

**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

PROCEDURAL ORDER No. 1

December 20, 2012

Arbitral Tribunal

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

Whereas this first order sets out procedural rules which shall govern this arbitration.

Whereas these rules have been discussed and agreed between the disputing parties and the Arbitral Tribunal during a conference call held on December 13, 2012.

A. Administrative Services

(Articles 40 and 41 of the 2010 UNCITRAL Arbitration Rules)

1. The Permanent Court of Arbitration ("PCA") shall administer the arbitral proceedings and will provide registry services and administrative support. The cost of the PCA's services will be calculated in accordance with the PCA's Schedule of Fees & Costs and shall be included in the costs of the arbitration.
2. In addition, the Arbitral Tribunal may retain an Administrative Assistant to the Presiding Arbitrator, whose fees (USD 200 per hour) and reasonable expenses shall be included in the costs of the arbitration. With the disputing parties' consent, the Arbitral Tribunal has designated Ms. Ana Paula Montans as Administrative Assistant. Contact details are as follows:

Ms. Ana Paula Montans
Derains & Gharavi
25, rue Balzac
75008 Paris – France

E-mail: apmontans@derainsgharavi.com

B. Fees and expenses of the Arbitral Tribunal

(Articles 40 and 41 of the 2010 UNCITRAL Arbitration Rules)

3. Each member of the Arbitral Tribunal shall be remunerated at a rate of USD 3,000 per day of meetings or 8 hours of other work performed in connection with these proceedings, pursuant the ICSID Schedule of Fees.
4. The members of the Arbitral Tribunal shall be reimbursed with respect to all disbursements and charges reasonably incurred in connection with this arbitration (including but not limited to travel expenses, telephone, delivery and copying).
5. All payments to the Arbitral Tribunal shall be made from deposits placed with the Secretariat of the PCA.

C. Apportionment of Costs and Advance Payments

(Articles 40, 42 and 43 of the 2010 UNCITRAL Arbitration Rules)

6. Without prejudice to the final decision of the Arbitral Tribunal regarding costs,

the Claimant and the Respondent agree to share equally advance payments for the Arbitral Tribunal. Upon the issuance of an award, the Arbitral Tribunal may apportion the costs of the arbitration between the disputing parties if it determines apportionment is reasonable under the circumstances of the award.

7. The disputing parties have agreed to pay, as first advance payment for the Arbitral Tribunal's fees/expenses and case administration charges, USD 100,000 for each co-arbitrator and USD 120,000 for the Chairman, which shall be placed with the Secretariat of the PCA
8. The PCA will review the adequacy of the deposit from time to time and, at the request of the Arbitral Tribunal, may invite the disputing parties to make supplementary deposits in accordance with Article 43(2) of the 2010 UNCITRAL Arbitration Rules.
9. Upon request, the PCA shall provide a detailed statement of account with respect to the deposit.
10. The unused balance held on deposit at the end of the arbitration shall be returned to the disputing parties as directed by the Arbitral Tribunal.

D. APPLICABLE LAW AND ARBITRATION RULES

(Article 1120 and 1131 of the NAFTA; Article 1 and 35 of the 2010 UNCITRAL Arbitration Rules)

11. The governing law for this arbitration is the NAFTA and applicable rules of international law.
12. The applicable arbitration rules are the 2010 UNCITRAL Arbitration 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).

E. PROCEDURAL LANGUAGE

(Article 19 of the 2010 UNCITRAL Arbitration Rules)

13. The arbitration shall be conducted in English.

F. SEQUENCE OF THE PROCEEDINGS/PROVISIONAL TIMETABLE

14. The sequence and timing of the proceedings shall be as follows

No.	Date	Party	Description
(a)	January 15, 2013	Disputing Parties	Simultaneous submission on the place of the arbitration

(b)	By end of January 2013	Arbitral Tribunal	Decision on the place of the arbitration
(c)	By end of January 2013	Disputing Parties	The disputing parties are to attempt to reach agreement on terms and propose a draft of a confidentiality order to the Arbitral Tribunal
(d)	February 15, 2013	Respondent	Brief statement on jurisdiction and admissibility
(e)	February 28, 2013	Claimant	Brief answer to Respondent's statement on jurisdiction and admissibility
(f)	March 20, 2013 At 5:00 p.m.	All	Meeting in New York City, NY, for further organization of the proceedings

15. Upon consultation with the parties and for good cause, the Arbitral Tribunal may at any time amend this Procedural Order.



Yves DERAÏNS

Chairman of the Arbitral Tribunal