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**ARBITRATION UNDER  
THE NORTH AMERICAN FREE TRADE AGREEMENT  
AND THE 2010 UNCITRAL ARBITRATION RULES**

Between

**DETROIT INTERNATIONAL BRIDGE COMPANY**

(on its own behalf and on behalf of its enterprise The Canadian Transit Company)

*Claimant*

and

**THE GOVERNMENT OF CANADA**

*Respondent*

(and together with the Claimant, the “*disputing parties*”)

**PCA Case No. 2012-25**

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**AWARD ON COSTS**

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**Arbitral Tribunal**  
Mr. Yves Derains (Chairman)  
The Hon. Michael Chertoff  
Mr. Vaughan Lowe, Q.C

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## I. THE PARTIES

### A. CLAIMANT

1. The Claimant, Detroit International Bridge (“DIBC or Claimant”)<sup>1</sup>, is a United States company, duly incorporated and existing under the laws of the State of Michigan. DIBC’s principal place of business is 12225 Stephens Road, Warren, Michigan 48089, United States of America.
2. DIBC owns and controls the stock of The Canadian Transit Company (“CTC”), a Canadian company established by a Special Act of Parliament. CTC’s principal place of business is at 4285 Industrial Drive, Windsor, Ontario, N9C 3R9, Canada.
3. DIBC and CTC, respectively, own the United States and Canadian sides of the Ambassador Bridge. They operate the Ambassador Bridge in cooperation with each other pursuant to a joint cooperation agreement.
4. This arbitration is brought by DIBC on its own behalf and on behalf of CTC.<sup>2</sup>
5. Claimant is represented in this arbitration by:

Mr. Jonathan D. Schiller  
BOIES, SCHILLER & FLEXNER LLP  
575 Lexington Avenue  
7<sup>th</sup> Floor  
New York, NY 10022  
United States of America  
Tel: +1 212 446 2300  
Fax: +1 212 446 2350  
E-mail: [jschiller@bsfllp.com](mailto:jschiller@bsfllp.com)

and

Mr. William A. Isaacson  
Mr. Hamish P.M. Hume

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<sup>1</sup> Claimant is the successor in interest to the entities that received the statutory rights to construct and own the Ambassador Bridge. For the sake of simplicity, this award refers to the Claimant and its predecessors-in-interest collectively as “Claimant” or “DIBC”.

<sup>2</sup> DIBC’s Statement of Claim, ¶ 1.

Ms. Heather King  
Ms. Amy L. Neuhardt  
Mr. Ross P. McSweeney  
BOIES, SCHILLER & FLEXNER LLP  
5301 Wisconsin Avenue, NW  
8<sup>th</sup> Floor  
Washington, DC 20015  
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[rmcsweeney@bsfllp.com](mailto:rmcsweeney@bsfllp.com)

B. RESPONDENT

6. The Respondent is the Government of Canada (hereinafter “Canada”, “Respondent” or “disputing Party”), which is a State Party to the North American Free Trade Agreement (“NAFTA”).
7. Respondent is represented in this arbitration by:

Ms. Sylvie Tabet  
Mr. Mark A. Luz  
Mr. Adam Douglas  
Mr. Reuben East  
Ms. Heather Squires  
Trade Law Bureau (JLT)  
Foreign Affairs and International Trade Canada  
Government of Canada  
125 Sussex Drive  
Ottawa, Ontario K1A 0G2  
Canada  
E-mail: [mark.luz@international.gc.ca](mailto:mark.luz@international.gc.ca)  
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[adam.douglas@international.gc.ca](mailto:adam.douglas@international.gc.ca)  
[reuben.east@international.gc.ca](mailto:reuben.east@international.gc.ca)  
[heather.squires@international.gc.ca](mailto:heather.squires@international.gc.ca)

8. In accordance with the practice in NAFTA Article 1139, the (capitalized) terms “Party” and “Parties” refer to the States Parties to NAFTA. The term “disputing parties” refers to the disputing investor (i.e., the Claimant) and the disputing Party (i.e., the Respondent) in this case.

