

**IN THE MATTER OF AN ARBITRATION
UNDER THE RULES OF ARBITRATION OF THE
INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES, THE
DOMINICAN REPUBLIC – CENTRAL AMERICA – UNITED STATES – FREE TRADE
AGREEMENT AND THE FOREIGN INVESTMENT LAW OF EL SALVADOR**

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| _____ |) | |
| PAC RIM CAYMAN LLC, |) | |
| |) | |
| Claimant, |) | |
| |) | |
| v. |) | ICSID Case No. ARB/09/12 |
| |) | |
| REPUBLIC OF EL SALVADOR, |) | |
| |) | |
| Respondent. |) | |
| _____ |) | |

**CLAIMANT PAC RIM CAYMAN LLC'S
REPLY TO RESPONDENT'S PETITION FOR COSTS**

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1. Claimant welcomes this opportunity to reply to Respondent’s submission on costs,¹ as the Tribunal invited at the close of the hearing on Respondent’s second set of preliminary objections.²

2. Respondent’s submission is remarkable in that nowhere does it identify a rule for the Tribunal to apply in deciding how to allocate the costs of this arbitration to date. Rather than argue any relevant points of law, Respondent merely repeats the flawed arguments underlying its jurisdictional objections and the baseless accusation that Claimant has not acted “honestly and in good faith.”³ Its argument appears to be that if its objections are well-founded (which they are not), then it automatically is entitled to have Claimant “bear all the costs and expenses incurred by El Salvador in this arbitration.”⁴ Respondent cites no authority for this proposition, because there is none – not in CAFTA, not in the ICSID Convention, and not in any other source of law applicable to this proceeding.

3. Respondent’s repetition of its jurisdictional arguments under the heading “Costs” contrasts with Claimant’s petition for costs, which articulates the relevant legal standard; explains why application of that standard justifies an award of costs against Respondent in this case; and then quantifies those costs. As Claimant already has addressed Respondent’s jurisdictional arguments in its written and oral submissions, it will not do so again here. As Respondent has identified no other basis for its petition, the Tribunal should decline Respondent’s request for an award of costs.

¹ Respondent’s Post-Hearing Brief, paras. 130-140.

² See Hearing Tr., p. 765:6-9.

³ Respondent’s Post-Hearing Brief, para. 133.

⁴ *Id.*, para. 130.



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