

STATEMENT OF REP. JOHN CONYERS, JR.
Courts, the Internet, and Intellectual Property Subcommittee
Hearing on "Federal Courts Jurisdiction Clarification Act"
November 15, 2005

I am pleased that we are considering a largely non-controversial bill that clarifies the jurisdiction of the federal courts. There are, however, minor issues that I hope to resolve with the Chairman and Ranking Member as we move forward.

Section two first clarifies that a citizen of a state and a lawful permanent resident alien living in that state do not have diversity jurisdiction for purposes of federal law.

Section three of the legislation states that corporations would be citizens of the states where they are incorporated and where they have their principal place of business. The purpose is to remove federal court jurisdiction in situations where a foreign corporation is sued by a citizen of a state where it has its principal place of business and where a citizen of a foreign country sues a U.S. corporation that has an overseas location as its principal place of business.

Finally, the bill suggests changes to the federal removal and remand statutes. For instance, it would permit an extension of the one-year removal deadline for later-served defendants, who would not have time to prepare the necessary filings. At the same time, we must ensure that defendants who avoid service cannot game the system. Plaintiffs who make reasonable but unsuccessful efforts to serve defendants should be able to rely on the deadline.

This section also seems to imply that injunctive relief would need to be converted into damages to determine whether the 'amount in controversy' threshold is met for federal court. This would require careful consideration prior to passage.