

John W. Nilon

KASSAB ARCHBOLD & O'BRIEN, L.L.P.

ATTORNEYS AND COUNSELORS AT LAW

214 NORTH JACKSON STREET

P.O. BOX 626

MEDIA, PENNSYLVANIA 19063

(610) 565-3800

(800) 648-8597

FAX (610) 892-8888

<http://www.kassablip.com>

Email: mail@kassablip.com

OF COUNSEL

MATTHEW J. RYAN
JOHN W. NILON, JR. ‡ =
EDWARD L. PERKINS **
JOHN YANOSHAK

* ALSO MEMBER DC BAR
** LLM TAXATION
+ ALSO MEMBER DE BAR
‡ ALSO MEMBER NY BAR
++ ALSO MEMBER NJ BAR
= ADMITTED INTERNATIONAL
TRADE COURT

EDWARD KASSAB
A. CORNELL ARCHBOLD, JR. *
SEPH PATRICK O'BRIEN **
RICHARD A. STANKO
KEVIN WILLIAM GIBSON +
CYNTHIA KASSAB LAROSA
MARC S. STEIN
PAMELA A. LA TORRE, R.N.
KENNETH D. KYNETT ++
JOHN J. COYLE 4th
MICHELLE L. OSTRELICH ++

Direct Dial: (610) 892-6839
Email: johnnilon@kassablip.com

July 11, 2000

The Honorable Representative Daniel F. Clark, Esquire
Commonwealth of Pennsylvania
House of Representatives
House Judiciary Committee
Court's Subcommittee
P.O. Box 225
Mifflintown, PA 17059

RE: House Bill No. 2438

Dear Representative Clark:

Thank you for the opportunity to appear to offer testimony in support of House Bill No. 2438, International Commercial Arbitration.

I am Co-Chairman of the Pennsylvania Bar Association Alternative Dispute Resolution Committee. Our Committee strongly supports the enactment of House Bill No. 2438 which provides for adoption by the Commonwealth of Pennsylvania of the UNCITRAL Model Law on Commercial Arbitration. Adoption of House Bill No. 2438 will bring the legal framework of the Commonwealth of Pennsylvania into harmony with the emerging global legal framework which facilitates the enforceability of international agreements, to arbitrate international commercial disputes and the enforceability of resulting awards.

Passage of House Bill No. 2438 will strengthen the role to be played in international trade and investment by Pennsylvania economic interests and enhance their activities in the global pattern emerging in foreign trade and investment activities.

The United Nations Commission on International Trade Law (UNCITRAL) stationed in Vienna, has in recent years recognized the growing need to harmonize and make more uniform the national laws on international trade and investment of the countries of the world. This has

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been particularly true regarding the laws governing the resolution of foreign trade disputes by international arbitration. It was not until 1958, after the United Nations promulgated the Convention on the Recognition and Enforcement of Foreign Arbitral Awards that ratification of that Convention brought the possibility of effective international arbitration to the global legal world and resulted in an increase of international trade and foreign investment.

The UNCITRAL Model Law on International Commercial Arbitration is designed to assist states in reforming and modernizing their laws on arbitral procedures so as to take into account the particular features and needs of international commercial arbitration. The Model Law was adopted by UNCITRAL in 1985 and has been enacted into law in a large number of jurisdictions from both developed and developing countries.

The UNCITRAL Model Law on International Commercial Arbitration has been enacted in more than 20 nations around the world including Great Britain, Northern Ireland, Scotland, Canada and Mexico, all of which are major trading partners of the Commonwealth of Pennsylvania. Within the United States the Model Law has been adopted in California, Connecticut, Oregon, and Texas.

The Pennsylvania Bar Association House of Delegates on May 7, 1999, voted in favor of recommending adoption of the UNCITRAL Model Law on International Commercial Arbitration statute to the Commonwealth of Pennsylvania.

I am submitting to this Honorable Committee for inclusion in the record correspondence dated July 7, 2000, from Charles R. Norberg, Director General Emeritus of the InterAmerican Commercial Arbitration Commission, indicating his strong support for the enactment of House Bill No. 2438.

Director General Emeritus Norberg points out that the Organization of the American States (OAS) has been aided and assisted in their programs to revise existing dispute settlement laws and procedures by grants made by the World Bank and aid from the United States of America. Adoption by the Commonwealth of Pennsylvania House of Representatives of House Bill No. 2438 would be consistent with these initiatives.

The United Nations Commission on International Trade Law has offered to assist the Commonwealth of Pennsylvania House of Representatives in its consideration of adoption of the UNCITRAL Model Law on International Commercial Arbitration.

We are submitting for the record the most recent documentation concerning the Model Law and its adoption in other jurisdiction.

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The UNCITRAL, by its legal officers, has also offered to make available for our consultation, various experts on international law to assure coordination by this Committee with similar initiatives in other jurisdictions throughout the world.

My sincere thank you to this Committee for consideration of House Bill No. 2438. I also wish to express my gratitude and that of the Pennsylvania Bar Association Alternative Dispute Resolution Committee for the efforts of the Honorable Lita Cohen and her co-sponsors for their efforts in bringing this statute before this Committee.

Very truly yours,

KASSAB, ARCHBOLD & O'BRIEN, L.L.P.

A handwritten signature in black ink, appearing to read "John W. Nilon, Jr.", with a stylized flourish at the end.

JOHN W. NILON, JR.