## **II. THE ARBITRAL TRIBUNAL**

9. Co-Arbitrator appointed by Claimant:

The Hon. Michael Chertoff  
Covington & Burling LLP  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-2401  
U.S.A.  
Tel.: 00 1 202 662 5060  
E-mail: [mchertoff@cov.com](mailto:mchertoff@cov.com)

10. Co-Arbitrator appointed by Respondent:

Mr. Vaughan Lowe, Q.C.  
Essex Court Chambers  
24 Lincoln’s Inn Fields  
London WC2A 3EG  
United Kingdom  
Tel.: 00 44 20 7813 8000  
E-mail: [vlowe@essexcourt.net](mailto:vlowe@essexcourt.net)

11. Presiding Arbitrator jointly appointed by the disputing parties:

Mr. Yves Derains  
Derains & Gharavi  
25, rue Balzac  
75008 – Paris – France  
Tel.: 00 33 (0) 1 40 555 972  
E-mail: [yderains@derainsgharavi.com](mailto:yderains@derainsgharavi.com)

## **III. PROCEDURAL BACKGROUND**

12. On April 2, 2015, the Tribunal rendered the Award on Jurisdiction in this arbitration, whereby it decided:

*“(a) That is does not have jurisdiction to hear Claimant’s claims in this case, and*

*(b) To defer the decision regarding the allocation of the costs of this arbitration to a future award.”<sup>3</sup>*

13. On April 13, 2015, the Tribunal notified the Award on Jurisdiction to the disputing parties.
14. By e-mail of April 15, 2015, the Tribunal invited the disputing parties “[...] *to try to agree on a timetable for submitting their respective statement of costs and rebuttals and, to the extent possible, to present a joint timetable to the Tribunal by April 22, 2015. If the disputing parties are not able to agree on a joint timetable, each disputing party shall submit its proposed timetable to the Tribunal by the same date.*”
15. By e-mail of April 21, 2015, the disputing parties informed the Tribunal of their agreement to *“make simultaneous submissions regarding costs on May 20, 2015 at 5pm EST.”*
16. By e-mail of May 19, 2015, the disputing parties’ informed the Tribunal that:

*“[...] The parties have conferred further, however, and have agreed that, because Canada’s May 20 submission will be the first time DIBC is able to view a schedule of the costs of arbitration sought by Canada, if agreeable to the Tribunal, DIBC may submit a reply brief on May 27, 2015 at 5pm that will be limited to a discussion of Canada’s schedule of costs. Further, and again if agreeable to the Tribunal, Canada then may submit a reply brief on June 3, 2015 at 5pm that will be limited to discussion of DIBC’s response to Canada’s schedule.”*
17. On May 20, 2015, the disputing parties’ submitted their respective Submissions on Costs.
18. On May 27, 2015, DIBC submitted its Reply Submission on Costs.
19. On June 3, 2015, Canada submitted its Reply Submission on Costs.
20. On July 29, 2015, the Tribunal received the Final Statement of Account from the Permanent Court of Arbitration (“PCA”).

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<sup>3</sup> Award on Jurisdiction of April 2, 2015, ¶ 340.

## I. SUMMARY OF THE DISPUTING PARTIES' POSITIONS

### A. RESPONDENT'S POSITION

#### (1) Summary of Canada's position on the allocation of costs

21. Pursuant to NAFTA Article 1135 and Article 42 of the UNCITRAL Rules, Respondent requests that the Tribunal award Canada all of its costs<sup>4</sup>.
22. The costs incurred by Canada, pursuant to Article 40(2)(e) of the UNCITRAL Rules, including legal fees and disbursements, are set forth below:

Summary of Costs (\$ CDN)	
Disbursements <sup>5</sup>	\$ 437,458.58
Legal Representation <sup>6</sup>	\$ 3,015,557.37
TOTAL	\$ 3,453,015.95

