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1) What claims can Peter make under US Constition and how should court rule?

State Action

For one to make a constitutional claim there must be a state action involved

Here State X has purchsed RR who was in backruptcy and about to be liquidated. Moreover, in the legisltion authorizing the purchase of RR State X Governor stated the Act would insure continued freight rail service for State X. Additionally, the Act provides the manufacturers with factories in State X with first choise of space on RR.

Therefore, there is a state action

Standing

One must be harmed by the state action and relief sought redress the harm

Peter has lost nearly all customers in State X due to the Act, thus harmed by the state action.

In addition, an injuction prohibiting discriminatory treatement based on where manufacturers are located would end the harm caused to Peter, thus redress the harm.

Therefore Peter has statnding

Equal Protection

Those who are situated the same should be treated the same.

Here Peter has lost nearly all his State X customers due to RR having unreliable space since State X purchsed RR and provided State X manufacturers and factories would receive preferential treatment for space on RR

Further, Peter has had to give up reserved space on RR in favor of the space being provided to State X customers.

State X will argue that they are trying to ensure continued train service for State X industry and ensuring such is in furtherance of this goal, thus rationally related to the state interest.

However, forced surrendering of reserved space is not rationally related to a state function while the state is operating as a market participant by operating RR.

Therefore, Peter should make a claim under equal protection.

Commerce Clause

States may not unduly burden with interstate commerce.

State X by providing preferential treatment to State X customers in ensuring first choice for space on RR has caused Peter, a State Y customer who sells his melons in State Y and State X is lost nearly all State X customers as a result of State X preferential treatment of State X customers, thus State X has caused an undue burden on interstate commerce.

Moreover as Peter had used RR exclusively the Act by State X has effectively prohibited Peter from selling in State X, thus restricted interstate commerce.

Therefore, Peter should make a claim under the commerce clause.

Interference with Contract

States may not impose a law which unreasonably interferes with private contracts.

Here Peter had used RR exclusively prior to State X purchasing RR, thus an ongoing business relationship and contracts based upon course of business with RR.

State X will argue that they are not interfering with Peter's contracts only ensuring State X customers may continue rail service.

However, there are far less burdensome ways to ensure State X customers received rail service that does not interfere with contract or interstate commerce.

Therefore, Peter may be able to make a claim State X has interfered with Peter's contracts by forcing Peter to give up reserved space on RR.

Due Process

The state may not deprive one of life, liberty, or property without due process.

Here Peter claims State X is depriving Peter of his property of business income due to the Act when State X purchased RR, this deprived of property.

Futher, Peter has received no hearing or appeal for the depravation caused by State X passing the Act, thus no due process.

However, State X will counter that income from business transactions is not a property right deprived as there exists other carriers and would only cost Peter more money to use rather than being unable to perform at all.

Therefore, there does not seem to be a valid due process claim

2) What claims can Corporation make under the United States Constitution and how should the court rule?

State Action

defined and discussed supra

Equal Protection

Those who are situated the same should be treated the same.

Corporation has lost business due to discrimination against anyone other than State X businesses, thus unequal treatment.

Moreover, the preferential treatment of State X customers when operating as a market participant goes beyond the scope of rational relation of a State interest.

Therefore Corporation should succeed in a claim under equal protection

Commerce Clause

States may not unduly burden with interstate commerce.

Corporation sells in multiple states including State X, thus Corporation will claim undue burdon upon interstate commerce due to losing customers cause by no longer being able to guarantee delivery dates.

Howver, Corporation is in a position to be able to use alternate methods of delivery and adjusted pricing to accomidate costs so that delivery dates could be

guaranteed.

Therefore, State X is unduly interfering with interstate commerce.

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END OF EXAM