#### Volume 1

# CHAPTER 1. INTERNATIONAL CONSTRUCTION ARBITRATION—AN OVERVIEW

## I. ELEMENTS OF INTERNATIONAL CONSTRUCTION ARBITRATION

- § 1:1 Distinctive aspects of International Construction
  Arbitration
- § 1:2 The meaning of "international"
- § 1:3 The meaning of "commercial" as applied to construction contracts
- § 1:4 The meaning of "arbitration"

#### II. DISPUTE RESOLUTION PROCESSES COMPARED AND CONTRASTED TO INTERNATIONAL CONSTRUCTION ARBITRATION

- § 1:5 Construction dispute resolution processes related to arbitration—Overview
- § 1:6 Construction dispute resolution—Preventative measures
- § 1:7 —Required negotiation
- § 1:8 Construction dispute resolution processes related to arbitration—Decisions by design professionals
- § 1:9 Construction dispute resolution—Standing neutrals and DRBs
- § 1:10 Construction dispute resolution processes related to arbitration—Dispute adjudication boards (DABs)
- § 1:11 —Expert determinations
- § 1:12 —Statutory Adjudication
- § 1:13 Construction dispute resolution—Mediation and conciliation
- § 1:14 Construction dispute resolution processes related to arbitration—Med-arb, Arb-med, and Arb-med-arb

#### III. INTERNATIONAL CONSTRUCTION ARBITRATION—AN ASSESSMENT

- § 1:15 Generally
- § 1:16 Enforceability of awards
- § 1:17 Party autonomy and control
- § 1:18 Decision-maker expertise
- § 1:19 Time efficiency
- § 1:20 Convenience
- § 1:21 Cost
- § 1:22 Privacy and confidentiality
- § 1:23 Discovery challenges; lack of joinder processes
- § 1:24 Construction dispute resolution trends to watch

#### CHAPTER 2. THE AGREEMENT TO ARBITRATE INTERNATIONAL CONSTRUCTION DISPUTES

### I. THE REQUIREMENT OF AN ENFORCEABLE AGREEMENT

- § 2:1 Overview
- § 2:2 Writing requirement
- § 2:3 Viability of arbitration agreement
- § 2:4 Existing or future disputes
- § 2:5 Defined legal relationship
- § 2:6 Dispute subject to arbitration

#### II. DRAFTING CONSIDERATIONS

- § 2:7 Overview
- § 2:8 Drafting considerations—Mutuality of right to arbitrate
- § 2:9 Pre-arbitration tiered or stepped processes
- § 2:10 Requirement that work continue pending dispute resolution
- § 2:11 Scope of issues to be arbitrated
- § 2:12 Statutes of prescription or limitation
- § 2:13 Selection of tribunal
- § 2:14 Selection of arbitrators—Number of arbitrators
- § 2:15 —Appointing authority
- § 2:16 —Qualifications of tribunal
- § 2:17 Choice of institutional or non-institutional arbitration
- § 2:18 Choice of rules
- § 2:19 Legal place or "seat" and location of arbitration

#### TABLE OF CONTENTS

§ 2:20	Time Limits
§ 2:21	Choice of law governing substantive and arbitration
	provisions of contract
$\S 2:22$	Confidentiality and privacy
§ 2:23	Language of the arbitration
$\S~2:24$	Interim provisional or conservatory relief
$\S 2:25$	Multiple parties; joinder, consolidation, intervention
§ 2:26	Discovery and exchange of evidence
$\S 2:27$	The award and remedies
§ 2:28	Relief on motions
§ 2:29	Bifurcation and partial awards
$\S 2:30$	Reasoned awards
$\S 2:31$	Currencies
$\S 2:32$	Special limitations on damages
§ 2:33	"Baseball" or "high-low" awards
$\S 2:34$	Costs, attorney's fees, interest, and sealed offers
$\S~2:35$	Enforcement of the award
§ 2:36	Post-award judicial relief and appeals

#### III. INSTITUTIONAL AND FORM AGREEMENTS

§ 2:37	Overview
§ 2:38	FIDIC
§ 2:39	AIA documents
§ 2:40	ICC recommended clauses
$\S 2:41$	ICDR recommended clauses
§ 2:42	LCIA recommended clauses
§ 2:43	UNCITRAL recommended clauses

