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Thought Leadership: Mission Control for International Disputes — Houston's Arbitration Advantage

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With corporate America increasingly voting with its feet by relocating to Texas and its business-friendly legal climate, general counsel and international arbitration practitioners should freshly consider Houston's merits as a U.S.-based seat for international arbitration. By all objective criteria, Houston boasts the infrastructure, expertise, and supporting legal framework to match the leading global arbitration centers.

As both the Energy Capital of the World and the top exporting U.S. metropolitan area, Houston occupies a nexus of global commerce where complex commercial relationships are forged daily, fueling a pipeline of future arbitrable disputes. Houston's advantages as a seat for international arbitration are powered by the pro-arbitration legal infrastructure in Texas, and they flow from the city's leading position as home to key industries such as energy and health care, as well as its strategic position as a commercial gateway to Mexico, the rest of Latin America, and beyond.

The choice of arbitration seat directly impacts legal budgets, and it has the potential to affect ultimate case outcomes. Houston offers compelling benefits—relatively lower expenses for world-class facilities and legal services compared to traditional seats—while providing access to specialized expertise in the energy, construction, health care, aerospace, and maritime industries that can prove determinative in technical disputes. The recent establishment of the Texas Business Court strengthens the case by ensuring that court proceedings

ancillary to arbitrating complex commercial matters will be resolved expeditiously and predictably by qualified judges with relevant experience.

The strategic implications extend beyond individual cases. With corporate relocations to Texas accelerating, Houston's significance in international commerce will only grow. Mexican judicial reforms in particular are prompting a search for stable and predictable adjudication of cross-border commercial disputes. General counsel who recognize this shift can position their organizations advantageously for the evolving landscape of international dispute resolution.

Houston Checks Users' Boxes as a Seat for International Arbitration

Queen Mary University of London's 2025 International Arbitration Survey, (recently previewed at Paris Arbitration Week 2025 and by collaborating law firm White & Case) confirms prior understandings about the factors driving the selection of arbitration seats. As also shown in a prior survey, the hierarchy of priorities for arbitration users includes support for arbitration by local courts and judiciary, neutrality and impartiality of the local legal system and national arbitration law, and track record in enforcing agreements to arbitrate and arbitral awards.

Houston satisfies the top priorities identified in the Queen Mary surveys. Texas exemplifies strong support for international arbitration by local courts through its comprehensive adoption of

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the UNCITRAL Model Law on International Commercial Arbitration in Civil Practice and Remedies Code chapter 172, as well as the robust protections provided by the Texas Arbitration Act, which minimizes judicial intervention while supporting the arbitral process where necessary.

Federal and state courts serving Houston reliably prioritize arbitration enforcement. Consistent with the Federal Arbitration Act and the New York Convention, decisions from the United States Court of Appeals for the Fifth Circuit (covering Texas, Louisiana, and Mississippi) promote a consistently pro-arbitration jurisprudence, and lifetime tenure insulates the neutrality and impartiality of Houston's experienced and capable federal trial judges.

Texas state courts also consistently defer to arbitral decisions. Arbitration issues feature regularly on the docket of the Supreme Court of Texas, which regularly confirms its commitment to arbitral autonomy with minimal judicial interference. The opening of the Texas Business Court in September 2024 represents a major system upgrade, harnessing the expertise of specialized judges specifically chosen by gubernatorial appointment (not elections) for their ability to ably preside over complex commercial matters. Within the scope of their jurisdiction, which is substantially aligned with the types of disputes frequently resolved in international arbitration, the Business Court will ensure that arbitration-related litigation is managed by judges with deep business law experience, rather than generalists.

Houston as a Global Center for International Energy Arbitration

The global arbitration community already acknowledges Houston's importance in international energy arbitration and its concentration of energy expertise. The city is renowned for being a home of major international oil companies, oilfield service companies, pipeline operators, and many other industry participants. This creates a unique pool of

specialized counsel and expert witnesses with deep technical knowledge spanning the energy spectrum. Thus, Houston has been the natural choice to host the annual Joint Conference on International Energy Arbitration sponsored by the Institute for Transnational Arbitration (ITA), the Institute for Energy Law (IEL), and the International Court of Arbitration of the International Chamber of Commerce (ICC). This premier gathering convenes leading energy arbitrators, counsel, and industry experts, reinforcing Houston as a seat to consider for resolving the world's most complex energy disputes.