23. Canada submits that the 2010 UNCITRAL Rules, and more specifically its Article 42, contain a presumption that the unsuccessful party will bear both the costs of arbitral and institutional fees and reasonable legal representation costs.<sup>7</sup> It argues that cotemporary practice in international investment treaty arbitration favors a “loser pays” or “cost follow the event” approach.<sup>8</sup>
24. According to Canada this is particularly true in disputes governed by the 2010 UNCITRAL Arbitration Rules where Article 42 was specifically amended from Article 40 of the 1976 UNCITRAL Rules to include legal fees in the costs of arbitration rather than leaving legal fees to the discretion of the Tribunal.<sup>9</sup>
25. Canada relies on *S.D. Myers* and *International Thunderbird* cases, where both tribunals noted that the UNCITRAL Rules emphasize “success” and establish a presumption that the costs of arbitration should be borne by the unsuccessful party.<sup>10</sup>

<sup>4</sup> Canada's Rejoinder on Costs, June 3, 2015, ¶ 23.

<sup>5</sup> Canada's Submission on Costs, May 20, 2015, ¶ 5 and its Annex II, p. 17.

<sup>6</sup> Canada's Submission on Costs, May 20, 2015, ¶ 5 and its Annex I, p. 16.

<sup>7</sup> Canada's Submission on Costs, May 20, 2015, ¶ 7.

<sup>8</sup> Canada's Submission on Costs, May 20, 2015, ¶ 8 and footnote no. 10.

<sup>9</sup> Canada's Submission on Costs, May 20, 2015, ¶ 8 and footnote no. 10.

<sup>10</sup> Canada's Submission on Costs, May 20, 2015, ¶ 10.



26. Canada submits that the Tribunal should look at all the circumstances to decide which party is the “successful” one. As Canada discussed in its memorials in this arbitration, the Tribunal was without jurisdiction due to Claimant’s failure to comply with Article 1121 of the NAFTA. The Tribunal ultimately decided for Canada in this respect based on the overlap of the First Notice of Arbitration in the NAFTA proceedings and the first claim in the Washington Litigation alone. In doing so, the Tribunal found it unnecessary to decide any further arguments put forward by the parties with respect to jurisdiction. Canada concludes that it is the only successful party in this arbitration as every point that was decided by the Tribunal was in Canada’s favour – Claimant did not win on any argument it put forward with respect to those issues.<sup>11</sup>
27. Moreover, Canada submits that its costs in this arbitration are reasonable in light of the length of the dispute (2010-2015), the seriousness of the allegations, the amount of damages claimed and the amount of resources required to prepare for and defend the arbitration. Combined, the Claimant’s first Notice of Intent (“NOI”) and second NOI alleged USD 5 billion in damages against Canada, which by far is the highest claim in the history of NAFTA arbitrations.<sup>12</sup>
28. DIBC complains that Canada’s lawyers spent more time on this NAFTA arbitration than DIBC’s lawyers. However, it is inappropriate and misleading to compare Canada’s legal costs to that of DIBC’s counsel. Disparity between the legal costs of the opposing parties does not imply that the higher costs incurred by one party are not reasonable. This is particularly true here given that DIBC submitted duplicative pleadings in this NAFTA arbitration and the Washington Litigation and relied on the same documents in both proceedings, thereby reducing the amount of time spent on this NAFTA arbitration. It was DIBC that benefited from what it has described as “synergies between the various proceedings”, not Canada.<sup>13</sup>
29. Canada submits that no costs related to domestic proceedings were included in Canada’s Submission on Costs.<sup>14</sup>

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<sup>11</sup> Canada’s Submission on Costs, May 20, 2015, ¶¶ 13-14.

<sup>12</sup> Canada’s Submission on Costs, May 20, 2015, ¶ 19.

<sup>13</sup> Canada’s Rejoinder on Costs, June 3, 2015, ¶ 4.

<sup>14</sup> Canada’s Rejoinder on Costs, June 3, 2015, ¶ 15.

