Justice Stevens announces retirement

ABA committee prepares to evaluate another Supreme Court nominee

The ABA Standing Committee on the Federal Judiciary will be evaluating the professional qualifications of the next Supreme Court nominee, who is expected to be announced shortly by President Obama following Justice John Paul Stevens’ announcement April 9 that he is retiring.

The 89-year-old Stevens, appointed in 1975 by President Ford, wrote nearly 400 majority opinions and became a leader of the moderate to liberal wing of the Supreme Court. A native of Chicago, Stevens served in the Navy during World War II and earned his law degree from Northwestern University. He established an antitrust law practice in Chicago and was selected by President Nixon to serve on the U.S. Court of Appeals for the 7th Circuit. President Ford nominated him to replace Justice William O. Douglas on the Supreme Court. He was confirmed by a 98-0 Senate vote.

In a letter to Stevens, ABA President Carolyn B. Lamm expressed her “profound gratitude” for his leadership on the Supreme Court and his “longstanding commitment to making our nation’s constitutional protections meaningful.”

“I applaud the tremendous impact you have had on our nation’s law, access to justice and civil rights and civil liberties for all,” she wrote.

President Obama is expected to announce a nominee within the next few weeks. “While we cannot replace Justice Stevens’ experience or wisdom, I will seek someone in the coming weeks with similar qualities — an independent mind, a record of excellence and integrity, a fierce dedication to the rule of law, and a keen understanding of how the law affects the daily lives of the American people,” he said during remarks April 9 at the White House. The nomination will be the second Supreme Court appointment for the president, who last year selected Justice Sonya Sotomayor to replace retiring Justice David Souter.

Once the nomination is announced, the 15-member ABA Standing Committee, chaired by Dallas lawyer Kim Askew, will initiate its peer-evaluation of the nominee’s professional qualifications. The Standing Committee uses three key factors to assess professional qualifications: integrity, professional competence and judicial temperament.

see “Supreme Court,” page 3
Independence of the Legal Profession. On 7/29/09, the Federal Trade Commission (FTC) announced a 90-day delay until 11/1/09 for a “Red Flags Rule” that would include attorneys in the definition of “creditor” and require lawyers to implement programs to detect, identify and respond to activities that could indicate identity theft. The ABA filed a lawsuit against the FTC on 8/27/09 and a motion for partial summary judgment on 9/23/09 to block the Rule’s application to lawyers. On 10/30/09, the court ruled that the FTC has exceeded its authority, and the FTC announced 2/26/10 that it would appeal the decision The FTC delayed implementation of the rule for all entities until 6/1/10.

Opposes the application of the FTC’s “Red Flags Rule” to lawyers.

Supports preservation of the attorney-client privilege and work product doctrine and opposes governmental policies, practices and procedures that erode these protections, including the routine practice by government officials of seeking to obtain a waiver of the attorney-client privilege or work product doctrine through the granting or denial of any benefit or advantage. See page 4.

Health Care Law. P.L. 111-148 (H.R. 3590), the Patient Protection and Affordable Care Act, and P.L. 111-152 (H.R. 4872), the Health Care and Education Reconciliation Act, overhaul the nation’s health care system. The president held a Forum on Health Reform at the White House on 3/5/09. S. 1347 and H.R. 1478 would repeal the Feres Doctrine, which prohibits members of the armed forces and their families from suing the military for negligent medical care during their service.

Judiciary subcommittee held a hearing on H.R. 1478 on 3/25/09 and approved the bill on 5/19/09. House passed the final version of H.R. 3590 on 3/21/10 and the final version of H.R. 4872 on 3/21/10.

Senate passed H.R. 3590 on 12/24/09 and the final version of H.R. 4872 on 3/25/10.


Supports increased access to health care for all Americans. Opposes federal legislation to preempt state medical liability laws or legislation to require patients injured by malpractice to use "health courts" that take away jury trials. Supports S. 1347 and H.R. 1478. See page 3.

Judicial Independence. No cost-of-living adjustment was provided for federal judges for fiscal year 2010. S. 220 and H.R. 486 would create an inspector general for the judicial branch. S. 1653 and H.R. 3362 would authorize new federal judgeships.

