INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

WASHINGTON, D.C.

In the arbitration proceeding between

Universal Compression International Holdings, S.L.U.

Claimant

and

The Bolivarian Republic of Venezuela

Respondent

(ICSID CASE NO. ARB/10/9)

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ORDER OF THE TRIBUNAL SUSPENDING THE PROCEEDING

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Members of the Tribunal
Mr. J. William Rowley, QC, President
Professor Brigitte Stern
Professor Guido Santiago Tawil

Secretary of the Tribunal
Mr. Gonzalo Flores

Date: September 16, 2013
REPRESENTATION OF THE PARTIES

Representing Universal Compression International Holdings, S.L.U.
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Representing the Bolivarian Republic of Venezuela
Dr. Manuel Enrique Galindo
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2. On April 12, 2010, the Secretary-General of ICSID registered the Request for Arbitration pursuant to Article 36(3) of the Convention.

3. In the absence of an agreement between the parties with respect to the number of arbitrators that would comprise the arbitral tribunal in this case and the method for their appointment, the Claimant, by letter dated August 4, 2010, chose the formula provided for in Article 37(2)(b) of the Convention. In its letter, the Claimant also appointed Professor Guido Santiago Tawil, a national of the Argentine Republic, as arbitrator. On August 12, 2010, Respondent appointed Professor Brigitte Stern, a French national, as arbitrator.

4. On September 7, 2010, the Claimant informed the Centre that the parties had been unable to agree on a candidate for president of the tribunal and, in accordance with Article 38 of the Convention, requested that missing appointment and designation be made by the Chairman of the ICSID Administrative Council (the Chairman).

5. On October 13, 2010, the Secretary-General informed the parties that she intended to recommend to the Chairman that he appoint Mr. J. William Rowley, QC, a Canadian national and a member of the ICSID Panel of Arbitrators designated by Mongolia, as the president of the tribunal. Claimant and Respondent confirmed that they had no objection to the appointment of Mr. Rowley on October 20, 2010, and October 25, 2010, respectively. On October 25, 2010, the Secretary-General confirmed that the Chairman would proceed with his appointment.

6. On November 3, 2010, the Secretary-General informed the parties that the three arbitrators had accepted their appointments and that in accordance with ICSID Arbitration Rule 6, the Tribunal was deemed to have been constituted and the proceeding to have begun as of that date. Ms. Janet Whittaker, ICSID Legal Counsel, was designated to serve as Secretary of the Tribunal. The parties were later informed that
Mr. Gonzalo Flores, ICSID Legal Counsel, would replace Ms. Janet Whittaker as Secretary of the Tribunal, following Ms. Whittaker’s departure from the Secretariat.

7. From November 4, 2010 through May 20, 2011, the proceeding was suspended following each party’s proposal for the disqualification of an arbitrator under Article 57 of the Convention. In accordance with the parties’ agreement, these proposals were treated as “a proposal relating to the majority of the members of the Tribunal” and, as such, decided by the Chairman of the ICSID Administrative Council in accordance with Article 58 of the Convention.

8. By communication of May 20, 2011, the parties’ were informed of the Chairman’s decision to reject the disqualifications proposal. The proceeding was thus resumed on that same date, in accordance with ICSID Arbitration Rule 9(6).

9. On July 27, 2011, the Tribunal held a first session with the parties at the seat of the Centre in Washington D.C.

10. In accordance with the procedural schedule agreed upon during the first session, the parties filed written pleadings as follows: on August 31, 2011, the Claimant filed a memorial on the merits; on December 30, 2011 the Respondent filed a counter-memorial on the merits; on March 12, 2012, the Claimant filed a reply on the merits; and on May 29, 2012, the Respondent filed a rejoinder on the merits.

11. From July 9 to July 13, 2012, the Tribunal held a hearing on the merits at the seat of the Centre in Washington, D.C.

12. On July 20, 2012, the Respondent filed a request for the disqualification of the President of the Tribunal. The proceeding was suspended on that same date in accordance with ICSID Arbitration Rule 9(6).

13. On August 7, 2012, the parties jointly informed the Centre that they had reached an agreement under which the arbitration proceeding should remain suspended until the date of final payment and release of claims in accordance with the specific terms of the parties’ agreement (with such final payment scheduled for August 10, 2016).
14. From August 2012 to July 2013, the parties exchanged correspondence with Professors Stern and Tawil concerning the extent to which the pending proposal for the disqualification of the President of the Tribunal prevented the two arbitrators to approve the parties’ agreement to suspend the proceeding.

15. On July 2, 2013 the Respondent withdrew the proposal for the disqualification of the President of the Tribunal. Accordingly, the suspension of the proceeding came to an end and the proceeding was resumed as of that date.

ORDER

The Tribunal has considered the terms of the parties’ agreement of August 7, 2012, and, after due deliberation, has decided to approve the agreement.

Accordingly, the proceeding is hereby suspended and shall remain so until August 10, 2016, subject to the conditions expressly stated in the parties’ agreement.

[signed]

For the Tribunal
Mr. J. William Rowley, QC
President of the Tribunal