

**IN THE MATTER OF AN ARBITRATION BEFORE A TRIBUNAL CONSTITUTED  
IN ACCORDANCE WITH THE UNITED STATES-DOMINICAN REPUBLIC-  
CENTRAL AMERICA FREE TRADE AGREEMENT, SIGNED AUGUST 5, 2004  
("CAFTA-DR")**

- and -

**THE UNCITRAL ARBITRATION RULES 1976**

- between -

- 1. TCW GROUP, INC.**
- 2. DOMINICAN ENERGY HOLDINGS, L.P.**

**"Claimants"**

- and -

**THE DOMINICAN REPUBLIC**

**"Respondent"**

**(and together with the Claimants, the "Parties")**

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**Procedural Order No. 1**

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Date: June 23, 2008

**By the Arbitral Tribunal**

**Prof. Juan Fernández Armesto  
Prof. Thomas Wälde  
Prof. Karl-Heinz Böckstiegel (President)**

**1. The Parties to the Arbitration**

**The Claimants:**

TWC Group, Inc.  
865 South Figueroa Street  
Los Angeles, California 90017  
U.S.A.

Dominican Energy Holdings, L.P.  
865 South Figueroa Street  
Los Angeles, California 90017  
U.S.A.

**The Respondent:**

The Dominican Republic  
Dirección de Comercio Exterior y  
Administración de Tratados  
Comerciales Internacionales  
Secretaría de Estado de Industria y  
Comercio  
Av. 27 de Febrero No. 209  
Santo Domingo  
República Dominicana

**Counsel for the Claimants:**

Mr. Christopher F. Dugan  
Mr. Mr. Joseph R. Profaizer  
Mr. Roberto F. Facundus  
Ms. Suzanne D. Garner  
Ms. M. Lily Woodland  
Paul, Hastings, Janofsky & Walker LLP  
875 15th Street, NW  
Washington, D.C. 20005  
U.S.A.

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[lilywoodland@paulhastings.com](mailto:lilywoodland@paulhastings.com)

**Counsel for the Respondent:**

Mr. John J. Kerr, Jr.  
Ms. Janet Whittaker  
Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY 10017-3954  
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E-mail: [mgerman@germanmejia.com.do](mailto:mgerman@germanmejia.com.do)

## **2. The Dispute and the Commencement of Arbitration**

- 2.1. A dispute has arisen between the Parties under the United States-Dominican Republic-Central America Free Trade Agreement, signed on August 5, 2004 (“CAFTA-DR”).
- 2.2. On December 21, 2007, TCW Group, Inc. served a Notice of Arbitration on the Respondent. On June 17, 2008, the Claimants served an Amended Notice of Arbitration on the Respondent.
- 2.3. Article 10.16 § 3(c) CAFTA-DR provides that disputes arising under CAFTA-DR may be submitted to an arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (the “UNCITRAL Rules”).
- 2.4. Without prejudice to the Statements of Claim and of Defence under Art. 18 and 19 UNCITRAL Rules, Respondent may, **by July 14, 2008**, submit a short Reply to the Notice of Arbitration. For the avoidance of doubt, this Reply is not to be considered as the Counter-Memorial provided for in Art. 10.20 § 4(a) CAFTA-DR.

## **3. Appointment of the Tribunal**

- 3.1. By letters of June 17, 2008, the Parties have confirmed the constitution of the Tribunal and the appointment of the following members:

- 3.1.1. Appointed by Claimants:

Prof. Dr. Thomas Wälde  
CEPMLP/University of Dundee  
3 Beley Bridge  
Dunino, Fife KY 16 8LX  
Scotland  
United Kingdom

Telephone: +44 1382 384 300  
Facsimile: +44 1334 880 567  
E-mail: [twwalde@aol.com](mailto:twwalde@aol.com)

3.1.2. Appointed by Respondent:

Prof. Dr. Juan Fernández Armesto  
Armesto & Asociados  
General Pardiñas 102  
28006 Madrid  
Spain

Telephone: +34 91 515 1625  
Facsimile: +34 91 515 9145  
E-mail: [jfa@jfarmesto.com](mailto:jfa@jfarmesto.com)

