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## WLF Urges Seventh Circuit to Read FAA § 1 Exemption in Line with Statutory Text and Context

*(Wallace v. Grubhub)*

**“The text and context of FAA § 1 establish that it covers only workers who transport goods in bulk across borders.”**

—Corbin K. Barthold, WLF Senior Litigation Counsel

WASHINGTON, DC— Washington Legal Foundation today filed an *amicus curiae* brief urging the Seventh Circuit to read section 1 of the Federal Arbitration Act, known as the “transportation worker exemption,” in line with its text and context.

The FAA establishes a federal policy favoring arbitration. It requires, in section 2, that most people comply with their arbitration agreements. It contains a discrete exception, in section 1, for “seamen, railroad employees, or any other class of workers engaged in foreign or interstate commerce.” Two district courts ruled that drivers who deliver meals locally for Grubhub fall outside this exemption.

In its brief, WLF explains that section 1 is not the product of a legislative intent to excuse a few transportation workers—and, for some peculiar reason, them alone—from honoring arbitration agreements. Section 1 exists, rather, because Congress expected shipping-industry workers to engage in arbitration governed by *other* federal laws. And because section 1 fulfills this one focused purpose, there is no principled way to stretch its application. Although some judge-made tests purport to expand the exception beyond national and international transportation of goods, these contrived standards defy statutory text and context, produce inconsistent results, and serve no end set forth by Congress.

Because the plaintiffs in these cases made only local deliveries intrastate, they fall outside the section 1 exemption. The district courts’ rulings should therefore be affirmed.

*Celebrating its 42nd year, WLF is America’s premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.*

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