# CHAPTER 3. LEGAL FRAMEWORK OF INTERNATIONAL CONSTRUCTION ARBITRATION

§ 3:1	Overview
§ 3:2	International treaties and legal systems as sources of jurisdiction—Overview
§ 3:3	—New York Convention
§ 3:4	—Investment treaties
§ 3:5	—Other multilateral treaties and conventions
§ 3:6	Potentially-applicable local law—Overview
§ 3:7	—Lex arbitri
§ 3:8	—Considerations in selecting the "place" or "seat" of arbitration
§ 3:9	—Jurisdictions of possible collateral proceedings— Applications related to the arbitral tribunal

#### INTERNATIONAL CONSTRUCTION ARBITRATION HANDBOOK

§ 3:10	——Applications for interim relief
§ 3:11	—Jurisdictions of arbitrators', counsel's, and parties' residences or domiciles
§ 3:12	—Jurisdiction where arbitration physically conducted
§ 3:13	—Jurisdictions where evidence is located
§ 3:14	—Jurisdictions where enforcement of award may be sought
§ 3:15	Authorities chosen by parties—Overview
§ 3:16	—Agreement to arbitrate and "separability" doctrine
§ 3:17	—Law governing the construction agreement
§ 3:18	—Lex mercatoria and lex constructionis principles
§ 3:19	—Technical standards
§ 3:20	—Arbitration rules
§ 3:21	-Ex aequo et bono; amiable compositeur
§ 3:22	—Guides and Protocols

#### CHAPTER 4. STATE COURT INTERVENTION IN INTERNATIONAL CONSTRUCTION ARBITRATION

- § 4:1 State court intervention—Introduction § 4:2 State court intervention to enforce the agreement to arbitrate—Overview § 4:3 —Existence of agreement to arbitrate § 4:4 -Null and void; lack of capacity § 4:5 —Agreement inoperative or incapable of being performed § 4:6 —Unilateral option to arbitrate § 4:7 -Rescission; unconscionable agreements § 4:8 —Cancellation or termination of agreement § 4:9 —Actions to stay or compel arbitration § 4:10 State court intervention to appoint arbitrators State court intervention to determine jurisdictional § 4:11 challenges—Overview § 4:12 —Scope of agreement § 4:13 State court determination of parties bound to arbitrate—Overview —Signatories—Owners, employers, sponsors § 4:14 § 4:15 — —Governments and public agencies  $-- Design \ professionals$ § 4:16
- § 4:17 ——Prime contractors
- § 4:18 ——Subcontractors
- § 4:19 ——Sureties, guarantors
- —Insurers § 4:20
- § 4:21 -Non-signatories-Overview

§ 4:22	——Incorporation by reference
§ 4:23	——Assignment
§ 4:24	——Novation
§ 4:25	— — Third-party beneficiaries
	——Agency
§ 4:27	——Assumption of obligation/estoppel
§ 4:28	— — Veil piercing
§ 4:29	— — Joint ventures/partnerships
§ 4:30	——Subrogation
§ 4:31	——Insolvency
§ 4:32	—Practical problems
§ 4:33	State court intervention to consolidate separate arbitral proceedings
§ 4:34	State court intervention to determine preclusive effect of prior proceedings, time bars, conditions precedent, and waiver of the right to arbitrate
§ 4:35	State court intervention to assist in taking evidence
§ 4:36	State court intervention in post-award proceedings

# CHAPTER 5. POWERS, DUTIES, AND AUTHORITY OF THE ARBITRAL TRIBUNAL

§ 5:1	Duties and authority of the arbitral tribunal— Overview
§ 5:2	Duties of the arbitral tribunal—Regarding independence and disclosure
§ 5:3	—To conduct the proceedings fairly
§ 5:4	—To apply the law
§ 5:5	Authority of the arbitral tribunal—To determine jurisdiction
§ 5:6	—Conferred by agreement
§ 5:7	—Conferred by applicable law
§ 5:8	—Prearbitral conditions—Overview
§ 5:9	— —Required negotiation
§ 5:10	——Submission to designated decision-makers
§ 5:11	— — Dispute review and adjudication boards
§ 5:12	— — Mediation and conciliation
§ 5:13	— —Time bars and limitations
§ 5:14	—Regarding the "place" or "seat" of arbitration
§ 5:15	—Arbitral procedures—Overview
§ 5:16	——Authority of the presiding arbitrator
§ 5:17	——Communication and Scheduling
§ 5:18	——Administrative services
§ 5:19	— —Confidentiality and cybersecurity
§ 5:20	—Language(s) of arbitration

