Guatemala’s counsel withdraws from DR-CAFTA case

Tuesday, 19th 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 Groote

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 Mijaures
• 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