## **(2) Canada's Request**

30. Pursuant to NAFTA Article 1135 and Article 42 of the UNCITRAL Rules, DIBC must bear the cost of Canada's legal representation and arbitration costs. In light of the Claimant's loss on jurisdiction in this case, and on the basis of Canada's longest-standing Article 1121 objection with respect to the Washington Litigation, the Tribunal should award Canada all of its costs. Such an award is directly in line with the purpose of Article 1121 and is the only way in which Canada can be fully indemnified for having to defend itself with respect to the measures alleged to breach the NAFTA in multiple forms.<sup>15</sup>

### **B. CLAIMANT'S POSITION**

#### **(1) Summary of DIBC's position on the allocation of costs**

31. DIBC submits that the typical course of practice with respect to the award of costs in international investment treaty arbitration is for the tribunal to direct that the parties evenly split the costs of arbitration other than legal fees and for each party to bear its own legal costs. Only a small minority of tribunals in such proceedings require an unsuccessful investor claimant to pay the arbitration costs and costs of representation of the government respondent. The exceptions to this prevailing practice generally include cases where the tribunal has determined that the claim was manifestly without merit or that its prosecution by the claimant or its counsel fell below common accepted professional standards.<sup>16</sup>
32. The purpose of this policy against awarding costs in favour of a successful respondent is to avoid placing additional constraints on the access to justice for investors, who are frequently at a pronounced resource disadvantage compared to respondents.<sup>17</sup>
33. According to DIBC, Tribunals order parties to bear their own costs in arbitrations in close to eighty percent of cases. DIBC submits that Canada itself has noted the same when it was unsuccessful in investment arbitrations.<sup>18</sup>

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<sup>15</sup> Canada's Submission on Costs, May 20, 2015, ¶ 29.

<sup>16</sup> DIBC's Submission on Costs, May 20, 2015, ¶ 1.

<sup>17</sup> DIBC's Submission on Costs, May 20, 2015, ¶ 31.

<sup>18</sup> DIBC's Submission on Costs, May 20, 2015, ¶ 2.

34. This is particularly appropriate here, where, although Canada seeks legal fees and expenses with respect to the entirety of the arbitration proceedings, this Tribunal decided only a single issue against DIBC in its Award – i.e., the question of whether DIBC properly issued a waiver under Article 1121 of the NAFTA. This is the only issue with respect to which DIBC can be said to have been “unsuccessful” under the meaning of Article 42 of the UNCITRAL Rules, and Canada has no right to seek recovery of costs of arbitration or the legal fees relating to any other aspect of the arbitration.<sup>19</sup>
35. DIBC relies, *inter alia*, on the *Glamis Gold, Ltd. v. United States of America*<sup>20</sup> case. In this case, despite the fact that the claimant “failed with respect to both of its claims,” the tribunal found that the “Claimant raised difficult and complicated claims based at least one area of unsettled law, and both Parties well argued their positions with considerable legal talent and respect for one another, the process and the Tribunal”. The tribunal therefore ordered that “[e]ach Party shall bear its own legal costs of representation.”<sup>21</sup>
36. Furthermore, DIBC submits that, while this arbitration did not proceed to the merits phase, DIBC’s argument that the Tribunal did have jurisdiction to hear DIBC’s claim was complex and made in good faith. DIBC’s argument that it made a proper waiver in compliance with NAFTA Article 1121 was sufficiently meritorious that Judge Chertoff dissented from the panel’s determination with respect to waiver.<sup>22</sup> DIBC concludes that whatever expenses the parties have incurred in this arbitration have resulted from the DIBC’s presentment of complex and novel claims, and not from any dilatory or vexatious practices by DIBC.<sup>23</sup>
37. DIBC also submits that Canada’s request for reimbursement of 14,943.20 hours in fees for attorneys and paralegals is incommensurate with the nature of this arbitration, which had only two, relatively short in-person hearings, and was dismissed at the jurisdictional phase.<sup>24</sup>

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<sup>19</sup> DIBC’s Submission on Costs, May 20, 2015, ¶ 5.