H.R. 486 was referred to the Judiciary Cmte. on 2/9/09. H.R. 3362 was referred to the Judiciary Cmte. on 9/29/09.

S. 220 was referred to the Judiciary Committee on 1/13/09. Judiciary subc. held a hearing on S. 1653 on 9/30/09.


Supports increased judicial pay. Opposes initiatives that infringe upon the separation of powers between Congress and the courts. See front page.

Legal Services Corporation. P.L. 111-117 (H.R. 3288) includes $420 million for the LSC in fiscal year 2010 and lifts a restriction on collection of statutorily authorized attorneys’ fees by LSC lawyers. S. 718 and 3467 would reauthorize the LSC and lift several restrictions.


Senate passed H.R. 2847 on 11/5/09. S. 718 was referred to Health, Education, Labor and Pensions Committee on 4/1/09.

President signed P.L. 111-117 (H.R. 3288) on 12/16/09.

Supports an independent, well-funded LSC. See page 7.
Health law includes ABA-backed initiatives

When President Obama signed health care overhaul legislation last month, several ABA-supported initiatives, including provisions in the Elder Justice Act, became law.

The health care statute – enacted through the signing of P.L. 111-148 (H.R. 3590), the Patient Protection and Affordable Care Act, and P.L. 111-152 (H.R. 4872), the Health Care and Education Reconciliation Act of 2010 – emerged from intense bipartisan political debate. The new law is intended to provide health insurance coverage for approximately 32 million more Americans. The followup reconciliation law, which made some health-care related revisions to P.L. 111-148, addressed federal student loans by eliminating the role of private companies in the process and including ABA-supported provisions modifying the income-based repayment system (see article, page 6).

The ABA, which supports access to affordable health care for all Americans, has tracked the ebb and flow of health care issues but has not taken a formal position on any particular proposal. The ABA, however, has long supported enactment of Elder Justice Act provisions included in the new law that:

• authorize $400 million ($100 million per year) in first-time dedicated funding for adult protective services (APS);
• authorize $100 million ($25 million annually) for state demonstration grants to test a variety of methods to improve APS;
• authorize grants to eligible long-term care facilities to train and attract qualified staff;
• require owners, operators and employees to report suspected crimes committed at a facility immediately to law enforcement;
• authorize grants to support the Long-Term Care Ombudsman Program and training programs for national organizations and state long-term care ombudsman programs;
• establish an Elder Justice Coordinating Council to make recommendations within two years to the HHS secretary on the coordination of activities of federal, state, local and private agencies and entities relating to elder abuse neglect and exploitation;
• establish an Advisory Board on Elder Abuse, Neglect and Exploitation to create short- and long-term multidisciplinary strategic plans for the development of the field of elder justice and to make recommendations to the Elder Justice Coordinating Council;
• authorize grants to establish and operate forensic centers and to develop forensic expertise in elder abuse, neglect and exploitation; and
• create a national program of background checks for persons seeking employment in nursing homes and other long-term care facilities (through incorporation of the provisions of the Patient Safety and Abuse Prevention Act).

According to the ABA, the Elder Justice Act provisions “create a needed infrastructure and provide essential resources necessary to develop and implement a nationally coordinated strategy in collaboration with the states to combat the widespread problem of elder abuse.”

Another provision strongly supported by the ABA prohibits discrimination in insurance plans based on health status, including evidence of insurability for conditions arising out of acts of domestic violence.

In addition, the new law requires health plans to apply the same level of treatment benefits to substance abuse and mental health disorders as they do to other medically necessary care. These provisions, supported by the ABA, are similar to those in P.L. 110-343, the Paul Wellstone and Pete Domenici Mental Health and Addiction Equity Act of 2008, which applies to employer-sponsored health insurance plans.

Supreme Court
continued from front page

Each member of the Standing Committee participates in the evaluation, and confidential interviews are conducted nationwide of hundreds of lawyers, judges and other leaders who are in a position to assess the nominee’s professional qualifications. Two teams of distinguished law school professors examine the nominee’s legal writings for quality, clarity, knowledge of the law and analytical ability. A national team of leading practicing lawyers with experience practicing before the Supreme Court also examines the legal writings of the nominee. Each team submits a summary of its findings to the full Standing Committee for its consideration in evaluating the nominee.

