

**IN THE MATTER OF AN ARBITRATION UNDER
1. THE TREATY BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF THE
REPUBLIC OF BOLIVIA CONCERNING THE ENCOURAGEMENT
AND RECIPROCAL PROTECTION OF INVESTMENT**

-and-

**2. THE AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF
BOLIVIA FOR THE PROMOTION AND PROTECTION OF
INVESTMENTS**

-and-

THE UNCITRAL ARBITRATION RULES

-between-

**1. GUARACACHI AMERICA, INC. (U.S.A.)
2. RURELEC PLC (UNITED KINGDOM)**

(the “Claimants”)

-and-

THE PLURINATIONAL STATE OF BOLIVIA

(the “Respondent,” and together with the Claimants, the “Parties”)

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PROCEDURAL ORDER NO. 2
July, 2, 2012

1. By letter of June 26, 2012, the Respondent informed the Tribunal and Claimant that in June 13, 2012, the Procuraduría General del Estado decided that a public tender for contracting outside counsel has been not successful, as no one of the entities that applied has been considered as corresponding to the conditions set forth for said tender.
2. As a consequence, Respondent requested a 2 months extension for the submission of its Statement of Defense.
3. Duly notified, Claimants by letter of June, 29, 2012 considered that as the arbitral proceeding was known by Respondent for more than 16 months and as in September, 29, 2011 the Tribunal granted to the Respondent 5 months for submitting its Statement of Defense, the proceedings for contracting outside counsel could have been implemented much sooner and therefore no grounds exist to justify the requested extension.
4. The Tribunal admits that Claimants is not wrong when stating that Respondent could probably have avoided this situation and therefore it has the exclusive responsibility for the situation that justifies the request for the 2 months extension.
5. However, the Tribunal considers that it may be justified – up to a certain point and under some conditions - to take into consideration legal and other procedural constraints that may create a specific burden to a public entity as the Respondent, as mentioned in the said request.
6. The Tribunal considers that the granting of an extension of a maximum of 2 months for the Statement of Defense submission does not jeopardize *per se* its obligation of assuring an efficient procedure.
7. However the extension requested will have consequences as to the subsequent submission's calendar and the final hearings.
8. Therefore it is decided:

- a) To grant to the Respondent an extension of 45 days for the submission of its Statement of Defense;
 - b) To request the Parties to negotiate in good faith how to adapt the calendar for the next submissions in a way that will not render necessary to postpone the final hearings already scheduled.
 - c) If no agreement is reached by the parties within the next 30 days, the Tribunal will adapt the calendar based on the following assumptions:
 - (i) The Claimants shall not suffer any reduction of the period granted for its Reply;
 - (ii) The final hearings will take place, as decided, from 1 to 10 April 2013.
9. The co-arbitrators have approved this order, signed only by the President.

July, 2, 2012



José Miguel Júdece
(President of the Tribunal)