3.1.3. Appointed by agreement of the Co-Arbitrators with the consent of the Parties:

Professor Karl-Heinz Böckstiegel  
Parkstrasse 38  
51427 Bergisch-Gladbach  
Germany  
Tel.: +49 220 466 268  
Fax: +49 220 421 812  
E-mail: [khboeckstiegel@aol.com](mailto:khboeckstiegel@aol.com)

- 3.2. The Tribunal notes that the members of the Tribunal have been validly appointed in accordance with CAFTA-DR and the UNCITRAL Rules.
- 3.3. The members of the Tribunal are and shall remain impartial and independent of the Parties.
- 3.4. The Tribunal further notes that they are not aware of any objection to the appointment of any member of the Tribunal or of any circumstances that would provide grounds of conflict of interest and/or lack of independence or impartiality in respect of matters known to them at the date this Order.

**4. Applicable Procedural Rules**

- 4.1. This procedure is subject to CAFTA-DR Chapter 10 section B. According to Articles 10.16 § 3(c) and 5 CAFTA-DR, the proceedings shall be conducted in accordance with the UNCITRAL Rules as presently in force.
- 4.2. For issues not dealt with in the UNCITRAL Rules, and taking into account any agreement or views expressed by the Parties, as provided in and subject to Article 15 UNCITRAL Rules, the Tribunal shall conduct the arbitration in such a manner as it considers appropriate.
- 4.3. Procedural Orders may be signed solely by the presiding arbitrator after consultation with the co-arbitrators or by the Administrative Secretary after express authorization by the presiding arbitrator.

**5. Case Administration**

- 5.1. As suggested by the Tribunal and agreed by the Parties, the International Bureau of the Permanent Court of Arbitration (PCA) shall act as registry (“Registry”) in the arbitration on the following terms:
- 5.2. The Registry shall maintain an archive of filings and correspondence and handle Party deposits and disbursements. If needed, the Registry will make its hearing and meeting rooms in the Peace Palace available to the Parties and the Tribunal at no charge; costs of catering, court reporter, or other technical support associated with hearings or meetings at the Peace Palace or elsewhere shall be borne by the Parties.
- 5.3. PCA expenses (such as air courier costs and bank transfer fees) shall be paid in the same manner as Tribunal fees and expenses.
- 5.4. The Tribunal has appointed Mr. Brooks Daly, a member of the Registry, to act as Administrative Secretary. The Administrative Secretary shall carry out administrative tasks on behalf of the Tribunal, and shall bill his time at EURO 150 per hour. The primary purpose of such an appointment would be to reduce the costs that would otherwise be incurred in the Tribunal carrying out purely administrative tasks.
- 5.5. The contact details of the Registry are as follows:

Permanent Court of Arbitration  
Attn: Brooks Daly  
Peace Palace, Carnegieplein 2  
2517 KJ The Hague  
The Netherlands  
Tel.: +31 70 302 4165  
Fax: +31 70 302 4167  
[bureau@pca-cpa.org](mailto:bureau@pca-cpa.org)  
[bdaly@pca-cpa.org](mailto:bdaly@pca-cpa.org)

**6. Procedural Meeting**

- 6.1. Further details of the procedure shall be discussed and, as far as possible agreed, at a Procedural Meeting with the Parties.
- 6.2. The Parties are hereby invited to the meeting in New York, in the morning of July 30, 2008, at a place to be chosen by the Tribunal after the confirmation of the date by the Parties.

As, for obvious reasons, the arrangements for the meeting and possibly necessary visa applications have to be made as fast as possible, the Parties are invited to confirm their availability on the proposed date and who will be attending the meeting to the Tribunal by June 30, 2008.

