104TH CONGRESS
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HOUSE OF REPRESENTATIVES
REPORT
104–180

EXTENSION OF DISTRICT COURT DEMONSTRATION PROGRAM

JULY 11, 1995.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MOORHEAD, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 464]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the Act (S. 464) to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the Act do pass.

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PURPOSE AND SUMMARY

The Civil Justice Reform Act of 1990 (28 U.S.C. 471 note) required certain federal district courts to conduct demonstration programs from 1991 through 1994 for improved case management and cost reduction in civil litigation. This law also required the Judicial

Conference of the United States to prepare a report for the Congress on the programs' results by December 31, 1995.

S. 464 would extend the demonstration period through the end of 1995, and the report deadline, to December 31, 1996. This change would make the reporting deadlines for studies conducted in federal court demonstration districts consistent with the deadlines for pilot districts which were also established under the Civil Justice Reform Act.

BACKGROUND AND NEED FOR THE LEGISLATION

BACKGROUND

Public Law 101–650 known as the Civil Justice Reform Act of 1990 set up two programs to study various innovative programs in court management. One program involves what are referred to as demonstration districts. Under § 105(b) of Public Law 101–650 the Judicial Conference of the United States was to designated the 10 district courts that would be the pilot courts, while § 104 (b) of Public Law 101–650 specifically named the five district courts that were to participate in the demonstration program. As part of their expense and delay reduction programs the 10 pilot courts are required to include the six principles and guidelines of litigation management and cost and delay reduction found in § 473(a) of Title 28, United States Code. There is no similar requirement for the demonstration districts. Rather, two of the demonstration districts, the United States District Court for the Western District of Michigan and the United States District Court of the Northern District of Ohio are required to experiment with systems of differentiated case management. The other three, the United States District Court for the Northern District of California, the United State District Court of the Northern District of West Virginia, and the United States District Court for the Western District of Missouri are required to experiment with various forms of alternative dispute resolution.

Both the pilot program and the demonstration program were originally established for a three-year period, with studies of the two programs to be conducted over a four-year period and the resulting reports transmitted to Congress by December 31, 1995. The Rand Corporation has been carrying out the study of the pilot courts, while the Federal Judicial Center is conducting the study of the demonstration districts.

Last year, the pilot program was extended for an additional year, and the Rand Corporation received a one-year extension for its study of those courts. That extension was included in Public Law 103–420, the Judicial Amendments Act of 1994. Through an oversight, however, no extension was included for the demonstration districts.

S. 464 would grant the same one-year extension for the demonstration districts as was granted for the pilot courts. This will make the two programs and their studies consistent so that the final reports can be directly compared. That was the intent behind the deadlines that were established when the two study programs were set up. This legislation will restore that end. Also, the exten-

sion of the deadline will improve the study, since more cases will be complete and included in the study.

HEARINGS

S. 464 was introduced in the Senate on February 23, 1995 by Senator Hatch, and then referred to the Senate Committee on the Judiciary.

On March 16, 1995, the Senate Committee on the Judiciary ordered reported the bill, S. 464, by a voice vote.

On March 30, 1995, the bill passed the Senate under a unanimous consent request.

On April 3, 1995, S. 464 was referred to the House Committee on the Judiciary, and on April 24, 1995, was referred to the Subcommittee on Courts and Intellectual Property. The Subcommittee held a hearing on S. 464, and related court proposals on May 11, 1995. The Honorable William W. Schwarzer, Senior Judge, Northern District of California and the former Director of the Federal Judicial Center; and the Honorable Ann C. Williams, Judge, United States District Court of the Northern District of Illinois submitted letters in support of S. 464 as part of the hearing record. [See Agency Views for the complete text of their letters]

COMMITTEE CONSIDERATION

On May 16, 1995, the Subcommittee on Courts and Intellectual Property met in open session and ordered reported the bill S. 464, by a voice vote, a quorum being present.

On June 7, 1995, the Committee met in open session and ordered reported the bill S. 464 without amendment by a voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT FINDINGS

No findings or recommendations of the Committee on Government Reform and Oversight were received as referred to in clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 2(l)(3)(B) of House rule XI is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, S. 464, the following estimate and comparison prepared by

the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 13, 1995.

Hon. HENRY J. HYDE,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 464, an act to make the reporting deadlines for studies conducted in federal court demonstration districts consistent with the deadlines for pilot districts, as ordered reported by the House Committee on the Judiciary on June 7, 1995. CBO estimates that enacting this legislation would result in no significant costs to the federal government and in no costs to state or local governments. Enacting S. 464 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply to the act.

Public Law 101–650 required certain federal district courts to conduct demonstration programs from 1991 through 1994 for improved case management and cost reduction in civil litigation. This law also required the Judicial Conference of the United States to prepare for the Congress a report on the programs' results by December 31, 1995. S. 464 would extend the demonstration period through the end of 1995 and the report deadline to December 31, 1996. Based on information from the Administrative Office of the United States Courts, we estimate that enacting this legislation would result in no significant additional cost to the federal judiciary.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz, who can be reached at 226–2860.

Sincerely,

JUNE E. O'NEILL.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that S. 464 will have no significant inflationary impact on prices and costs in the national economy.

