

Artificial Intelligence in Construction Arbitration



Dan Guadalupe, Esq. PASHMAN STEIN WALDER HAYDEN PC

A dark, atmospheric scene featuring Darth Vader's helmet in the center, a lightsaber in the foreground, and a Star Destroyer in the background. The text "What is A.I. ?" is overlaid in the center.

What is A.I. ?



Not your Grandparents' A.I.

- **Not a search engine.**
- **Reasoning / Analysis**
 - **Language Model**
- **Aggregation of Knowledge**
- **What we envisioned back when.**
 - **C3PO and R2D2**
 - **Dangerous but Inevitable.**



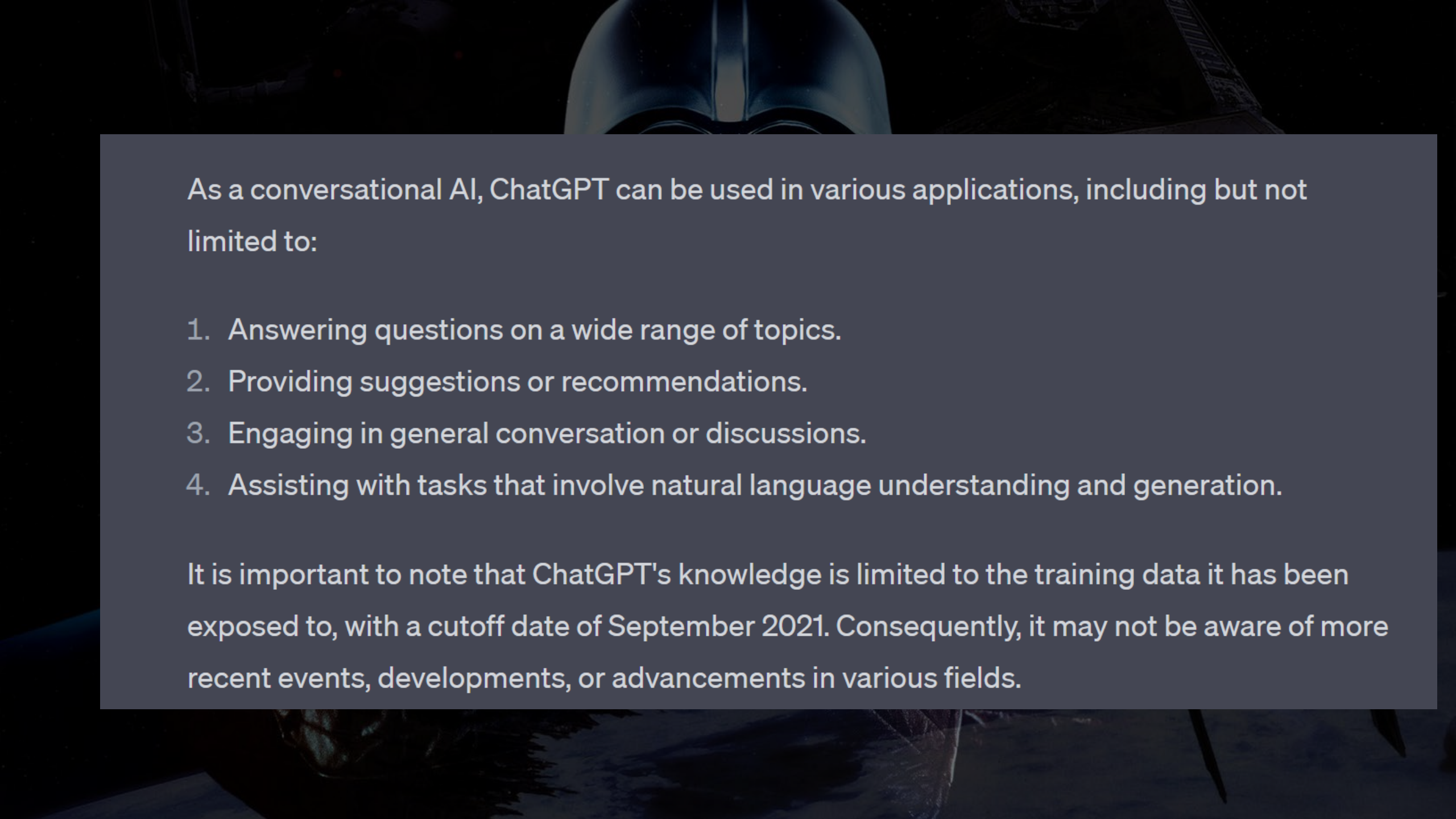
what is Artificial Intelligence and what is ChatGPT?



