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[Urging passage of AB 3029]

**Resolution urging the California State Assembly to pass and Governor Gray Davis to sign AB 3029 (Darrel Steinberg) creating rules in consumer arbitration.**

WHEREAS, In recent years, many large corporate entities have imposed on consumer parties pre-dispute arbitration clauses as a mandatory condition of getting a job, receiving health care, housing or various goods and services; and,

WHEREAS, Consumer arbitration is administered by large private judging companies that, unlike the judicial system and every other professional practice within the legal field, is essentially unregulated; and

WHEREAS, Lack of regulation skews favor against employees and consumers since arbitration firms have a history of engaging in consulting and other business relationships with corporate clients whose arbitration they handle, as clearly seen in the recent Arthur Anderson-Enron debacle; and

WHEREAS, Recent studies suggest that the choice of private judging companies can have an impact on the outcome of arbitration, thus, private judging companies are prone to favor corporate parties during arbitration that are potential repeat customers; and

WHEREAS, Assemblyman Darrell Steinberg, D-Sacramento, has authored an arbitration reform bill that will allow consumers to both choose an alternative arbitration provider when a business designates its favored company in the consumer arbitration agreement, and be provided with data regarding the private judging companies' history of involvement with consumer arbitration; and

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WHEREAS, This reform bill also prohibits judging companies that administer consumer arbitration from engaging in consulting and other business relationships with corporate clients who are parties to consumer arbitration before them; and

WHEREAS, Private judging companies will be prohibited from promising or implying favoritism or communicating policy statements contrary to the rules under which they actually administer consumer arbitration; now, therefore, be it

RESOLVED that Board of Supervisors of the City and County of San Francisco does hereby urges the California State Assembly to pass and Governor Gray Davis to sign AB 3029 (Darrel Steinberg) creating rules in consumer arbitration.



City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Tails  
Resolution

File Number: 020689

Date Passed:


Resolution urging the California State Assembly to pass and Governor Gray Davis to sign AB 3029 (Darrel Steinberg) creating rules in consumer arbitration.

May 6, 2002 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,  
Newsom, Peskin, Sandoval, Yee

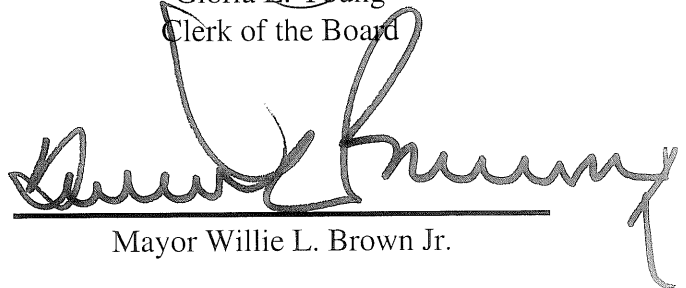
File No. 020689

I hereby certify that the foregoing Resolution was ADOPTED on May 6, 2002 by the Board of Supervisors of the City and County of San Francisco.

  
Gloria L. Young  
Clerk of the Board

MAY 17 2002

Date Approved

  
Mayor Willie L. Brown Jr.