

## Guatemala's counsel withdraws from DR-CAFTA case

---

Tuesday, 19<sup>th</sup> July 2011 by Sebastian Perry

**Arnold & Porter LLP has resigned as counsel to Guatemala in an ICSID claim brought by a US railroad investor under the Dominican Republic-Central America free trade agreement.**

Guatemala's economic minister, Luis Velásquez, told a local newspaper last week that the firm withdrew from Railroad Development Corporation v Guatemala by a letter dated 23 June. He said "differences arose" between the firm and the attorney general's office on "how to litigate the case".

Velásquez explained that the state has requested an extension of certain deadlines while it looks for replacement counsel. He said the transition will be overseen by attorney general Guillermo Porras.

David Ortain, lead counsel for Arnold & Porter, says: "Due to our ethical responsibilities to Guatemala, we are not able to comment on the reasons for our withdrawal except to say that the reasons are entirely unrelated to the merits of the proceeding."

Guatemala's attorney general's office did not respond to a request for comment.

Railroad Development Corporation is claiming US\$65 million over the government's termination of its contract to rebuild and operate Guatemala's railway system. The case was the first-ever to be brought under DR-CAFTA.

Last June lawyers from Arnold & Porter failed for the second time to get the case dismissed at the jurisdictional stage, using previously untested provisions in the treaty. Representatives for the US and El Salvador have also attended proceedings as non-disputing parties.

### Tribunal

Andrés Rigo Sureda (chair) (Spain)  
Stuart Eizenstat (US)  
James Crawford SC (Australia)

### Counsel to Railroad Development Corporation U.S.

- Greenberg Traurig LLP  
Partners Allen Foster, Ruth Espey-Romero and Kevin Stern, and senior director Regina Vargo

### Guatemala

- Díaz-Durán & Asociados Central Law  
Partner Juan Pablo Carrasco de Groot

### Counsel to the Republic of Guatemala U.S.

- Arnold & Porter LLP (until 23 June 2011)  
Partner David Orta, counsel Patricio Grané, and Associates Daniel Salinas Serrano, Bonard Molina García and Margarita Sánchez

### Guatemala

- Palacios y Asociados  
Myriam Eugenia López Miyares
- Procuraduría General de la Nación  
Attorney general Guillermo Porras Ovalle and Estuardo Saúl Oliva Figueroa
- Ministerio de Economía de Guatemala  
Joaquín Romeo López Gutiérrez, Mynor Castillo and Francisco Vázquez