

limitation on money damages with respect to cases referred to arbitration, a district court listed in former section 658 of this title whose local rule on Nov. 19, 1988, provided for a limitation on money damages of not more than \$150,000, could continue to apply the higher limitation, prior to repeal by Pub. L. 105-315, §12(a), Oct. 30, 1998, 112 Stat. 2998.

§ 653. Neutrals

(a) **PANEL OF NEUTRALS.**—Each district court that authorizes the use of alternative dispute resolution processes shall adopt appropriate processes for making neutrals available for use by the parties for each category of process offered. Each district court shall promulgate its own procedures and criteria for the selection of neutrals on its panels.

(b) **QUALIFICATIONS AND TRAINING.**—Each person serving as a neutral in an alternative dispute resolution process should be qualified and trained to serve as a neutral in the appropriate alternative dispute resolution process. For this purpose, the district court may use, among others, magistrate judges who have been trained to serve as neutrals in alternative dispute resolution processes, professional neutrals from the private sector, and persons who have been trained to serve as neutrals in alternative dispute resolution processes. Until such time as rules are adopted under chapter 131 of this title relating to the disqualification of neutrals, each district court shall issue rules under section 2071(a) relating to the disqualification of neutrals (including, where appropriate, disqualification under section 455 of this title, other applicable law, and professional responsibility standards).

(Added Pub. L. 100-702, title IX, §901(a), Nov. 19, 1988, 102 Stat. 4660; amended Pub. L. 105-315, §5, Oct. 30, 1998, 112 Stat. 2995.)

AMENDMENTS

1998—Pub. L. 105-315 amended section generally, substituting provisions relating to neutrals in alternative dispute resolution process for provisions relating to powers of arbitrator and arbitration hearing.

§ 654. Arbitration

(a) **REFERRAL OF ACTIONS TO ARBITRATION.**—Notwithstanding any provision of law to the contrary and except as provided in subsections (a), (b), and (c) of section 652 and subsection (d) of this section, a district court may allow the referral to arbitration of any civil action (including any adversary proceeding in bankruptcy) pending before it when the parties consent, except that referral to arbitration may not be made where—

(1) the action is based on an alleged violation of a right secured by the Constitution of the United States;

(2) jurisdiction is based in whole or in part on section 1343 of this title; or

(3) the relief sought consists of money damages in an amount greater than \$150,000.

(b) **SAFEGUARDS IN CONSENT CASES.**—Until such time as rules are adopted under chapter 131 of this title relating to procedures described in this subsection, the district court shall, by local rule adopted under section 2071(a), establish procedures to ensure that any civil action in which

arbitration by consent is allowed under subsection (a)—

(1) consent to arbitration is freely and knowingly obtained; and

(2) no party or attorney is prejudiced for refusing to participate in arbitration.

(c) **PRESUMPTIONS.**—For purposes of subsection (a)(3), a district court may presume damages are not in excess of \$150,000 unless counsel certifies that damages exceed such amount.

(d) **EXISTING PROGRAMS.**—Nothing in this chapter is deemed to affect any program in which arbitration is conducted pursuant to section¹ title IX of the Judicial Improvements and Access to Justice Act (Public Law 100-702), as amended by section 1 of Public Law 105-53.

(Added Pub. L. 100-702, title IX, §901(a), Nov. 19, 1988, 102 Stat. 4660; amended Pub. L. 105-315, §6, Oct. 30, 1998, 112 Stat. 2995.)

REFERENCES IN TEXT

Title IX of the Judicial Improvements and Access to Justice Act (Public Law 100-702), as amended by section 1 of Public Law 105-53, referred to in subsec. (d), is title IX of Pub. L. 100-702, Nov. 19, 1988, 102 Stat. 4659, which enacted this chapter and provisions set out as notes under sections 651 and 652 of this title. Section 1 of Pub. L. 105-53, Oct. 6, 1997, 111 Stat. 1173, amended section 905 of title IX of Pub. L. 100-702, which is set out as a note under section 651 of this title.

AMENDMENTS

1998—Pub. L. 105-315 amended section generally, substituting provisions relating to arbitration for provisions relating to arbitration award and judgment.

§ 655. Arbitrators

(a) **POWERS OF ARBITRATORS.**—An arbitrator to whom an action is referred under section 654 shall have the power, within the judicial district of the district court which referred the action to arbitration—

- (1) to conduct arbitration hearings;
- (2) to administer oaths and affirmations; and
- (3) to make awards.

(b) **STANDARDS FOR CERTIFICATION.**—Each district court that authorizes arbitration shall establish standards for the certification of arbitrators and shall certify arbitrators to perform services in accordance with such standards and this chapter. The standards shall include provisions requiring that any arbitrator—

- (1) shall take the oath or affirmation described in section 453; and
- (2) shall be subject to the disqualification rules under section 455.

(c) **IMMUNITY.**—All individuals serving as arbitrators in an alternative dispute resolution program under this chapter are performing quasi-judicial functions and are entitled to the immunities and protections that the law accords to persons serving in such capacity.

(Added Pub. L. 100-702, title IX, §901(a), Nov. 19, 1988, 102 Stat. 4661; amended Pub. L. 105-315, §7, Oct. 30, 1998, 112 Stat. 2996.)

AMENDMENTS

1998—Pub. L. 105-315 amended section generally, substituting provisions relating to arbitrators for provisions relating to trial de novo.

¹So in original. The word "section" probably should not appear.