

JUSTICE NEWS

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Department of Justice Highlights Consumer Benefits of Competition Among Court Reporters

Antitrust Division Urges California State Assembly to Consider Potential Anticompetitive Effects of Proposals to Ban or Limit Third-Party Court-Reporting Contracts

The Department of Justice's Antitrust Division today submitted a statement on the potential anticompetitive effects of legislative proposals that could result in a ban or limitation on contracts between local California court reporters or service firms and third parties, such as insurance companies, for more than one deposition at a time, also known as third-party contracts. Such regulation of court-reporting services can raise barriers to entry, restrict competition and limit potentially cost-saving options available to consumers. Accordingly, the division recommended carefully weighing the potential competitive costs of any proposals to restrict competition in court-reporting services against any demonstrated risk these contracts could pose to the integrity of court reporting, and as a result, to the judicial process.

The division also noted that restrictions on the ability of court reports to enter third-party contracts should be imposed only where there is credible evidence of a significant risk of harm to the judicial process. Any restrictions should be narrowly tailored to address the harm and not discourage innovative contract terms to deliver court-reporting services for the benefit of consumers.

"Consumers benefit when a competitive marketplace presents them with a wider variety of services," said Acting Assistant Attorney General Renata Hesse of the Justice Department's Antitrust Division. "When analyzing legislation that could result in a ban or limitation of third-party court-reporting contracts, the California State Legislature should consider a company's ability to realize significant savings under a third-party court-reporting contract and pass savings on to its customers."

The statement is in response to a request from California Assemblyman Scott Wilk. The request asked for views on potential legislative proposals that would subject out-of-state court reporter service provider firms to the jurisdiction of the California Court Reporters Board, which could have the effect of banning or limiting the use of multi-case third-party contracts.

Letter to Assemblyman Wilk

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Antitrust Division

Topic:
Antitrust

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