<sup>20</sup> UNCITRAL, Award of June 8, 2009, Exhibit CLA-101.

<sup>21</sup> DIBC’s Submission on Costs, May 20, 2015, ¶ 21.

<sup>22</sup> DIBC’s Submission on Costs, May 20, 2015, ¶ 33.

<sup>23</sup> DIBC’s Submission on Costs, May 20, 2015, ¶ 35.

<sup>24</sup> DIBC’s Reply Submission on Costs, May 27, 2015, ¶ 4.

38. The exorbitant nature of Canada's claim for legal fees and expenses here is also demonstrated by the stark contrast between the nearly 15,000 hours of attorney and paralegal time Canada seeks recovery for and the approximately 4,100 attorney and paralegal hours DIBC devoted to the same matter (3,616.8 hours billed by Boies, Schiller & Flexner LLP, and approximately 500 hours billed by prior counsel.). That is, Canada claims to have devoted more than three times the amount of attorney and paralegal hours to this matter than did DIBC. Although there are different approaches to arbitration and litigation generally, Canada's claimed legal fees are not reasonable by any measure. They equate to a lawyer devoting five 3,000 hour billable years to a matter that ended in the jurisdictional phase.<sup>25</sup>
39. DIBC submits that, although Canada provide little information regarding the legal fees and expenses for which it seeks reimbursement, certain of the information provided by Canada suggests that its legal fees do not solely relate to this proceedings.<sup>26</sup>
40. Finally, with respect to Canada's preparation for its defense on the merits against DIBC's claims, Canada specifically asked this Tribunal to set a hearing with respect to jurisdiction before reaching the merits, presumably in an effort to reduce expenses and effort with respect to the merits. To the extent that Canada nonetheless chose to devote thousands of hours of attorney and paralegal time to the development of its merits strategy, that approach was not reasonable under the circumstances. Moreover, awarding such fees and expenses to Canada at this stage would be particularly unjust in the event that DIBC institutes a new arbitration with respect to this dispute and is successful on the merits there.<sup>27</sup>

## **(2) DIBC's Request**

41. DIBC requests that the Tribunal issue an order directing that each party bear its own costs of representation, and that all other costs of arbitration be divided evenly between the parties. Alternatively, the most that the Tribunal should award against DIBC are costs associated with the

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<sup>25</sup> DIBC's Reply Submission on Costs, May 2, 2015, ¶ 7.

<sup>26</sup> DIBC's Reply Submission on Costs, May 2, 2015, ¶ 9.

<sup>27</sup> DIBC's Reply Submission on Costs, May 2, 2015, ¶ 12.

Article 1121 waiver issue and not any costs associated with the time limitations argument, the merits, or any other aspect of the arbitration with respect to which the Tribunal issued no ruling.<sup>28</sup>

## II. THE TRIBUNAL'S DECISION

### A. PRELIMINARY REMARKS

42. By way of reminder, on April 2, 2015, the Tribunal rendered the Award on Jurisdiction in this arbitration, whereby it decided:

*“(a) That it does not have jurisdiction to hear Claimant’s claims in this case, and*

*(b) To defer the decision regarding the allocation of the costs of this arbitration to a future award.”*<sup>29</sup>

43. In view of the Tribunal’s decision above, it has now to decide on the allocation of the costs of this arbitration between the disputing parties.

44. In a nutshell, while DIBC requests the Tribunal to order that each party bear its own costs of representation, and that all other costs of arbitration be divided evenly between the parties, Canada submits that DIBC must bear all the costs of Canada’s legal representation and arbitration costs.

45. The Tribunal notes that NAFTA Chapter Eleven contains no provision on the allocation of costs. Its Article 1135 only provides that “[a] Tribunal may [...] award costs in accordance with the applicable arbitration rules.” Therefore, the Tribunal’s decision in the matter of costs are to be found in the 2010 UNCITRAL Arbitration Rules (hereinafter “UNCITRAL Arbitration Rules”),<sup>30</sup> more specifically at Articles 40 to 42 thereof.

