

## **Pennsylvania Adopts Revised Uniform Arbitration Act To Apply To All Arbitration Agreements In The Commonwealth**

On June 28, 2018, Pennsylvania joined 20 other states and the District of Columbia in adopting the Revised Uniform Arbitration Act (“RUAA”). The revised act, which becomes effective on July 1, 2019, both updates and resolves ambiguities in the underlying Uniform Arbitration Act (“UAA”), as well as provides more guidance to parties engaging in arbitration in Pennsylvania.

The most conspicuous changes made by the RUAA are its specifications concerning the steps for initiating an arbitration, notice to be given to adverse parties, and the criteria for deciding arbitrability. Under the RUAA, unless the arbitration agreement specifically provides otherwise, the court determines whether an agreement to arbitrate exists and whether a controversy is subject to such an agreement. It is then the responsibility of the arbitrator to confirm whether a condition precedent to arbitrability has been fulfilled and whether a contract containing an arbitration agreement is legally enforceable.

The RUAA allows the arbitrator to permit discovery<sup>1</sup>, issue orders to compel discovery or issue protective orders, and impose sanctions for failure to comply with discovery orders, much like a judge would. Available remedies under the RUAA include the award of attorneys’ fees, costs, and punitive damages. However, the arbitrator must state in writing the factual and legal basis for an award of punitive damages. In an apparent attempt to increase the fairness of arbitration proceedings, the RUAA also requires all arbitrators to disclose known financial interests or personal relationships that would affect their impartiality. The failure to disclose a known material interest or relationship may be used to establish evident impartiality, which is now grounds for vacating an arbitration award.

These and other relevant provisions contained in the RUAA will apply to all arbitration agreements made on or after July 1, 2019 in the Commonwealth.

### **Analysis**

Over the past several decades, both state and federal courts have consistently upheld arbitration agreements as a viable alternative for dispute resolution. With the increasing proliferation of arbitration case law and inclusion of arbitration agreements in commercial contracts, the RUAA effectually provides more guidance to parties concerning both the enforceability of arbitration agreements and relevant procedures for conducting arbitrable disputes.

The litigation team at LUCAS AND CAVALIER, LLC is extremely proactive in fashioning litigation strategies according to the specific needs and desires of our clients, including both trying cases to verdict in traditional “jury trial” cases, as well as availing litigants of practical ADR procedures, such as mediation and arbitration, to maintain costs and streamline resolution.

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<sup>1</sup> Under the RUAA, subpoenas may be issued by the arbitrator, and depositions may be permitted upon request of a party with respect to both party and non-party witnesses, based on demonstrated need while ensuring that the proceeding is fair, expeditious and cost-effective.