#### INTERNATIONAL CONSTRUCTION ARBITRATION HANDBOOK

§ 5:21	—Interim measures
§ 5:22	—Taking of evidence—Overview
§ 5:23	——Documents and Witnesses
§ 5:24	—Hearing procedures
§ 5:25	—Party defaults
§ 5:26	—Awards—Overview
§ 5:27	——Partial and Consent Awards
§ 5:28	— Effect of final award on arbitrators' jurisdiction
§ 5:29	When the arbitral tribunal refuses or fails to exercise
	authority

# CHAPTER 6. INITIATING THE INTERNATIONAL CONSTRUCTION ARBITRATION

#### I. PRELIMINARY CONSIDERATIONS

§ 6:1	Overview
§ 6:2	Selecting counsel
§ 6:3	Institutional vs. "ad hoc" administration
§ 6:4	Institutional vs. ad hoc rules

#### II. INTERNATIONAL ARBITRAL INSTITUTIONS

§ 6:5	Overview
§ 6:6	International Chamber of Commerce (ICC) Court of Arbitration
§ 6:7	American Arbitration Association/International Centre for Dispute Resolution (ICDR)
§ 6:8	London Court of International Arbitration (LCIA)
§ 6:9	International Centre for the Settlement of Investment Disputes (ICSID)

#### III. INITIAL ARBITRAL PLEADINGS

§ 6:10	Request for arbitration
S C.11	Degrange to request for orbi

#### § 6:11 Response to request for arbitration

### IV. PAYMENT OF FEES AND ADVANCES ON COSTS

§ 6:12	Overview
§ 6:13	The "ad valorem" method
§ 6:14	The "time spent" method
§ 6:15	The "fixed fee" method
§ 6:16	Negotiation

xxviii

§ 6:17 Security

#### V. INTERIM RELIEF FROM THE TRIBUNAL

§ 6:18 Generally

## VI. APPOINTMENT AND SELECTION OF ARBITRATORS

§ 6:19	Overview
§ 6:20	Arbitration agreement
§ 6:21	Institutional rules
§ 6:22	Selection by appointing authority
§ 6:23	Judicial appointment
§ 6:24	Number of arbitrators
§ 6:25	Qualifications, experience, and attributes
§ 6:26	Nationality and language
§ 6:27	Requirement of neutrality, independence, and impartiality
§ 6:28	Arbitrator disclosure requirements—Overview
§ 6:29	—ICC
§ 6:30	—ICDR
§ 6:31	—LCIA
§ 6:32	—UNCITRAL
§ 6:33	—IBA Guidelines
§ 6:34	Arbitrator selection; inquiries and investigation
§ 6:35	Arbitrator selection; interviewing prospective arbitrators

## VII. CHALLENGE TO AND REPLACEMENT OF ARBITRATORS

§ 6:36	Overview
§ 6:37	Grounds
§ 6:38	Procedure
§ 6:39	Waiver of right to challenge
§ 6:40	Filling vacancies; truncated tribunals

# CHAPTER 7. DEVELOPING THE CONSTRUCTION CASE IN AN INTERNATIONAL ARBITRATION

§ 7:1	Overview
§ 7:2	Initial meetings
§ 7:3	Initial document review
8 7.1	Initial research

