



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

October 27, 2005
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 420 - Lawsuit Abuse Reduction Act of 2005

(Rep. Smith (R) Texas and 57 cosponsors)

The Administration supports House passage of H.R. 420 in order to address the growing problem of frivolous litigation. H.R. 420 would rein in the negative impact of frivolous lawsuits on the Nation's economy by establishing a strong disincentive to file such suits in Federal and State courts. Junk lawsuits are expensive to fight and often force innocent small businesses to pay exorbitant costs to make these claims go away. These costs hurt the economy, clog our courts, and burden American businesses. The Administration believes the bill is a step in the right direction toward the goal of ending lawsuit abuse. The Administration looks forward to working with Congress to improve certain provisions of the legislation before final passage of the bill by both Houses.

* * * * *