
CONTENTS

<i>About the Editors</i>	xxv
<i>About the Authors</i>	xxvii
<i>Acknowledgments</i>	xxxvii
<i>Introduction</i>	xxxix
<i>Chapter 1</i>	
Drafting the Arbitration Clause	1
<i>Daniel Yamshon</i>	
I. Importance of Clause	1
II. Standard Forms	1
III. Modify Standard Forms or Ab Initio Drafting?	2
IV. What to Insist Upon Retaining/Rejecting When Negotiating an ADR Clause	8
V. Analysis of Popular Form ADR Clauses	8
<i>Chapter 2</i>	
Enforcing Arbitration Agreements	13
<i>Andrew D. Ness and Thomas E. Lynch</i>	
I. Drafting Enforceable Arbitration Agreements	13
II. Federal and State Laws Support Enforcing Agreements to Arbitrate	15
III. General Considerations for Enforcing Arbitration Agreements	16
A. The Parties to the Arbitration Agreement	17
B. Types of Assistance Available from Courts to Enforce Agreements to Arbitrate	18
1. Court Orders Compelling Arbitration and Staying Litigation of Disputes Subject to Arbitration	18
2. Court Orders Providing Procedural Assistance for the Organization of an Arbitration	19
3. Provisional Remedies in Aid of Arbitration	20
C. Jurisdiction and Venue Are Required to Obtain Assistance from Courts	21
1. Subject-Matter Jurisdiction	21
2. Personal Jurisdiction	23
3. Venue	23
IV. Conditions Precedent to Arbitration Can Serve to Limit or Delay Enforcement of Arbitration Agreements, But Often for Productive Purposes	23

V.	The Terms of Arbitration Agreements Define Their Scope, and Therefore the Extent to Which They Can Be Enforced	24
A.	Broad and Narrow Arbitration Clauses	25
B.	The Roles of Arbitral Institutions, Institutional Arbitration Rules, and Their Typically Broad Suggested Arbitration Provisions	27
VI.	Arbitrability and Enforcement: What Have the Parties Agreed to Arbitrate, and Who Decides?	28
A.	Courts Versus Arbitrators as the Deciders of Arbitrability	29
B.	Arbitrability Is Distinct from the Validity of the Contract	31
C.	Arbitrability Remains Distinct from Other Contract Defenses	32
D.	Relevance of the Parties' Agreements Regarding Arbitrability, Including Through Incorporation of Arbitration Provisions	32
VII.	Some Special Considerations for Enforcing Agreements to Arbitrate	33
A.	Parties Can Waive Their Rights to Arbitrate	33
B.	Parties Can Place Time Limits on Their Right to Arbitrate	35
C.	Parties Can Agree to Unilateral Arbitration Provisions	36
VIII.	Types of Claims Frequently Relevant to Efforts to Enforce Arbitration Agreements	36
A.	Breach of Contract Claims	36
B.	Tort Claims	37
C.	Statutory Rights and Remedies	37
IX.	Common Defenses to the Enforcement of Arbitration Agreements	38
A.	Contract Formation and the Identities of the Parties	38
B.	Fraud, Unconscionability, and Illegality	39
X.	Conclusion	40

Chapter 3

Arbitration Providers 41

Philip L. Bruner and Albert Bates Jr.

I.	Introduction	41
II.	American Arbitration Association	42
A.	History	42
B.	The AAA Organization	42
C.	Philosophy	43
D.	Involvement in and Service to the Construction Industry	44
E.	Office Locations	44
F.	Websites	45
G.	AAA Construction Neutrals	45
H.	AAA Distinguishing Characteristics	45
I.	AAA Construction Industry Rules and Procedures	46

III. International Centre for Dispute Resolution	49
A. History	49
B. The ICDR Organization	50
C. Philosophy	51
D. Websites	51
E. ICDR Neutrals	52
F. ICDR Distinguishing Characteristics	53
G. ICDR Rules and Procedures	54
IV. JAMS, the Resolution Experts	58
A. History	58
B. Makeup of the JAMS Organization	59
C. Philosophy	59
D. Involvement in and Service to the Construction Industry	59
E. JAMS Resolution Center Locations	60
F. Websites	60
G. Where JAMS GEC Neutrals Come From and How One Becomes a JAMS GEC Neutral	60
H. JAMS Distinguishing Characteristics	61
I. JAMS Rules and Procedures	62
1. Domestic and International Rules and Procedures	62
2. Filing and Fees	62
3. Neutral Selection	63
4. Discovery	63
5. Hearings	63
6. Award	63
7. Post-Award	63
8. Appellate Process	63
V. International Institute for Conflict Prevention and Resolution	64
A. History	64
B. Philosophy	65
C. Involvement in and Service to the Construction Industry	66
D. Locations	66
E. Websites	67
F. CPR Neutrals	67
G. CPR Distinguishing Characteristics	67
H. CPR Non-Administered Arbitration Rules	67
VI. International Court of Arbitration, International Chamber of Commerce	70
A. History	70
B. The International Court of Arbitration	72
C. Philosophy	73
D. Involvement with the Construction Industry	74
E. Website	74
F. ICC Neutrals and the Appointment Process	74
G. Distinguishing Characteristics of ICC Arbitration	75

