NEW YORK STATE BAR ASSOCIATION

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STATE BAR ASSOCIATION CALLS FOR CREATION OF A PERMANENT CENTER FOR INTERNATIONAL ARBITRATION IN NEW YORK

Panel of International Legal Experts Unveils a Blueprint to Strengthen New York's Role As One of the World's Premier Centers for International Arbitration

To maintain its position as one of the world's major centers for international legal matters, New York should establish a permanent center for international arbitration, as well as a council of international law firms to promote and advance New York law, recommends a report released today by the New York State Bar Association.

The Report of the Task Force on New York Law in International Matters cautions that as competition increases from other global legal centers, New York must act or risk losing its position as a major world center for resolving international disputes. The State Bar's House of Delegates approved the report Saturday at its Cooperstown meeting.

"Dating back to the 1620s, New York has enjoyed the well-earned reputation as a global financial and commercial center," said State Bar President Vincent E. Doyle III of Buffalo (Connors & Vilardo LLP).

"Today, our courts and arbitrators are recognized worldwide as fair and impartial, offering predictability, cost efficiency, fairness, neutrality and justice in international business and legal matters. However, as this report shows, our role is being challenged by other international jurisdictions. If we fail to act, we risk losing not only our prominence, but millions of dollars in revenue," Doyle said.

The report warns of competition from abroad. For instance, in 2010, Australia, India and Ireland each established specialized courts to handle international arbitration matters. It also notes that France, United Kingdom, Switzerland, Sweden and China -- all jurisdictions well-known for international arbitration -- have designated specialized courts or judges to hear cases to challenge or enforce arbitration awards.

Additionally, new arbitration laws were enacted in 2010 and 2011 in France, Ireland, Hong Kong, Scotland, Ghana and other nations to enhance their attractiveness as seats of arbitration.

"Make no mistake: international arbitration is big business," said Joseph T. McLaughlin of Manhattan (Bingham McCutchen LLP), co-chair of the Task Force. "Every year, hundreds of millions of dollars are generated in direct, indirect and tax revenues—benefitting all New Yorkers. Attention must be paid to this important report and its common sense recommendations."

Economic experts estimate that if the business of dispute resolution in New York were to increase by only 10 to 20 percent, it could produce approximately $200 to $400 million in incremental revenues annually for law firms in New York.

Among the specific Task Force recommendations are:

> Establishing a council of New York international law firms to promote and advance New York law;
> Creating a degree of judicial specialization, such as a designation of specialized courts to deal with international arbitration matters;
> Creating a "rocket docket" in the court system's Commercial Division to expedite international arbitration-related cases;
> Using "judicial referee" decisions by New York judges on issues presented to them by foreign courts, rather than by litigants, that require interpretation of New York law;
> Promoting domestic and overseas continuing legal education programs on drafting international arbitration agreements primarily for transactional lawyers and in-house counsel; and
> Coordinating efforts among groups and individuals who are currently working to advance New York in international matters.

"Preserving New York's historic role as an international commercial and financial center must be a top priority," Doyle said. "This report shows us how to achieve our goal. I congratulate the entire Task Force on its superb effort."

The Task Force was established in October 2010 by Immediate Past President Stephen P. Younger of Manhattan (Patterson Belknap Webb & Tyler LLP). It was co-chaired by McLaughlin and James B. Hurlock, former chairman of White & Case LLP. More than 30 major law firms, five law schools, four arbitral institutions, lawyers from Canada, Mexico and Germany, and judges participated in preparing the report.

Retired New York State Chief Judge Judith S. Kaye of Manhattan (Skadden Arps, Slate, Meagher & Flom LLP) and former chair of the Bar's Dispute Resolution Section Edna Sussman of Scarsdale (Sussman ADR LLC) served as advisors.

The full *Report of the Task Force on New York Law in International Matters* can be viewed at www.nysba.org/InternationalReport.

The 77,000-member New York State Bar Association is the largest voluntary state bar association in the nation. It was founded in 1876.

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