After the nominee is interviewed, a confidential formal report detailing every component of the evaluation is assembled. Each Standing Committee member will review the report and rate the nominee as “well qualified,” “qualified,” or “not qualified.” The standing is conveyed to the White House, the Department of Justice, each member of the Senate Judiciary Committee and the nominee.

The Standing Committee submits a detailed written statement to the Senate committee explaining the reasons for its rating and traditionally is invited to testify at the nominee’s confirmation hearing.
ABA concerned about new HUD and FTC mortgage rules

The ABA expressed concerns last month about the impact that proposed regulations issued by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC) would have on lawyers who help clients to negotiate or modify their mortgages or to avoid foreclosure.

In the proposed HUD rule, the department seeks to clarify or interpret certain key statutory provisions under Title V of the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act). Section 1503(3) of the act defines “loan originator” to mean “an individual who (I) takes a residential mortgage loan application; and (II) offers or negotiates terms of a residential mortgage loan for compensation or gain.”

The proposed rule would broaden the wording of the original statutory definition while adding certain exclusions, including a limited exclusion for lawyers who only negotiate the terms of residential mortgage on behalf of a client as an ancillary matter to their representation of the client. While the ABA supports HUD’s proposed lawyer exclusion, the association believes that the exemption is too narrow.

“In the absence of a broader attorney exemption, the expansive definition of ‘loan originator’ in the proposed rule would allow HUD and state agencies to regulate core aspects of the confidential attorney-client relationship,” according to the ABA comments, which were submitted March 5 by ABA Governmental Affairs Director Thomas M. Susman.

The ABA also is concerned about a related HUD proposal to require licensing, as loan originators under the SAFE Act, of lawyers who help clients modify their residential mortgages. Susman pointed out that the primary reason to license and regulate mortgage loan originators is to keep them honest and ensure proper government oversight over them. He explained that lawyers already have substantial fiduciary duties to their clients that are strictly enforced by the state supreme courts and state bars that license and oversee the lawyers. By vesting HUD and state agencies with broad new powers to regulate lawyers who provide mortgage loan negotiation and modification services to clients, Susman warned, “the Proposed Rule… threatens to undermine the ability of state courts to effectively supervise and discipline lawyers.”

The association recommended that HUD adopt several amendments to the proposed rule that “would allow licensed attorneys and those acting under their direction to continue to provide effective legal representation to their clients in connection with the negotiation or modification of residential mortgage loans, regardless of whether those legal services are ancillary or central to the representation.”

The ABA also submitted comments to the FTC March 29 maintaining that a new commission proposal would conflict with the proposed HUD rule. The FTC proposal would impose extensive new regulations on anyone providing so-called Mortgage Assistance Relief Services (MARS) to consumers in return for a fee. According to the ABA, the FTC proposal is worded so broadly that it will likely apply to many bankruptcy lawyers, consumer lawyers, real estate lawyers, family lawyers, litigator and general practitioners.

In its comments, the ABA urged the FTC to expand the existing attorney exemption in the proposed rule.

see “HUD, FTC,” page 8

Senate passes Fair Sentencing Act

ABA President Carolyn B. Lamm commended the Senate’s unanimous passage last month of the Fair Sentencing Act, which she said “takes a major step toward responsible sentencing policy.”

The legislation, S. 1789, would reduce the 100-1 sentencing quantity disparity that currently requires 100 times the amount of powder as crack cocaine to trigger the same five-year and 10–year mandatory sentences even though the drugs are pharmacologically identical. In passing S. 1789, the Senate compromised to reduce the disparity to 18-1.

“The unanimous Senate vote on this long-contentious issue represents a rare bipartisan achievement in the criminal justice reform area,” Lamm said, pointing out that Sens. Richard Durbin (D-Ill.) and Jeff Sessions (R-Ala.) led the Senate efforts along with Senate Judiciary Committee Chairman Patrick J. Leahy (D-Vt.) and Sens. Lindsey Graham (R-S.C.), Orrin G. Hatch (R-Utah) and Ben Cardin (D-Md.).