H. ICC Arbitration Rules and Procedures	77
1. Rules	77
2. Filing and Fees	78
3. Information Exchange	78
4. Hearings	79
5. Award	79
6. Post-Award	79
7. Appellate Process	79
VII. The London Court of International Arbitration	79
A. History	79
B. Makeup of Organization	80
C. Philosophy	80
D. Involvement in and Service to the Construction Industry	80
E. LCIA Location	81
F. Website	81
G. Where LCIA Neutrals Come From, and How One Becomes an LCIA Neutral	81
H. LCIA Distinguishing Characteristics	81
I. LCIA Rules and Procedures	82
1. Filing and Fees	82
2. Neutral Selection	82
3. Information Exchange	82
4. Hearings	82
5. Award	83
6. Post-Award	83
7. Appellate Process	83
VIII. Conclusion	83
<i>Chapter 4</i>	
Types of Arbitration in Construction	85
<i>Charles M. Sink</i>	
I. Claims Resolution in the Construction Industry	85
II. AIA Approach to Dispute Resolution in Contracts	86
III. Arbitration under AIA Document A201	86
A. Arbitration Is Optional	86
B. Incorporation of AAA Rules	87
C. A Broad Arbitration Clause	87
D. Enforcement of Award	88
E. Consolidation and Joinder Are Permitted	89
IV. ConsensusDocs 200's Approach to Arbitration	91
V. Solo Arbitrator versus a Panel	92
VI. Party-Appointed Arbitrators	96
VII. "Baseball" Arbitration	98

VIII. Mediation-Arbitration or “Med-Arb”	100
IX. Conclusion	102
<i>Chapter 5</i>	
Arbitrators	103
<i>Paul M. Lurie and Kenneth M. Roberts</i>	
I. Introduction	103
II. Selection of Arbitrators	104
III. Problems with Selecting Party-Appointed Arbitrators	106
IV. Number of Arbitrators	107
V. Special Arbitrators	108
A. Consolidation and Joinder	108
B. Special Arbitrator for Preliminary Relief	108
C. Consent Award Arbitrator	109
VI. Decisions Reserved for the Agency	109
VII. Qualifications of Arbitrators	110
VIII. The Panel Chair	112
IX. Court Appointment of Arbitrators	112
X. Arbitrator Disclosures Affecting Neutrality	113
XI. The AAA/ABA Code of Ethics	113
XII. Agency Rules for Disclosure	114
XIII. California Standards	117
XIV. Timely Issuance of Award	119
XV. Arbitrator Compensation	120
XVI. Confidentiality	120
XVII. Arbitral Immunity	120
XVIII. Professional Liability Insurance	121
<i>Chapter 6</i>	
Consolidation and Joinder	123
<i>Charles M. Sink</i>	
I. Introduction	123
II. Standard-Form Clauses	124
III. American Arbitration Association’s “R-7 Arbitrator”	126
IV. JAMS’s Equivalent Process for Consolidation and Joinder	130
V. Judicial Assistance for Consolidation and Joinder in Arbitration Proceedings	131
A. Federal Arbitration Act	132
B. State Laws Promoting Consolidation and Judicial Doctrines	134
VI. Typical Parties Consolidated or Joined in a Construction Case	140
A. Design Professional	140
B. Subcontractor	143
C. Owner	145
VII. Conclusion	146

