

time, Mr. President.

**SPEAKER WITHEM:** Prior to introducing Senator Landis to begin discussion on this, I would like to introduce 40 students from the Nebraska Education Technology Center and 20 of their teachers are in the south balcony. Senator Landis.

**SENATOR LANDIS:** Mr. Speaker, members of the Legislature, I'm here dropping the other shoe from the end of last session. I told you then that I would declare as my priority bill for this session the topic of arbitration, and asked you to pull from the Judiciary Committee this bill so that we could work on it over the summer, and we have. At that time there was considerable controversy, and I had made a representation on the floor that I would work over the summer to try to placate my opponents and to draw reasonable bright lines which would make arbitration unavailable in certain circumstances and thereby assuage some of the opposition. Let me talk about two general topics. First, what is arbitration and, secondly, why is a constitutional amendment necessary. Arbitration is a mechanism for dispute resolution other than going to court. Arbitration arises from a voluntary agreement between two parties to submit their controversy or dispute to a third party, called an arbitrator, a judge, if you will, but not a judge of the state court system or the federal court system, but a judge of their choosing. Does the judge or the arbiter have to be a lawyer? No. The arbitration mechanism then is where two parties voluntarily agree to take their dispute to a third person that they both feel is neutral, impartial, reasonable and an expert in the field. Arbitration is a voluntary system, it's not litigation, it is a system by which they take a dispute to a third party to decide for them. Now, this system, in some cases, when it's very formal, resembles a court like setting, but in other settings is simply three people in a room, two disputants and an arbiter. Its chief virtues are several. First, it saves time. The two parties can control the deadline for when they have the issue settled without having to wait for the backlog in the court system. So it's faster. Secondly, it can be less expensive because you don't have costly depositions and interrogatories; normally, you can cut down the expenses of a dispute through a grievance procedure or an arbitration procedure compared to going to court. Third, it's confidential. This is not an open public record, it is a dispute that can be handled quietly between two parties without creating a public record and the attendant publicity. And, fourth, it can be