

**UNITED STATES PUBLIC LAWS
105th Congress - Second Session
Convening January 27, 1998**

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PL 105-315 (HR 3528)
October 30, 1998

ALTERNATIVE DISPUTE RESOLUTION ACT OF 1998

An Act to amend title 28, United States Code, with respect to the use of alternative dispute resolution processes in United States district courts, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States
of America in Congress assembled,

< < 28 USCA § 1 NOTE > >

SECTION 1. SHORT TITLE.

This Act may be cited as the "Alternative Dispute Resolution Act of 1998".

< < 28 USCA § 651 NOTE > >

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

Congress finds that--

< < 28 USCA § 651 NOTE > >

(1) alternative dispute resolution, when supported by the bench and bar, and utilizing properly trained neutrals in a program adequately administered by the court, has the potential to provide a variety of benefits, including greater satisfaction of the parties, innovative methods of resolving disputes, and greater efficiency in achieving settlements;

< < 28 USCA § 651 NOTE > >

(2) certain forms of alternative dispute resolution, including mediation, early neutral evaluation, minitrials, and voluntary arbitration, may have potential to reduce the large backlog of cases now pending in some Federal courts throughout the United States, thereby allowing the courts to process their remaining cases more efficiently; and

< < 28 USCA § 651 NOTE > >

(3) the continued growth of Federal appellate court-annexed mediation programs suggests that this form of alternative dispute resolution can be equally effective in resolving disputes in the Federal trial courts; therefore, the district courts should consider including mediation in their local alternative dispute resolution programs.

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<< 28 USCA § 651 >>

SEC. 3. ALTERNATIVE DISPUTE RESOLUTION PROCESSES TO BE AUTHORIZED IN ALL DISTRICT COURTS.

Section 651 of title 28, United States Code, is amended to read as follows:

"Sec. 651. Authorization of alternative dispute resolution

"(a) **DEFINITION.**--For purposes of this chapter, an alternative dispute resolution process includes any process or procedure, other than an adjudication by a presiding judge, in which a neutral third party participates to assist in the resolution of issues in controversy, through processes such as early neutral evaluation, mediation, minitrial, and arbitration as provided in sections 654 through 658.

*2994 "(b) **AUTHORITY.**--Each United States district court shall authorize, by local rule adopted under section 2071(a), the use of alternative dispute resolution processes in all civil actions, including adversary proceedings in bankruptcy, in accordance with this chapter, except that the use of arbitration may be authorized only as provided in section 654. Each United States district court shall devise and implement its own alternative dispute resolution program, by local rule adopted under section 2071(a), to encourage and promote the use of alternative dispute resolution in its district.

"(c) **EXISTING ALTERNATIVE DISPUTE RESOLUTION PROGRAMS.**--In those courts where an alternative dispute resolution program is in place on the date of the enactment of the Alternative Dispute Resolution Act of 1998, the court shall examine the effectiveness of that program and adopt such improvements to the program as are consistent with the provisions and purposes of this chapter.

"(d) **ADMINISTRATION OF ALTERNATIVE DISPUTE RESOLUTION PROGRAMS.**--Each United States district court shall designate an employee, or a judicial officer, who is knowledgeable in alternative dispute resolution practices and processes to implement, administer, oversee, and evaluate the court's alternative dispute resolution program. Such person may also be responsible for recruiting, screening, and training attorneys to serve as neutrals and arbitrators in the court's alternative dispute resolution program.

"(e) **TITLE 9 NOT AFFECTED.**--This chapter shall not affect title 9, United States Code.

"(f) **PROGRAM SUPPORT.**--The Federal Judicial Center and the Administrative Office of the United States Courts are authorized to assist the district courts in the establishment and improvement of alternative dispute resolution programs by identifying particular practices employed in successful programs and providing additional assistance as needed and appropriate."

<< 28 USCA § 652 >>

SEC. 4. JURISDICTION.

Section 652 of title 28, United States Code, is amended to read as follows:

"Sec. 652. Jurisdiction

"(a) **CONSIDERATION OF ALTERNATIVE DISPUTE RESOLUTION IN APPROPRIATE CASES.**--Notwithstanding any provision of law to the contrary and except as provided in subsections (b) and (c), each district court shall, by local rule adopted under section 2071(a), require that litigants in all