<i>Chapter 7</i>	
Choice of Law and Venue	147
<i>Douglas S. Oles and Benjamin D. Greenberg</i>	
I. Choice of Law—Selection by Contract Drafting	147
II. Governing Law—When None Is Specified	150
III. Venue—Selection by Contract Drafting	152
IV. Venue—When None Is Specified	156
<i>Chapter 8</i>	
Discovery	159
<i>Richard J. Tyler</i>	
I. Discovery	159
II. Arbitration Laws	160
A. Federal Arbitration Act	160
B. State Arbitration Acts	162
1. Uniform Arbitration Act	162
2. Revised Uniform Arbitration Act	163
III. Arbitration Rules	165
A. American Arbitration Association	165
B. JAMS	167
C. Guidelines	169
IV. Discovery Generally	170
V. Pre-Arbitration Discovery	172
VI. Document Production	174
A. Party Document Production	174
B. Non-Party Document Production	175
1. Yes, No, Maybe	175
2. No Authority, But Not Powerless	179
VII. Depositions	180
A. Party Depositions	180
B. Non-Party Depositions	180
VIII. Electronically Stored Information	183
IX. Issuance and Service of Arbitral Subpoenas	185
X. Enforcement of Arbitral Discovery Orders and Subpoenas	190
A. Party Sanctions	190
1. Inherent Authority	190
2. Broad Construction of the Arbitration Rules	191
3. Broad Construction of the Parties' Arbitration Agreement	192
B. Non-Party Sanctions	192
C. Subpoenas	193
<i>Appendix 1</i>	
Compendium of State Arbitration Laws	194
<i>Chapter 9</i>	
Prehearing Procedures	201
<i>J. Snowden Stanley, Jr.</i>	

I. Prehearing Conferences	201
A. Agenda for Prehearing Conferences	202
II. Case Management Order	206
III. Claim Submission	208
IV. Motions Practice	209
A. Dispositive Motions	210
B. Jurisdiction or Arbitrability	210
C. Bifurcation	211
D. Motions in Limine	213
E. Sanctions	214
F. Continuances	215
G. Disqualification of Arbitrators	216
H. Disqualification of Counsel	217
V. Prehearing Briefs	217
<i>Appendix</i>	
Agenda for Prehearing Conference	219
<i>Chapter 10</i>	
The Arbitration Hearing	227
<i>Edmund M. Amorosi and Richard F. Smith</i>	
I. Purpose of the Hearing	227
II. Representation by Counsel	227
A. Rules Applicable to Legal Representation and Pro Se	227
B. Unauthorized Practice of Law	228
III. Venue	229
IV. Role of the Arbitrator	230
V. Due Process	231
VI. Subpoena Power Over Witnesses and Documents for the Hearing	233
A. Subpoenas for Attendance of Witnesses	233
B. Subpoenas for Documents	234
VII. Prehearing Submissions	234
VIII. Form of the Hearing	235
IX. Convening the Hearing	236
X. Opening Statements	236
XI. Standards for Admission of Evidence at the Hearing	237
XII. Presentation of the Evidence	237
A. Fact Witness Testimony	238
B. Expert Witnesses	240
C. Documentary Evidence	242
1. Process for Admission	242
2. Core Exhibits/"Bundle"	242
3. Evidentiary Exhibits	242
4. Demonstrative Exhibits	243
5. Managing Exhibits	243

D. Other Types of Evidence	243
1. Site Visit	243
2. Independent Investigation by the Arbitrator	244
3. Video Conferencing	244
4. Use of Affidavits	244
5. Rule Against Witnesses	245
6. Time Allocation	245
7. Transcript	246
E. Multiparty Hearing/Third-Party Claims	246
F. Adjournment of the Hearing	248
G. Closing Arguments	249
H. Posthearing Briefs	249
I. Closing the Hearing/Submission of the Case	250
J. Confidentiality of the Hearing	251
K. Award Type: Reasoned or Regular	251
L. Award of Costs	252
VIII. Conclusion	253
<i>Chapter 11</i>	
Secrets of a Winning Presentation	255
<i>Judith B. Ittig</i>	
I. Introduction	255
II. Prehearing	255
A. Dispositive Arbitral Motions—Taking Advantage and Controlling Abuses	255
1. Motions that Are Not Expected to Succeed in Arbitration	255
2. Other Motions, and Disposing of Them	256
B. Separate the Claims into Hearing Segments	256
C. Reservation of Claims	257
III. Opening Presentation	257
A. What the Arbitrator Wants to Hear and Needs to Hear	257
B. A Secret Lies in the Manner of Presenting Your Opening	257
C. Waiving/Reserving the Opening	258
IV. Presentation of Evidence	258
A. Use of Witnesses' Personal Traits and Abilities	258
1. The Runaway Witness	259
2. Where There Is a Language Challenge	259
3. The Profane Witness	260
4. The Quick Witness	260
B. The Expert Witness	260
1. Dueling Experts ("Hot Tubbing")	261
2. Confronting the Other Expert When There Is No "Duel"	261
3. Voir Dire of the Expert	262
C. Put Key Exhibits in a Separate Binder	262
D. No Writing Speaks for Itself	263
E. The Smoking Gun Exhibit	263

