

State A suffers from a high unemployment rate. To combat this problem, the State A legislature passed a statute requiring every business that sells over \$5 million worth of goods each year in State A to annually buy goods produced in State A in an amount equal to half of its State A sales. Several persons and entities seek to challenge the constitutionality of this state statute in federal court.

Which of the following persons or entities most clearly has standing to do so?

- A. A company that sells \$3 million worth of goods in State A annually but currently purchases only \$1 million in State A goods.
- B. A distributor that currently does not sell or purchase goods in State A but expects to sell \$15 million worth of goods in State A next fiscal year.
- C. A State B manufacturer that supplies 75 percent of the goods bought by a corporation with annual sales in State A of \$10 million.
- D. The governor of State B on behalf of her state's businesses.

### Explanation:

A federal court will not hear a case unless the plaintiff has **standing**—ie, a personal stake in the outcome of the case. This requires the plaintiff to allege three elements:

- **Injury-in-fact** – **actual or imminent harm** that is **concrete and particularized**
- **Causation** – the injury is **fairly traceable** to the defendant's **challenged conduct**
- **Redressability** – a **favorable judicial decision** will likely **remedy or prevent** the injury

Here, the State A statute requires businesses selling over \$5 million worth of goods each year in State A to buy State A produced goods in an amount equal to half of their State A sales. As a result, a corporation annually selling \$10 million worth of goods in State A but purchasing 75% of its goods from a State B manufacturer must now buy more State A goods. This will cause the State B manufacturer imminent financial harm that can be prevented if the statute is found unconstitutional. Therefore, the State B manufacturer likely has standing to contest the statute.

**(Choice A)** The statute does not apply to the company that annually sells \$3 million (not over \$5 million) worth of goods in State A. Therefore, this company does not have standing to contest the statute.

**(Choice B)** The distributor that currently does not sell or purchase goods in State A but expects to sell \$15 million worth of goods in State A next year will need to purchase \$7.5 million worth of State A goods *if* its prediction is accurate. But it lacks standing to contest the statute because this harm is speculative—not concrete.

**(Choice D)** The third-party standing doctrine allows an *injured* party to assert a third party's rights in [limited circumstances](#). But the State B governor does not have standing to sue on behalf of her state's businesses because there is no evidence that the statute injured the governor.

### Educational objective:

A plaintiff has standing to sue in federal court if he/she allegedly (1) suffered an injury-in-fact that (2) was caused by the defendant's challenged conduct and (3) is redressable by a favorable judicial decision.

### References

- Lujan v. Defs. of Wildlife, 504 U.S. 555, 560–61 (1992) (holding that standing requires proof of an injury-in-fact, causation, and redressability).
- 32 Am. Jur. 2d Federal Courts § 577 (2019) (explaining the injury-in-fact element of standing).

## Standing doctrine

