

Georgia Trial Lawyers Association

Protecting the Constitution's Promise

For Justice for All

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Georgia's strong business climate attracts industry and fosters ingenuity

So why would our Chamber of Commerce tell us differently?

The State of Georgia has reason to celebrate. Last week Georgia was ranked 8th in the nation by financial network CNBC in its "America's Top States for Business" report,¹ and was named third best state in the nation for developing new biomass industry by *Forbes Magazine*.²

Governor Sonny Perdue issued a press release last Friday stating Georgia has a "strong," "streamlined," and "pro-active" business environment and reminded citizens that Georgia is already at the forefront of the nation exploring new avenues for alternative renewable energies.³ Such bioenergy-related business requires ingenuity, the backing of major Universities and other research based institutions and a business climate that fosters the development of new, groundbreaking products. Georgians should be proud of these nationally respected rankings. These accolades are important to remember as politically motivated groups attempt to tell the people of Georgia differently.

In sharp contrast to CNBC's and Forbes' independent reports, on April 22 of this year, the U.S. Chamber of Commerce's Institute for Legal Reform (ILR) released its 2008 report, in which it ranked Georgia's legal system as 28th in the nation.⁴ This report was given to every legislator in Georgia and received national attention. However, the following facts were not given to the Georgia legislature:

- The ILR is a 30-person board composed of heads of drug, chemical, and insurance corporations with a combined 2007 revenue of \$1.4 trillion dollars.⁵
- Only corporate defense lawyers from companies earning at least \$100 million or more were surveyed. No local attorneys, judges or media were surveyed.⁵
- The US Chamber's own pollster stated that there is no way to measure the fairness of a state's legal system.⁶
- The same pollster confessed to the Charleston Gazette in West Virginia that only a fraction of the corporate lawyers surveyed knew anything about the state's courts. Yet West Virginia was ranked 49th out of 50 states.⁷

"It's ludicrous. How could Forbes Magazine rank Georgia as 3rd in the nation for groundbreaking industry if what the Chamber says is true?" asked Fred Orr, President of the Georgia Trial Lawyers Association. **"The ILR's Report, and the other reports that are just like it, are nothing more than concocted statistics and imagined stories intended to scare the citizens and the legislatures in great states like Georgia."**

Several weeks prior to the Chamber's report, the Pacific Research Institute (PRI) ranked Georgia 27th against the other 49 states using their Tort Liability Index.⁸ This index supposedly judges a state's Civil

Justice System and business climate. The lower a state's ranking, the lower the status of its business community as shown in "higher prices, lower wages, decreased returns on investments in capital and land, restricted access to health care, and less innovation."

Since then, the PRI has come under fire for conducting unethical and largely false research. An analysis by three leading academics, Tom Baker of University of Pennsylvania Law School, Herbert Kritzer of William Mitchell College of Law, and Neil Vidmar of Duke Law School, found that PRI's claims are "without scientific merit and present a very misleading picture of the American tort system and its costs." The professors took PRI to task on multiple accounts, calling their work "advocacy disguised as science," "pure fiction," "lack[ing] scientific merit," and containing "highly dubious extrapolations."⁹

Yet organizations like the Chamber of Commerce and others are still using this information in attempts to forward their extreme corporate agendas. In the June/July 2008 issue of *Directorship Magazine*, the American Justice Partnership (AJP) ranked Georgia 28th in the nation based on the two reports mentioned above "combined with the experience of the AJP."¹⁰ In the report, Georgia has a big red circle next to its name which, according to AJP, indicates "the liability climate discourages growth and job creation." The AJP study calls the Georgia Supreme Court one of the nation's most 'activist.'

"What we have here is a business front group putting forth two major lies. First, they say that business growth is limited in Georgia at the same time independent national research clearly shows the exact opposite," said Andy Childers, an attorney in Atlanta. **"Second, they say that our Supreme Court is an activist court and suggest that our Justices should be challenged in an election. Yet just this spring, an independent, non-lobbying, academic study was released ranking the Georgia Supreme Court as one of the five best courts in the nation."**

The University of Chicago Law School released a report in May of 2008 entitled, "*Which States Have the Best (and Worst) High Courts?*"¹¹ The study was done in comparison to the Chamber's Harris Survey. The University study differs from the Chamber's in methodology. While the Chamber surveyed only defense attorneys in \$100 million firms, the University uses three measures rather than just one and does not survey lawyers.

"The differences between our approach and the earlier studies are driven partly by a different focus—the quality of the courts rather than (only) their influence—and partly by our different judgments about how to measure influence," the report states. The University study indicates that not only their research, but that of other leading national and academic institutions, finds the Chamber's research unreliable and inaccurate. "Our hope is that our study will shift the burden to the Chamber of Commerce to explain and justify their rankings more fully," the study concludes.

"Basically the Chamber just keeps pouring money into in-house studies that are cooked so as to propel their own misguided legislative agendas forward—at the expense of small business owners and the citizens of Georgia," said Childers. **"As a small business owner I'm completely aware of Georgia's business climate. It is good—just like the Governor said. With the real energy and economic problems we are facing you would think the Chamber would start focusing its attention on creating new industry, like developing alternative energy sources, rather than wasting its members' time and money continuing to spew made-up propaganda."**

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The Georgia Trial Lawyers Association
Protecting the Constitutional Promise of Justice for all by
Guaranteeing the Right to Trial by Jury,
Preserving and Independent Judiciary, and
Providing Access to the Courts for all Georgians

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