F. Effective Evidence Through Overheads	264
G. Site Visit—Yes or No?	264
H. Using Depositions	265
I. Rebuttal	265
V. Attorney Behavior	265
A. Your Own	265
B. Credibility of the Attorney Is Paramount	266
C. Dealing with the Overly Aggressive Attorney	266
D. The Delaying Attorney	267
E. Unrepresented/Underrepresented Parties	267
F. Selective Use of Objections	267
G. The Gold in Arbitrator's Questions	268
H. Use of Junior Attorneys and Legal Assistants	269
VI. Psyching Out the Arbitrator	269
VII. What the Client Needs to Know About Arbitration	270
VIII. What Should Always Be Part of Closing Argument	270
IX. Does the Form of Award Influence the Amount of the Award?	271
X. The Posthearing Briefs' Conundrum: Limit the Topics	271
XI. Proposed Award Forms	272

Chapter 12

The Award 273

Carl F. Ingwalson, Jr.

I. Potential Arbitrators Must Review Dispute Resolution Provisions Prior to Accepting an Appointment	273
II. If the Appointment Is Accepted, the Arbitrator Should Address Award Issues Early	274
III. Interim, Interlocutory, and Partial Final Awards	276
A. Lack of Uniformity	276
B. Finality	278
C. Ripeness	279
D. Conclusion	279
IV. Concluding the Hearing	280
V. Interest, Attorney's Fees, and Costs	282
VI. Remedies	284
VII. Preparation of Award	286
VIII. Estoppel and Res Judicata	289
IX. Conclusion	290

Chapter 13

Post-Award Procedures 291

Judah Lifschitz and Scott D. Burke

I. Introduction	291
II. Confirming an Award	291
A. Federal Standards and Procedures	292
1. Where to File for Confirmation	292
2. When to File for Confirmation	293

3. Additional Considerations About Service of Process	294
4. Federal Confirmation Process	294
B. State Standards and Procedures	295
C. Organizational Considerations	296
III. Modifying, Correcting, or Clarifying an Award	296
A. Federal Standards and Procedures	296
1. Evident Material Miscalculations	297
2. Evident Material Mistakes	297
3. Arbitrator Awarded Upon a Matter Not Submitted	299
4. Awards Imperfect in Matter of Form	299
5. An Alternative Method to Correction Utilizing the Federal Rules of Civil Procedure	299
B. State Standards and Procedures	301
C. Organizational Standards	302
IV. Vacating an Arbitration Award	304
A. Federal Standards and Procedures	304
1. Manifest Disregard	304
2. Corruption, Fraud, or Undue Means	306
3. Arbitrator Bias or Corruption	306
4. Arbitrator Misconduct	307
5. Failure to Make a Mutual, Final, and Definite Award	308
6. Time Limits	308
B. State Standards and Procedures	309
C. Organizational Considerations	310
V. Appealing an Arbitration Award	311
A. Federal Standards and Procedures	311
B. State Standards and Procedures	311
C. Organizational Considerations	311
VI. Confidentiality Considerations	312
A. Federal Standards and Procedures	312
B. State Standards and Procedures	313
C. Organizational Considerations	313
VII. Conclusion	314

Chapter 14

International Arbitration

315

John W. Hinchey

I. Distinctive Aspects of International Arbitration	315
II. The Agreement to Arbitrate International Disputes	319
A. Basic Requirements	319
B. Writing Requirement	319
C. Capacity and Authority of Parties to Agree	320
D. Viability of Arbitration Agreement	321

E. Defined Legal Relationship	321
F. Dispute Subject to Arbitration	322
G. Drafting Considerations	322
H. Institutional and Form Agreements	324
III. Legal Framework of International Construction Arbitrations	326
A. New York Convention	327
B. Investment Treaties	329
C. "Seat" of the Arbitration	329
D. Arbitral Tribunal	331
E. Substantive Law Chosen by the Parties	332
F. Technical Standards	334
G. Arbitration Rules	335
H. Guidelines and Protocols	335
IV. Initiating the Arbitral Proceeding	335
A. Institutional and Ad Hoc Arbitrations	335
B. International Arbitral Institutions	337
1. Overview	337
2. International Chamber of Commerce (ICC) Court of Arbitration	339
3. American Arbitration Association/International Centre for Dispute Resolution (AAA/ICDR)	340
4. London Court of International Arbitration (LCIA)	340
5. International Centre for the Settlement of Investment Disputes (ICSID)	341
C. Initial Arbitral Pleadings	342
1. Request for Arbitration	342
2. Response to Request for Arbitration	343
D. Fees and Costs	344
1. Institutional Fee Scales	344
2. Negotiating Arbitrator Compensation	345
E. Interim Relief from the Tribunal	346
1. Overview	346
2. Local Legislation	346
3. Arbitral Rules	347
4. Local Courts	347
5. Emergency Relief Before Tribunal Is Formed	348
V. Appointment and Selection of Arbitrators	349
A. Arbitration Agreement and Institutional Rules	349
B. Number of Arbitrators	350
C. Neutrality, Independence, and Impartiality	351
D. Other Desirable Qualifications	352
E. Arbitrator Disclosure Requirements	353
F. Inquiries and Investigation	355
G. Challenges to Arbitrators	357

