

to the list of areas to which the Uniform Arbitration Act will apply here in Nebraska, in its initial years, should we pass the bill this session, to construction agreements. That, basically, is what the amendment to the committee amendment does. It clarifies the collective bargaining language and it includes construction agreements. So with that, Mr. Speaker, I would ask the adoption of the amendment to the committee amendment and would be pleased to attempt to answer questions any members may have.

SPEAKER NICHOL: Senator Landis, then Senator Lamb.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I rise to support the amendment to the committee amendment, then the committee amendments, and then the bill. It's a good bill. The current rule for arbitration in Nebraska is that even if parties have agreed to arbitrate in a contract, that until the arbitrator gives their decision, either party may back out without recourse to the other party and that is a rotten rule. It doesn't help the settlement of cases. It prompts hard feelings, bad dealings and more litigation. Litigation is several times more expensive than arbitration. As a matter of fact, in one of the analyses that I read in the handouts it indicated that arbitration is usually one-third the cost of litigation or less and that is a real savings, particularly where you are talking about a local political subdivision. Remember, by the way, that different kinds of grievances, things that are the normal day to day grist of arbitration, are now regularly taken to courts because there is no other way to handle it. The Court of Industrial Relations, for example, is empowered to hear grievances, labor grievances. Those things are probably far better held in the context of the alternative dispute resolution of arbitration than the costly mechanism and the court clogging mechanism of litigation. Forty thousand cases a year are handled by the American Arbitration Association and yet there are 200,000 federal district court cases, one in five, the relationship of arbitration to court cases. In other words, there is a long ways to go. There is a lot of court cases out there but there is still a number of arbitrated cases that have saved the court system a great deal of effort. The original committee amendment intended to exclude any agreements for arbitration that would limit consumers' rights to go to court if a dispute arose, for instance, with respect to the purchase of goods, real estate, automobile liability policies, and so forth.