The disparity, established by Congress in 1986 and 1988 as part of the Anti-Drug Abuse Acts, was based on myths perpetuated at the time that claimed, for example, that crack cocaine caused violent behavior or that it was instantly addictive. Since then, research and extensive analysis by the U.S. Sentencing Commission has revealed that these assertions are not supported by sound evidence and were exaggerated or simply false.

The ABA, which as been on record for past 15 years in support of eliminating the disparity, has called it “unjustifiable and plainly unjust” and maintains that it has resulted in penalties that sweep too broadly, apply

see “Sentencing,” page 5
ABA urges expanded alternatives to incarceration

James Felman, co-chair of the ABA Criminal Justice Section’s Committee on Sentencing, expressed ABA support March 17 for U.S. Sentencing Commission proposals to expand the use of alternatives to incarceration, but he urged the commission to go even farther.

The current federal sentencing scheme, Felman said, has contributed to alarming statistics: more than one in 100 of the U.S. population is imprisoned; the United States now imprisons its citizens at a rate approximately five to eight times higher than the countries of Western Europe and 12 times higher than Japan; and roughly one-quarter of all persons imprisoned in the entire world are imprisoned in the United States. Moreover, since the advent of the Sentencing Guidelines in 1984 and the mandatory sentences for drug offenses in the past 25 years, the average federal sentence has roughly tripled in length, he said.

“The time has come to reverse the course of overincarceration,” according to Felman, who presented the ABA views at a Sentencing Commission hearing. He emphasized that while nearly all state criminal justice systems utilize a variety of forms of punishment short of incarceration, alternatives under the federal system have been sharply curtailed since enactment of the Sentencing Guidelines.

The commission is proposing amendments to the Sentencing Table, a four-zone grid used by judges to determine sentences for defendants by providing sentencing ranges based on offense level and criminal history. Felman urged the commission to include additional reforms in its proposal, which seeks to provide judges with greater discretion to impose non-prison sentences under the guidelines. He recommended expanding the zones by two offense levels rather than one, eliminating the distinction between Zones B and C, and creating a new Criminal History Category 0 for true first offenders.

He emphasized that expanding the zones by only one level would have no practical effect in the vast majority of cases and that imprisonment would still be required in virtually all cases. He added that merging Zones B and C would “more accurately capture the individualized sentencing processes in which judges must first determine whether any term of imprisonment is necessary to satisfy the purposes of sentencing.” Creating the new Criminal Justice Category 0 would resolve the current problem that includes first offenders and offenders with criminal records in the same history category, he said.

Felman also noted that the ABA has long supported the use of alternative sentences for offenders whose crimes are associated with substance abuse or mental illness and who pose no substantial threat to the community. He encouraged the commission to enhance the use of treatment programs, and said the ABA believes that the combination of drug treatment professionals and local district court judges assisted by federal probation officers is best suited to determine the most appropriate course of treatment options for each individual defendant.

The proposed amendments to the Sentencing Guidelines were published in the Jan. 21, 2010, edition of the Federal Register. Following consideration of submitted comments and those conveyed at the hearings, the commission will submit proposed amendments to Congress on May 1. The amendments will become effective Nov. 1 if Congress does not disapprove.

ABA witness James Felman

Sentencing legislation addresses cocaine disparity

continued from page 4

too frequently to lower-level offenders, overstate the seriousness of the offenses, and produce a large racial disparity in sentencing.

In a March 9 letter to the Senate Judiciary Committee before its March 11 approval of S. 1789, ABA Governmental Affairs Director Thomas M. Susman pointed out that the Sentencing Commission reported that revising the crack cocaine threshold would do more to reduce the sentencing gap between African Americans and Caucasians “than any other single policy change” and would “dramatically improve the fairness of the federal sentencing system.”