VI.	Conduct of the Arbitral Proceedings	358
	A. Preliminary Procedural Conferences	358
	B. Pleadings and Prehearing Procedures; in General	360
	1. Counterclaims	361
	2. Cross-Claims	362
	3. Amendments	362
	4. Common and Civil Law Perspectives on Pleading	362
	C. Terms of Reference	363
	D. Timetable and Schedule	364
	E. Motions and Applications to Tribunal	365
	F. Disclosure, Exchange of Evidence and Discovery	366
	1. In General	366
	2. Institutional Rules	367
	3. Electronically Stored Information (ESI)	368
	4. National Laws	370
	5. Summary	370
	G. Tribunal and Party-Appointed Experts	370
	H. Conducting the Hearing	373
	1. In General	373
	2. Due Process and Procedures	374
	3. Hearing Location	374
	4. Attendees and Privacy	375
	5. Rules of Evidence	375
	6. Common Law and Civil Law Approaches to Evidence	376
	7. Burden of Proof	377
	8. Objections to Evidence	377
	9. Opening Statements	378
	10. Order of Evidence	378
	11. Witness Evidence	379
	12. Written Witness Statements	379
	13. Oral Statements	380
	14. Managing Expert Evidence	380
	15. Direct Examination	381
	16. Cross-Examination	383
	17. Sequestration	383
	18. Documentary Evidence	384
	19. Time Management	386
	20. Recording Evidence	387
	I. Posthearing Matters	388
	1. Arguments and Closing Submissions	388
	2. Closing the Record	389
	3. Tribunal Deliberations	390
VII.	Fast-Track International Construction Arbitrations	391
	A. In General	391
	B. Representative Rules	392
	C. Cost-Benefit Analysis	393

VIII. Arbitral Awards	394
A. Basic Requirements	394
B. Rationale for Basic Requirements	395
C. Additional Requirements and Good Practice	395
IX. Post-Award Relief from Awards	398
X. Summary—the Future	400

Chapter 15

Arbitrator Ethics 401

James R. Madison

I. Introduction	401
II. Pre-Appointment Obligations	401
III. Appointment Acceptance Ethics: Disclosure	402
A. General	402
B. Case Developments	402
1. Federal	402
2. State	403
C. Statutes	403
1. California	403
2. Other States	407
D. AAA/ABA Code of Ethics	410
IV. Ethical Obligations During Service	411
V. Postservice Obligations	413
VI. Party-Appointed Arbitrators	414

Chapter 16

Introduction to Mediation 415

Alan E. Harris and Kelly M. Matayoshi

I. What Is Mediation?	415
II. Is Mandatory Mediation Helpful and/or Appropriate?	417
III. When Should You Mediate?	419
IV. Mediator Neutrality and Disclosures	420
V. Mediation Agreement	422
VI. Conclusion	425

Chapter 17

The Mediator 427

Adrian L. Bastianelli III and Robert A. Rubin

I. Role of the Mediator	427
A. Authority	427
B. Rules and Procedures	427
C. Privacy	428
D. Ex Parte Communications	428
II. Mediator's Skills	428
A. A Mediator's Skills as Distinguished from Those of a Litigator, Judge, Arbitrator, or DRB Member	428

B. Mediators Skill Sets	429
1. Ability to Analyze Facts, Law, and People Quickly	429
2. Active Listening Skills	430
3. Sensitivity to the Psychology of Others, Hidden Agendas, and Below-the-Surface Issues	430
4. Engender Trust, Confidence, and Respect	430
5. Ability to Develop Relationships with Decision Makers	430
6. Ability to Withstand Stress and Pressure	431
7. Perseverance	431
8. Good Negotiator	431
9. Neutrality	431
10. Other Personal Attributes	432
C. Mediation Training and Experience	432
D. Legal Training and Experience	432
E. Construction Training and Experience	433
III. Mediator's Style	433
A. Facilitative	433
B. Evaluative	433
C. Combination Facilitative and Evaluative	433
D. Combination Aggressive and Laid-Back	434
IV. Co-Mediators	434
V. How and Where to Find a Mediator	434
VI. Questions to Ask a Prospective Mediator	435
VII. Disclosures	438
VIII. Conclusion	439
<i>Chapter 18</i>	
Pre-mediation Phase	441
<i>Steve Nelson</i>	
I. Preparing the Client for Mediation—Explain the Process of Mediation	441
A. The Decision to Mediate	441
B. The Commitment to Mediate	442
C. Timing of Mediation	442
D. Locale	443
E. Attendance by Decision Makers and Stakeholders	444
F. Confidentiality	445
G. The Opening Session	445
1. The Case for the Opening Session	446
2. The Case for Early Party Separation	446
H. Serious Case Evaluation	447
1. Economic Analysis	447
2. Know Your BANTA	449
I. A Discussion on the Possible Outcomes of a Mediation Session	450