**7. Communications**

- 7.1. Any further details regarding communications will be discussed at the Procedural Meeting. Subject thereto, for the time being, the following shall apply:
- 7.2. The Parties shall not engage in any oral or written communications with any member of the Tribunal *ex parte* in connection with the subject matter of the arbitration.
- 7.3. The Parties shall address communications directly to each member of the Tribunal by e-mail and confirmed by courier, with a copy to the counsel for the other Party. Confirmation may be made by fax instead of courier if it does not exceed 15 pages.
- 7.4. Copies of all communications shall be sent to the Registry.
- 7.5. To facilitate citations and word processing, Memorials and other larger submissions shall be in Windows Word and preceded by a Table of Contents.
- 7.6. Submissions of documents shall be submitted unbound in ring binders separated from Memorials and preceded by a list of such documents consecutively numbered with consecutive numbering in later submissions (C-1, C-2 etc. for Claimants; R-1, R-2 etc. for Respondent). As far as possible, in addition, documents shall also be submitted in electronic form (preferably in Windows Word, otherwise in Acrobat).
- 7.7. All written communications shall be deemed to have been validly made when they have been sent to:

Claimants: to the addresses of counsel as above.

Respondent: to the addresses of counsel as above.

Tribunal: to the addresses as above.

Registry: to the address as above.

- 7.8.. The Parties shall send copies of correspondence between them to the Tribunal only if it pertains to a matter in which the Tribunal is required to take some action, or be apprised of some relevant event.
- 7.9.. Any change of name, description, address, telephone number, facsimile number, or e-mail address shall immediately be notified by the Party or member of the Tribunal to all other addressees referred to in paragraphs 1, 3 and 7.

**8. Language of the arbitration**

After consultation with the Parties at the Procedural Meeting, the Tribunal shall determine the language or languages to be used in the proceedings in accordance with Article 17(1) of the UNCITRAL Rules.

**9. Place of arbitration**

After consultation with the Parties at the Procedural Meeting, the Tribunal shall determine the place of arbitration in accordance with Art. 10.20 § 1 CAFTA-DR and Article 16(1) of the UNCITRAL Rules.

**10. Deposits to Secure the Tribunal's Fees and Expenses, and Case Administration Charges**

10.1. In accordance with Art. 41(1) UNCITRAL Rules, the Parties shall establish an initial deposit of EURO 50,000.00 from each side. By **June 30, 2008**, the deposit shall be placed with the PCA by the Parties by wire transfer to the following account:

Bank: ING Bank N.V.  
Schenkkade 65  
2595 AS The Hague  
The Netherlands  
Account number: 68.55.45.369  
IBAN: NL71 INGB 0685 5453 69  
BIC and SWIFT : INGBNL2A  
Account name: Permanent Court of Arbitration  
Reference: CAFTA-DR/UNCITRAL case TCW et al. v Dominican Republic

10.2.. The Tribunal will review the adequacy of the deposit from time to time and may request the Parties to make supplementary deposits in accordance with Article 41(2) of the UNCITRAL Rules.

10.3. The unused balance held on deposit at the end of the arbitration shall be returned to the Parties as directed by the Tribunal.

**11. Tribunal's Fees and Expenses**

11.1. As agreed by the Parties, the arbitrators' remuneration for time spent on the arbitration, such as choice of the presiding arbitrator, hearings, reading documents, correspondence, drafting any award, travelling, meetings, etc. shall be EURO 500.00 per hour plus Value Added Tax (VAT) if applicable for a member of the Tribunal

11.2. Members of the Tribunal shall be reimbursed with respect to all disbursements and charges reasonably incurred in connection with this arbitration (including but not limited to travel expenses, telephone, fax, delivery and other office expenses).

11.3. All payments to the Tribunal shall be made from the deposits referred to in paragraph 10 above.

**12. Tribunal's Immunity from Suit**

- 12.1. The Parties shall not seek to make the Tribunal or any of its members liable in respect of any act or omission in connection with any matter related to the arbitration.
- 12.2. The Parties shall not require any member of the Tribunal to be a party or witness in any judicial or other proceedings arising out of or in connection with this arbitration.

**13. Further details of Procedure**

Further details of the procedure and in particular a timetable for submissions shall be discussed and agreed as much as possible at the Procedural Meeting the results of which shall be included in a further Procedural Order of the Tribunal.

On behalf of the Tribunal



Karl-Heinz Böckstiegel  
President of Tribunal