#### INTERNATIONAL CONSTRUCTION ARBITRATION HANDBOOK

§ 7:5	Theory of the case
§ 7:6	Theme of the case
§ 7:7	The case story
§ 7:8	Keeping it simple, strong, and credible
§ 7:9	Reverse engineering the award
§ 7:10	Typical claims and defenses—Overview
§ 7:11	—Owner/employers
§ 7:12	—Constructors
§ 7:13	—Subcontractors and vendors
§ 7:14	Reconstructing history of the project
§ 7:15	—Limitations on discovery
§ 7:16	—Rule of probability
§ 7:17	—Obtaining key documents
§ 7:18	—Interviewing witnesses
§ 7:19	—Viewing the site
§ 7:20	-Managing documents and electronic data
§ 7:21	——Collection and coding
§ 7:22	——Copying, imaging, and OCR scanning
§ 7:23	— —Indexing
§ 7:24	——Secure websites
§ 7:25	——Preservation and exchange of electronic files
§ 7:26	Selecting, and using experts—Overview
§ 7:27	—Subjects requiring expertise
§ 7:28	—Selection process
§ 7:29	—Investigation and analysis
§ 7:30	Selecting and using experts—Objectivity and neutrality
§ 7:31	—Preparing reports
§ 7:32	Organizing the arbitration team
§ 7:33	Chronologies, dramatis personae, glossaries, tutorials, graphs, charts, photographs, and other communication aids
§ 7:34	Testing the case—Mock presentations
§ 7:35	Balancing case preparation and presentation with case budgets

# CHAPTER 8. CONDUCT OF THE ARBITRAL PROCEEDINGS—PRE-HEARING MATTERS

#### I. PRELIMINARY PROCEDURAL CONFERENCES

§ 8:1	Overview
§ 8:2	Matters to be considered—Overview
§ 8:3	—Rules
§ 8:4	—Language(s)

§ 8:5	—"Place" or "seat"; meeting locations
§ 8:6	—Administrative matters; tribunal secretaries
§ 8:7	—Fees and costs
§ 8:8	—Confidentiality and privacy
§ 8:9	—Hearing dates and timetable
§ 8:10	—Bifurcation, consolidation and early decisions
§ 8:11	—Statements of claims, defenses and issues
§ 8:12	—Exchanges of documents and ESI
§ 8:13	—Inspections, site views, tests
§ 8:14	-Exchanges of witnesses' names and information
§ 8:15	—Expert testimony
§ 8:16	—Subpoenas
§ 8:17	—Depositions
§ 8:18	—Briefs and memorials
§ 8:19	—Hearing procedures
§ 8:20	—Award and allocation of costs
§ 8:21	—Scheduling order and timetable

#### II. PLEADING OR STATING THE CASE

§ 8:22	Overview
§ 8:23	First pleadings; Request for arbitration and answer
§ 8:24	Counterclaims, cross claims, third-party claims
§ 8:25	Subsequent detailed statements
§ 8:26	Amendments
§ 8:27	Common and civil law perspectives on pleading
§ 8:28	"Terms of Reference"
§ 8:29	Chronologies, dramatis personae, charts, diagrams,
	glossaries, schedules, etc

#### III. PREHEARING PROCEDURES

§ 8:30	Motions and applications to tribunal; issue-dispositive motions
§ 8:31	Management by the tribunal and chair
§ 8:32	Bifurcation, joinder, and consolidation
§ 8:33	Exchange of evidence and discovery—Overview
§ 8:34	—Institutional rules
§ 8:35	—Common and civil law concepts
§ 8:36	—Evidentiary rules, protocols, and guidelines
§ 8:37	—Electronically stored information (ESI)
§ 8:38	—National laws
§ 8:39	—Summary
§ 8:40	Informal investigations
§ 8:41	Site views, inspections, and testing
§ 8:42	Tribunal and party-appointed experts

## CHAPTER 9. CONDUCT OF THE ARBITRAL PROCEEDINGS—THE HEARING PROCESS

#### I. PRELIMINARY CONSIDERATIONS

O	0 1	$\sim$	
_	9.1	Overs	77 0 77

- § 9:2 Due process and procedures
- § 9:3 Hearing location
- § 9:4 Attendees and privacy
- § 9:5 Rules of evidence

