

## Vermont Arbitration Act

The Vermont Arbitration Act has been effective since 1985.<sup>1</sup> It provides: “Unless otherwise provided in the agreement, a written agreement to submit any existing controversy to arbitration or a provision in a written contract to submit to arbitration any controversy thereafter arising between the parties creates a duty to arbitrate, and is valid, enforceable and irrevocable, except upon such grounds as exist for the revocation of a contract.”<sup>2</sup> The Act applies to grievance arbitration under collective bargaining agreements, except that it does not apply to grievance arbitration under the Judiciary Employees Labor Relations Act.<sup>3</sup> No agreement to arbitrate is enforceable unless accompanied by or containing a written acknowledgment of arbitration signed by the parties or their representatives.<sup>4</sup>

The Act expressly provides that a party to an arbitration clause in an agreement has a right to seek a superior court order compelling or staying arbitration.<sup>5</sup> It also provides that the court “shall vacate an award where: 1) the award was procured by corruption, fraud or other undue means; 2) there was evident partiality by an arbitrator appointed as a neutral or corruption in any of the arbitrators or misconduct prejudicing the rights of any party; 3) the arbitrators exceeded their powers; 4) the arbitrators refused to postpone the hearing after being shown sufficient cause to do so, or refused to hear evidence material to the controversy, or otherwise conducted the hearing, contrary to this chapter so as to prejudice substantially the rights of a party; or 5) a court has found that there was no arbitration

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<sup>1</sup> 12 V.S.A. §5651 *et seq.*

<sup>2</sup> 12 V.S.A. §5652(a).

<sup>3</sup> 12 V.S.A. §5653(a).

<sup>4</sup> 12 V.S.A. §5652(b).

<sup>5</sup> 12 V.S.A. §5671, 5674.

agreement and the party did not participate in the arbitration hearing without raising the objection.”<sup>6</sup>

Appeals from superior court orders may be taken to the Vermont Supreme Court.<sup>7</sup> The Supreme Court has indicated that courts should uphold an arbitrator’s award whenever possible, and that review of an arbitrator’s decision is limited.<sup>8</sup> The Court has recognized “the importance of arbitration as an alternative to litigation for the efficient resolution of disputes”, and has stated: “If courts were permitted to broadly question the determinations of an arbitrator, then arbitration would become merely another expensive and time-consuming layer to the already complex litigation process.”<sup>9</sup> Instead, the Court indicated that superior court should “act as an appellate tribunal with a limited scope of review.”<sup>10</sup>

The Supreme Court has indicated that it “will not review the arbitrator’s decision for errors of fact or law” but rather would confine its “review to 1) whether there exist statutory grounds for vacating or modifying the arbitration award, and 2) whether the parties were afforded due process.”<sup>11</sup>

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<sup>6</sup> 12 V.S.A. §5677.

<sup>7</sup> 12 V.S.A. §5681.

<sup>8</sup> Montpelier Board of School Commissioners v. Montpelier Education Association, 167 Vt. 570, 571 (1997).

<sup>9</sup> Springfield Teachers Association, Vermont-NEA and Joseph Roy v. Springfield School Directors, 167 Vt. 180, 183-184 (1997).

<sup>10</sup> Id. at 184.

<sup>11</sup> Id.