J.	Begin to Develop Settlement Options and Potential for Creative Solutions	451
K.	Discuss Specific Settlement Terms	451
II.	Determine if Additional Information Exchanges Are Necessary or Desirable	452
III.	Plan Your Two-Minute Drill	454
<i>Chapter 19</i>		
The Mediation		457
<i>Peter J. Ippolito and Laurence R. Phillips</i>		
I.	Mediator's Opening Remarks and Joint Session Presentations	457
A.	Mediator's Opening Remarks	457
B.	Joint Session	458
1.	Pros	458
2.	Cons	459
3.	Use of Technology and Demonstrative Exhibits During Joint Sessions	460
4.	How Much Is Too Much?	460
C.	Who Should Be Present?	460
1.	Participants with Settlement Authority	460
2.	Use of Experts	461
3.	Managing Emotions and Expectations	461
II.	Private Sessions (Caucus)	462
A.	General	462
B.	Negotiations, Strategy, and Tactics	462
1.	Opening Offers	463
2.	Counteroffers	463
3.	Candor, Confidentiality, and Trustworthiness	464
III.	Closing the Deal	464
A.	Tips to Successful Closure	464
B.	Written Versus Oral Agreements	465
C.	Enforceability	465
IV.	Settlement Tools Dealing with Impasse	465
V.	Multiparty Mediation	467
A.	Nonparticipating Party; Multiparty Mediations	467
B.	Mediations within Mediations	468
C.	Public Agencies	468
D.	Private Owners	468
1.	Claimants	468
2.	Respondents	469
E.	Prime Contractors	469
1.	Claimant	469
2.	Respondent	469
F.	Subcontractors	469
G.	Designers	470

H. Insurance Carriers	470
I. Sureties	470
VI. Conclusion	471
<i>Chapter 20</i>	
Special Issues in Mediation	473
<i>Kerry L. Kester and Krista L. Kester</i>	
I. Introduction	473
II. Enforcing Mandatory Mediation Provisions	474
A. Mediation As a Condition Precedent to Dispute Proceedings	474
B. Methods of Fulfilling Mediation Requirements	475
C. Futility As an Excuse for Failure to Mediate	476
III. Failure to Mediate in Good Faith	477
A. Background	477
B. Sources of Good-Faith Requirements	478
C. Contractual Remedies for Failure to Mediate in Good Faith	480
IV. Confidentiality of the Mediation Process and Communications	481
A. Background and Purposes of Confidentiality in Mediation	482
B. Sources and Scope of Confidentiality Requirements	483
1. The Privilege Approach to Protecting the Confidentiality of the Mediation Process	485
2. Broad-Based Confidentiality Requirements	485
3. Tensions Between Confidentiality and Other Interests	486
4. Exceptions to Confidentiality Requirements	487
5. Remedies for Breach of Confidentiality Requirements	492
6. Use of Settlement Agreement (Oral or Written)	493
V. Mediation Programs and Providers	495
A. Court and Court-Annexed Mediation Programs	495
1. Federal District Courts	496
2. Federal Courts of Appeal	498
3. State Courts	498
B. Mediation Outside Court-Annexed Programs	498
1. Dispute Resolution Offices Connected to the State or Local Courts	498
2. Private Mediation Providers	499
3. Selection of a Mediator in Construction Disputes	500
VI. Conclusion	503

*Chapter 21***Ethics in Mediation****505***Mark J. Heley*

I. Determination of Standards for Mediator Ethics	506
A. Does a Mediator Practice Law?	506
B. Sources of Ethical Standards for Mediators	509
1. Model Standards of Conduct for Mediators	509
2. Uniform Mediation Act	510
3. Provider Organizations	510
4. State and Federal Statutes, Agency Rules and Regulations, and Local Court Rules	511
II. Generally Recognized Ethical Standards	511
A. Party Self-Determination	512
B. Impartiality and Neutrality	516
1. Conflicts of Interest	516
2. Mediator Bias	518
3. Conduct That Casts Doubt on the Mediator's Impartiality and Neutrality	518
C. Confidentiality	519
D. Competency	522
E. Quality of Process	522
F. Advertising and Solicitation	523
G. Fees	524
H. When Should a Mediator Withdraw from a Mediation?	524
III. The Ethical Considerations for Lawyers Representing Parties in Mediation	526
A. Mediation Participation Must Be in Good Faith	527
B. Negotiation Tactics	528
C. Interference with the Settlement	530
IV. Conclusion	530