Artificial Intelligence (AI) refers to the development of computer systems that can perform tasks that would typically require human intelligence. These tasks include learning, reasoning, problem-solving, perception, natural language understanding, and more. AI systems can range from simple rule-based systems to more complex machine learning models that can improve their performance over time.

ChatGPT is an AI language model developed by OpenAI, based on the GPT-4 architecture. It is designed to understand and generate human-like text, given a prompt or a series of text inputs. ChatGPT has been trained on a large dataset of diverse text from the internet, which enables it to generate contextually relevant and coherent responses.

As a conversational AI, ChatGPT can be used in various applications, including but not limited to:



As a conversational AI, ChatGPT can be used in various applications, including but not limited to:

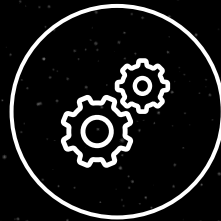
1. Answering questions on a wide range of topics.
2. Providing suggestions or recommendations.
3. Engaging in general conversation or discussions.
4. Assisting with tasks that involve natural language understanding and generation.

It is important to note that ChatGPT's knowledge is limited to the training data it has been exposed to, with a cutoff date of September 2021. Consequently, it may not be aware of more recent events, developments, or advancements in various fields.

AI Applications in Construction Arbitration

[What we know Now and a bit Beyond.]

- Doc management / review is child's play.
- Analysis and reasoning of emails/ documents.
EXAMPLE: nuances of language: inducement
Sentiment analysis: AI algorithms can analyze the tone and sentiment of written or spoken communication, helping arbitrators and parties to better understand the emotions behind the arguments and identify potential areas of conflict.



The intersection of AI and construction arbitration

AI Applications in Construction Arbitration

[What we know Now and a bit Beyond.]

- Doc management / review is child's play.
- Analysis and reasoning of emails/ documents.
EXAMPLE: nuances of language: inducement
- Sentiment analysis: AI algorithms can analyze the tone and sentiment of written or spoken communication, helping arbitrators and parties to better understand the emotions behind the arguments and identify potential areas of conflict.

The intersection of AI and construction arbitration

AI Applications in Construction Arbitration

[What we know Now and a bit Beyond.]

- **Schedule reconstruction:** AI can be used to reconstruct the sequence of events in construction projects, providing a clear understanding of the project's progress and any deviations from the planned schedule, which may be relevant in disputes.
- **Data visualization:** AI can create visual representations of complex datasets, making it easier for arbitrators and parties to understand key trends, relationships, and patterns in the data.

NOW

ChatGPT

Analysis and reasoning



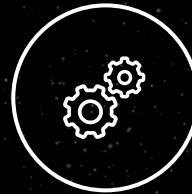
DOCUMENT MANAGEMENT

Predictive analysis/
retrieving information.



DATA VISUALIZATION

- Schedules
- Plans
- Animations



LEGAL RESEARCH - ARGUMENTS

MORE NUANCED
ANALYSIS.
AI GENERATED
ARGUMENTS.



DAMAGE ANALYSIS

-quantifying claims



CLAUSE DRAFTING

- Arbitration provisions.
- Automation and consistency.

The intersection of AI and construction arbitration

AI Applications in Construction Arbitration

[The Future]

- AI algorithms could be developed and used to predict the outcome of an arbitration by simply analyzing, for example, the way judges from particular jurisdictions (and arbitrators there whose awards have been challenged or vacated and have become public) “think.” Thus, if a neutral from Switzerland is arbitrating a matter, an AI algorithm might be able to “predict” a possible outcome based on terabytes of data about the Swiss legal system, all in an effort to delve deeper into the human mind and discover what leanings a Swiss arbitrator may potentially have. Sounds like science fiction, but with ChatGPT-4 taking over the world as we speak, it is not.



The intersection of AI and construction arbitration

AI Applications in Construction Arbitration


[The Future]

- AI experts retained by parties to analyze whether an arbitration award shows enough bias that would make it susceptible to being vacated.
- AI-algorithms that are based on previously bias-vacated awards from all over the country. The matter is one of AI insight into the way trial judges (human beings after all) find bias in awards so they can be vacated. This is truly remarkable because one might be able to “rescue” a losing matter into one that potentially could be vacated based on knowledge of what triggers a trial judge reviewing the award later to find enough bias to vacate an award.
 - AI Construction Lien Arbitrations ?
 - Consumer/ Small disputes with consent to AI decisions?