Upstream and midstream energy disputes represent some of the most technically complex arbitrations in international business, involving massive investments in challenging environments worldwide. Joint venture disputes frequently concern operational control, cost allocation, and revenue sharing under production-sharing contracts, while exploration and development disputes involve highly technical issues such as seismic interpretation, drilling performance, and reservoir characterization. Houston's position as the center of North American energy infrastructure creates unique advantages for arbitration of midstream disputes involving pipeline capacity allocation, transmission scheduling, storage arrangements, and natural gas processing disputes. Given the explosive growth of liquefied natural gas (LNG) related international disputes, Houston's particular strength in that area deserves special emphasis, with the city and surrounding Gulf Coast region hosting headquarters for major LNG producers and multiple export terminals.

Arbitrations of downstream disputes also benefit substantially from Houston's role as a major refining and petrochemical center. The city's concentration of refining engineers, process technology specialists, trading and shipping companies, and operations experts provides immediate access to expert witnesses and arbitrators who understand refining operations, while Houston's role in power generation and renewable energy cre-

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ates growing capabilities for arbitration in the electricity sector. Conventional power-generation disputes can benefit from Houston's expertise, while renewable energy disputes involving solar, wind, and energy storage projects also can leverage the city's status as a renewable energy hub and center of energy transition investment.

Large-scale international energy projects worldwide generate complex arbitrations requiring specialized expertise spanning technical, commercial, and financial issues, and Houston hosts major engineering and construction companies that create concentrated expertise in engineering, procurement and construction (EPC) disputes, project management, and construction technology for energy facilities. Technology licensing disputes involving complex intellectual property arrangements governing energy technology deployment worldwide benefit from Houston's role as a center of energy innovation, while project financing disputes also can leverage Houston's expertise. The practical impact of this concentrated expertise cannot be overstated, as complex international energy disputes often turn on industry-specific technical issues that require specialized knowledge to resolve effectively, with Houston providing immediate access to arbitrators, counsel, and experts with relevant backgrounds that create significant efficiencies in case preparation and presentation.

Health Care and Life Sciences: A Growing Arbitration Hub

Houston's position as a global center for health care and life sciences also creates substantial arbitration opportunities in these important sectors. The Texas Medical Center, the world's largest medical complex, houses leading institutions, creating the largest concentration of health care expertise globally. This health care dominance translates directly into arbitration advantages for life sciences disputes involving pharmaceutical licensing, insurance, medical device patents, clinical trials, and health care joint ventures. Houston provides immediate

access to medical researchers, pharmaceutical executives, and biotech entrepreneurs who can serve as arbitrators or expert witnesses.

Maritime Arbitration Excellence

The Port of Houston's status as America's leading maritime hub creates opportunities for international maritime arbitration. Ranking as the top U.S. port in foreign waterborne tonnage, Houston has established maritime arbitration capabilities spanning shipping disputes, cargo claims, and terminal operations. The Gulf Coast region's significance in LNG shipping creates specialized expertise in energy transportation disputes involving complex technical issues and international commercial arrangements. Houston's concentration of maritime professionals (including members of the Houston Maritime Arbitrators Association) and cost advantages make it an attractive option.

World-Class Arbitration Infrastructure

Many international law firms have offices and international arbitration practices in Houston, and local practitioners have a strong network through the Houston International Arbitration Club and participation in other arbitration institutions. The city's arbitration infrastructure recently has been enhanced by the establishment of the new JAMS International Arbitration Center – Houston. Its world-class facilities, featuring state-of-the-art technological capabilities, security features, and professional support services, are available for any international arbitration dispute. This expansion of high-caliber hearing space (not to mention newly unveiled Michelin Guide coverage of the city's diverse local dining and six Houston-area restaurants awarded Michelin stars) means parties need not compromise on quality of facilities when choosing Houston as a seat.

International Connectivity and Cost Advantages

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Houston's geographic location positions it as the premier gateway for Mexico and all Latin American commerce, and the region's role as a major energy export hub extends to European and Asian markets, creating a truly global network of energy-related commercial relationships. The cost advantages that attract corporate relocations to Texas benefit arbitration users equally. Houston offers significantly lower costs for facilities, legal services, and accommodations compared to traditional seats, without sacrificing quality.

Conclusion

Houston should be considered as more

than an interesting alternative to traditional international arbitration seats—it offers substantial advantages in ways that matter most to sophisticated international parties. The city's energy expertise across the full spectrum of energy industry disputes, renowned health care capabilities, expanding institutional support, pro-arbitration legal framework, and significant cost efficiencies all combine to create a compelling value proposition for general counsel managing international disputes. As the energy industry continues its global transformation and Houston maintains its position at the center of these changes, the city's significance as an international arbitration center will only continue to grow.