



To: ATILS Task Force
From: Subcommittee on UPL and AI
Date: June 28, 2019
Re: B.6. Recommendation: The regulatory process contemplated by recommendation numbers __, __, and __, should be funded by application and renewal fees. The fee structure should be scaled based on factors such as non-profit status, revenues/profits, and/or how much the product addresses the access to justice gap.

Recommendation not yet voted on by the Task Force: The regulatory process contemplated by recommendation numbers __, __, and __, should be funded by application and renewal fees. The fee structure should be scaled based on factors such as non-profit status, revenues/profits, and/or how much the product addresses the access to justice gap. (*Note: The “_” will be substituted with specific recommendation numbers once finalized.*)

(Recommendation and Report approved by the Subcommittee – 5 yes, 0 no, 0 abstain)

How the Recommendation Relates to the Charter: This recommendation addresses clause 2 of Task 1 of the Charter.

- 1) Review the current consumer protection purposes of the prohibitions against unauthorized practice of law (UPL) as well as the impact of those prohibitions on access to legal services with the goal of identifying potential changes that might incre(ase access while also protecting the public. . . .

Pros: This approach would eliminate or reduce cost barriers for provision of low- or no-cost services to the public, and allow funding of the regulatory process on an equitable basis. Allowing scaled fees based upon how much the product addresses the access to justice gap incentivizes innovation that specifically addresses the need, and provides a potential alternative avenue for large revenue/profit companies who may balk at the scaled fee structure.

Cons: Disparity in the fee structure may seem unfair by those on the higher end of the fee spectrum. Close qualitative distinctions on fee thresholds may be difficult to administer.