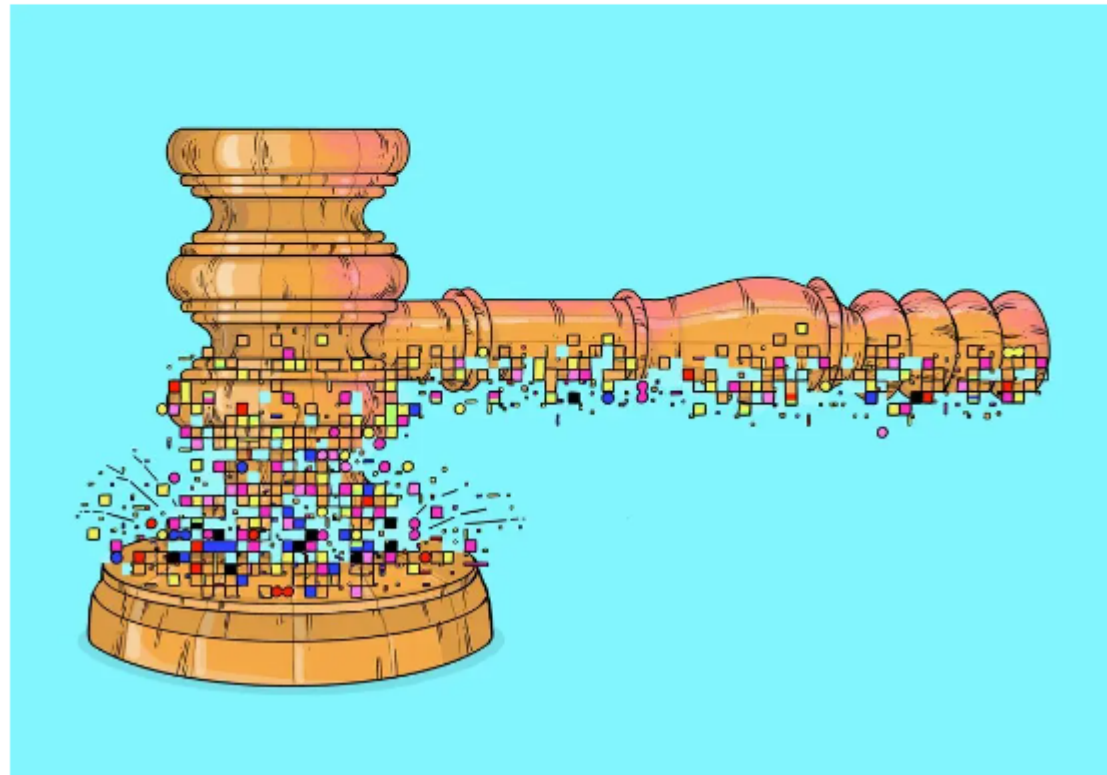
A.I. Is Coming for Lawyers, Again

Previous advances in A.I. inspired predictions that the law was the lucrative profession most likely to suffer job losses. It didn't happen. Is this time different?

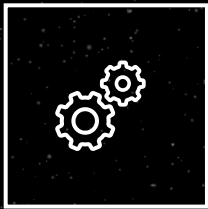
 Give this article



 277



Risks and Ethical Issues





The use of AI in arbitration has the potential to significantly impact the resolution of disputes. While it can offer numerous benefits, such as efficiency, cost reduction, and consistency, there are also ethical issues and risks associated with its application. Some of these concerns include:

1. **Bias and discrimination:** AI systems are trained on data that may contain inherent biases. Consequently, these biases can be perpetuated in the AI's decision-making processes, which could result in unfair treatment or discrimination against certain parties.
2. **Transparency and explainability:** AI-based arbitration systems may operate as "black boxes," making it difficult for parties to understand how decisions are reached. This lack of transparency can erode trust in the system and undermine the legitimacy of the arbitration process.
3. **Accountability:** Determining accountability for AI-generated outcomes can be challenging. If an AI system's decision is found to be unjust or incorrect, it may be unclear who should be held responsible – the AI developers, the arbitrators who relied on the AI, or another party.
4. **Autonomy and human involvement:** Overreliance on AI in arbitration may reduce the role of human arbitrators, which could lead to a loss of valuable expertise and judgment. Striking the right balance between AI and human input is crucial to ensure a fair and effective arbitration process.
5. **Privacy and data security:** AI systems require large amounts of data to function effectively, which can raise concerns about the privacy and security of sensitive information. Ensuring that data is stored and processed securely is essential to maintaining the confidentiality of the arbitration process.

