

# New Orleans CITY BUSINESS

## FOCUS

# Louisiana's legal billing rates half the price of national firms

By **Tommy Santora**  
*Junior Associate Editor*

LOUISIANA LAWYERS are a bargain compared with their counterparts across the country.

A recent survey by Altman Weil Publications, a legal management consulting firm based in Philadelphia, reported Louisiana ranks No. 28 in hourly billing rates with partners charging an average of \$229 an hour and associates billing at a median of \$155.

Washington, D.C., ranked No. 1 with partners cashing in at \$485 an hour and associates at \$231 an hour. California was second at \$351 and \$231, respectively, and New Jersey was third at \$328 and \$205.

West Virginia, Iowa and Minnesota ranked 48th through 50th, respectively, with Minnesota being the cheapest state at \$185 for partners and \$128 for associates.

The national average hourly billing rate for 25- through 29-year partners was \$294 an hour, a 7.3 percent increase over last year. Five-year associates billed a median \$203 an hour, up 7.4 percent.

Altman Weil's "Survey of Law Firm Economics" has been published annually

since 1972. This year the firm gathered billing information from 19,740 lawyers and 348 U.S. law firms.

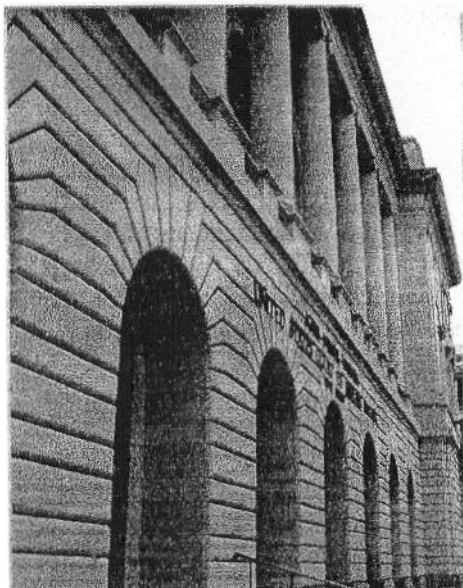
"We're seeing a trend of the costs being higher in ... Washington, D.C., New York and New Jersey because you have to pay for more expensive office space, more support staff, a higher cost for lawyers," said Ward Bower, a consultant for Altman Weil.

Bower said some factors that shape hourly rates include case difficulty, lawyer experience or prominence, overhead pertaining to secretarial work, copies or research and preferred client discounts.

"You see that high-profile clients are willing to pay that brand-name premium for a top-notch law firm," Bower said. "So in case something does go wrong and they lose, it's not because they didn't go with the best firm or best lawyers in their opinion."

New Orleans lawyer Anthony DiLeo of Stone Pigman Walther Wittmann said that reasoning by high-profile clients is faulty.

"The perception is if I go Washington or New York I would get a better lawyer, and that's just not always the case," said DiLeo. "In some cases, the national counsels pick people who have less experience than senior partners here, and for the same level of skill,



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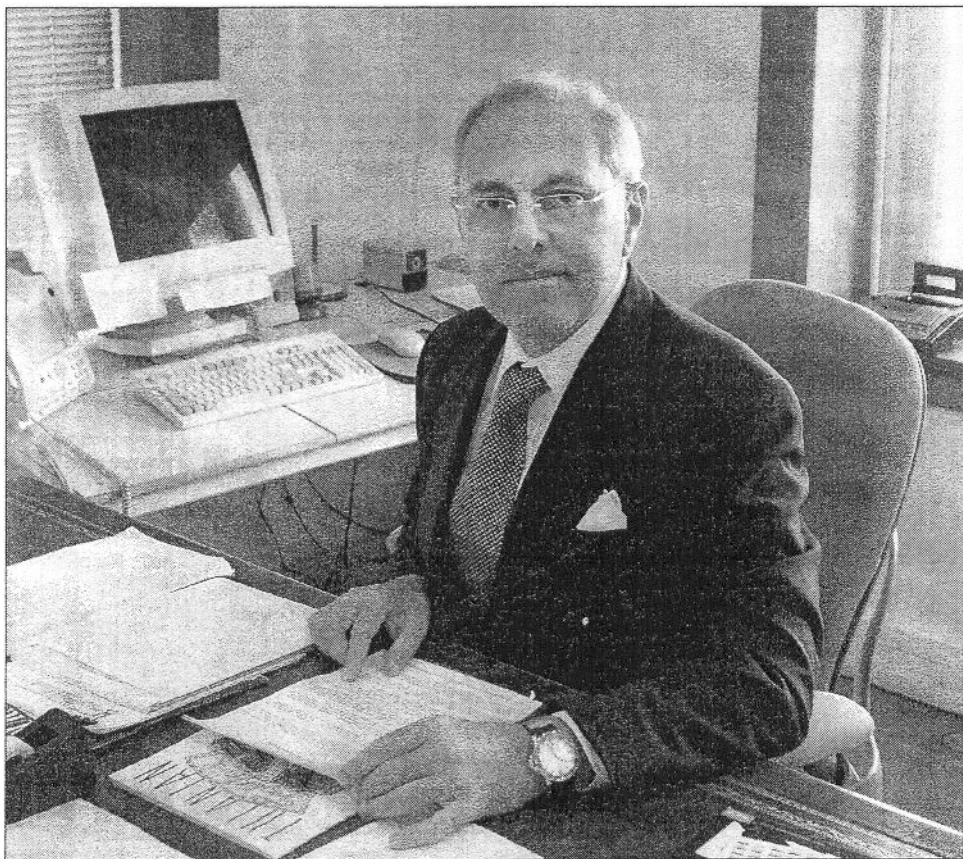