*Chapter 22***Alternative Dispute Resolution
in Federal Government Contracting****531***James F. Nagle*

I. The Government and the Prime Contractor	531
A. The Statutory Basis	532
1. Alternative Dispute Resolution Act of 1990	532
2. Administrative Dispute Resolution Act of 1996	532
B. Regulatory Application	536
C. Agency Implementation	538
D. ADR Use in Government Contracts Forum	539
1. Bid Protests	539

2. Contract Administration, Requests for Equitable Adjustment, Claims and Appeals	540
II. ADR Between the Prime and Subcontractor	543
A. Applicable Law	544
B. What Is Federal Procurement Law?	544
C. Why Would Two Private Parties Choose Federal Procurement Law?	546
D. The Arbitration Decision/Mediation Statement in Disputes Between Federal Prime and Subcontractors	546
<i>Chapter 23</i>	
Initial Decision Maker (IDM)	549
<i>Suzanne H. Harness</i>	
I. The Architect as Initial Decision Maker	549
II. Industry Parallels	553
A. The Contracting Officer's Decision	553
B. The Engineer's Decision	555
III. Introducing a Third-Party Neutral into AIA Documents	555
A. A201-2007: The Initial Decision Maker (IDM)	556
B. Selecting the IDM	558
C. IDM Agreement	558
D. Authority of the IDM	559
E. Responding to the Claim	559
F. Content of the Decision	560
G. Communicating with the Parties	560
H. Ethical Concerns	560
I. Protecting the IDM	561
J. A Party's Response to the Decision	561
K. Initial Decision Is Final and Binding	562
L. Appealing the Decision	562
IV. Alternatives to the Initial Decision	563
A. Stepped Negotiations	563
B. Dispute Review Board	563
C. Dispute Adjudication Board	564
D. Standing Neutral	564
E. Compare Alternatives	564
1. Speed of Decision	564
2. Admissibility	565
3. Cost Effectiveness	565
V. Industry Acceptance of the IDM in AIA Contracts	565
VI. Conclusion	566

*Chapter 24***Dispute Review Boards and Other Forms of Construction ADR 569***Adrian L. Bastianelli III and Robert A. Rubin*

- I. What Is a DRB? 569
- II. The Dispute Resolution Board Foundation 570
- III. Selection of DRB Members 571
 - A. Methods of Selection of DRB Members 571
 - B. Complete Neutrality 571
 - C. Use of Lawyers as DRB Members 571
- IV. Regular Meetings and Site Visits 572
- V. DRB Hearings 573
- VI. Findings and Recommendations 574
- VII. The Informal or Advisory DRB Process 575
- VIII. Drafting the DRB Clauses and Agreements 575
- IX. Removal or Termination of a DRB Member 576
- X. Subcontractor or Design Professional Claims 577
- XI. Cost of the DRB 578
- XII. Other Forms of ADR 578
 - A. Early Neutral Evaluation 578
 - B. Standing or Project Neutral 579
 - C. Minitrial 580
- XIII. Conclusion 582

*Chapter 25***Construction ADR from the Owner's Perspective 583***Deborah Bovarnick Mastin*

- I. Owner's Objectives 583
 - A. The Endgame—Predictable Time, Cost, and Quality 583
 - B. The Means to the End—Communications and Civility 584
 - C. Frosting on the Cake—Enhancing Business Relationships 585
 - D. Evaluating the Merits or Effectiveness of an Alternate Dispute Resolution Process 586
- II. ADR Options Available to Owner During Project Performance for Dispute Mitigation and Avoidance 586
 - A. Partnering and Facilitation 587
 - B. Dispute Review Boards 587
 - C. Standing Neutral 588
 - D. Dispute Adjudication Board 589
- III. Additional ADR Processes Available to Owner After Project Completion 589
 - A. Pre-suit Mediation—Pros and Cons 590
 - B. Arbitration—Pros and Cons 591

