

# Arbitrator Selection in International Automotive Supply Chain Disputes

---

February 28, 2025

## Why Arbitrator Selection Matters

International automotive supply chains often involve tight just-in-time deadlines, so resolving disputes quickly and efficiently is critical. When arbitration is the designated resolution method, the arbitrator's qualifications and experience can significantly affect the speed, fairness, and effectiveness of the process. Choosing an arbitrator with relevant industry expertise and strong procedural management skills can help minimize business disruptions and financial risks.

## Key Considerations for Selecting an Arbitrator

### Industry-Specific Expertise

- Select arbitrators with a solid background in automotive manufacturing, logistics, or supply chain operations.
- Knowledge of OEM-supplier relationships, production timelines, and quality control standards is essential for understanding contractual obligations and industry best practices.

### Legal and International Trade Knowledge

- The arbitrator should be well-versed in the contract's governing law.
- If the dispute involves multiple jurisdictions, an arbitrator with cross-border contract enforcement experience is highly beneficial.

### Experience in Supply Chain Disputes

- Prior experience resolving contract breaches, supply chain interruptions, force majeure claims, and pricing conflicts is key.
- An arbitrator familiar with assessing damages from delayed deliveries, nonconforming goods, or production disruptions can expedite dispute resolution.

### Case Management Skills

- Effective arbitration depends on an arbitrator's ability to enforce clear timelines, oversee evidentiary processes and prevent unnecessary delays.
- Selecting arbitrators with a strong track record of efficiently managing proceedings can reduce the risks of drawn-out disputes.
- Ask potential arbitrators whether their schedules permit them to expeditiously decide the dispute, including granting emergency interim relief if appropriate.

### Impartiality and Neutrality

- Ensure the arbitrator has no conflicts of interest from prior business dealings or industry ties that could compromise neutrality.

## Continued

---

- Established institutions such as the ICC International Court of Arbitration (ICC), the International Centre for Dispute Resolution (ICDR), which is affiliated with the American Arbitration Association, and the Singapore International Arbitration Center (SIAC) offer pre-screened arbitrators known for their impartiality.

### **Best Practices for Arbitrator Selection**

#### **Define Arbitrator Qualifications in Contracts**

- Prevent selection disputes by specifying qualifications such as:
  - “Arbitrator must have at least five years of experience in international automotive supply chain disputes.”
  - “Arbitrator must be licensed to practice law in the following jurisdiction: \_\_\_\_\_.”
- Keep in mind that if the qualifications are too specific it may increase the time it takes for arbitrator selection, thereby delaying resolution of the dispute.

#### **Utilize Established Arbitration Institutions**

- Many arbitration bodies provide industry-specific arbitrators, including:
  - **ICC**– commonly used in global supply chain agreements.
  - **ICDR**– well-suited for North American contracts.
  - **SIAC**– preferred for disputes in Asia-based supply chains.

#### **Consider Three-Arbitrator Panels for Complex Cases**

- For high-value disputes or supply chain disruptions, a three-member tribunal can provide broader perspectives.
- Each party selects one arbitrator, and the third neutral arbitrator is appointed by the institution or panel. Alternatively, all three arbitrators can be selected from a list proposed by the institution.
- Keep in mind that dealing with the schedules of three arbitrators as opposed to one can significantly slow down the process and increases arbitrator fees.

#### **Incorporate Virtual Arbitration for Efficiency**

- Many institutions now facilitate remote hearings and digital case management.
- SIAC and ICDR support virtual arbitration, reducing costs and logistical delays associated with international disputes.

### **Final Takeaways**

Selecting the right arbitrator is a strategic decision that directly affects the efficiency, fairness, and outcome of an automotive supply chain dispute. By prioritizing industry expertise, legal proficiency, procedural efficiency, and impartiality, companies can ensure smoother dispute resolution.

Continued

---

To minimize risks and improve arbitration outcomes, U.S. automotive executives or their lawyers should:

- Clearly define arbitrator qualifications in contracts.
- Choose reputable arbitration institutions with emergency relief options.
- Consider three-arbitrator panels for high-stakes disputes.
- Explore virtual arbitration to reduce costs and speed up proceedings.

The authors are members of the firm's International Disputes Group. For tailored arbitration strategies or dispute resolution support, please consult them or your Miller Canfield lawyer.