46. Articles 40 of the UNCITRAL Arbitration Rules provides the definition of “costs of arbitration” as follows:

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<sup>28</sup> DIBC’s Submission on Costs, May 20, 2015, p. 22; DIBC’s Reply Submission on Costs, May 27, 2015, p. 7.

<sup>29</sup> Award on Jurisdiction of April 2, 2015, ¶ 340.

<sup>30</sup> Pursuant to item 12 of Procedural Order No. 1, “[t]he applicable arbitration rules are the 2010 UNCITRAL Rules, pursuant to the Parties’ agreement, except to the extent that they are modified by Section B of Chapter 11 as per NAFTA Article 1120(2)”.

Article 40 of the UNCITRAL Arbitration Rules:

1. *The arbitral tribunal shall fix the costs of arbitration in the final award and, if it deems appropriate, in another decision.*

2. *The term “costs” includes only:*

(a) *The fees of the arbitral tribunal to be stated separately as to each arbitrator and to be fixed by the tribunal itself in accordance with article 41;*

(b) *The reasonable travel and other expenses incurred by the arbitrators;*

(c) *The reasonable costs of expert advice and of other assistance required by the arbitral tribunal;*

(d) *The reasonable travel and other expenses of witnesses to the extent such expenses are approved by the arbitral tribunal;*

(e) *The legal and other costs incurred by the parties in relation to the arbitration to the extent that the arbitral tribunal determines that the amount of such costs is reasonable;*

(f) *Any fees and expenses of the appointing authority as well as the fees and expenses of the Secretary-General of the PCA.* (Emphasis added)

47. The rule governing the power of the arbitrators to decide on costs is set forth in Article 42 of the UNCITRAL Rules, which provides that:

Article 42 of the UNCITRAL Arbitration Rules

1. *The costs of the arbitration shall in principle be borne by the unsuccessful party or parties. However, the arbitral tribunal may apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.*

2. *The arbitral tribunal shall in the final award or, if it deems appropriate, in any other award, determine any amount that a party may have to pay to another party as a result of the decision on allocation of costs.* (Emphasis added)

48. According to such provision, the costs of the arbitration shall in principle be borne by the unsuccessful party, unless the Tribunal finds it reasonable to allocate such costs in a different manner. In summary, an arbitral tribunal has near total discretion to allocate the costs of arbitration pursuant to Article 42(1) of the UNCITRAL Arbitration Rules.

B. THE LEGAL COSTS

49. In the case at stake the Tribunal concluded that it has no jurisdiction over any of Claimant's claims. Moreover, Claimant was already pursuing its claims against Respondent before State

Courts in the United States and Canada and it decided to try another avenue without abandoning the others. By doing so Claimant chose to take a risk and it shall bear the costs of the strategy it chose to follow.

50. The Tribunal sees no reason for deviating from the “*cost follow the event*” principle established in Article 42 of the UNCITRAL Rules. However, the Tribunal notes that it did not issue any ruling on Claimant’s claims associated with the time limitations argument and the merits.
51. In view of the above, the Tribunal finds that Claimant was partially unsuccessful in this arbitration and should bear 2/3 of Canada’s reasonable legal costs (as defined in Article 40.2(e) of the UNCITRAL Arbitration Rules) and all the costs of the arbitration (as defined in Article 40.2(a),(b),(c),(d) and (f) of the UNCITRAL Arbitration Rules).
52. Article 40.2(e) of the UNCITRAL Rules provides that the costs of the arbitration shall include “*the legal and other costs incurred by the parties in relation to the arbitration to the extent that the arbitral tribunal determines that the amount of such costs is reasonable*”. After analyzing the costs submitted by Canada, i.e. CAD 3,015,557.37 (legal costs) + CAD 437,458.58 (disbursements) = CAD 3,453,015.95, the Tribunal considers that Canada’s legal costs are not reasonable.
53. Although Canada’s legal costs represent an average fee of CAD 200 per hour (or approx. USD 163), which seems reasonable, the time spent on the case, i.e. approx. 1,500 hours per year, does not seem so. The number of people working on the case seems exaggerated. For instance, in the year 2011-2012, when the Notice of Arbitration was submitted and no submission was made by Canada, Canada had 8 lawyers working on the case (see p. 15 of Canada’s Submission on Costs). In the circumstances, the Tribunal decides to reduce Canada’s legal costs by 1/3 (which totals CAD 2,010,371.58), so that the 2/3 of Canada’s reasonable legal costs to be reimbursed by Claimant amount to CAD 1,340,247.72. This amount, added to Canada’s disbursements (CAD 437,458.58) totals CAD 1,777,706.30.

