

**[ CIAC RESOLUTION NO. 10-2010, November 08, 2010 ]**

**REQUIRING ORIENTATION ON MEDIATION PRIOR TO ARBITRATION**

WHEREAS, pursuant to the policy of the State declared under Section 2 of E.O. 1008 (the Construction Industry Arbitration Law) "to encourage the early and expeditious settlement of disputes in the Philippine construction industry"; the Construction Industry Arbitration Commission (CIAC), vested with original and exclusive jurisdiction over disputes arising from, or connected with, contracts entered into by parties involved in construction in the country, promulgated, in addition to the CIAC Rules of Procedure Governing Construction Arbitration, the CIAC Mediation Rules to provide parties with an alternative mode of dispute resolution other than arbitration;

WHEREAS, arbitration cases involving claims not exceeding P1 million are categorized as small claims to be handled by Sole Arbitrators, and expenses of the sole arbitrator and CIAC staff in a small claims case for hearings outside of Metro Manila are borne by CIAC;

WHEREAS, in the CIAC Special Meeting held on 25 June 2008, the proposal of Atty. Custodio O. Parlade, CIAC Arbitrator, to increase the threshold for small claims from P1 million to P10 million was referred to the Philippine Institute of Construction Arbitrators and Mediators, Inc. (PICAM) for study and recommendation;

WHEREAS, the Commission, in its 124th Regular Meeting held on 14 October 2009, agreed in principle to the suggestion of PICAM President Salvador P. Castro, Jr., that instead of increasing the threshold amount of small claims as proposed, parties in cases where the sum in dispute (SID) is not more than P10 million be first called to an orientation on mediation for them to consider this mode of settlement prior to arbitration;

WHEREAS, PICAM was asked by CIAC to refine the suggestion based on the rules of court-annexed mediation and to cover all cases regardless of SID;

WHEREAS, during the 130th Regular CIAC Regular Meeting held on 13 August 2010, the Commission was informed that the PICAM Committee on Small Claims agreed to maintain the present threshold for small claims but the parties in cases with SID of not more than P10 million should first be called to an orientation on mediation to be conducted by CIAC Personnel prior to arbitration.

WHEREAS, the Committee's recommendation was approved by the PICAM Board of Trustees and endorsed by PICAM President Eduardo R. Ceniza to the CIAC in a memorandum dated 20 October 2010;

NOW, THEREFORE, THE COMMISSION, by virtue of the powers vested in it by law and after due deliberation in its 131st Regular Meeting, RESOLVES, based on the recommendation of the PICAM, to require the parties in cases involving SIDS of not