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AMERICAN ARBITRATION ASSOCIATION RELEASES STUDY MEASURING THE COST TO BUSINESS OF DELAYS IN DISPUTE RESOLUTION

New York, NY, May 1, 2017 – Results from a groundbreaking study assessing the **direct economic opportunity cost (lost resources) associated with delay to trial and delay through appeal, from 2011-2015**, show that arbitration is faster to resolution than court—and *the difference can be assessed monetarily as a cost to business*.

Micronomics, an economic research firm, took on the two-fold mission from the American Arbitration Association® (AAA®):

- To ascertain whether significant differences exist between U.S. district court proceedings and arbitration administered by the AAA with regard to the amount of time required to adjudicate disputes, and,
- If differences exist, calculate the cost to business associated with those delays.

The results:

On average, **U.S. district court cases took more than 12 months longer to get to trial than cases adjudicated by arbitration** (24.2 months vs 11.6 months).

And, because the resources at issue between the litigants often remain unavailable during the time period it takes to resolve disputes, **direct losses associated with additional time to trial required for district court cases as compared with AAA arbitration were approximately \$10.9-\$13.6 billion between 2011 and 2015**, or more than \$180 million per month.

The differences were even greater when appeals were factored in.

India Johnson, AAA President and Chief Executive Officer asserts, “We at the AAA always believed in the importance of fairness and speed – which is why we consistently strive to enhance the efficiency of our arbitral process. This report puts a price tag on the damage caused if resolution of a dispute takes too long.”

For more information about the report, please visit <http://go.adr.org/impactsofdelay>.



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NEWS **ALERT**

About Micronomics

Micronomics is an economic research and consulting firm located in Los Angeles, California founded in 1988 that specializes in the collection, tabulation, and analysis of economic, financial, and statistical data. Clients include publicly and privately held businesses and government agencies.

About the American Arbitration Association

The not-for-profit American Arbitration Association (AAA) has administered approximately 4.1 million alternative dispute resolution (ADR) cases since its founding. With 23 offices in the United States, in addition to Mexico, Singapore, and Bahrain, the AAA provides organizations of all sizes in virtually every industry with ADR services and products. For more information, visit www.adr.org.

About the International Centre for Dispute Resolution

As the international division of the American Arbitration Association (AAA), the International Centre for Dispute Resolution (ICDR) is one of the world's largest providers of arbitral and dispute resolution service. Established in 1996, the ICDR serves parties in more than 90 countries, with a staff fluent in over a dozen languages. Through more than 725 independent arbitrators and mediators, the ICDR provides a flexible, party-centered process over a broad range of industries and geopolitical issue. Its recently revised Rules have once again set a standard for arbitration case management. For more information, visit www.icdr.org.