

May 12, 1999

REPRESENTATIVE SCHAKOWSKY -- "CONSUMERS LOSE IN H.R. 775, THE YEAR 2000 READINESS AND RESPONSIBILITY ACT"

WASHINGTON, D.C. U.S. Representative Jan Schakowsky (D-IL) today expressed disappointment that Congress passed H.R. 775, the Year 2000 Readiness and Responsibility Act. Schakowsky said that H.R. 775 is a sweetheart deal for manufacturers, sellers, and businesses whose products may hurt consumers and small businesses due to potential Y2K problems.

"The year 2000 did not sneak up on us by surprise, and the last time I checked, we have known about the Y2K problem for years. Businesses must be held accountable for failing to take action to remedy potential Y2K problems that may result in harming consumers," said Schakowsky.

"I support measures, such as technical assistance and grants, that help small businesses prepare for Y2K. But H.R. 775 is not the answer. It is a bill that lets big business off the hook, while failing to provide any assistance to small businesses or guaranteeing any protections for consumers," added Schakowsky.

H.R. 775 will preempt state consumer protection laws, limit consumers' legal rights even in cases involving fraud by product manufacturers or sellers, make it harder to file class action suits and impose severe limits on punitive damages.

Other provisions included in the bill will limit consumers' ability to receive just compensation for the failure and neglect of businesses to act in order to avert potential Y2K defects. Such provisions include the ability of businesses to use a "reasonable efforts" defense. This allows businesses to claim no responsibility for damages suffered by consumers if reasonable, albeit unsuccessful, efforts to fix the Y2K defect were made.

"This provision will let those responsible off the hook just by saying 'I tried to fix it.' 'I tried' just does not cut it," said Schakowsky.

Another provision will place an undue burden on small businesses by requiring a 90-day waiting period before action can be filed in state or federal court.