A large, dark, textured sphere resembling a globe or a planet, with a prominent circular feature on its right side. The sphere is set against a black background with white speckles, suggesting a starry sky or a digital space. The sphere's surface is composed of many small, overlapping rectangular and circular shapes, giving it a complex, layered appearance.

Risks and Ethical Issues

Risks and Ethical Issues

6. **Access to justice:** While AI has the potential to increase access to arbitration services by reducing costs and increasing efficiency, there is a risk that it may create a digital divide between those who can afford and access AI-based solutions and those who cannot.
7. **Legal and regulatory frameworks:** The use of AI in arbitration raises questions about how existing legal and regulatory frameworks should be applied and adapted. Ensuring that these frameworks remain relevant and effective in an AI-driven context is important for maintaining the rule of law and the integrity of the arbitration process.
8. **Standardization and quality control:** As AI systems proliferate in arbitration, there may be a need for standardization and quality control to ensure consistency, fairness, and reliability across different AI-based platforms and tools.



Is this thing *thinking*??



Model
GPT-4



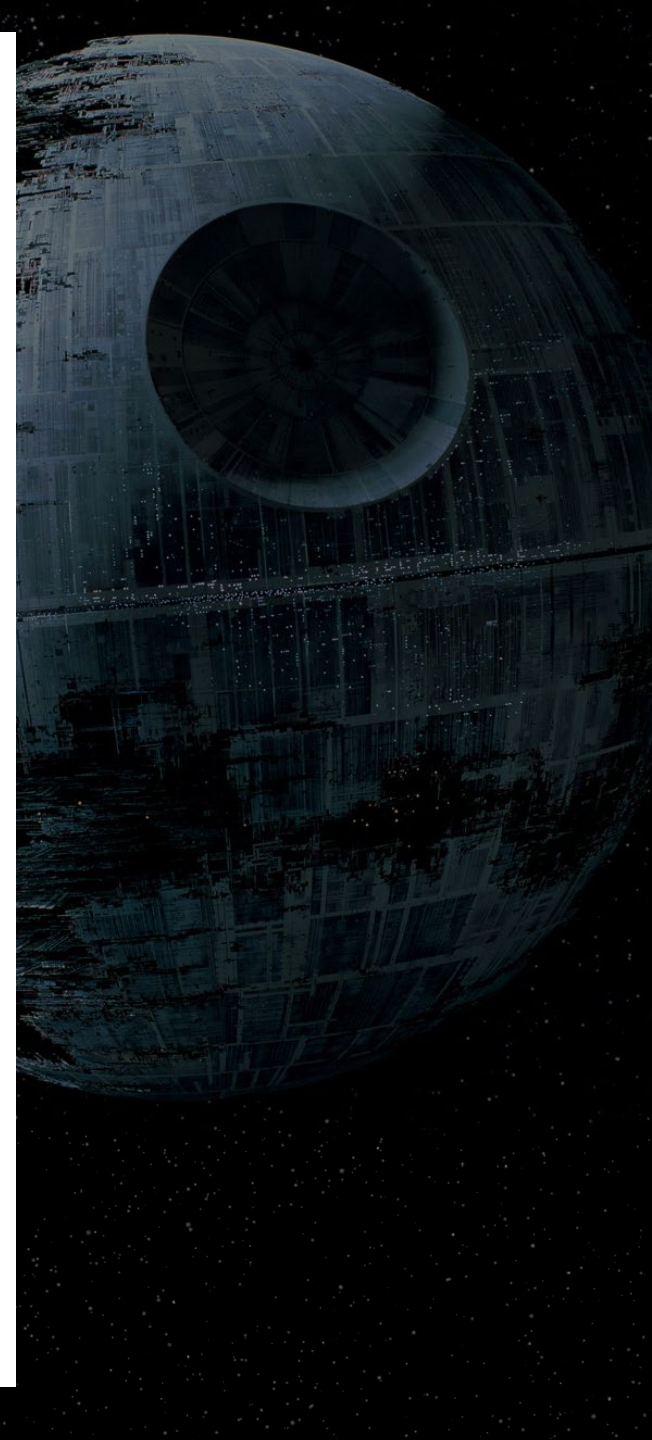
ChatGPT **PLUS**

GPT-4 currently has a cap of 25 messages every 3 hours.

Send a message...



[ChatGPT Mar 23 Version](#) ChatGPT may produce inaccurate information about people, places, or facts.



May the Force be with us!

