that make national law and bind people from all 50 States. This is exactly what diversity jurisdiction in our Federal courts was intended to prevent.

The bill would rectify this situation by updating antiquated Federal jurisdictional rules and providing our Federal courts with jurisdiction over large interstate class actions. Currently, the Federal Rules provide Federal court jurisdiction for disputes dealing with Federal laws and disputes based upon complete diversity. That means that all plaintiffs and defendants are residents of different States and that every plaintiff's claim is valued at $75,000 or more. As a result, Federal courts have jurisdiction over lawsuits between people from two different States for just over $75,000 but do not have jurisdiction for national class actions worth billions of dollars. Instead, these massive lawsuits are being processed in various county courts throughout the country.

The bill establishes a new minimal diversity standard for class actions, requiring that any plaintiff and any defendant are residents of different