#### II. CONDUCTING THE HEARING

- § 9:6 Opening statements and submissions
- § 9:7 Order of evidence
- § 9:8 Witness evidence
- § 9:9 —Experts
- § 9:10 —Oaths and affirmations
- § 9:11 —Direct examination
- § 9:12 —Cross-examination
- § 9:13 —Summaries
- § 9:14 —Sequestration
- § 9:15 Documentary evidence—Overview
- § 9:16 —The "core record"
- § 9:17 —Prehearing exchange
- § 9:18 —Joint or common exhibits
- § 9:19 —Marking exhibits
- § 9:20 —Objections
- § 9:21 —hearing presentation
- § 9:22 —Advance submission
- § 9:23 —Demonstrative exhibits
- § 9:24 —Created during hearing
  § 9:25 —Privileges and confidentiality
- § 9:26 Effective hearing advocacy
- § 9:27 Time management
- § 9:28 Recording evidence

#### III. CLOSING THE HEARING

- § 9:29 Post-hearing matters—Evidence
- § 9:30 —Arguments and submissions
- § 9:31 Closing the record
- § 9:32 Tribunal deliberations

# CHAPTER 10. EXPEDITED CONSTRUCTION ARBITRATIONS

§ 10:1 Generally

xxxii

§ 10:2	Statutory Adjudication
§ 10:3	The Society of Construction Arbitrators' "100-day" rules
§ 10:4	The CPR International Institute for Conflict Prevention and Resolution Expedited arbitration procedures
§ 10:5	Construction Industry Model Arbitration Rules (CIMAR)
§ 10:6	The AAA Construction Industry approach to expedited arbitration
§ 10:7	The LCIA approach to expedited arbitration
§ 10:8	Other expedited procedures
§ 10:9	Positional tensions with accelerated procedures
§ 10:10	Practice tips and techniques for accelerated arbitration

# CHAPTER 11. ARBITRAL RULINGS AND AWARDS

§ 11:1	Categories of Rulings and Awards—Overview
§ 11:2	—Procedural orders
0 11 0	D .: 1 1:

- § 11:3 —Partial and interim awards
- § 11:4 —Provisional or emergency awards; preserving status quo
- § 11:5 —Default awards
- § 11:6 —Consent awards
- § 11:7 —Final awards
- § 11:8 Scope of Remedies—Overview
- $\S 11:9$  —Injunctive relief
- § 11:10 —Rectification of contracts
- § 11:11 —Declarations of rights and obligations
- § 11:12 —Awarding costs and fees
- § 11:13 Form of Awards—Overview
- § 11:14 —Reciting the arbitration agreement
- § 11:15 —Reciting the applicable law
- § 11:16 —Reciting the applicable rules
- § 11:17 —Language of the award
- § 11:18 Requirement of Reasoned Awards—Overview
- § 11:19 —Elements
- § 11:20 —Adherence to contract and applicable law
- § 11:21 Use of Award Schedules for Multiple Issues
- § 11:22 Draft Awards—Overview
- § 11:23 —ICC "scrutiny"
- § 11:24 Time Limits for Issuing Awards

#### CHAPTER 12. POSTAWARD PROCEEDINGS

§ 12:1 Postaward proceedings—Overview

#### International Construction Arbitration Handbook

§ 12:2	Arbitral appeals
§ 12:3	Application of the New York Convention—
	"International" awards
§ 12:4	—Primary and secondary jurisdictions
§ 12:5	Postaward proceedings at the seat of arbitration—
	Grounds for vacating or setting aside the award
§ 12:6	Postaward proceedings at the place of enforcement—
	Grounds for refusal of recognition and
	enforcement—Overview
§ 12:7	— New York Convention, Articles V(1)(a), V(1)(c),
	and V(1)(d)
§ 12:8	— New York Convention, Article V(1)(b)
§ 12:9	— New York Convention, Article V(1)(e)
§ 12:10	— New York Convention, Article VI
§ 12:11	— New York Convention, Article V(2)
§ 12:12	— —Miscellaneous cases

# CHAPTER 13. PROFESSIONAL CONDUCT IN INTERNATIONAL CONSTRUCTION ARBITRATION

#### I. PARTY REPRESENTATIVES

§ 13:1	Potentially applicable legal standards
§ 13:2	Choice of controlling legal standards
3 13:3	Conflicts of interest
313:4	Competence
313:5	Compensation arrangements
313:6	Communications with arbitrators
§ 13:7	Communications with opposing party representatives and third persons
313:8	Communications with witnesses; witness preparation
313:9	Witness compensation
3:10	Information exchange and disclosure
3:11	Submissions to arbitral tribunal
3 13:12	Sanctions for misconduct

