

## CAFTA Arbitration Accepted by ICSID Tribunal; Arbitrators Appointed

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**Pittsburgh, Pennsylvania, USA / August 31, 2007** – On August 20, 2007 the International Center for the Settlement of Investment Disputes (ICSID), an affiliate of The World Bank, formally accepted the claim for arbitration under the Central American Free Trade Agreement (CAFTA) filed by Railroad Development Corporation (RDC) on behalf of itself and its Guatemalan affiliate, Ferrovías Guatemala (FVG). The registration of the claim, case number ARB/07/23, is available to the public at <http://www.worldbank.org/icsid/cases/pending.htm>.

RDC President Robert A. Pietrandrea commented, “As expected, the acceptance of our claim over the objections of the Guatemalan Government marks a successful first phase in our quest for justice for indirect expropriation, unfair treatment and other injustices suffered by Ferrovías Guatemala as result of last year’s Declaration of ‘Lesividad’ by the Government of Guatemala. This should signal to those responsible that any illusions that they may be harboring to the effect that our claim was frivolous or a problem for the next government have now disappeared.”

Subsequent to ICSID’s registration of the claim, on August 29 the Government of Guatemala named its arbitrator, James Richard Crawford of Australia. RDC’s arbitrator, Hon. Stuart Eizenstat, was named in June (see link to RDC press release of June 15, 2007 below).

RDC and FVG Chairman Henry Posner III commented, “The tragedy of this case is that a cavalier ‘business as usual’ attempt to confiscate a business on behalf of selected private sector interests will cost the Guatemalan people in three ways: first, the amount of the US\$65 million claim; second, the permanent loss to GNP that rail service could have provided—not only in reduced transportation costs but also in reduced pollution and unnecessary deaths on the congested and dangerous highway system; and third, the increase in the country’s cost of capital that will accompany reduced investor confidence in Guatemala’s business environment.”

Additional background information can be found at [www.RRDC.com](http://www.RRDC.com):

- [Letter from the Chairman of Ferrovias Guatemala to its customers, employees and friends \(July 6, 2007 press release\)](#)
- [RDC files Claim to institute binding international arbitration under CAFTA against the Republic of Guatemala \(June 15, 2007 press release\)](#)
- [RDC files Notice of Intent to submit claims for arbitration under CAFTA against the Republic of Guatemala \(March 13, 2007 press release\)](#)
- [Editorial from \*The Wall Street Journal\*, July 23, 2007](#)
- [Article from \*Los Angeles Times\*, June 14, 2007](#)

RDC is a privately held Pittsburgh-based railway management and investment company, focusing on “Emerging Corridors in Emerging Markets.” For more information about RDC and its joint ventures in the USA, Argentina, Guatemala, Peru, Malawi and Mozambique, please visit [www.RRDC.com](http://www.RRDC.com).