In related action, the House Judiciary Committee approved legislation, H.R. 3245, last July that would completely eliminate the disparity. That bill, sponsored by Rep. Robert C. “Bobby” Scott (D-Va.) is awaiting a vote by the full House.
ABA asks Congress, ED to help law students with loans

Lamm says law students and graduates are struggling in current economy

ABA President Carolyn B. Lamm stressed to Congress and the Department of Education last month that assistance with student loans is needed now for recent and upcoming law school graduates struggling in the current economy.

In letters to House and Senate leaders during consideration last month of H.R. 4872, health and education reconciliation legislation, Lamm urged that the Stafford loan limit of $20,500 for law students be elevated to at least $30,000 per year to help law students cover the cost of law school tuition. She explained that the average law student graduates with $85,000 in debt, and raising the limit for law students provides parity with medical students, who are able to borrow above the current cap for law students.

Another important reform would permit refinancing under the federal loan system to provide relief to those unable to repay their loans due to unemployment or underemployment, she wrote, noting that legal employers had some of their largest layoffs on record last year.

“Allowing borrowers to refinance or consolidate loans into the federal system would provide lower interest rates and other government benefits for recent law school graduates carrying large debts from private loans,” she said.

She also proposed allowing loans for bar study courses, which can cost between $2,000 and $3,500, to be considered education loans.

The final reconciliation bill signed by the president March 30, was enacted in conjunction with health care reform (see article, page 3) and includes ABA-supported provisions modifying the income-based repayment (IBR) system. The provisions lower the cap on IBR assistance from 15 percent to 10 percent of a borrower’s adjusted income and reduce the forgiveness of remaining balances to 20 years from the current 25-year period.

In a March 26 letter to Secretary of Education Arne Duncan, Lamm urged Duncan to use his rulemaking authority to advance the effective date for modifications to the IBR system. She emphasized that the proposed effective date of July 1, 2014, will not provide relief for law school graduates struggling with unemployment and underemployment now. She pointed out that most law students will graduate prior to 2014, and relief is needed more immediately in this economic climate.

In addition to IBR modifications, more law school graduates would benefit from increased time to seek employment before beginning loan repayment, Lamm wrote. She recommended that the department consider extending the period for unemployed graduates from six months to nine months or a year. Similarly, extending the economic hardship deferral from one year to 15 months or 18 months would be a tremendous help, she said.

### Judicial Vacancies/Confirmations — 111th Congress (as of 4/14/10)

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LEGAL SERVICES CORPORATION (LSC): Supreme Court Justice Anthony M. Kennedy (left) administered the oath of office April 7 to six new members of the LSC Board of Directors. The new members, who were confirmed by the Senate March 19, are (from left): former ABA President Robert J. Grey Jr., a partner in the Richmond, Virginia, and Washington, D.C., offices of the law firm of Hunton & Williams; Sharon L. Browne, a principal attorney in the Pacific Legal Foundation's Individual Rights Practice Group and a member of the foundation’s senior management; Charles N.W. Keckler, a professor at Pennsylvania State University’s Dickinson School of Law; John G. Levi, a partner in the Chicago office of Sidley Austin; Victor B. Maddox, a partner in the Louisville, Kentucky, law firm of Fultz, Maddox Hovious & Dickens; and Martha Minow, dean of the Harvard Law School. During a meeting of the board the same day, board members elected Levi as their new chair and Minow as vice chair. Laurie Mikva, a staff attorney in the Office of Legal Counsel at the Illinois Department of Employment Security, was nominated and confirmed to the board last year. Two other nominees to the board are awaiting confirmation by the Senate: Julie A. Reiskin, executive director of the Colorado Cross-Disability Coalition; and Gloria Valencia-Weber, a professor at the University of New Mexico School of Law. President Obama must still nominate two more Republicans to complete the 11-member bipartisan board.