PHOTO BY TOMMY SANTORA

**Anthony DiLeo, an attorney at Stone Pigman Walther Wittman, said there is a faulty perception that clients who seek national representation are getting a better product than in-state firms. DiLeo said clients can save money and, in some cases, receive a lawyer with more experience by staying in Louisiana.**

and in some cases a higher level of skill, you pay less with the New Orleans lawyer.”

New Orleans just missed the top 10 percentile out of 242 metropolitan areas on the “The Best Lawyers in America” list, pub-

lished annually since 1983 by Woodward/White Inc. of Aiken, S.C. The Crescent City placed 212 lawyers on the list, the fourth-highest among metro areas in the Southeast behind Atlanta, Birmingham,

## LEGAL AFFAIRS

Ala., and Nashville, Tenn.

"Lawyers are trying to educate businesses about these credentials and accolades and hopefully they translate into skill and performance by our lawyers," said DiLeo. "Rankings tell you a lot because peers evaluate the lawyers' skills on a daily basis."

New Orleans lawyer Patrick Vance, of Jones Walker Waechter Poitevent Carrere & Denegre said solid rankings don't always translate into more work.

Vance said companies go out of town for representation in these main areas: big-ticket litigation, corporate and securities and antitrust law.

"For example, Client X has an antitrust problem and Firm X, which represents them, knows nothing about antitrust," he said. "Firm X is not going to refer another law firm in the same city to Client X because of competition but instead they refer a high-profile Washington law firm to handle the case to make sure the job gets done."

Jones Walker represents Freeport McMoRan in all legal areas now but Vance said that hasn't always been the case.

"They used to outsource to a New York firm, but then they chose us for everything when they saw we could do the same things and get the same results for a cheaper price," he said. "I wish that would happen more because I've seen peers charge double what I charge."

Some hourly billing disparity appears

even within a law firm's regional offices. Adams & Reese, which was the first Louisiana firm named to the AmLaw Top 200 for annual revenue, has offices in New Orleans, Baton Rouge, Houston, Jackson, Miss., Mobile and Birmingham, Ala., and Washington, D.C.

Chuck Adams, Adams and Reese managing partner in New Orleans, said Houston rates are highest in its market, with lawyers charging 20 percent above New Orleans rates, while even Birmingham associates bill 10 percent more.

"Local markets drive what the rates are in a city, and our consultants told us that many New Orleans firms suffer from low economic self-esteem," he said. "We are able to provide the same and even better value than some of the firms in major cities but it's tough to charge our local clients those prices."

Adams said that disparity hasn't stopped his firm from winning over major clients. Adams and Reese was hired for the appeal process in the multibillion-dollar Exxon Mobil case, and also represented Philip Morris in Louisiana's largest class action lawsuit, the Scott v. Philip Morris tobacco case.

"Our firm's strategy is to be the strongest firm between Atlanta and Houston, and you have to get franchise players on your team to do that and compete for million-dollar cases," said Adams. "Then you can be up for major cases when corporations need a firm that will go to bat for them."•