#### C. THE COSTS OF THE ARBITRATION

54. With respect to the costs of arbitration, as defined in Articles 40.2(a)(b)(c)(d) and (f) of the UNCITRAL Arbitration Rules, the Parties deposited a total of USD 320,000 (USD 160,000 by each of the disputing parties) with the PCA to cover the fees and expenses of the arbitral tribunal.

55. The fees and expenses of the Arbitral Tribunal total USD 267,681.79, and are broken down in the table below:

Arbitrator	Fees	Expenses
Hon. Judge Chertoff	USD 20,250.00	USD 831.02
Prof. Vaughan Lowe	USD 57,656.25	USD 24,209.46
Mr. Yves Derains	USD 109,218.75	USD 17,916.06
All other tribunal expenses, including (i) bank costs, (ii) courier expenses, (iii) court reporter, (iv) currency translation variances, (v) Derains & Gharavi VAT (paid for Resp.), (vi) hearing facilities and (vii) printing and supplies.		USD 37,600,25
Total	USD 267,681.79	

56. Pursuant to item 1 of Procedural Order No. 1, the Secretariat of the Permanent Court of Arbitration (“PCA”) was designated to act as Registry in this arbitration. The PCA’s fees for registry services amount to USD 3,206.88.
57. Pursuant to item 2 of Procedural Order No. 1, Ms. Ana Paula Montans was designated as Assistant to the Presiding Arbitrator. Ms. Montans’ fees and expenses amount to USD 29,783.33.
58. Based on the above figures, the arbitration costs, comprising the items covered in Article 40.2(a)(b)(c)(d) and (f) of the UNCITRAL Arbitration Rules, total USD 300,672.00.
59. In light of the Tribunal’s decision in paragraph 51 above, Claimant shall bear all the costs of the arbitration in the amount of USD 300,672.00 and shall reimburse Respondent the amount paid to the PCA as deposit in the amount of USD 150,336.00 (i.e. USD 160,000.00 deposited by Respondent - USD 9,664.00 which shall be reimbursed to Respondent by the PCA as indicated below).
60. Considering that the remaining deposit with the PCA totals USD 19,328.00, the PCA shall reimburse the amount of USD 9,664.00 to each side in accordance with Article 43(5) of the UNCITRAL Arbitration Rules.



### III. HOLDING

61. In view of the foregoing, the Tribunal decides that:

- (a) Claimant shall bear 2/3 of Canada's reasonable legal costs and expenses in this arbitration and shall consequently reimburse Respondent the total of CAD 1,777,706.30;
- (b) Claimant shall bear all the costs of the proceedings, and shall consequently reimburse Canada the deposit it made to the PCA in the amount of USD 150,336.00;
- (c) The PCA shall reimburse USD 9,664.00 to each Party in respect to the unexpended balance of the deposit.

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Date: 17 August 2015

Place of the arbitration: Washington DC, USA.

#### ARBITRAL TRIBUNAL



The Hon. Michael Chertoff  
Co-arbitrator



Mr. Vaughan Lowe, Q.C.  
Co-arbitrator



Mr. Yves Derains  
Chairman