



July 28, 2025

To the Members of the U.S. House of Representatives:

The U.S. Chamber of Commerce and the U.S. Chamber Institute for Legal Reform (ILR) write to indicate our support for and to urge you to cosponsor H.R. 3548, the “Infrastructure Expansion Act of 2025”.

New York’s outdated “Scaffold Law,” enacted in 1885, continues to impose absolute liability on property owners and contractors for gravity-related injuries on construction sites, regardless of a worker’s own negligence. This makes New York the only state in the nation that does not utilize a comparative negligence standard, which would more fairly assign liability based on each party’s degree of fault. The “Scaffold Law” has led to substantial verdicts, including a \$48 million verdict in 2022 and a \$53.5 million verdict in 2023.

The absolute liability standard has fueled widespread insurance fraud in New York, driving up constructions costs and wasting federal taxpayer dollars. The Department of Justice is reportedly investigating a scheme in which personal injury law firms, medical providers, and construction workers allegedly staged fake accidents on construction sites and submitted fraudulent medical claims. Additionally, at least five RICO lawsuits have been filed, which allege fraudulent schemes seeking to capitalize on the Scaffold Law. The alleged fraud has led to large insurance payouts, which in turn have inflated insurance premiums and consequently increased the cost of new construction. Some estimates suggest that the law has increased costs by 10%. As a result, federal taxpayers pay more and receive less for infrastructure projects that they fund in New York.

New York’s Scaffold Law has also enticed third-party litigation funders looking for profitable cases. A recent whistleblower complaint accuses a litigation finance firm of knowingly financing fraudulent claims filed under that statute. The complaint also alleges that the TPLF funder has financed cases lacking proper documentation or credibility, and pressured claimants into undergoing unnecessary medical treatments to inflate claim value.

The “Infrastructure Expansion Act of 2025” seeks to correct this drain on the federal fisc. The bill preempts the Scaffold Law and aims to modify liability standards

for infrastructure and transportation projects that receive Federal financial assistance or tax incentive as well as projects subject to any federal permitting requirements to create a more equitable liability system. Specifically, the bill would prohibit states from applying an absolute liability standard on property owners and contractors for gravity-related injury claims on Federally assisted or permitted infrastructure and transportation projects. Instead, states would be required to impose a comparative negligence standard, and any conflicting state laws would be preempted. Finally, the bill grants the federal courts exclusive jurisdiction over these cases and makes clear that it does not impact workers' compensation laws.

Bringing New York in line with the rest of the country would benefit construction site employers, taxpayers, and insurers alike. By eliminating a system prone to fraud and exploitation, the "Infrastructure Expansion Act of 2025" would continue to protect workers while enhancing the efficiency of federal spending and reducing waste.

Again, we strongly support H.R. 3548 and urge you to co-sponsor this important piece of legislation. We also extend our gratitude to Representative Nick Langworthy for his outstanding leadership and unwavering dedication to advancing this critical issue. We look forward to working with you as the bill makes its way through the legislative process.

Sincerely,

A handwritten signature in black ink, reading "Stephen Waguespack". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen Waguespack
President
U.S. Chamber Institute for Legal Reform