



July 27, 2017

The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Dan Sullivan
702 Hart Senate Office Building
Washington, DC 20510

Dear Senator Murkowski and Sullivan;

The Alaska Chamber urges you to use the Congressional Review Act to rebuke the Consumer Financial Protection Bureau's (CFPB) anti-arbitration rule, S.J. Res. 47.

The Alaska Chamber is a non-profit founded in 1953 working to promote a positive business environment in Alaska. The Chamber is the voice of small and large business representing hundreds of employers and local chambers across Alaska. Our member companies employ over 100,000 hard-working Alaskans. Our members support a transparent regulatory process based on sound information that benefits both businesses and consumers.

On July 10th, the CFPB promulgated an anti-arbitration rule that degrades consumer protection. Even though this regulation is directed at financial firms, the CFPB's rule impacts millions of contracts at businesses of all types that the Bureau believes touch consumer finance—even mobile telephone service providers and website operators. This is an important issue for the business community in Alaska as well as the business community nationwide.

This rule is just the latest action by the over-reaching and potentially unconstitutional agency. Rather than taking a careful and measured approach that respects integral checks and balances, the CFPB chose to take advantage of this questionable statutory structure to pursue their biased agenda. In issuing this rule, the CFPB ignored the views of numerous members of Congress, the concerns of another government regulator, as well as the findings of its own foundational study that shows the problems associated with class action litigation. Instead, the CFPB decided to issue a regulation that imposes new burdensome regulations, hurts consumers, and rewards class action lawyers.

Moreover, the rule results from a non-transparent, biased process. To support its rule, the CFPB produced a flawed arbitration study that has been criticized as methodologically unsound by distinguished academics. In addition, the Bureau's *own data* shows that class actions provide little or no benefit to consumers, while providing lucrative paydays to class action attorneys. For those few consumers who actually receive relief in a class action, the CFPB found that they only get an average of \$32 while the class action lawyers bringing the lawsuit receive an average of \$1 million in fees. This is in contrast to arbitration where, according to the same CFPB study, consumers receive almost \$5,400 when using arbitration.



We hope that you will support S.J. Res 47 and undo the CFPB's misguided anti-arbitration rule.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Curtis W. Thayer', with a long horizontal flourish extending to the right.

Curtis W. Thayer
President and CEO