

International Centre for Settlement of Investment Disputes
Washington, D.C.

Rail World Estonia LLC, Railroad Development Corporation
and EEIF Rail BV
(Claimants)

v.

Republic of Estonia
(Respondent)

(ICSID Case No. ARB/06/6)

ORDER OF THE TRIBUNAL TAKING NOTE OF THE
DISCONTINUANCE OF THE PROCEEDING

Members of the Tribunal

Professor Gabrielle Kaufmann-Kohler
Professor Karl-Heinz Böckstiegel
Professor Emmanuel Gaillard

Secretary of the Tribunal

Ms. Claudia Frutos-Peterson

Washington D.C., February 5, 2007

1. On February 10, 2006, the International Centre for Settlement of Investment Disputes (“the Centre” or “ICSID”), received a request for arbitration from Rail World Estonia LLC, Railroad Development Corporation, two American Corporations, and EEIF Rail BV, a Dutch Corporation, (together “the Claimants”) against the Republic of Estonia (“the Respondent”). On the same date, in accordance with ICSID Rules of Procedure for the Institution of Conciliation and Arbitration Proceedings (“the Institution Rules”), the Centre acknowledged receipt of the request. On March 8, 2006, after receiving the required lodging fee from the Claimants, a copy of the request was transmitted to the Respondent and to the Embassy of the Republic of Estonia in Washington, D.C.

2. On April 5, 2006, the Acting Secretary-General of the Centre registered the request for arbitration pursuant to Article 36(3) of the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (“ICSID Convention”) and Rule 6(1)(a) and 7(a) of the Institution Rules.

3. The Tribunal was constituted on July 28, 2006, and was originally composed of Professor Karl-Heinz Böckstiegel, a German national, appointed by the Claimants; Mr. Mark Raeside, Q.C., a British national, appointed by the Respondent; and Professor Gabrielle Kaufmann-Kohler, a Swiss national, appointed in accordance with the parties’ agreement as the third presiding arbitrator.

4. On July 31, 2006, the Claimants filed a proposal for the disqualification of Mr. Mark Raeside, as an arbitrator in the present case. In accordance with ICSID Arbitration Rules 9(6), the proceeding was suspended on August 2, 2006 and the Respondent filed observations on the proposal for the disqualification on August 7, 2006. On August 24, 2006, Mr. Raeside informed the Centre and the Tribunal about his resignation as an arbitrator in this case. Pursuant to ICSID Arbitration Rules 8(2) and 11, the Tribunal consented to Mr. Raeside’s resignation and invited the Respondent to appoint another arbitrator. On September 22, 2006, the Respondent appointed Professor Emmanuel Gaillard as an arbitrator in this case.

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5. On September 26, 2006, with Professor Emmanuel Gaillard's acceptance of his appointment as an arbitrator in the present case, the Arbitral Tribunal was reconstituted and the proceeding resumed.

6. On October 24, 2006, following the parties' agreement, the Tribunal suspended the proceeding until November 3, 2006. Upon request of the parties, it also cancelled the first session scheduled for October 27, 2006.

7. Subsequently, the first session was rescheduled on December 12, 2006. Upon the parties' request, on December 7, 2006, the Tribunal again cancelled it and extended the suspension of the proceedings to January 31, 2007.

8. By letter of January 10, 2007, the parties informed the Centre of their agreement to discontinue the present proceeding and requested that the Tribunal issue an order taking note of the discontinuance of the case pursuant to Rule 43(1) of the ICSID Arbitration Rules. In accordance with the parties' agreement, each party shall bear one-half of the expenses of the Centre and of the Tribunal, in addition to its own attorneys fees and other costs associated with the proceeding.

THEREFORE, in light of the parties' agreement of January 10, 2007, the Arbitral Tribunal hereby takes note of the discontinuance of the proceedings in accordance with Rule 43 (1) of the ICSID Arbitration Rules.

[Signed]

Professor Gabrielle Kaufmann-Kohler
President

[Signed]

Karl-Heinz Böckstiegel
Arbitrator

[Signed]

Professor Emmanuel Gaillard
Arbitrator