C. Owner's Options for Alternate Dispute Resolution Prior to Trial—Early Case Evaluation and Nonbinding Arbitration	593
IV. Owner's Perspective on ADR Considerations Regarding Subcontractor Claims	593
V. Conclusion	594
 <i>Chapter 26</i>	
The Design Professional's Perspective on ADR	595
<i>L. Tyrone Holt, Kevin P. Walsh, Carrie L. Okizaki, Raymond D. Jones, and Cornelius DuBois</i>	
I. Introduction	595
II. Whether to Include an ADR Provision in the Design Professional's Written Agreement	596
A. The Specific Facts and Circumstances Surrounding the Project or Contract	598
B. The Types of Claims Most Commonly Made By and Against Design Professionals	601
C. The Terms of the Design Professional's Liability Insurance Policies	604
III. The Design Professional's Role in Resolving Disputes Among Project Participants During Construction	604
IV. Crafting the Language of the ADR Provision	607
A. Negotiation, Mediation, and Arbitration from the Design Professional's Perspective	607
B. "Stepped" ADR Clauses from the Design Professional's Perspective	609
C. ADR Language Used in Owner-Design Professional Form Agreements	610
1. The AIA Document B101-2007 Approach to Dispute Resolution	611
2. The ConsensusDocs 240 Approach to Dispute Resolution	613
3. The EJCDC E-500 Approach to Dispute Resolution	615
D. ADR Language to Be Considered for Use in the Design Professional/Client Agreement	617
1. Prevailing Party Clauses	618
2. Waiver of Consequential Damages Clauses	620
3. Clauses Specifying the Arbitrator(s) of the Dispute	621
V. Negotiating the Desired Language into the Design Professional's Written Agreement	622
VI. Project Documents: The Design Professional's Best Asset for Preventing Construction Disputes and Prevailing in Them	623
VII. Conclusion	627

*Chapter 27***ADR from the Contractor's Perspective 629***Allen L. Overcash*

- I. Introduction 629
- II. The Rise of the Strong Sub/Supplier 630
- III. The Modern Position of the Prime Contractor 632
- IV. How Strong Sub/Suppliers Affect the Contractor's ADR Procedures 633
- V. The Pass-Through Claim Process 635
- VI. Managing Claims Ahead of the Liquidation Agreement 639
- VII. Managing Claims in an ADR Procedure 640
 - A. Arbitration Proceedings 640
 - B. Other Proceedings 642
- VIII. Conclusion 644

*Chapter 28***Construction ADR Processes from the Subcontractor's Perspective 645***David R. Hendrick*

- I. Introduction 645
- II. General Subcontracting Considerations Regarding ADR 647
 - A. Compare and Contrast Standard Form Subcontract ADR Treatment and Options 648
 - B. Incorporation by Reference and "Conduit" Clauses 651
 - C. Unilateral Election of ADR Process by Prime Contractor 654
 - D. Binding Effect of an Initial "Decision" Regarding Subcontract Dispute 656
 - E. Venue and Forum Selection Clauses 656
- III. Subcontractor and Consolidation and Joinder Issues 657
- IV. Considerations Regarding Subcontractor "Pass-Through" Claims and Disputes 661
 - A. Severin Doctrine 662
 - B. Liquidation and Pass-Through Agreement 663
 - C. Tolling Agreement 663
 - D. Join Claim Cooperation and Confidentiality Agreement 663
- V. Dispute Resolution with "Downstream" Subcontractors or Suppliers 664
- VI. The Subcontractor and Arbitration of Surety Bond Claims 667
 - A. Miller Act Payment Bonds 668
 - B. Non-Miller Act Payment Bonds 670
 - C. Performance Bonds 671
 - D. Lien Discharge Bond 672
- VII. Arbitration and Mechanic's Lien Law 672
- VIII. Arbitration and Third-Party Issues 675
- IX. Subcontractor Dispute Resolution, IPD, and Lean Construction Delivery Systems 675

X. Dispute Review Boards and Procedures and Subcontractors	677
XI. Mediation and the Subcontractor	681
XII. Conclusion	682
<i>Chapter 29</i>	
The Business of Being a Construction Neutral	685
<i>Christi L. Underwood</i>	
I. Introduction	685
II. Business Organization and Goals	685
A. Solo Practice or Group	685
B. ADR Focus Area(s)	686
C. Time Commitment, Financial Resources	687
III. Basic Mechanics	688
A. Experience, Training, Panel Rosters	688
B. Licensing, Insurance, Bills, and Invoices	689
C. Office Location, Conference Rooms	689
IV. Marketing and Public Relations	690
A. Advertising: Yes or No?	690
B. Professional Association Memberships	691
C. Social Media, Websites	691
V. Special Needs of an ADR Practitioner	692
A. Conflicts Database, Disclosures	692
B. Engagement Agreements and Immunity	693
VI. How Do I . . . ?	694
A. Get Appointed to Cases	694
B. Stay Current with Best Practices	695
VII. Lessons Learned	696
A. Observations of Successful Construction ADR Neutrals	696
B. The Life/Work Balance	696
C. Don't Fear Change	696
<i>Index</i>	699
<i>Table of Cases</i>	729