SECTION-BY-SECTION ANALYSIS

Section 1. Public Law 101–650 required five specified federal district courts to conduct demonstration programs from 1991 through 1994 for improved case management and cost reduction in civil litigation. This law also required the Judicial Conference of the United States to prepare for the Congress report on the programs results by December 31, 1995.

This section would extend the demonstration period through the end of 1995 and the report deadline to December 31, 1996. This change will make the reporting deadlines for studies conducted in federal court demonstration districts consistent with the deadlines

for pilot courts which were extended in Public Law 103–420, the Judicial Amendments Act of 1994.

AGENCY VIEWS

SAN FRANCISCO, CA,
May 9, 1995.

Hon. CARLOS J. MOORHEAD,
Chairman, Committee on the Judiciary, Subcommittee on Courts and Intellectual Property, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I write in reference to S. 464, a bill currently before your subcommittee, which would extend for one year the date for submission of the Judicial Conference's study of the five demonstration districts established under Civil Justice Reform Act of 1990.

The Civil Justice Reform Act as initially passed placed the demonstration districts on the same time table as the pilot and comparison districts established by the Act. Both sets of courts were asked to experiment with various procedures until December 1994, and the Judicial Conference was directed to report on these courts' experiences by December 1995. The parallel time frames permitted comparison of the studies and the use of both by the Judicial Conference in making its recommendations to Congress.

Last year the time frames for the pilot and comparison courts were extended for an additional year to permit a more reliable study of these courts. Due to an oversight, this legislation did not include an extension for the demonstration districts, and thus the two studies are no longer on parallel tracks, nor does the study of the demonstration districts have the benefit of an additional year of data collection.

In response to a request from your staff for comment on S. 464, I write to express my support for the legislation. As it is unlikely that Congress will take action in response to the CJRA until it receives the Judicial Conference's report on the pilot courts, it seems wise to have the Federal Judicial Center use the additional year to continue data collection in the demonstration districts. The alternative, to maintain the December 1994 reporting date, would leave the report on these courts lying dormant until the pilot court study and the Judicial Conference's recommendations are submitted in December 1995. I believe it is the wiser course to strengthen the Center's study with an additional year of data collection and to keep the two CJRA studies on the same timetable.

I note that S. 464 had strong bipartisan support in the Senate and was passed unanimously. I understand also that there would be no budgetary consequences from the legislation, as it would impose no additional requirements on the courts or the Federal Judicial Center. Given the purely technical nature of the amendment and the substantial benefits it would achieve at no additional cost. I urge the House to pass this legislation.

Sincerely,

WILLIAM W. SCHWARZER,
Senior United States District Judge.

UNITED STATES DISTRICT COURT,
NORTHERN DISTRICT OF ILLINOIS,
May 11, 1995.

Hon. CARLOS J. MOORHEAD,
Chairman, Committee on the Judiciary, Subcommittee on Courts and Intellectual Property, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I write in reference to S. 464, a bill currently before your subcommittee. The bill would extend for one year the reporting date for the Judicial Conference's study of the five demonstration districts established under the Civil Justice Reform Act of 1990.

In the original framework established by the Civil Justice Reform Act, the demonstration districts were given the same time table as the pilot and comparison districts, with the districts' experiments running until December 1994 and the Judicial Conference's reports to Congress scheduled for December 1995. One purpose of the identical time frames was to permit the Judicial Conference to compare the two sets of experiments in developing its recommendations to Congress.

Last year, the time frames for the pilot and comparison districts were extended one year, establishing a new reporting date of December 1996 (Judicial Amendments Act of 1994). It is my understanding that a one-year extension for the demonstration districts was to have been included in that legislation but was inadvertently omitted. S. 464 would correct that omission and thus would restore the parallel timetables of the pilot and demonstration districts.

While the Judicial Conference has no formal position on this issue, I would like personally to express my support for this extension because parallel timetables will aid the work of the Judicial Conference committee I chair. If the demonstration districts are not extended, the information from the study of those courts will lie on the shelf for a year while we await the pilot courts study, when instead the intervening year could be used to add information as current and as comprehensive as the information we will receive about the pilot courts. Given the opportunity for a stronger study, there seems little reason to end the study of the demonstration districts prematurely.

I want to emphasize that the benefits of the additional year would be achieved at no additional cost. S. 464 would impose no new demands on the demonstration districts and would create no new funding needs for the judiciary. I also want to underscore that this is solely corrective legislation and that I know of no opposition to it. As you know, the legislation had strong bipartisan sponsorship in the Senate and was passed unanimously by that body. I also have the full commitment of the Federal Judicial Center to continue its study on behalf of the Judicial Conference.

I will be happy to answer any questions you may have regarding this matter, and I thank you for your consideration of our views on this legislation.

Sincerely,

ANN C. WILLIAMS.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 104 OF THE CIVIL JUSTICE REFORM ACT OF 1990

SEC. 104. DEMONSTRATION PROGRAM.

(a) IN GENERAL.—(1) During the [4-year period] *5-year period* beginning on January 1, 1991, the Judicial Conference of the United States shall conduct a demonstration program in accordance with subsection (b).

* * * * * * *

(d) REPORT.—Not later than [December 31, 1995,] *December 31, 1996,* the Judicial Conference of the United States shall transmit to the Committees on the Judiciary of the Senate and the House of Representatives a report of the results of the demonstration program.

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