#### II. ARBITRATORS

8 12:12	Applicable standards
§ 13:14	Choice of controlling legal standards
§ 13:15	Solicitations
§ 13:16	Requirement of neutrality, independence and impartiality
§ 13:17	Duties to disclose

xxxiv

3 13.18	Communications with parties and counsel
13:19	Compensation arrangements
•	1
3 13:20	Competence and diligence
3:21	Duties to determine jurisdiction and apply the law
13:22	Duty to manage the proceeding
3 13:23	Arbitration and settlement
3:24	Deliberations

#### III. EXPERT WITNESSES

§ 13:25	Objectivity and independence
§ 13:26	Engineers
8 13.27	Accountants

#### **Table of Laws and Rules**

**Table of Cases** 

Index

#### Volume 2

#### **APPENDICES**

#### **Appendix I. Conventions and Treaties**

- Appendix 1. Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 (New York Convention)
- Appendix 2. Convention on the Settlement of Investment
  Disputes Between States and Nationals of
  Other States of 1965 (Washington Convention
  or ICSID Convention)

#### **Appendix II. Arbitration Laws**

- Appendix 3. UNCITRAL Model Law on International Commercial Arbitration (amended 2006)
- Appendix 4. United States (Federal) Arbitration Act (FAA) (9 U.S.C.A. §§ 1 to 14)
- Appendix 5. United States (Federal) Convention on the Recognition and Enforcement of Foreign Arbitral Awards (9 U.S.C.A. §§ 201 to 208)
- Appendix 6. (English) Arbitration Act 1996 (1996 Chapter 23)

#### Appendix III. Arbitration Guides and Protocols

Appendix 7. ICC Final Report on Construction Industry Arbitrations (2001, 2019 Update) (ICC Final Report)

#### International Construction Arbitration Handbook

A O	ICC Tooksisses for Controlling Time and Costs
Appendix 8.	ICC Techniques for Controlling Time and Costs in Arbitration (ICC Report on Time and Costs) (2d edition, 2012, 2019 Updated)
Appendix 9.	UNCITRAL Notes on Organizing Arbitral Proceedings (UNCITRAL Notes) (2016)
Appendix 10.	IBA Guidelines on Conflicts of Interest in International Arbitration (23 October 2014)
Appendix 11.	IBA Guidelines for Drafting International Arbitration Clauses (Adopted 07 October 2010)
Appendix 12.	AAA/ABA Code of Ethics for Arbitrators in Commercial Disputes (effective March 1, 2004)
Appendix 13.	Chartered Institute of Arbitrators, International Practice Guideline, Interviews for Prospective Arbitrators (2019 Updated)
Appendix 14.	Chartered Institute of Arbitrators, Protocol for the Use of Party-Appointed Experts (2019 Updated)
Appendix 15.	Chartered Institute of Arbitrators, Protocol for E—Disclosure in Arbitration
Appendix 16.	ICDR Guidelines for Arbitrators Concerning Exchanges of Information (Effective May 31, 2008)
Appendix 17.	CPR Protocol on Disclosure of Documents and Presentations of Witnesses in Commercial Arbitration
Appendix 18.	College of Commercial Arbitrators, Protocols for Expeditious, Cost-Effective Commercial Arbitration (2010)
Appendix IV.	<b>Sample Provisions and Other Practice Materials</b>
Appendix 19.	Arbitration Agreements—Sample and Model Provisions
Appendix 20.	AAA Guide to Drafting Alternative Dispute Resolution Clauses for Construction Contracts (2007, 2019 Updated)
Appendix 21.	Action List
Appendix 22.	Categories of Typical Construction Project Documents Often Useful in Construction Arbitrations
Appendix 23.	Early Disclosure and Discovery Protocol

Appendix V. Rules and Guidelines for Professional Conduct

xxxvi

Appendix 24. ABA Model Rules of Professional Conduct (2018)

Appendix 25. IBA Rules of Ethics for International Arbitrators (2009)

Appendix 26. IBA Guidelines on Party Representation in International Arbitration (2013)

Appendix 27. The London Centenary Principles 2015