

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1314

To amend chapter 1 of title 9 of the United States Code to permit each party to a sales and service contract to accept or reject arbitration as a means of settling disputes under the contract.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1993

Mr. BRYANT introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend chapter 1 of title 9 of the United States Code to permit each party to a sales and service contract to accept or reject arbitration as a means of settling disputes under the contract.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This title may be cited as the “Voluntary Arbitration  
5 Act of 1993”.

1 **SEC. 2. ELECTION OF ARBITRATION.**

2 (a) SALES AND SERVICE CONTRACTS.—Chapter 1 of  
3 title 9 of the United States Code is amended by adding  
4 at the end thereof the following new section:

5 **“§ 17. Sales and service contracts**

6 “(a) Whenever a sales and service contract provides  
7 for the use of arbitration to resolve a controversy arising  
8 out of or relating to the contract, each party to the con-  
9 tract shall have the option, after the controversy arises  
10 and before both parties commence an arbitration proceed-  
11 ing, to reject arbitration as the means of settling the  
12 controversy. Any such rejection shall be in writing.

13 “(b) In making an award in any controversy arising  
14 out of or relating to a sales and service contract, the arbi-  
15 trator shall provide the parties to the contract with a writ-  
16 ten explanation of the factual and legal basis for the award  
17 and any such award may be vacated by a court order as  
18 provided in section 10 or whenever the court referred to  
19 in section 10 finds that the arbitrator disregarded the law  
20 of the State or jurisdiction in which the retailer’s facilities  
21 are located.

22 “(c) For purposes of this section—

23 (1) the term ‘sales and service contract’ means  
24 a contract under which any person (including any  
25 manufacturer, importer, or distributor) sells any  
26 product to any other person for resale to an ultimate

1 purchaser and authorizes such other person to repair  
2 and service such product, and

3 (2) the term 'retailer' means any person au-  
4 thorized to resell any product to an ultimate pur-  
5 chaser and to repair and service such product under  
6 a sales and service contract.”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 chapter 1 of title 9, United States Code, is amended by  
9 adding at the end thereof the following new item:

“17. Sales and service contracts.”.

10 **SEC. 3. EFFECTIVE DATE.**

11 The amendments made by section 1 shall apply to  
12 contracts entered into, amended, altered, modified, re-  
13 newed, or extended after the date of the enactment of this  
14 Act.

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