RESALE PRICE MAINTENANCE: The Senate Judiciary Committee approved a bill March 18 that would effectively reverse a 2007 Supreme Court decision supported by the ABA concerning resale price maintenance agreements between sellers and buyers. The decision, Leegin Creative Leather Products v. PSKS Inc., 127 S. Ct. 2705 (2007), overruled a 96-year-old precedent that vertical agreements between a supplier and its distributor or retailer on the minimum resale price for the supplier’s product are per se violations of Section I of the Sherman Act. S. 148, sponsored by Sen. Herb Kohl (D-Wis.), would amend the Sherman Act to prohibit such resale price agreements, also known as vertical price fixing. In January the House Judiciary Committee approved nearly identical legislation, H.R. 3190, sponsored by Rep. Henry C. “Hank” Johnson (D-Ga.). James A. Wilson, then chair of the ABA Antitrust Law Section, testified before the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights in May 2009. Wilson pointed out that the Supreme Court’s ruling in Leegin was consistent with several of the court’s decisions over recent decades. He maintained that agreements between buyers and sellers setting the price at which the buyer may resell goods or services sometimes benefit consumers and should not be illegal per se. Instead, Wilson maintained, such agreements should be evaluated under the antitrust rule of reason. Under the rule of reason, minimum resale price maintenance would be unlawful only if, on balance, its anticompetitive effects can be proven to outweigh its procompetitive effects in a relevant market.
ABA urges swift action on pay equity legislation

The ABA is urging prompt passage of the Paycheck Fairness Act – pay equity legislation that the association maintains is needed now more than ever in these tough economic times.

The legislation, which already passed the House Jan. 9 as H.R. 12 and is under consideration in the Senate as S. 182, would update and strengthen the Equal Pay Act of 1963, which was intended to eliminate unequal wages for men and women. Defects in the act, however, have kept it from achieving its goals, and gender-based wage discrimination remains a widespread and pernicious problem in the workplace.

Multiple studies have demonstrated that unequal pay for equal work exists in both the private and public sectors across a wide spectrum of occupations, regardless of educational level or geographical location. Women are the primary victims of wage discrimination, earning less than men in almost all occupations, and an unprecedented number of women are now the sole or co-breadwinners for their families as the result of the economic recession.

With a record 71 million in the workforce, gender-based wage discrimination hurts the majority of American families, particularly single-parent households, which are predominately headed by women.

The proposed Paycheck Fairness Act would strengthen penalties for equal pay violations to include compensatory and punitive damages and clarify the requirements by which employers must demonstrate that wage disparities are based on factors other than sex. The proposal also would permit wage comparisons between employees who work for the same employer at locations within clearly defined geographical areas rather than within just one facility, and add a new provision to prohibit employer retaliation against employees who inquire about employers’ wage practices or disclose their own wages.

The proposed statute also will update the class action provisions of the Equal Pay Act to specify that class members are automatically considered part of the class unless they specifically choose to opt out.

In a letter submitted prior to a March 11 hearing on S. 182 before the Senate Health, Education, Labor and Pensions Committee, ABA Governmental Affairs Director Thomas M. Susman explained that the association’s policy supporting the legislation is the latest in a long line of ABA policy statements urging congressional efforts to eradicate workplace discrimination. The policy, adopted in February by the association’s House of Delegates, was developed by the ABA Commission on Women in the Profession.

Stuart J. Ishimaru, acting chairman of the U.S. Equal Employment Opportunity Commission (EEOC), testified at the hearing that the Paycheck Fairness Act “provides essential tools toward realizing the promise of equal pay” and “would enhance the EEOC’s data collection capabilities to allow the government to detect violations of the law and more readily engage in targeted enforcement of equal pay laws.”

He noted that President Obama supports the legislation and that the president announced in February the creation of a National Equal Pay Enforcement Task Force “to improve compliance, public education and enforcement of equal pay laws.”

HUD, FTC proposals concern ABA

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rule to exclude lawyers engaged in the practice of law from the entire proposed rule, not just certain narrow provisions of the rule. In addition, the ABA urged the FTC to broaden the exemption to cover all aspects of the attorney’s legal representation of clients in connection with mortgage assistance relief services, not just those provided in connection with the filing of a bankruptcy, court or administrative proceeding. The ABA also asked the FTC to apply the exemption to all licensed attorneys representing clients in connection with mortgage assistance relief services.

Several state bar associations also have expressed concerns with the proposals, including those in Florida, Illinois, Michigan, Missouri, North Carolina, Oregon and Wisconsin.